ANNUAL REPORT

2022

"UIE is a holding company investing in the agro-industry as well as industrial and technology sectors"

CONTENTS

Overview

Directors' Report

Financial Section

Other

Introduction by the Chairmanship

Read more about our sustainability efforts and responsible business behaviour

Other Supplementary Reports 2022

Remuneration Report

Statutory Report on Corporate Governance

UIE IN BRIEF

UIE is a holding company investing in the agro-industry as well as industrial and technology sectors.

UIE exercises long-term and active ownership through direct board representation or close collaboration with the respective management of our portfolio companies.

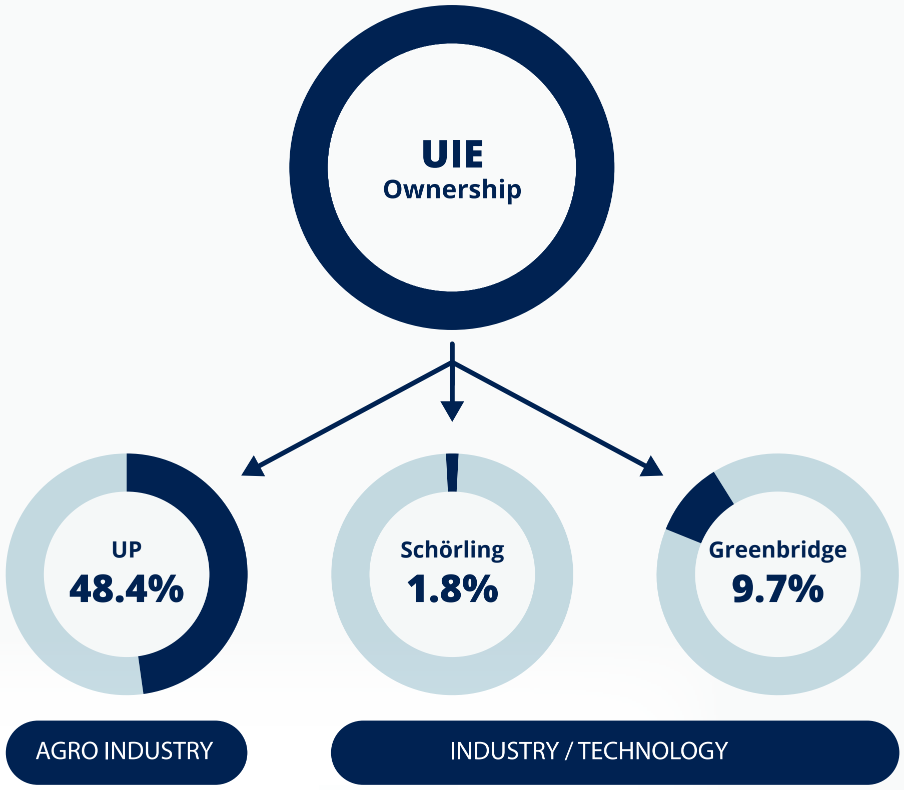
We are committed to investing in companies that value sustainability as one of their key guiding principles, thereby exerting a positive impact on society and the environment at large.

We invest in the agro-industrial sector and in other industries where we can use our experience and network to obtain synergies and long-term growth. By investing in a portfolio of entities with a long-term perspective, we believe the most value is created for our shareholders.

UIE was founded in 1982 and is listed on Nasdaq Copenhagen.

Our investment portfolio currently consists of:

- **United Plantations Berhad ("UP")** – a leading plantation company with agricultural investments in Malaysia and Indonesia where it is involved in the certified sustainable cultivation of oil palms and coconuts and processing of high quality palm oil into value-added palm fractions for the speciality fats and chocolate industry
- **Schörling AB ("Schörling")** – an active holding company working for long-term industrial development with ownership in six companies of which five are publicly listed
- **Greenbridge Sàrl ("Greenbridge")** – an investment company focusing on technology businesses with ownership in four companies

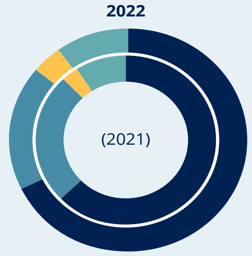


UIE FINANCIAL HIGHLIGHTS
- BUSINESS REPORTING[1]

KEY FIGURES

NET PROFIT/(LOSS) 2022	NET ASSET VALUE PER SHARE ON 31/12 2022[2]	SHARE PRICE ON 31/12 2022	INTERIM DIVIDEND AND PROPOSED FINAL DIVIDEND[3]
(22.1)	**223.5**	**178.5**	**1.00**
USD million	DKK	DKK	USD per share
VS. USD 108.2 million	▲ 3%	▼ 4%	▲ 18%

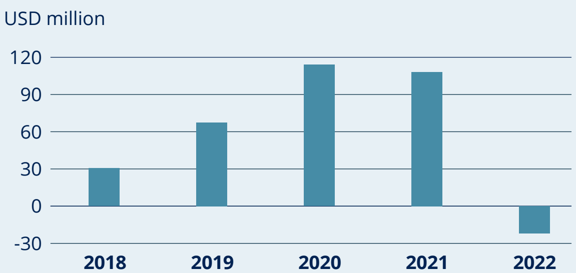
MARKET VALUE OF UIE'S ASSETS ON 31/12



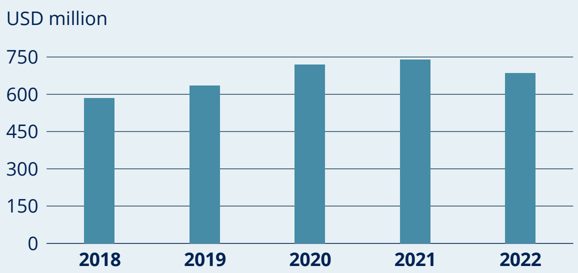
- UP – **68%** (63%)
- Schörling – **18%** (25%)
- Greenbridge – **4%** (3%)
- Cash & Other Net Assets – **10%** (9%)

PERFORMANCE HIGHLIGHTS

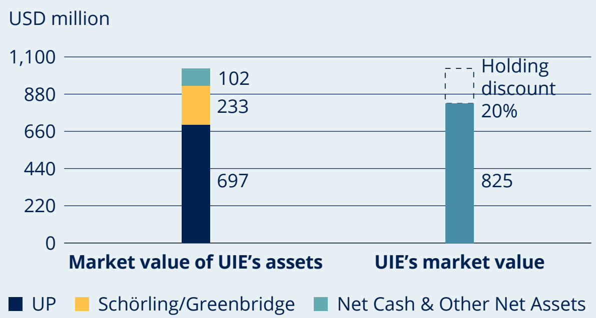
NET PROFIT/(LOSS)



SHAREHOLDERS' EQUITY



MARKET VALUE OF UIE'S ASSETS ON 31/12 2022



1) See page 11 for further explanation of Business Reporting and Accounting Policies.
2) Calculated as total market value of UIE's underlying net assets divided with number of outstanding shares at year-end.
3) On 9 December 2022, an interim dividend of USD 0.27 per share was paid to shareholders in UIE. The Board of Directors proposes a final dividend of USD 0.73 per share for the financial year 2022 to be paid in May 2023.

LETTER FROM THE CHAIRMANSHIP

Despite the global economy facing strong headwinds in 2022, all our main portfolio companies reported strong operational performance.

"Thanks to their agile mindset and innovative approaches, all our portfolio companies succeeded to navigate through 2022 in a satisfactory way.

Carl Bek-Nielsen and Martin Bek-Nielsen
Chairmanship - UIE

2022 was anything but ordinary as our portfolio companies had to navigate through challenges and uncertainties. Just as most countries were beginning to move forward from the Covid-19 pandemic, many new challenges surfaced, impacting the global economy. Moreover, as inflation gripped the world economy, central banks began a monetary tightening cycle to curb inflation, leading to a global economic slowdown. Despite these challenges, our main portfolio companies performed satisfactorily during 2022. This has been possible through a continued focus on developing and implementing innovations and increasing efficiencies and productivities throughout our operations.

Financial Performance in 2022
In 2022, UIE's net result was a loss of USD 22 million compared to a net profit of USD 108 million in 2021. However, the result in 2022 does not reflect the underlying performance of our portfolio investments, whilst UP generated a new record-high net profit of MYR 606 million. Likewise, all the Schörling portfolio companies reported strong results, with improvements both in sales and operating earnings. UIE's loss, however, was mainly due to a significant fair value decrease of USD 74 million in the Schörling investment caused by the turmoil experienced in global equity markets during 2022, exacerbated by a considerably weaker SEK.

UP
UIE's largest investment, UP, reported a net profit of MYR 606 million (USD 137 million) in 2022, primarily due to higher selling prices of crude palm oil ("CPO") and palm kernel ("PK"), as well as a record-high contribution from the refinery segment.

The result is very pleasing, especially as 2022 was, from an operational point of view, the most challenging year in over 75 years, with UP facing the worst labour shortages ever on its estates in Malaysia. However, its innovative and focused approach towards mechanisation and optimising field productivity minimised crop losses that otherwise crippled vast parts of the Malaysian palm oil industry.

UP's long-term replanting policy remains a high priority. All replantings are undertaken with superior planting material developed by our research department, and concerted efforts are continuously made to enhance UP's Breeding-Agronomy and Tissue Culture activities to ensure that production and yields continue to develop favourably.

UP has continuously focused upon economic development, combined with social and environmental care, ever since the company was founded in 1906. These initiatives will continue, thereby reaffirming UP's commitment toward sustainable practices that go beyond the norms recommended by the Roundtable on Sustainable Palm Oil ("RSPO").

Today, consumers, as well as reputable brand manufacturers and retailers, demand full traceability to ensure that raw materials/commodities are produced in a responsible manner. This demand will only intensify in the coming years, opening new market opportunities for UP. As all our Malaysian CPO is processed at our own refineries, we can control all areas of the production and offer certified sustainable, high-quality products with the lowest greenhouse gas ("GHG") footprint and contaminant levels in the world based on full transparency and traceability in the principle of responsible sourcing.

Although a slowdown in the global economy in 2023 is expected, UP will remain focused on increasing yields, productivity and cost efficiencies, which will be of vital importance if commodity prices face a correction.

Schörling
The Schörling portfolio companies also performed well in 2022, despite being affected by shortages and surging prices of raw materials and components. All portfolio companies reported an increase in turnover and operating profit, with some even reporting record sales, record operating profits and operating margins. The portfolio companies made strategic acquisitions and focused on growth initiatives, which helped drive their strong performance.

Although the fair value of our investment in Schörling declined by USD 74 million in 2022, it is important to recognise that our investment in Schörling is long-term and an investment which we will continue to build on. The Schörling portfolio companies stand on solid foundations, being amongst the leaders in their respective markets and business segments. Thus, we remain confident that they are, even within the context of an unpredictable overall outlook, well-positioned to enhance in value in the coming years.

Greenbridge
During 2022, UIE invested an additional SEK 165 million (USD 16.9 million) in Greenbridge in a capital increase amongst existing investors. The proceeds will be used for additional investments within the current portfolio and in new opportunities.

The Greenbridge portfolio companies have accelerated product development and market reach in 2022, and the two main investments, neo4j and NStech, have continued their double-digit growth.

> Even though 2022 was a most challenging year from an operational point of view, commendable efforts throughout UP as well as higher commodity prices secured a record-high net profit in UP.

Greenbridge will, in the coming year, focus on the continued development of the existing portfolio and intensify the search for a new investment, where the focus is on identifying a game changing company.

Even though the two main investments in Greenbridge performed well in 2022, the fair value adjustment of UIE's investment in Greenbridge decreased by USD 8.1 million as valuation multiples in the equity markets decreased significantly during the year.

Overall Strategy of UIE
In UIE, we focus on long-term value creation through active engagement with our portfolio companies and investments in evolving and leading businesses.

Our strategy is to invest in the agro-industrial sector as well as industrial and technology businesses that have the potential to uphold or gain leading positions in their respective markets. Therefore, our priority for the following years is to nurture and advance our well-established investment in the agro-industrial sector through UP combined with building new diversified platforms for creating value through investments with trusted partners.

Sustainability is deeply rooted in our DNA and has been prioritised for many years. We continue to view it as a key pillar to our long-term success, and while we have come a long way on our sustainability journey, we remain steadfast in developing further our commitments to meet the many challenges ahead.

Looking Ahead
Despite the projected slowdown in the global economy in 2023, UP, Schörling and Greenbridge will, through their agile mindset, innovative approaches and various ways of addressing oncoming global challenges, continue in their efforts to drive value creation, thereby delivering satisfactory shareholder returns.

In closing, we would like to thank all stakeholders for their support and continued confidence in UIE during the year.

Carl Bek-Nielsen	**Martin Bek-Nielsen**
Chairman	Deputy Chairman

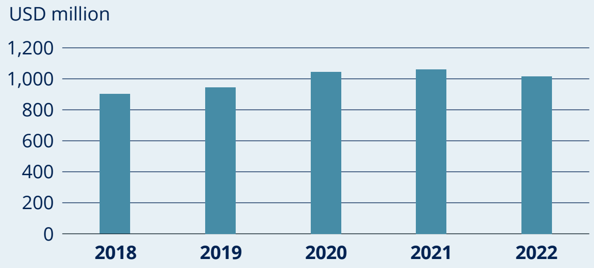
CONSOLIDATED KEY FIGURES

FOR THE YEAR ENDED 31 DECEMBER

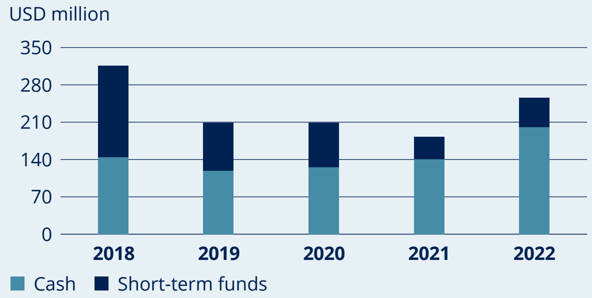
USD '000	2018	2019	2020	2021	2022
INCOME STATEMENT					
Revenue	323,526	283,624	321,088	488,610	573,271
Profit before income tax	107,519	121,070	189,780	211,776	101,817
Net profit	78,834	103,266	163,834	173,295	48,928
Net profit/(loss) attributable to owners of the Company	30,440	67,498	114,065	108,126	(22,099)
BALANCE SHEET					
Current assets	441,725	331,305	363,727	374,242	386,878
Cash and bank balances	144,106	119,231	125,191	140,040	200,441
Short-term funds	171,789	89,557	83,297	42,654	54,998
Non-current assets	548,935	697,571	776,593	813,763	736,171
Total assets	990,660	1,028,876	1,140,320	1,188,005	1,123,049
Total liabilities	89,002	83,321	95,659	127,033	107,190
Equity attributable to owners of the Company	564,442	612,649	696,017	717,393	663,961
Non-controlling interests	337,216	332,906	348,644	343,579	351,898
Total equity	901,658	945,555	1,044,661	1,060,972	1,015,859
FINANCIAL RATIOS[1]					
Earnings per share attributable to owners of the company (USD)[2]	0.90	2.00	3.38	3.31	(0.69)
Share price, end of period (USD)	20.40	20.22	23.19	28.33	25.60
Share price, end of period (DKK)	133.00	135.00	140.50	186.00	178.50
Return on equity (%)[2]	5.35	11.47	17.43	15.30	(3.20)
Solvency ratio (%)[2]	91.02	91.90	91.61	89.31	90.46
Total shares issued end of year	35,555,750	33,727,690	33,727,690	33,727,690	32,227,690
Average outstanding shares	33,955,800	33,727,690	33,727,690	32,686,980	33,358,459

1) Adjusted comparative figures for the share split at 1:10 on 4 August 2022.
2) For definitions, refer to page 115.

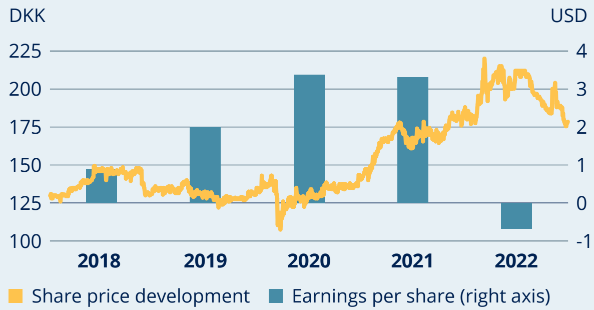
TOTAL EQUITY



CASH & SHORT-TERM FUNDS



SHARE PRICE DEVELOPMENT & EARNINGS PER SHARE



DIRECTORS' REPORT

FINANCIAL REVIEW
– BUSINESS REPORTING

UIE's net result was USD 22.1 million negative in 2022, due mainly to a significant fair value decrease of USD 74.0 million in the Schörling investment. However, the negative result does not reflect the underlying performance of UIE's portfolio companies, as UP reported a new record-high net profit, and all the Schörling portfolio companies reported strong annual results.

Business Performance Review

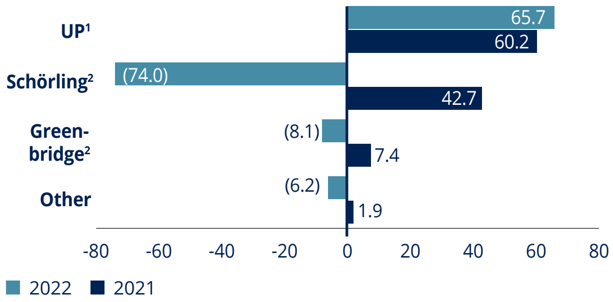
UIE's operating result amounted to a loss of USD 22.6 million in 2022, which is a significant decrease of USD 134.9 million compared to the operating profit of USD 112.3 million reported in 2021, as illustrated in the adjacent graph.

A record-high contribution from UIE's share of UP, amounting to USD 65.7 million, representing an increase of USD 5.5 million compared to 2021, was more than offset by the negative fair value adjustments during the year. Most significant was the negative fair value adjustment of the investment in Schörling of USD 74.0 million, compared to a positive fair value adjustment of USD 42.7 million, as well as a fair value decrease of the investment in Greenbridge of USD 8.1 million compared to an increase of USD 7.4 million in 2021.

In 2022, UIE incurred a net loss of USD 22.1 million, compared to the net profit of USD 108.2 million reported in 2021.

TOTAL OPERATING INCOME IN UIE

USD million



1) Share of net profit.
2) Change in fair value.

Business Reporting Highlights 2022

UP

- UIE's share of UP's result increased by 9% to USD 65.7 million
- UP reported a record-high net profit of MYR 606 million
- In local currency, UP's result increased by 16% due to higher selling prices of CPO and PK. However, measured in USD, a weaker MYR devalued the increase by 9%

Schörling

- The fair value of UIE's investment in Schörling amounted to USD 189.8 million at the end of 2022 - a decrease of USD 74.0 million, or 28%, since year-end 2021
- The decrease is due to the turmoil experienced in global equity markets during 2022 as well as a significantly weaker SEK

Greenbridge

- The fair value of UIE's investment in Greenbridge amounted to USD 43.3 million at the end of 2022. In May 2022, UIE invested an additional USD 16.9 million in a capital increase
- The fair value adjustment in 2022 amounted to a decrease of USD 8.1 million, mainly due to valuation parameters affected negatively by the general turmoil in global equity markets

Other

- Other Items generated a net loss of USD 6.2 million, primarily representing losses deriving from the liquidity reserves (USD 25 million at year-end 2022) invested in a diversified and liquid portfolio of equities and bonds

Business Reporting Versus Consolidated Figures

In the reporting on the following pages, we do not comment on the consolidated figures but on the figures in the Business Reporting.

According to International Financial Reporting Standards as adopted by the EU ("IFRS"), UIE is deemed to have de facto control of UP even though UIE holds less than 50% of UP's voting rights. Hence, UP's result is fully consolidated in UIE's consolidated financial statements. However, as UIE is a non-operating holding company, the Board is of the view that the most appropriate measurement of the performance of the investment in UP is to equity account (measuring UIE's share of UP's net profit in a single line item in UIE's operating profit).

Wolly-owned subsidiaries are fully consolidated, whereas other investments (primarily Schörling and Greenbridge) are measured at fair value. Accordingly, this measurement is used in the Business Reporting as well as consolidated figures. The net profit reported under Business Reporting is basically identical to the net profit attributable to owners of the Company reported in the consolidated financial statements.

For further information on the difference between the Business Reporting in the Directors' Report and the consolidated financial statements, refer to note 1.1 on page 77.

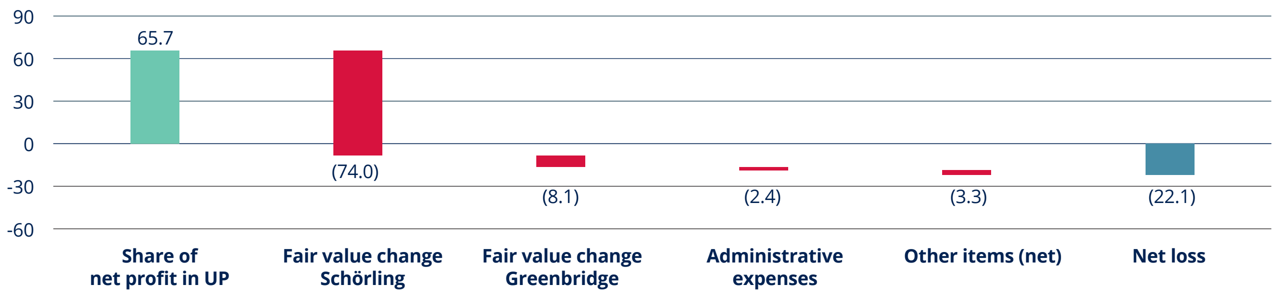
UP

From an operational perspective, 2022 was a most challenging year. Whilst the Malaysian borders finally opened up to migrant labour in April 2022, the precarious labour shortages experienced in 2021 continued and reached a crisis point in the middle of 2022, resulting in unavoidable crop losses on several of UP's estates in Malaysia. However, UP successfully offset crop losses, unlike many other Malaysian palm oil producers, through a higher degree of mechanisation, thereby improving overall field productivities. These multiple efforts resulted in a slight increase of 1% in CPO production on UP's Malaysian estates and a 3% increase in Indonesia, which was most satisfactory considering the acute labour shortages experienced in Malaysia as well as unprecedented rainfall resulting in severe floods on several estates in both Malaysia and Indonesia.

While the operations were challenged, commodity prices surged during the first half of 2022, including CPO prices which peaked at all-time high levels of more than MYR 7,000 per tonne in Malaysia. However, from June to September, the CPO market price decreased significantly, reaching a near 20-month low.

NET PROFIT/(LOSS) 2022

USD million



USD '000	2018	2019	2020	2021	2022
UP, share of net profit	44,113	32,835	46,239	60,225	65,716
Schörling, change in fair value	(12,480)	33,630	61,561	42,749	(73,993)
Greenbridge, change in fair value	946	1,608	1,838	7,364	(8,092)
Other	(222)	1,156	5,695	1,941	(6,206)
Total operating income/(loss)	32,357	69,229	115,333	112,279	(22,575)
Administrative expenses	(2,607)	(2,827)	(2,694)	(2,600)	(2,366)
Net interest income	1,286	1,961	548	(74)	1,182
Foreign exchange gain/(loss)	(323)	(485)	2,379	(1,412)	635
Profit/(loss) before tax	30,713	67,878	115,566	108,193	(23,124)
Income tax	(93)	(282)	(1,438)	(29)	1,027
Profit/(loss) after tax	30,620	67,596	114,128	108,164	(22,097)

UP's effective cost control and productivity improvements were crucial in an environment of soaring fertiliser, chemical and energy costs and higher wages.

With the higher selling prices of CPO and PK and a record-high contribution from the refining operations, UP achieved a record-high net profit of MYR 605.6 million, which was 16% higher than in 2021. Converted to USD, UIE's functional currency, UP's net profit amounted to USD 136.7 million, an increase of only 9%, due to a weaker average exchange rate of the MYR against the USD in 2022 compared to 2021.

UIE's share of UP's result (excluding minorities) amounted to USD 65.7 million in 2022, which is an increase of 9% or USD 5.5 million compared to USD 60.2 million reported in 2021.

In 2022, UIE received USD 57.2 million in dividends from UP compared to USD 46.1 million in 2021.

UP's results are reported in the section "UP" on pages 18-27.

For further information about UP, download UP's Annual Report 2022 or visit the website www.unitedplantations.com.

Download UP's Annual Report 2022

Schörling

UIE's investment in Schörling is accounted for at fair value, with movements being recognised in the Income Statement.

Even though all the portfolio companies reported an increase in turnover and operating profit, the share price of all the companies decreased in 2022 as a consequence of turbulent equity markets.

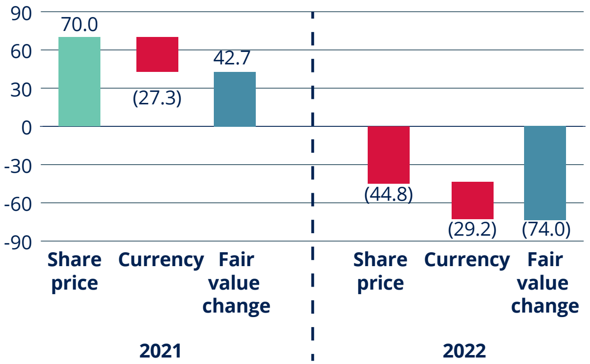
In 2022, the individual share price development of Schörling's listed portfolio companies ranged from a decrease of 8% (Hexpol) to a reduction of 30% (Securitas). The largest investment, Hexagon, accounting for 57% of the investments in Schörling (at year-end 2022), decreased by 24%.

At year-end 2022, the net asset value per share in Schörling was SEK 1,006, and the value of UIE's interest in Schörling was SEK 1,980 million, representing a decrease of 17% compared to SEK 2,384 million recognised at the end of 2021, corresponding to a loss of SEK 404 million in 2022 (2021: a gain of SEK 573 million).

Measured in USD, UIE's functional currency, the value of UIE's investment in Schörling was also negatively affected by the SEK weakening by 13% against the USD in 2022. As a result, the value, measured in USD, decreased by 28%, corresponding to USD 74.0 million (from USD 263.8 million to USD 189.8 million). In 2021, the fair value of UIE's investment in Schörling increased by USD 42.7 million due to significant share price increases offset by currency translation losses as the SEK also weakened during 2021.

SCHÖRLING FAIR VALUE ADJUSTMENT

USD million



For further information about Schörling, refer to "Schörling in brief" on pages 28-32, visit Schörling's website www.schorlingab.se, or visit the portfolio companies' websites:

- Hexagon: www.hexagon.com
- ASSA ABLOY: www.assaabloy.com
- AAK: www.aak.com
- HEXPOL: www.hexpol.com
- Securitas: www.securitas.com
- Anticimex: www.anticimex.com

Greenbridge

UIE's investment in Greenbridge is accounted for at fair value, with movements being recognised in the Income Statement.

In 2022, the fair value of UIE's investment in Greenbridge decreased by USD 8.1 million, as valuation multiples in the equity markets generally significantly decreased throughout the year, especially for tech companies. In 2021 for comparison, the fair value increased by USD 7.4 million.

On 18 May 2022, UIE invested an additional SEK 165 million (USD 16.9 million) in Greenbridge in a capital increase amongst existing investors. As part of this process, the investors agreed to convert Greenbridge from an investment partnership into a company incorporated in Luxembourg with a long-term investment strategy.

The purpose of Greenbridge is unchanged, namely to invest in and maintain an industrial focus on high-tech and/or software-related companies. Greenbridge has made investments in four companies; Neo4j, Rus-Savitar SRL, NStech and NEXT Biometrics. With the capital increase in May 2022, Greenbridge has the resources to make further investments in its current portfolio and consider new opportunities when these arise.

UIE has, in total, invested USD 39.1 million (SEK 363 million) in Greenbridge and is not committed to any further investment.

On 31 December 2022, the value of UIE's ownership in Greenbridge was USD 43.3 million (SEK 452 million).

For further information about Greenbridge, refer to "Greenbridge in brief" on pages 33-34 or visit the individual companies' websites:

- Neo4j: www.neo4j.com
- Rus-Savitar SRL: www.mobilacasarusu.ro
- NStech: www.nstech.com.br
- NEXT Biometrics: www.nextbiometrics.com

Value of UIE's investments

The value of UIE's investments in UP, Schörling and Greenbridge is shown in the table below. The total value of the investments on 31 December 2022 amounted to USD 587.7 million, corresponding to a decrease of USD 59.6 million, mainly attributed to the fair value adjustment of Schörling and Greenbridge.

Other Income and Administration Costs

Approximately USD 25 million, representing roughly 24% of UIE's cash reserves, is invested in a liquid and diversified portfolio of equities and fixed income products. The result of these investments, reported in other income, was a loss of USD 6.3 million in 2022 compared to a gain of USD 1.8 million in 2021 due to a turbulent year in the global equity and bond markets.

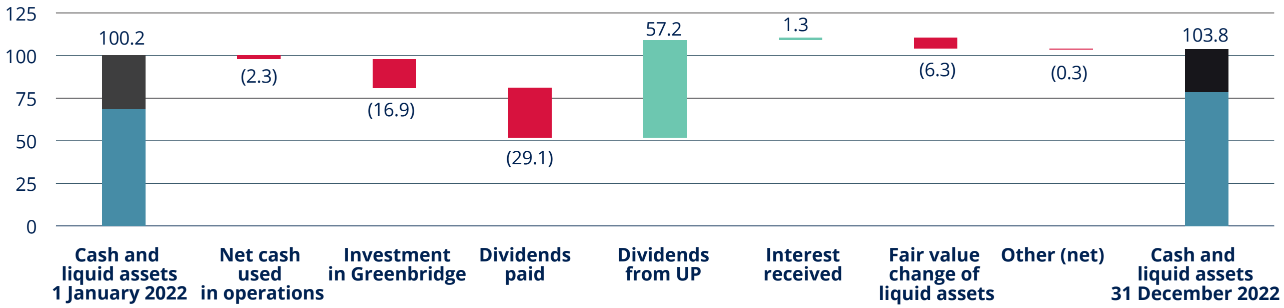
General and administrative expenses totalled USD 2.3 million compared to USD 2.6 million in 2021.

VALUE OF UIE'S INVESTMENTS

USD '000	UP	Schörling	Greenbridge	Total
Balance on 1 January 2022	348,960	263,840	34,513	647,313
Change in fair value	-	(73,993)	(8,092)	(82,085)
Investments during the year	-	-	16,891	16,891
UIE share of results	65,716	-	-	65,716
Dividends received	(57,219)	-	-	(57,219)
Foreign currency translation adjusted in equity	(18,394)	-	-	(18,394)
UIE share of other equity movements	15,482	-	-	15,482
Total balance on 31 December 2022	354,545	189,847	43,312	587,704

CASH FLOWS IN 2022

USD million



Interest Income

Interest from UIE's bank deposits amounted to a net income of USD 1.2 million in 2022, relative to a net expense of USD 0.1 million in 2021. The increase reflects the higher interest levels seen during 2022.

Financial Position

Shareholders' equity in the UIE segment decreased by USD 54.9 million, from USD 739.6 million on 31 December 2021 to USD 684.6 million on 31 December 2022. The equity was negatively affected by the net loss of USD 22.1 million, the dividend payment of USD 29.1 million and USD 3.7 million being the net effect of foreign currency translations of net investments in subsidiaries as well as adjustment of hedge accounting reserves related to UP.

Cash Flows

Total net cash reserves and liquid assets in UIE increased from USD 100.2 million (hereof liquid assets; USD 31.9 million) on 31 December 2021 to USD 103.8 million (hereof liquid assets; USD 25.3 million) on 31 December 2022, corresponding to an increase of USD 3.6 million.

As shown in the graph above, UIE received USD 57.2 million in dividend income from UP in 2022.

UIE distributed dividends of USD 29.1 million, of which USD 20.4 million was paid out in May 2022 (for the financial year 2021) and an interim dividend for 2022 of USD 8.7 million was paid out in December 2022.

Share Split

At the Annual General Meeting ("AGM") on 19 May 2022, shareholders authorised a share split at a ratio of 10 new shares for every share held. The share split was completed on 4 August 2022, after which the share capital comprised 33,527,690 shares of USD 1.00 each.

Cancellation of Treasury shares

During 2022, a total of 1,500,000 shares of USD 1.00 each were cancelled, corresponding to a 4.4% reduction of the share capital since the beginning of 2022. Hereof, 20,000 shares of USD 10.00 each per share (equivalent to 200,000 shares of USD 1.00 each, after the share split) were cancelled in February 2022, based on the authorisation given at the AGM in May 2021. Furthermore, 1,300,000 shares were cancelled in November 2022, based on the authorisation given at the AGM on 19 May 2022.

The Company's issued share capital by the end of 2022 was thus reduced to USD 32,227,690, consisting of 32,227,690 shares of USD 1.00 each.

UIE held 21,974 treasury shares of 1.00 USD each on 31 December 2022, corresponding to 0.07% of the issued share capital.

Proposed Dividend

In addition to the interim dividend of USD 0.27 per share (equivalent to DKK 1.95 per share), paid in December 2022, the Board of Directors has resolved to recommend a final dividend of USD 0.73 per share (equivalent to DKK 5.11 per share) for the financial year 2022. The dividends are expected to be paid to shareholders on 23 May 2023.

For the financial year 2023, the dividend policy will remain unchanged, distributing 50% of dividends from its investments to shareholders. The dividend will be distributed as an interim dividend in December 2023 and a final dividend in May 2024, thus following the dividend payment structure as applied in UP.

STRATEGY

UIE is a holding company focusing on long-term value creation through active engagement with our portfolio companies and investments in evolving and leading businesses.

Our strategy is to invest in the agro-industrial sector as well as industrial and technology businesses that have the potential to uphold or gain leading positions in their respective markets.

We will continue to nurture our well-established investment in the agro-industrial sector through UP, whilst building new diversified platforms for creating value through investments with trusted partners.

Our association with the Schörling Group, since 2004, and the investments made within selected industrial and technology businesses have proven to be sound and is a growing segment of our portfolio, which we will continue to build upon.

We have a tradition of being active owners either through direct board representation or close collaboration with the respective management of our portfolio companies and firmly believe that cultivating sustainable business practices is an essential prerequisite for creating long-term value.

Many industries and sectors are undergoing profound transformation and we therefore prioritise and promote an agile mindset within our portfolio companies. Our ability to adapt to changing environments within attractive and growing business areas is a vital pillar towards the sustained and positive financial performance of UIE.

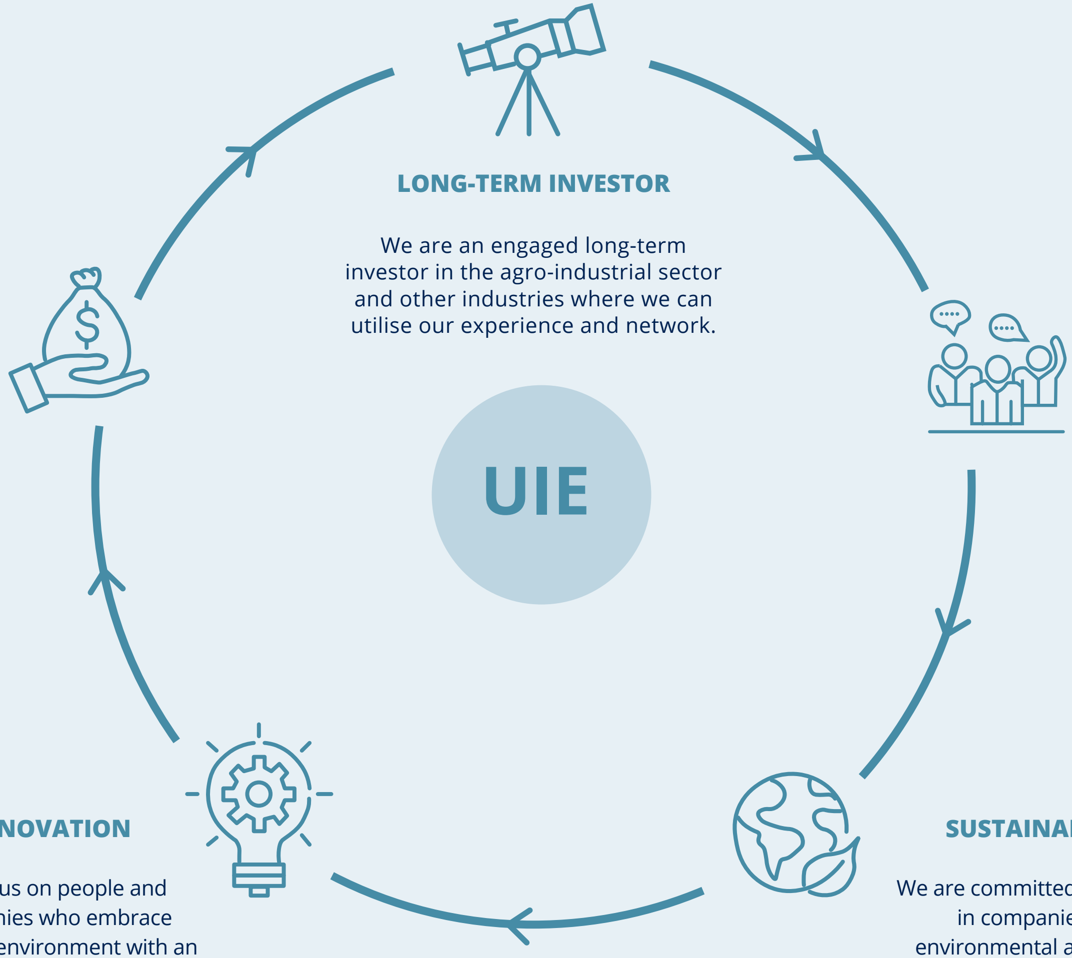
UP and our other investments are amongst the leaders within their respective fields, and we will endeavour to sustain this. In this connection, it is our clear view that the oil palm, when cultivated responsibly, will remain an important crop to feed a growing world population due to its unparalleled productivity and versatile application range. Therefore, we will continue to commit ourselves towards a twin strategy of sustainability and innovation-driven initiatives within the plantation sector.

We are committed to maintaining a conservative capital structure that enables us to pursue potential investments without undue dependence on debt financing. It is important to re-emphasise that UIE is a long-term investor with an unwavering commitment towards upholding the highest levels of integrity in our business dealings.

> We invest in companies, partnerships, and people who view dedication, trust, and loyalty as key ingredients for success.

OUR BUSINESS MODEL

Our business model is based on five principles; a long-term investment approach, active ownership, sustainability, innovation and value creation for the portfolio companies, our shareholders and society at large.



LONG-TERM INVESTOR

We are an engaged long-term investor in the agro-industrial sector and other industries where we can utilise our experience and network.

ACTIVE OWNERSHIP

We exercise our influence in the portfolio companies either through Board representation or close dialogue with management.

SUSTAINABILITY

We are committed to investing in companies with environmental and socially conscious business practices.

INNOVATION

We focus on people and companies who embrace changing environment with an agile mindset and stimulate innovative solutions and practices.

VALUE CREATION

We invest in companies that are focused on long-term profitability and growth to create value for our shareholders.

PORTFOLIO COMPANIES

UP IN BRIEF

UP is amongst the most efficiently managed, sustainable and innovative plantation companies in the world.

UP was founded in 1906 and is listed on the Main Market of Bursa Malaysia Securities Berhad with a market capitalisation of MYR 6,346 million[1] (corresponding to approximately USD 1,442 million) at the end of 2022.

UP's business activities focus on the cultivation of oil palm and coconuts and processing of palm oil in Malaysia and Indonesia through sustainable practices superior to the Principles & Criteria of the Roundtable on Sustainable Palm Oil ("RSPO").

UP possesses considerable know-how in plant breeding, agronomy and tissue culture through its R&D facilities for the development of new and improved planting materials as well as improved crop husbandry practices. Through its sound managerial and technical expertise, UP is recognised as the highest yielding, cost-competitive and innovative plantation companies in Malaysia.

NET PROFIT 2022

606

MYR million

▲ 16%

CASH[2] ON 31/12 2022

779

MYR million

▲ 63%

SHARE PRICE ON 31/12 2022

15.3

MYR

▲ 10%

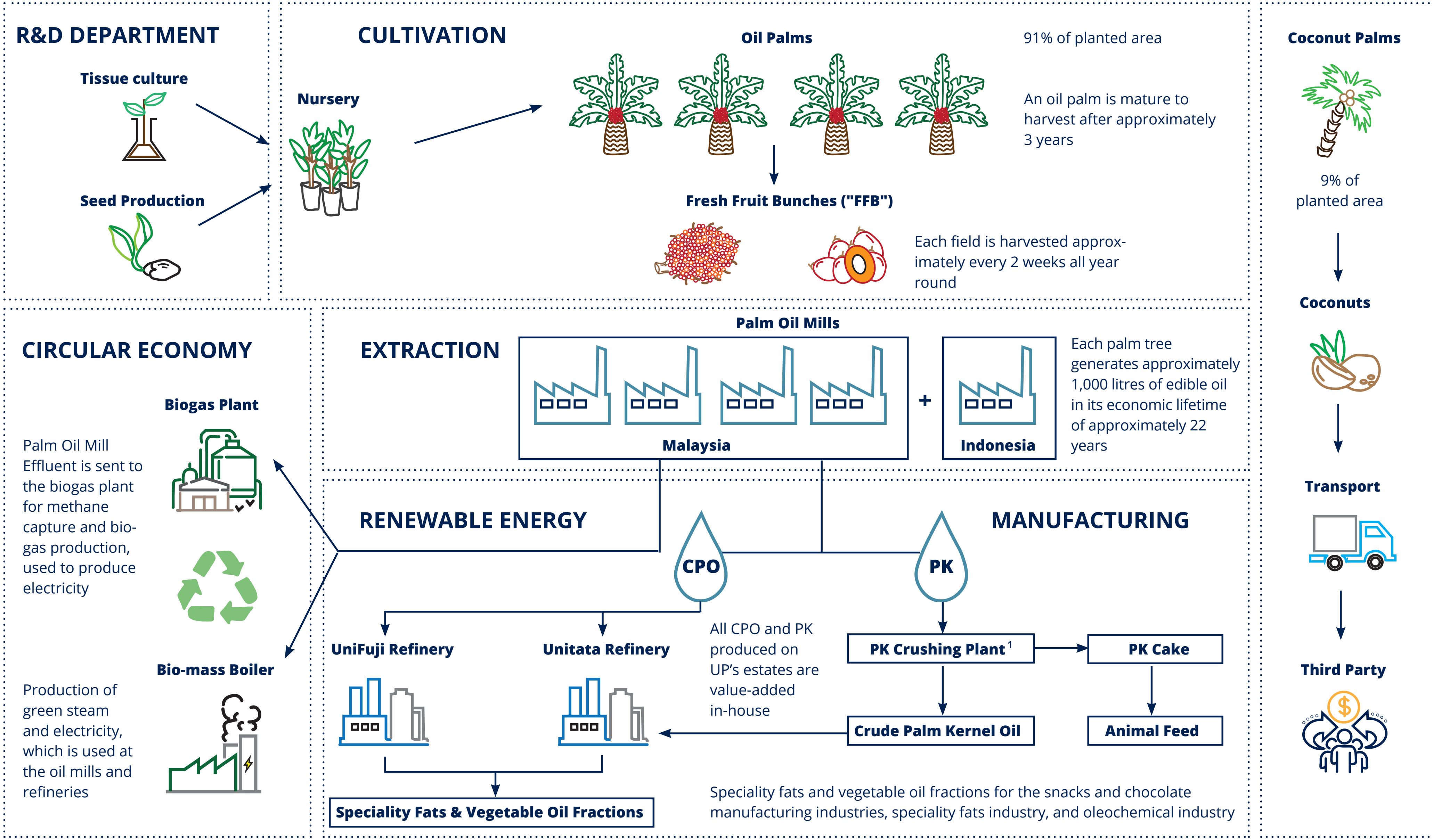
UIE OWNERSHIP ON 31/12 2022

48.4 %

▶ 0%

1) Excluding treasury shares.
2) Cash including short-term funds.

UP'S ACTIVITIES



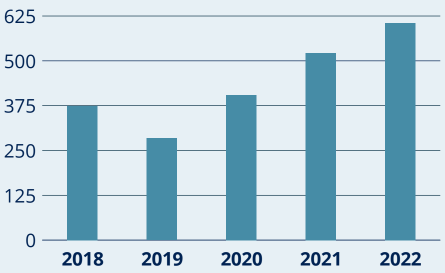
1) Third party.

UP HIGHLIGHTS

FIVE-YEAR FINANCIAL PERFORMANCE

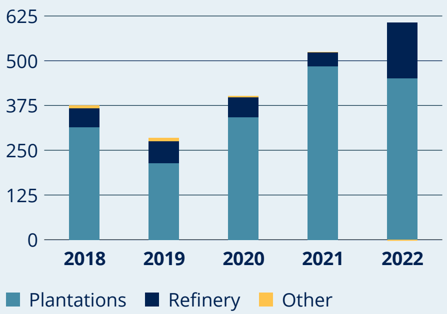
NET PROFIT

MYR million



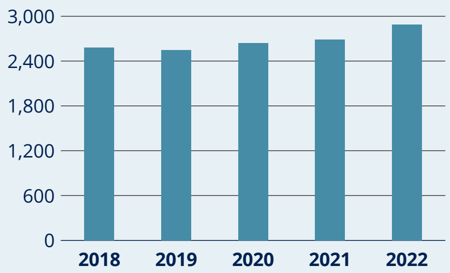
NET PROFIT BY SEGMENT

MYR million



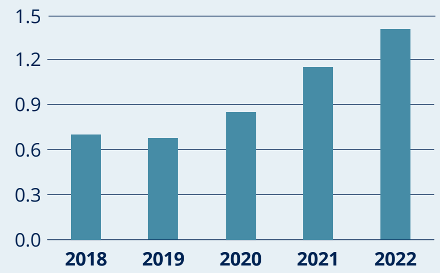
SHAREHOLDERS' EQUITY

MYR million



DIVIDENDS[1]

MYR per share

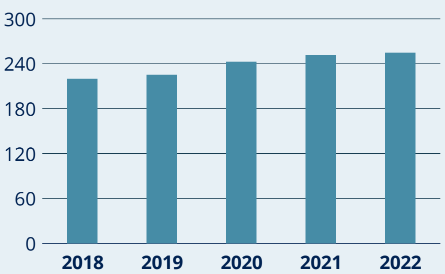


1) Comparative figures adjusted for share split in UP.

FIVE-YEAR PRODUCTION FIGURES

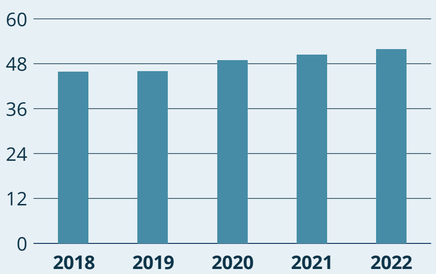
CPO PRODUCTION

'000 tonnes



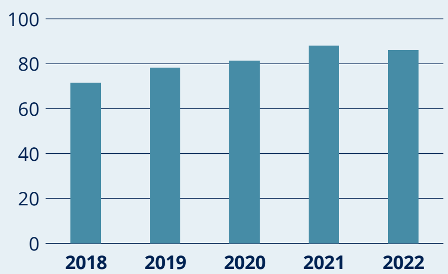
PK PRODUCTION

'000 tonnes



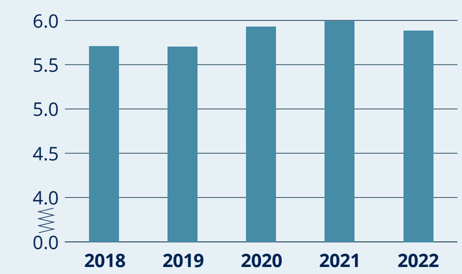
COCONUT PRODUCTION

Million nuts



CPO YIELD

Tonnes/ha



UP

Despite most challenging operational conditions, UP achieved a record-high net profit of MYR 605.6 million in 2022 - an improvement of 16%, mainly due to higher selling prices for CPO and PK as well as a record-high contribution from the refining segment.

Business Reporting – UP

In the following section, the description of the developments within UP is based on figures reported by UP in MYR, which is UP's functional currency.

For further information, refer to note 1.1. on page 77.

The following is a summary of the performance and development in UP in 2022.

For a full description, refer to UP's Annual Report 2022 or visit the website www.unitedplantations.com.

Download UP's Annual Report 2022

Business Performance Review

In 2022, UP reported a record-high net profit of MYR 605.6 million (USD 136.7 million), which was 16% higher than the net profit of MYR 522.2 million (USD 125.4 million) reported in 2021. The increase is mainly due to higher selling prices for CPO and PK as well as a record-high contribution from the refining segment. Furthermore, production volumes were slightly higher despite significant operational challenges caused by labour shortages and unfavourable weather conditions.

The result for 2022 was most gratifying and was achieved in an environment of soaring fertiliser, chemical and energy costs as well as higher wages. Moreover, the result was achieved in spite of non-recurring costs in 2022, totalling MYR 69.7 million. These costs relate to a one-off, 9% Malaysian prosperity tax, amounting to MYR 45.0 million, and a one-off voluntary payment of MYR 24.7 million related to the reimbursement of all UP's guest workers' past recruitment fees, paid to third parties. Adjusted for these non-recurring items, the 2022 net result was MYR 675.3 million, 29% higher than the net result in 2021.

Operational Challenges

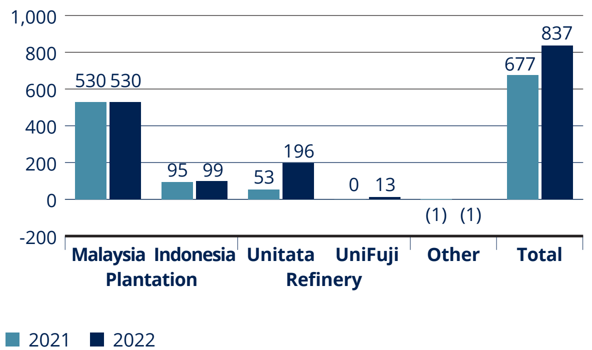
Labour shortages have challenged the Malaysian Palm Oil Industry since 2020. The situation was significantly exacerbated by the border closing in March 2020 (due to Covid-19), preventing the recruitment of guest workers from neighbouring countries. Guest workers comprise around 85% of the total labour force in the Malaysian plantation sector. Like many other plantation companies, UP faced its worst labour shortages ever in 2022, creating enormous operational challenges. However, during the fourth quarter of 2022, the labour situation finally started to stabilise as new guest workers began arriving in UP Malaysia.

KEY FINANCIAL FIGURES

UP BUSINESS PERFORMANCE IN MYR

MYR million	2021	2022
Revenue	2,033.5	2,514.8
Other income	22.1	16.3
Operating expenses	(1,379.3)	(1,707.2)
Operating income	676.3	823.9
Share of result of joint venture	0.3	13.3
Net finance income	6.8	9.3
Profit before tax	683.4	846.5
Tax	(161.2)	(240.9)
Net profit	**522.2**	**605.6**

UP OPERATING INCOME BY SEGMENT[1]



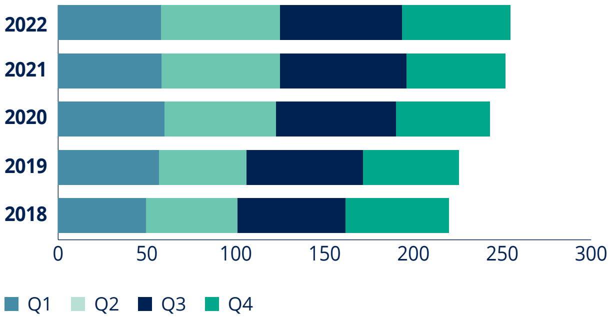
1) Including share of result in UniFuji.

UP BUSINESS PERFORMANCE IN USD

USD million	2021	2022
Revenue	488.6	573.3
Other income	5.3	3.9
Operating expenses	(331.5)	(391.4)
Operating income	162.4	185.8
Share of result of joint venture	0.1	2.1
Net finance income	1.6	3.0
Profit before tax	164.1	190.9
Tax	(38.7)	(54.2)
Net profit	**125.4**	**136.7**

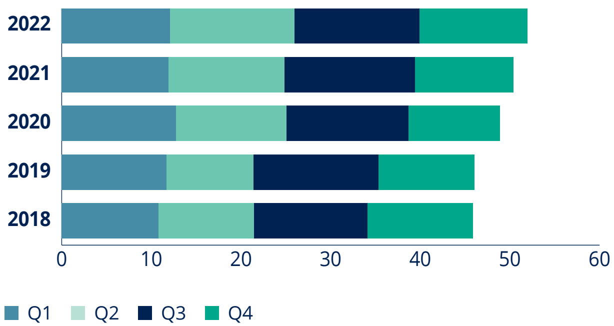
CPO PRODUCTION

'000 tonnes



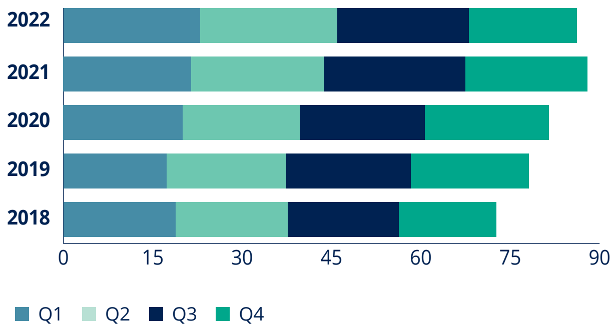
PK PRODUCTION

'000 tonnes



COCONUT PRODUCTION

Million nuts



In addition to the labour shortages, unfavourable weather conditions, which caused significant floodings in some of the estates in Malaysia and Indonesia during the final quarter of the year, also negatively impacted production.

UP has, since 2020, intensified its focus on enhancing productivity through various innovations as well as mechanisations wherever possible, thereby reducing its dependency on labour. As a consequence, UP has managed to continue its operations without significant crop losses during the year as opposed to the significant crop losses experienced in many other Malaysian plantation companies.

Plantation Operations
UP's main activity, its plantation operations, recorded a record-high operating profit of MYR 629.7 million in 2022, reflecting an increase of 1% compared to the MYR 624.3 million reported in 2021. The increase is mainly due to higher sales prices for CPO and PK and slightly higher production volumes.

When comparing the operating profit in the two years under review, it should be noted that the result from the plantation operations in 2022 included a one-off voluntary payment of MYR 24.7 million related to the reimbursement of all UP's guest workers' past recruitment fees, that had been paid to third parties. Adjusted for this non-recurring event, the operating profit for the plantation operations for 2022 was MYR 654.4 million compared to MYR 624.3 million in 2021 – an increase of 5%.

Production
UP's profitability is highly dependent on production volumes and the selling prices of CPO and PK.

In 2022, UP's production of CPO and PK increased by 1% and 3%, respectively, equivalent to an increase of 2,788 tonnes of CPO and 1,549 tonnes of PK, despite the previously mentioned challenging operational conditions.

On UP's Malaysian estates, the CPO production in 2022 was 209,020 tonnes, which was slightly higher than the 207,504 tonnes in 2021. The increase was mainly

driven by the concerted efforts to enhance UP's operational efficiencies throughout the plantation value chain, thereby containing crop losses in, arguably, the most challenging environment in the last 75 years. The increase in production was also positively impacted by larger areas from the newly acquired Tanarata Estate attaining maturity, as well as yield improvement from the substantially replanted areas in Malaysia over the past decade (with planting materials developed in-house).

On the Indonesian estates, CPO production amounted to 45,369 tonnes, corresponding to an increase of 3% compared to 2021. The increase was due to the palms recovering from the biological resting period, which had prevailed during the final six months of 2021.

UP Indonesia's production accounted for 18% of UP's total CPO production in both 2021 and 2022.

The total area planted with oil palms in Malaysia and Indonesia was 46,307 hectares on 31 December 2022, which was marginally below the 46,521 hectares in 2021.

In 2022, the immature areas accounted for 6% of the total planted area compared to 8% in 2021. The total immature area in Malaysia accounted for 7% (2,679 hectares) in 2022, in comparison with 10% in 2021. In Indonesia, all of UP's planted areas are mature.

CPO AND PK PRODUCTION IN UP

Tonnes	2021	2022	Change
CPO Production			
Malaysia	207,504	209,020	1%
Indonesia	44,097	45,369	3%
Total UP Group	**251,601**	**254,389**	**1%**
PK Production			
Malaysia	41,535	41,985	1%
Indonesia	8,844	9,943	12%
Total UP Group	**50,379**	**51,928**	**3%**

In 2022, UP's coconut production decreased by 2%, from 88.0 million nuts in 2021 to 86.1 million in 2022, due to lower demand for fresh coconuts in the last 3-4 months of 2022. More rainfall also affected production, as the number of rainy days was much higher than the year before. In addition, the average yield declined from 22,247 nuts per hectare in 2021 to 22,172 in 2022 due to younger areas coming into production, which inherently have a lower yield profile during the maturing phase.

Developments in Market & Selling Prices

Along with production volume, UP's profitability is highly dependent on palm oil prices, which can fluctuate significantly.

In 2022, UP achieved an average selling price of MYR 3,745 per tonne of CPO, corresponding to an increase of 15%, while the average selling price of PK increased by 24% compared to 2021.

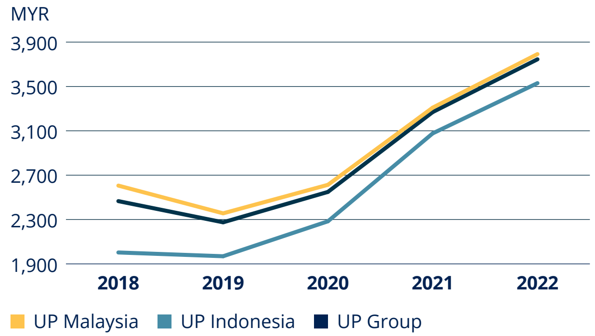
In 2022, CPO prices experienced unprecedented levels of volatility. At the beginning of the second quarter, palm oil prices reached MYR 7,268 per tonne in the third-month position – levels that have never been seen before. This was primarily attributed to the tightness in the entire vegetable oil complex due to supply constraints, exacerbated by the shortfall in sunflower oil exports caused by the Russia-Ukraine war as well as a short-lived Indonesian export ban on palm oil.

However, from June to September, the CPO market price decreased significantly, reaching a near 20-month low of MYR 3,220 during September due to the reversal of the Indonesian export ban and increasing global economic uncertainties.

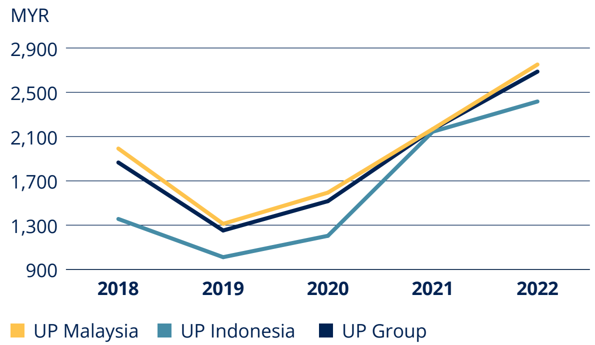
In the last quarter of 2022, the prices stabilised and traded in a range of MYR 3,800-4,200 per tonne for the third-month position. Currently, they are trading at MYR 4,100 per tonne.

UP has a policy of forward selling certain quantities of Malaysian-produced CPO. In 2022, UP achieved an average selling price of MYR 3,792 per tonne for the CPO produced in Malaysia, 15% higher than in 2021 but lower than the average Malaysian Palm Oil Board ("MPOB") prices for the period. Usually, the forward sales policy will result in lower average sales prices in a rising market, as opposed to higher average sales prices in a falling market, as experienced in the second half of 2022.

AVERAGE SELLING PRICE CPO



AVERAGE SELLING PRICE PK



AVERAGE SELLING PRICES OF CPO AND PK

MYR per tonne	2021	2022	Change
CPO			
UP Malaysia	3,309	3,792	15%
UP Indonesia	3,079	3,530	15%
UP average	3,269	3,745	15%
MPOB average	4,407	5,088	15%
PK			
UP Malaysia	2,168	2,751	27%
UP Indonesia	2,144	2,417	13%
UP average	2,164	2,687	24%
MPOB average	2,773	3,118	12%

The forward sales policy is in place to secure certain margins and reduce exposure to large price fluctuations. However, it is not in anticipation of being able to predict market prices consistently.

The average selling price obtained from CPO sales made in UP Indonesia was MYR 3,530 per tonne, 15% higher than the MYR 3,079 per tonne achieved in 2021. Due to different duty structures, Malaysian and Indonesian CPO and PK prices are not fully comparable.

As the market price for CPO was significantly above the windfall tax threshold of MYR 3,000 per tonne in 2022 (increased from MYR 2,500 in 2021), UP's plantation operations in Malaysia incurred MYR 62.0 million in windfall tax (reported in "Other expenses"), relative to MYR 54.9 million incurred in 2021.

CPO Yield

After several years of steady yield improvement in UP Malaysia, the yield in 2022 decreased slightly by 3% to 6.09 tonnes CPO/ha. This is, however, satisfactory considering the significant operational challenges faced in 2022. With a focus on timely manuring, harvesting and fruit evacuation as well as intensified focus on mechanisation and other innovations to increase productivity, UP managed, despite the very challenging conditions, to minimise field losses and achieve yields above 6 tonnes CPO/ha in 2022, which is almost twice the Malaysian national average.

UP's Indonesian production yields improved compared with the levels achieved in 2021 as the palms came out of a biological resting phase, thereby achieving a CPO yield of 5.10 tonnes CPO/ha, a 5% increase compared to the 4.87 tonnes CPO/ha in 2021.

In 2022, 12% of UP's mature area in Malaysia had an age profile of 2.5 to 5 years compared to 11% in 2021. These young palms inherently have a lower yield profile than the yield profile for 6-18-year-old palms.

UP'S YIELD VERSUS MALAYSIAN NATIONAL YIELD

	2018	2019	2020	2021	2022	2021-2022 Change	2018-2022 Change
Malaysian national yield in tonnes CPO/ha	3.42	3.47	3.33	3.10	3.05	(2%)	(11%)
UP Malaysian avg. yield in tonnes CPO/ha	5.73	5.88	6.13	6.29	6.09	(3%)	6%
UP Indonesian avg. yield in tonnes CPO/ha	5.66	5.11	5.21	4.87	5.10	5%	(10%)
UP Group avg. yield in tonnes CPO/ha	5.71	5.70	5.93	5.99	5.89	(2%)	3%
UP Group avg. yield in tonnes FFB/ha	26.20	25.88	26.65	27.48	27.57	0%	5%
UP Group avg. oil extraction rates ("OER"), %	21.80	22.02	22.24	21.78	21.35	(2%)	(2%)
UP Group avg. kernel extraction rates ("KER"), %	4.55	4.50	4.48	4.36	4.36	0%	(4%)

Development of Planting Material and Replanting Policy as well as Yield Targets

A vital part of UP's success is the continual effort made at the R&D Centre to improve planting materials and agronomic practices. This remains of vital importance in UP's ability to enhance its agronomic productivity further to reach its target of 28.0 tonnes of FFB/ha and an OER of 23%, equivalent to a yield of 6.5 tonnes CPO/ha in Malaysia.

The target for the Indonesian operations is 25.5 tonnes of FFB/ha and an OER of 25.5%, equivalent to a CPO oil yield of 6.5 tonnes CPO/ha.

The difference in yield of FFB/ha and the OER between the countries is due to the differences in planting materials, soils, climatic conditions and labour availability.

A total of 523 hectares of oil palms were replanted on UP's Malaysian properties in 2022 compared to 1,535 hectares in 2021.

During the last ten years (2013-2022), UP's Malaysian estates have replanted a total of 19,217 hectares of oil palms, equivalent to 51% of the total area in Malaysia planted with oil palms.

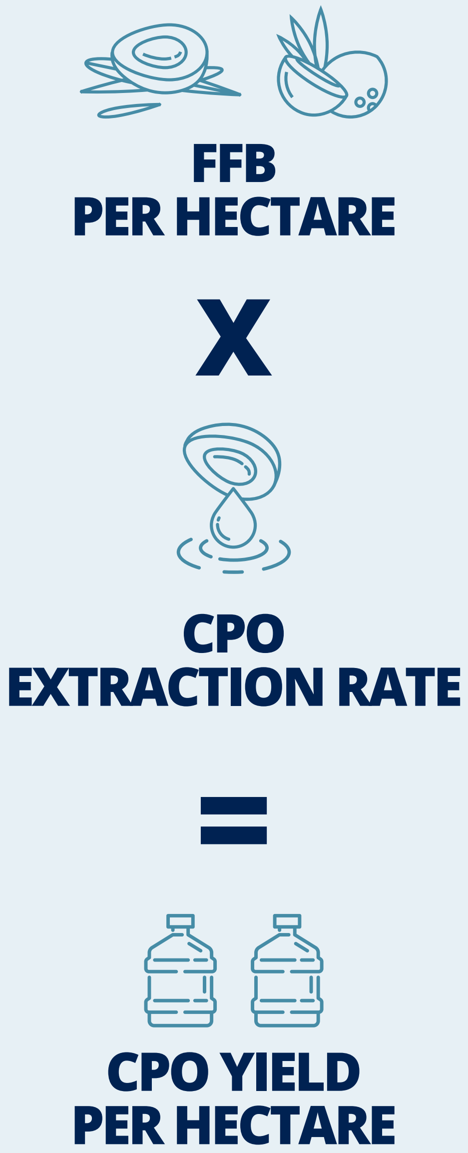
In 2022, UP completed the replanting on Tanarata Estates and expects, in due course, that yields will reach 28-30 FFB/ha relative to the 14-16 FFB/ha at the time of acquisition.

UP's long-term replanting policy continues to be a high priority in times of high vegetable oil prices. Furthermore, it is essential to improve further the age profile and average yields, which are critical in maintaining a favourable cost base. All planting material used for this extensive replanting programme has been produced in-house by UP, using exclusively proven germplasm with more than 70 years of proven plant breeding techniques for securing high yields.

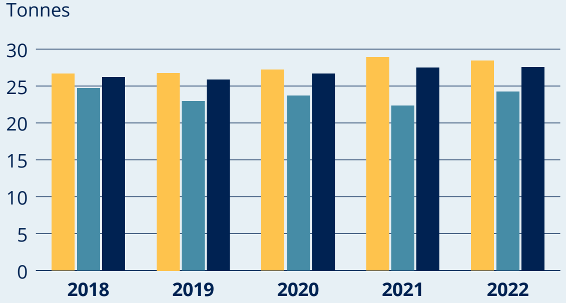
Production Costs

The total CPO production costs in Malaysia was MYR 1,656 per tonne in 2022 (including depreciation and additional remuneration/bonuses) compared to MYR 1,247 per tonne in 2021. This represents a significant increase primarily due to the impact of inflation on fertilisers, agrochemicals, energy prices and consumables, as well as a 25% increase in the minimum wage.

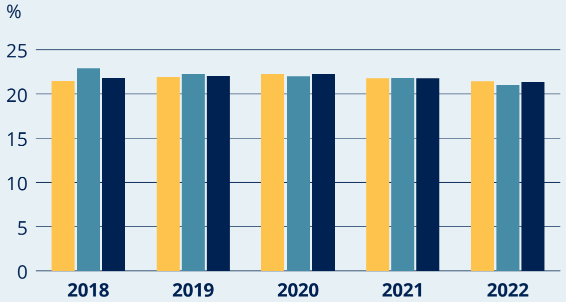
Labour cost is a key focus area for UP. In 2022, UP achieved further productivity improvements through innovations and mechanisation of field tasks wherever possible.



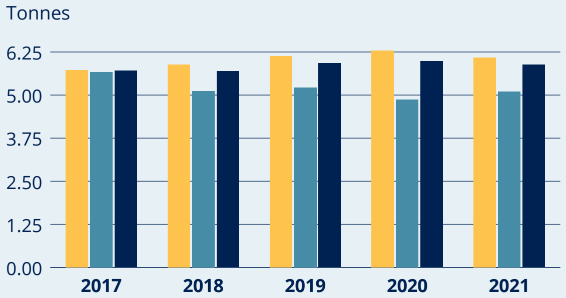
FFB PER HECTARE



CPO EXTRACTION RATE



CPO YIELD PER HECTARE



UP Malaysia UP Indonesia UP Group

Labour Shortages
Labour shortages continued to severely affect the operations within the Malaysian plantation sector in 2022. Due to the travel restrictions, recruitment of new workers from the neighbouring countries (which make up around 85% of the total labour force in the Malaysian plantation sector) has been virtually impossible until the last quarter of 2022. At one point, the acute labour shortage was estimated to have exceeded 100,000 employees within the Malaysian plantation sector, leading to unusually high field losses, especially amongst the smallholder segment accounting for about 30% of Malaysia's palm oil production today.

UP's Malaysian Estates also experienced enormous challenges unlike anything within living memory as the total number of employees in the plantations declined by 29%, equal to 1,201 fewer field employees compared with pre-Covid-19 levels.

Even though the Malaysian borders re-opened in April 2022, the process of recruiting guest workers only resumed in the last quarter of 2022 due to the prolonged onboarding process. This is a positive development, but it is important to note that it takes time for new guest workers to obtain the same levels of efficiency, skill and dexterity as experienced workers.

UP Indonesia
UP's operations in Central Kalimantan in Indonesia generated a record-high operating profit of MYR 99.3 million in 2022, which is 5% higher than the operating profit of MYR 94.5 million achieved in 2021. The improvements were primarily a function of the higher market prices for CPO and PK and higher production.

However, 2022 was not a year of exceptional performance on the Indonesian estates as yields remained below the targets set and well below the agricultural benchmark in UP. This led to a change in the top management of the Indonesian estates, effectuated in August 2022. Since then, UP's executive management has intensified its focus, through a continuous interface with the new management and conducting regular field visits to set in motion a process to mirror the agricultural standards achieved in UP Malaysia.

SEGMENTAL INFORMATION

MYR '000

	Plantations						Refining		Other and not allocated items and eliminations		Total	
	2021			2022			2021	2022	2021	2022	2021	2022
	Malaysia	Indonesia	Total Plantation	Malaysia	Indonesia	Total Plantation	Malaysia	Malaysia				
External segment sales	428,225	196,807	625,032	476,843	228,472	705,315	1,407,191	1,809,493	1,259	-	2,033,482	2,514,808
Inter-segment sales	464,849	-	464,849	524,684	-	524,684	-	-	(464,849)	(524,684)	-	-
Total	893,074	196,807	1,089,881	1,001,527	228,472	1,229,999	1,407,191	1,809,493	(463,590)	(524,684)	2,033,482	2,514,808
Operating profit (EBIT)	529,763	94,509	624,272	530,407	99,253	629,660	53,427	195,576	(1,391)	(1,333)	676,308	823,903
Share of joint venture	-	-	-	(6)	-	(6)	325	13,304	-	-	325	13,298
Interests, net	5,118	1,911	7,029	9,847	2,114	11,961	(789)	(2,909)	547	232	6,787	9,284
Results before taxes	534,881	96,420	631,301	540,248	101,367	641,615	52,963	205,971	(844)	(1,101)	683,420	846,485
Income taxes	(129,559)	(21,338)	(150,897)	(168,093)	(23,644)	(191,737)	(10,264)	(49,117)	(16)	(67)	(161,177)	(240,921)
Net profit	**405,322**	**75,082**	**480,404**	**372,155**	**77,723**	**449,878**	**42,699**	**156,854**	**(860)**	**(1,168)**	**522,243**	**605,564**

Whilst operating conditions continue to be challenging, it is satisfying that after 17 years of operations since entering Indonesia, the efforts and commitment towards the complex expansion process into Central Kalimantan are paying off financially and, just as importantly, from a socioeconomic point of view.

The operations in Indonesia account for 18% of UP's CPO production and employ 1,563 people. The area comprises of 8,800 hectares of mature oil palms, 1,392 hectares converted to Plasma (an Indonesian participation programme to establish additional plantation areas for the benefit of the local communities), as well as almost 8,000 hectares of permanent conservation areas.

UP's collaboration with Copenhagen Zoo, established in 2007, continues to develop very positively. The purpose of this cooperation is to support UP's commitment to producing sustainable palm oil and conserving the natural environment through initiatives and activities undertaken by the Biodiversity Department, thus encouraging sustainable agricultural practices, biodiversity and wildlife on the estates.

Refinery Operations (Unitata & UniFuji)

From a financial perspective, 2022 was a year of two distinct halves. The first half of the year was marked by significant challenges in the form of increases in raw material prices and margin pressure, whilst the second half of the year brought much relief, as there was a significant decline in raw material prices while margins improved significantly. UP's hedging activities also made a positive contribution during this period.

UP's wholly-owned refinery, Unitata, achieved a significant turnaround during the second half of 2022 and reversed a negative first half into a record full-year operating profit of MYR 195.6 million for 2022 compared to MYR 53.4 million in 2021. This turnaround was mainly due to the timing difference of raw material hedges (sales of financial derivatives/ CPO futures and purchase of physical CPO for production) versus delivery of finished goods. The hedging losses in the first half of 2022, realised through buy backs of earlier sold CPO futures, were reversed through higher contribution in the second half of 2022 as the delivery of finished goods were sold at higher market prices but produced with significantly lower raw material prices (CPO) purchased earlier in connection with UP's forward sales.

Furthermore, the large inverse in prices between the spot and future month contracts, which depressed refinery margins during the first six months of the year, reversed with the correction in CPO prices, thereby restoring demand and improving margins in the refinery business significantly. At the same time, favourable currency hedges undertaken by Unitata in relation to sales contracts contributed strongly to the overall results.

This unique combination of positively contributing factors does not reflect the underlying business. The refinery business segment is expected to normalise in 2023, leading to lower contributions than this year's extraordinary result.

The interest in certified sustainable palm oil remains strong, and Unitata is committed to providing high-quality, tailor-made solutions to clients who demand palm fractions exceeding the sustainability criteria of the RSPO. As a result, customers in Unitata are assured of a consistent supply of high-end, fully traceable palm oil fractions encompassing the lowest possible level of food contaminants in the edible oil industry today.

To prepare for future opportunities, UP continues to invest in technology and the capacity building of capable people that can successfully take Unitata forward. For example, in 2022, the new palm oil fractionation plant was fully commissioned after inevitable delays due to Covid-19 logistical bottlenecks.

In 2023, Unitata will expand its sales and marketing department exploring further opportunities to market the company's speciality fats directly through business-to-business arrangements with customers globally.

The refinery and solvent fractionation plant, UniFuji, a 50:50 joint venture between UP and Fuji Oil, faced the same commercial challenges with the steep inverse forward price curves in the first half of 2022. However, as with Unitata, the profitability improved significantly in the second half of 2022. UP's share of the net result in the UniFuji joint venture amounted to a gain of MYR 13.3 million in 2022, significantly higher than the MYR 0.3 million in 2021.

UniFuji is a state-of-the-art refinery operating without fossil fuels, which includes solvent fractionation to produce value-added palm fractions for the speciality fats and chocolate industry. The joint venture takes advantage of UP's high-quality, certified sustainable and traceable CPO and Fuji's expertise in innovation, technical capabilities, and high-quality food standards.

Since 2019, all CPO and PK produced on UP's estates in Malaysia are value-added in-house through either Unitata or UniFuji.

Interest Income

Total net interest income amounted to MYR 9.3 million, compared to MYR 6.8 million reported in 2021. The increase is mainly due to a rise in interest rates.

Financial Position and Cash Flows

On 31 December 2022, UP's total current assets amounted to MYR 1,246 million (31 December 2021: MYR 1,143 million), of which cash at bank and short-term funds amounted to MYR 779 million (31 December 2021: MYR 478 million).

Total non-current assets amounted to MYR 2,072 million (31 December 2021: MYR 2,010 million), of which right-of-use assets and property, plant and equipment amounted to MYR 1,648 million (31 December 2021: MYR 1,605 million), and goodwill amounted to MYR 357 million (31 December 2021: MYR 357 million).

Total equity increased from MYR 2,685 million on 31 December 2021 to MYR 2,905 million at the end of December 2022. The net profit of MYR 606 million was partly offset by the dividend payments of MYR 518 million, whereas the net effect of currency translation and fair value adjustments of cash flow hedges was positive by MYR 132 million.

Positive cash flows from operating activities amounted to MYR 924 million (2021: MYR 530 million).

Capital expenditures in relation to property, plant and equipment, including pre-cropping expenditures, amounted to MYR 133 million, which was MYR 39 million higher than the MYR 94 million in 2021. The increase was mainly related to a new oil mill at the Jendarata Estate.

Corporate Income Taxes

In 2022, UP reported a tax expense of MYR 241 million, equivalent to an effective tax rate of close to 28%. In 2021 for comparison, the tax expense and tax rate were MYR 162 million and 24%, respectively. Whilst the corporate tax rate in Malaysia is 24%, the higher effective tax rate for 2022 is due to the application of a temporary one-off tax (Prosperity Tax/Cukai Makmur) imposed on Malaysian companies in 2022.

In addition to the ordinary corporate tax rate of 24%, Malaysian companies were charged an additional tax of 9% on chargeable income exceeding MYR 100 million in 2022 on a company by company level.

Sustainability

UP has made sustainability a fundamental constituent of its business strategy since its establishment in 1906, combining economic development with social and environmental responsibility. The company views sustainability as a key pillar of its long-term success and well-being and has integrated environmental responsibility, social awareness, sustainability governance and economic viability into its operations for generations. UP remains totally committed to this approach.

UP's sustainable practices are superior to the principles and criteria set by the RSPO, which is recognised for setting the highest agricultural standards compared to other crops and commodities. As a result, UP is rated amongst the most sustainable palm oil plantation companies in the world.

Consumers and reputable brand manufacturers and retailers demand full traceability to ensure responsible production of raw materials and commodities. Being fully integrated in Malaysia, UP is able to exercise control over all areas of production and is thereby uniquely positioned to offer certified sustainable, high-quality products with the lowest greenhouse gas footprints and contaminant levels in the world based on full transparency and traceability, thus adhering to responsible sourcing principles expected by leading customers today.

For further information about UP's sustainability work, reference is made to the ESG section of this report (pages 47-56) and UP's Annual Report 2022, which includes a comprehensive Sustainability Report (pages 34-110).

Download UP's Annual Report 2022

SCHÖRLING IN BRIEF

Schörling is a holding company focusing on long-term industrial development.

Schörling is an active holding company with shares in primarily six companies, of which five are publicly listed; Hexagon, ASSA ABLOY, AAK, HEXPOL, Securitas, and one privately held; Anticimex. It was founded in 1999.

Schörling has, within the last two decades, successfully contributed to developing its portfolio companies into global market leaders.

By being a long-term and active owner, Schörling aims to support its investment holdings and add value to its shareholders. Schörling is open to making new investments in listed as well as non-listed companies with significant development potential and great focus on sustainability.

NET ASSET VALUE ON 31/12 2022

110,970

SEK million

▼ 17% ON YEAR-END 2021

UIE'S SHARE OF NET ASSET VALUE ON 31/12 2022 (SEK)

1,980

SEK million

▼ 17% ON YEAR-END 2021

UIE OWNERSHIP ON 31/12 2022

1.8%

▶ UNCHANGED ON YEAR-END 2021

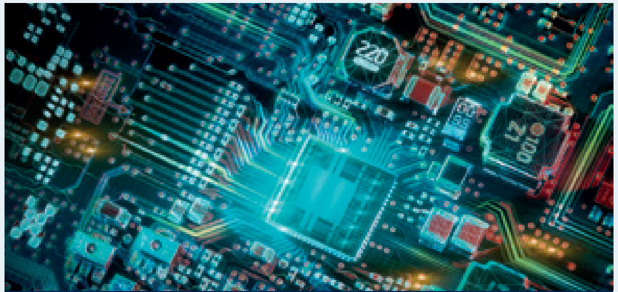
UIE'S SHARE OF NET ASSET VALUE ON 31/12 2022 (USD)

190

USD million

▼ 28% ON YEAR-END 2021

SCHÖRLING'S INVESTMENT PORTFOLIO



HEXAGON

HEXAGON is a leading global supplier of design, measurement, and visualisation technologies. The company's customers can design, measure, and position objects as well as process and present data to stay one step ahead of a changing world.

OWNERSHIP	% OF VOTES
21%	42%

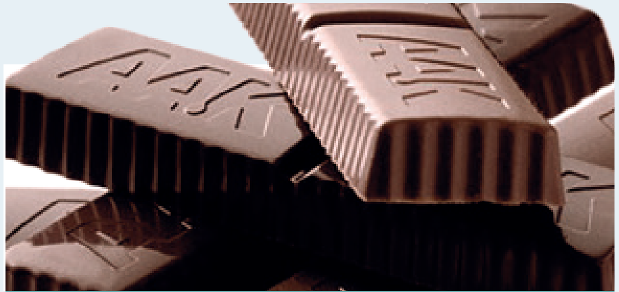
	REVENUE (EUR MILLION)
2022	5,176
2021	4,347
	EBIT (EUR MILLION)[1]
2022	1,518
2021	1,270

ASSA ABLOY

ASSA ABLOY is the world's leading lock manufacturer and offers a complete product range for lock and door solutions than any other company on the market, including access control, identification technology, entrance automation, hotel security.

OWNERSHIP	% OF VOTES
3%	11%

	REVENUE (SEK MILLION)
2022	120,793
2021	95,007
	EBIT (SEK MILLION)[1]
2022	18,532
2021	14,181



AAK

AAK is one of the world's leading producers of high value-added speciality vegetable oils and fats solutions. These oils and fats solutions are characterised by a high level of technological content and innovation.

OWNERSHIP	% OF VOTES
30%	30%

	REVENUE (SEK MILLION)
2022	50,425
2021	35,452
	EBIT (SEK MILLION)[1]
2022	2,888
2021	2,393

1) Adjusted for non-recurring items.

SCHÖRLING'S INVESTMENT PORTFOLIO

HEXPOL

HEXPOL is a world-leading polymer group with strong global positions in advanced polymer compounds, gaskets for plate heat exchangers, and wheels made of plastic and rubber materials for truck and castor wheel applications.

OWNERSHIP	% OF VOTES
25%	46%

	REVENUE (SEK MILLION)
2022	22,243
2021	16,005
	EBIT (SEK MILLION)[1]
2022	3,260
2021	2,737

SECURITAS

SECURITAS is a global knowledge leader in security. They provide a broad range of services of specialised guarding, technology solutions as well as consulting and investigations that are suited to the individual customer's needs.

OWNERSHIP	% OF VOTES
4%	11%

	REVENUE (SEK MILLION)
2022	133,237
2021	107,700
	EBIT (SEK MILLION)[1]
2022	8,033
2021	5,978

ANTICIMEX

ANTICIMEX is a leading global specialist within modern pest control, including bird deterrent and abatement, mosquito control, and bed bug control. Anticimex aims at creating a healthy environment through prevention, technology, and sustainable solutions.

OWNERSHIP	% OF VOTES
20%	20%

	REVENUE (SEK MILLION)
2022	Not yet published
2021	10,263
	EBIT (SEK MILLION)[1]
2022	Not yet published
2021	1,244

1) Adjusted for non-recurring items.

Financial Highlights

As Schörling accounts for its investments at fair market value, net asset value is Schörling's key indicator. It reflects the value of Schörling's assets, which consist of the underlying portfolio companies at fair value and the company's net cash and other investments.

In October 2022, Securitas completed a share issue with preferential rights for Securitas' shareholders to raise proceeds for its acquisition of Stanley Security. The proceeds amounted to SEK 9.6 billion before the deduction of issue costs. Schörling participated in the rights issue with its pro-rata share, thus acquiring 9.3 million new shares at a total price of SEK 429 million. There were no other changes to Schörling's ownership in the six portfolio companies.

On 31 December 2022, the market value of Schörling's main investments was SEK 105,836 million (USD 10,149 million) compared to SEK 129,632 million (USD 14,344 million) on 31 December 2021, a decrease of SEK 23.8 billion, of which almost SEK 20 billion relates to the investment in Hexagon as its share price decreased by 24% during 2022. Hexagon accounts for 57% of the net asset value in Schörling on 31 December 2022.

Cash and other net assets increased by SEK 1.1 billion in 2022. The increase relates mainly to the dividends of SEK 1.6 billion received during 2022 from the five listed investments, partly offset by investing SEK 429 million in Securitas in October 2022.

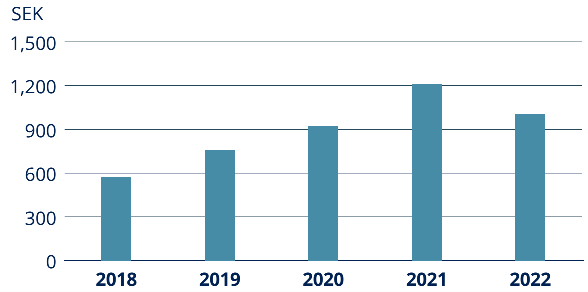
Consequently, on 31 December 2022, the estimated net cash and other investments amounted to SEK 5,134 million (USD 492 million) compared to SEK 4,024 million (USD 445 million) on 31 December 2021.

The total net asset value was SEK 110,970 million (USD 10,642 million) on 31 December 2022, compared to SEK 133,656 million (USD 14,789 million) at the end of 2021, which is a decrease of 17%. The Nasdaq Stockholm All-Share PI index decreased by 25% during the same period.

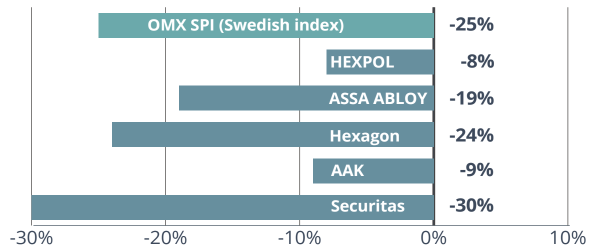
Equity Markets

The fair value of the listed investments in Schörling is significantly affected by the general development in the

NET ASSET VALUE PER SHARE



SHARE PRICE DEVELOPMENT IN SCHÖRLING'S PORTFOLIO COMPANIES IN 2022

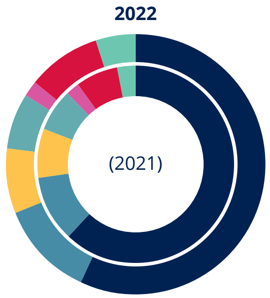


SCHÖRLING CONSOLIDATED NET ASSET VALUE

	31 December 2021					31 December 2022				
	No. of shares '000	Share price SEK per share	Net asset value SEK million	UIE's share of Schörling SEK million	UIE's share of Schörling USD million	No. of shares '000	Share price SEK per share	Net asset value SEK million	UIE's share of Schörling SEK million	UIE's share of Schörling USD million
Hexagon[1]	576,506	143.65	82,815	1,477	163.4	576,506	109.00	62,839	1,121	107.5
AAK	78,774	195.30	15,385	274	30.4	78,774	177.85	14,010	250	24.0
HEXPOL	85,549	121.30	10,377	185	20.5	85,549	111.10	9,504	170	16.3
ASSA ABLOY	34,051	276.20	9,405	168	18.6	34,051	223.70	7,617	136	13.0
Securitas	16,307	124.65	2,033	36	4.0	25,625	86.96	2,228	40	3.8
Anticimex		-	9,617	172	19.0		-	9,638	172	16.5
Total			129,632	2,312	255.9			105,836	1,888	181.1
Net cash and other investments			4,024	72	7.9			5,134	92	8.7
Total Net Asset Value			**133,656**	**2,384**	**263.8**			**110,970**	**1,980**	**189.8**
No. of shares outstanding			110,352,321					110,352,321		
Per share			1,211					1,006		

1) In May 2021, Hexagon completed a share split of 7:1 whereby every one share was divided into seven shares.

SHARE OF TOTAL ASSETS ON 31 DECEMBER



- Hexagon – **57%** (62%)
- AAK – **12%** (11%)
- HEXPOL – **8%** (8%)
- Net cash and other investments – **5%** (3%)
- ASSA ABLOY – **7%** (7%)
- Securitas – **2%** (2%)
- Anticimex - **9%** (7%)

equity markets. 2022 was dominated by Russia's invasion of Ukraine, commodity price volatility, a surge in inflation, increasing interest rates, supply chain disruption and recession fears. Even though the market partly rebounded in the fourth quarter of 2022, as it was anticipated that central banks would soon reduce the interest rate hikes, equity markets were still negatively impacted. As a result, during 2022, the MSCI world index declined by 19%, and the Swedish index, the Nasdaq Stockholm All-Share PI index, fell by 25%. Moreover, volatility was at a high level and is expected to remain so for some time.

Underlying Performance in Schörling's Portfolio Companies

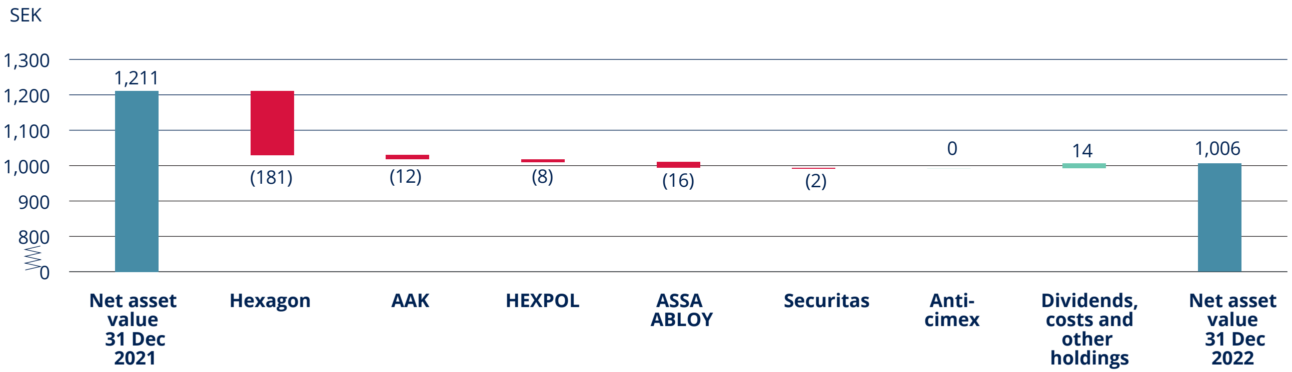
The decrease in the net asset value of Schörling does, however, not reflect the underlying performance in the portfolio companies as they all performed well, despite a challenging environment with global supply issues, price increases on raw materials/components, high energy prices, geopolitical challenges and high uncertainty in the global economy.

All the listed portfolio companies reported strong full-year results, with improvements in sales and operating earnings also elevated by the strengthening of USD towards SEK and EUR.

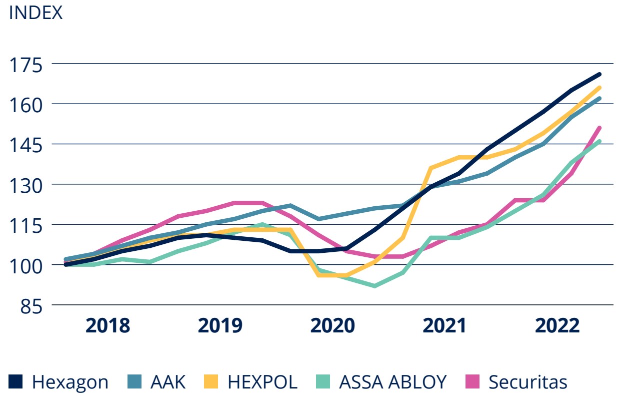
As shown in the graph to the right, the normalised operating profit (EBIT trailing 12 months) in the five listed portfolio companies improved during 2022, with the operating profit development ranging from a 15% to 31% increase.

In 2022, all the portfolio companies made add-on or strategic acquisitions (in July 2022, Securitas completed the large and transformative acquisition of Stanley Security – positioning Securitas as a leading security solutions partner, where more than 50% of the profit contribution is expected to be generated from high-margin electronic security). In addition, the portfolio companies focused more on organic growth-initiating activities during the year, which helped drive their strong performance.

CHANGE IN NET ASSET VALUE PER SCHÖRLING SHARE PER INVESTMENT 2022



SCHÖRLING'S FIVE LISTED INVESTMENTS: DEVELOPMENT IN EBIT (NORMALISED)[1]



1) Five year development trailing 12 months (2018 = Index 100).

The companies are global leaders in their respective markets and business segments. With a resilient business model, strong customer focus and a strong financial position as well as a high focus on product development and ambitious growth plans, they are well-positioned to navigate through a global slowdown and challenging macroeconomic environment and accelerate growth again when the global economy recovers.

Schörling's largest investment is in Hexagon, which is a global leader in sensor, software, and autonomous solutions, putting data to work to boost efficiency, productivity and quality across industrial, manufacturing, infrastructure, safety and mobility applications.

These technologies make urban and production ecosystems increasingly connected and autonomous, ensuring a scalable and sustainable future. As Hexagon breaks into new markets globally, its growth is achieved through organic and acquisition strategies while maintaining strong margin growth.

In 2022, Hexagon's organic growth amounted to 8% (using fixed exchange rates) and reported an adjusted operating margin of 29.3%, slightly ahead of the ambitious five-year financial targets announced in 2021.

GREENBRIDGE IN BRIEF

Greenbridge is a privately-held investment firm with a strong focus on technology businesses in mature and emerging markets.

Greenbridge's strategy is to make long-term investments in the high-tech and/or software sector in a limited number of companies to enhance the value as an active shareholder. It was founded in 2015.

In May 2022, the investors of Greenbridge agreed to convert Greenbridge from an investment partnership into a company incorporated in Luxembourg with a long-term investment strategy. As part of this process, a capital increase was completed amongst the existing investors, in which UIE invested SEK 165 million (USD 16.9 million). In connection with the incorporation, the carried interests accrued to Greenbridge Management were converted into Greenbridge shares, diluting UIE's ownership share. As a result, UIE's ownership of Greenbridge was diluted from 10.1% to 9.7%.

Greenbridge has, thus far, made investments in four companies; Neo4j, Rus-Savitar SRL, NStech and NEXT Biometrics, where the investment in Neo4j is the single most significant. Greenbridge is the largest individual shareholder of all four companies.

The team behind Greenbridge has extensive experience and know-how in technology, strategy and M&A/business expansion.

Greenbridge works closely with and supports its portfolio companies' management to transform businesses into global or regional leaders.

UIE is represented in Greenbridge's Investment Committee.

For further information about the individual companies, refer to the following websites:

- Neo4j: www.neo4j.com
- Rus-Savitar SRL: www.mobilacasarusu.ro
- NStech: www.nstech.com.br
- NEXT Biometrics: www.nextbiometrics.com

UIE OWNERSHIP ON 31/12 2022

9.7%

VS. 10.1% YEAR-END 2021

FAIR VALUE OF UIE'S INVESTMENT ON 31/12 2022

43.3

USD million

ADDITIONAL INVESTMENTS MADE BY UIE IN 2022

16.9

USD million

FAIR VALUE CHANGE OF UIE'S INVESTMENT IN 2022

(8.1)

USD million

HIGHLIGHTS IN 2022

2022 was a turbulent year, particularly for tech companies, which also affected the market rating of the Greenbridge's portfolio companies. The main portfolio companies maintained their strategic development and reported organic and acquisitional growth.

Greenbridge did not acquire any new companies during 2022. However, the company increased its investments in Neo4j, NStech and Rus Savitar.

NEO4J
In December 2022, for the first time, Neo4j was recognised in the Gartner® Magic Quadrant™ for Cloud Database Management Systems, which was also the first time any native graph vendor had been so positioned.

Other milestones included the general availability last November of Neo4j 5, the company's next-generation cloud-ready graph database, rapid adoption of its Graph Data Science analytics and machine learning platform, continued double-digit growth after crossing USD 100 million in annual recurring revenue ("ARR") in 2021.

NSTECH
NStech is the largest tech platform building the future of cargo and passenger transport in Latin America.

The goal is to offer complete and modular solutions that contribute to customers' growth, supporting them in pursuing enhanced operational efficiency in cargo and passenger road transport solutions, including reducing CO_2 emissions, accidents and theft.

In 2022, Greenbridge participated in a second funding round after the merger in 2021, where the proceeds were used to fund additional acquisitions in NStech to increase its technology ecosystem.

During 2022, NStech has made several acquisitions and thus continued to expand its umbrella of services.

Neo4j is the leading graph database platform specifically optimised to map, store and traverse networks of connected data to help find relationships between data and extract their true value. Many organisations use Neo4j to build new and innovative applications that leverage connections in data, such as recommendations, impact analysis for network and IT operations real-time routing for logistics and the next-generation business applications.

NStech operates in the technology segment for road transport and logistics, providing specialised technological solutions for road transport businesses in South America. NStech serves six main types of customers: cargo carriers, shippers, drivers, insurers, insurance brokers specialised in transportation and companies dedicated to the transport of passengers.

NEXT Biometrics provides advanced fingerprint sensor technology for the smart card, government ID, access control and notebook markets.

RUS-Savitar SRL is a leading furniture manufacturer in Romania. The Company includes the well-established furniture retail chain, the Casa Rusu brand.

OUTLOOK FOR UIE

As UP believes it will perform satisfactorily in 2023 and with the current year-to-date (end February 2023) fair value change of the investment in Schörling being positive at USD 10 million, compared to the decrease of USD 74 million in 2022, UIE anticipates a satisfactory net profit in 2023.

The outlook for UIE is substantially dependent on the performance of UP, which does not release a formal profit outlook, as well as the fair value adjustment of the investment in Schörling and Greenbridge, expressed in USD. Given these factors, it is not possible to provide shareholders with any more than a very general outlook statement for UIE.

UP

Based on the current global operating environment, UP is respectful of the challenges that 2023 may bring, especially amidst the uncertainties of high inflation, a projected slowdown in the global economy and the ongoing Russia-Ukraine war, continually impacting global supply chains.

UP anticipates that palm oil prices will ease off as expected global demand slows. In addition, the cost of energy, fertilisers, chemicals, building materials and spare parts are expected to remain at high levels, resulting in UP's cost base increasing to record levels.

Therefore, concerted efforts are being made to alleviate these challenges by identifying areas that can improve UP's cost efficiencies without compromising quality. Whilst labour shortages and field operations have been addressed with the re-opening of borders and a new inflow of guest workers to Malaysia, special attention will continue to be given to increasing yields and productivity. This will be pursued relentlessly through continued mechanisation efforts and replanting of the older and less productive oil palm stands to take full advantage of UP's latest superior planting materials produced in-house.

In 2023, UP will continue to enhance its awareness within the important field of safety and take ownership of the challenges and risks related to ESG, particularly human rights in relation especially to its guest workers. UP wishes to demonstrate a level of leadership by taking ownership of behaving well, thereby being an example to others who operate within the global agricultural sector. More attention will be given to operationalising and mainstreaming the principles of UP's sustainability commitments so these are fully integrated and not simply "bolted on".

Even though the CPO price has been trading in a relatively narrow range (MYR 3,800 – 4,000 per MT[1]) in the first two months of the year, we expect the outlook for future price development to be impacted by many uncertainties and a generally fragile market structure. The following four factors will be closely monitored as the development of these will affect the supply and demand fundamentals and, thereby, price developments going forward:

- The resumption of guest worker inflow to Malaysia is expected to help increase nationwide palm oil production and minimise the field losses experienced during 2022. In Indonesia, production is poised to increase more strongly in 2023 than in 2022 subject to weather patterns normalising.
- The world production of biodiesel, including Hydrotreated Vegetable Oil, is estimated to increase further by 9% to reach 55.9 million MT in 2023 from the record level of 51.3 million MT in 2022. The estimated increase is due to US fiscal incentives and rising decarbonisation targets in the EU transport sector. In addition, the Indonesian Government's drive to increase their domestic palm oil consumption through not only food and oleochemical uses but also through the Government supported biodiesel programme, compelling all diesel to contain an admixture of up to 35% of palm oil from 1 February 2023, is expected to increase the current usage by 1.3 million MT during the year.
- The expected global economic slowdown in 2023, coupled with the Russia-Ukraine war causing much volatility in supply chains around the world, is expected to dampen demand for vegetable oils from key buying nations.
- Weather developments will continue to play an important role in production and price directions and must be closely monitored. Whilst La-Niña has brought dry weather to, particularly, Argentina and caused a downward revision in the coming soybean crop harvest, the overall South American production is expected to increase to well-above 2022 levels due to larger planting intentions and the recent favourable weather. This is likely to replenish global stocks.

UP Guidance for 2023
Despite the significant uncertainties relating to the global economic outlook, as mentioned above, UP believes it will perform satisfactorily in 2023.

1) for the third-month position.

SCHÖRLING

In general, equity markets (including in Sweden) have rebounded in the first two months of 2023 as many companies have reported better fourth-quarter 2022 earnings than the market had previously feared. Furthermore, the global economy has, so far, proved to be more resilient than first anticipated. However, as global growth is projected to fall in 2023, central banks will very likely increase interest rates further to control inflation, which could negatively impact equity markets and increase volatility further.

If the current (end February 2023) fair value of Schörling in SEK, as well as the SEK/USD exchange rate, were to remain unchanged until the end of 2023, the fair value adjustment recognised in UIE's Income Statement 2023 attributable to Schörling would be USD 10 million for the full year compared to the negative contribution of USD 74 million recorded in 2022.

GREENBRIDGE

Whilst it is uncertain how valuation multiples will develop during the year, especially for tech companies, UIE remains cautiously optimistic about the development within the main portfolio companies in Greenbridge, thus expecting the fair value adjustment to be positive in 2023. For comparison, the full-year fair value adjustment in 2022 was a decrease of USD 8 million.

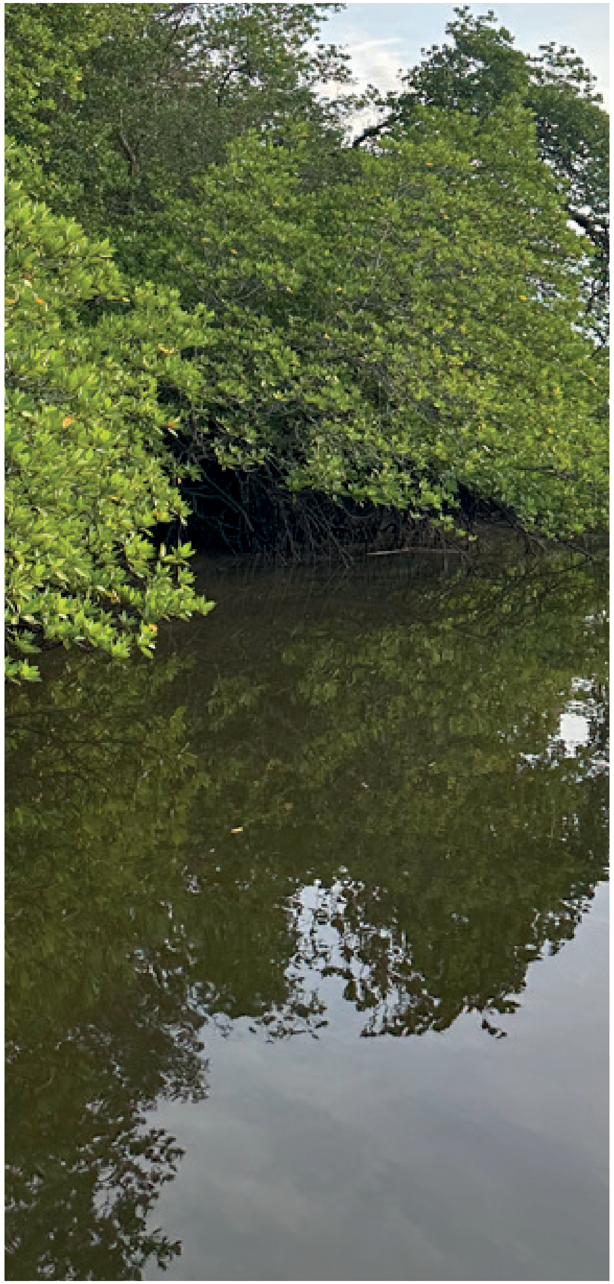
CONCLUSION

According to the latest projections from the International Monetary Fund, global growth is projected to fall from an estimated 3.4% in 2022 to 2.9% in 2023, which is slightly higher than the forecast presented in October 2022, as the reopening in China, a mild winter in Europe and a strong US labour market have had a positive impact. However, several factors can hold back a recovery and even though global inflation is expected to fall from 8.8% in 2022 to 6.6% in 2023, it is still considerably higher than pre-pandemic levels and higher than the estimated economic growth.

Given the current global economic uncertainty, it is difficult to project the course of our investments in 2023. However, as all the portfolio companies have an agile mindset with a strong focus on innovation and are amongst the leaders in their respective business segments, we believe they will continue to perform satisfactorily in the years ahead.

All things considered, especially since the year-to-date fair value adjustment of the investment in Schörling is currently positive, the Board is anticipating that UIE's result attributable to shareholders will be positive and thus significantly better than the net loss incurred in 2022.

> An unpredictable overall global economic outlook, high-interest rates and inflation, as well as geopolitical concerns, are affecting share markets, and the share price development is expected to be highly volatile.



CORPORATE MATTERS

RISK FACTORS

During 2022, geopolitical tensions and global supply issues continued affecting significant risk areas identified in the Group, such as volatility in commodity prices and share prices. Availability of labour for the Malaysian plantation sector continued to be a significant risk area in 2022. These risks will likely continue into 2023, and with rising geopolitical tensions as well as inflationary pressure, risk monitoring and management remain a high priority for UIE.

Risk management is an inherent part of the decision-making process in UIE. UIE has a structured approach to identifying any risk that could potentially affect the UIE Group's result, balance sheet and future profitability.

UIE seeks at all times to improve the understanding of the nature of the risk profile by classifying the risks in a risk map on the basis of the potential impact of each risk and the likelihood of the risk to occur as illustrated in the risk matrix on page 39.

The Board of Directors is responsible for identifying and controlling risks as well as establishing risk policies.

On a quarterly basis, the Audit Committee reviews and discusses the risk map as well as the actions implemented to mitigate the identified risks.

As a holding company, UIE is also indirectly exposed to the commercial and financial risks within UIE's portfolio companies; UP, Schörling and Greenbridge. The management of these companies are, however, accountable for identifying and controlling their risks.

Risks in UP

Accounting for approximately 67% of UIE's total consolidated assets of USD 1,123 million, UP is the largest investment in UIE; hence, the risks related to UP constitute the major proportion of the overall risks in the UIE group. UP's main activity is within the palm oil industry, with plantations in Malaysia and Indonesia as well as refineries in Malaysia. The general risks arising from these activities include weather conditions for growing the palms, market conditions for selling the oil, as well as risks related to the operation of the plantations and refineries.

UP is a separately listed company in Malaysia and its Board of Directors is responsible for identifying and controlling risks as well as establishing risk policies for the UP group.

The UIE management works closely with UP concerning UP's risk management, and UIE's Board regularly reviews UP's risk management reporting.

For further information about the risk factors in UP, refer to UP's Annual Report 2022.

Download UP's Annual Report 2022

Risks in UIE

In the UIE segment, the main investments is the 1.8% ownership in Schörling, which is a holding company primarily investing in the industrial sector as well as the 9.7% ownership in Greenbridge, which is a holding company primarily focusing on technology businesses.

On 31 December 2022, UIE's investments in Schörling and Greenbridge amounted to USD 189.8 million and USD 43.3 million, respectively. The two investments accounts in total for approximately 21% of UIE's total consolidated assets.

UIE's risk in relation to Schörling and Greenbridge relates to the fair value adjustments which, besides the development within the companies, also is very much affected by the general development in the equity markets.

UIE considers the investments in Schörling and Greenbridge as strategic investment and, therefore, accepts the volatility in share prices as an inherent part of UIE's business model.

UIE has the right to appoint one Director of the Board in Schörling and one member of the Investment Committee in Greenbridge and thereby have an active role in developing the Schörling and Greenbridge portfolios for a long-term value appreciation.

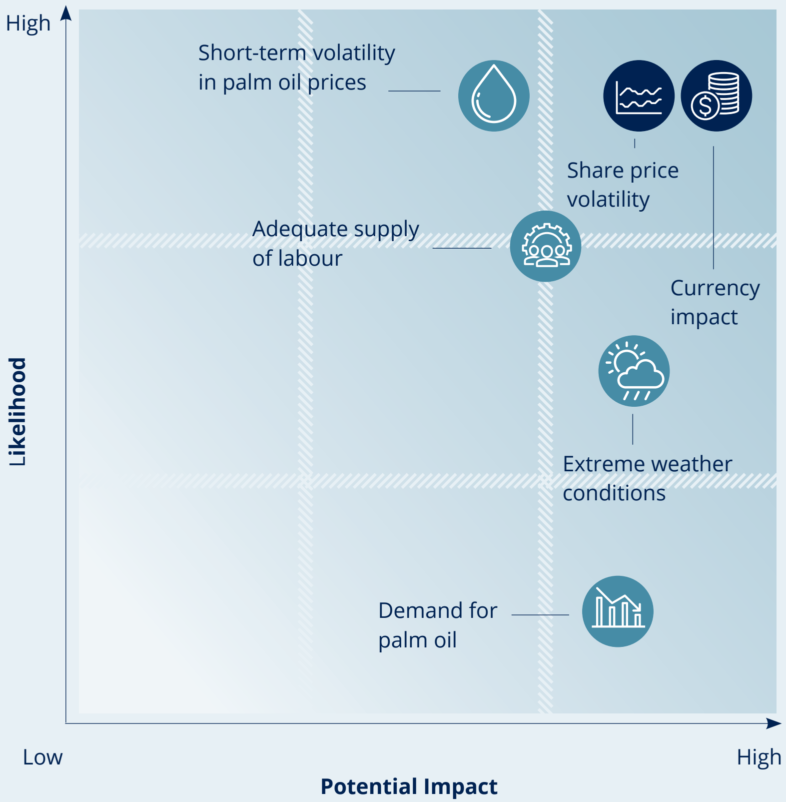
Despite a turbulent year in many respects, the risks identified and risk policies in UIE are virtually unchanged compared to last year.

The most significant risks in UIE are listed on the following pages.

RISK MATRIX

RISK MATRIX

The key risks for UIE identified in 2022 are placed in the risk matrix below based on their potential impact and likelihood to occur. Each risk, its impact, and the current mitigation actions are described in the following.



MAIN FINANCIAL RISKS IN UIE SEGMENT

SHARE PRICE VOLATILITY

Impact
In recent years the share price volatility has been very high, causing high valuation adjustments in UIE's income statement.

At each reporting date, UIE mark-to-market all equity investments, recognised at fair value through profit and loss, comprising mainly the investments in Schörling and Greenbridge. The majority of Schörling's assets consist of listed shares that are directly affected by the volatility in the share prices.
In contrast, most of the investments in Greenbridge are unlisted, which is also revalued at each reporting date. A significant input for the revaluation is derived from the equity markets, namely the relative valuation multiples.

Mitigation
The share price risk in Schörling and Greenbridge is an inherent part of UIE's business model. UIE has no influence on the general equity markets and accepts the risk of short-term high fluctuation in results, which UIE does not take any action to mitigate.

UIE's strategy is to create long-term value appreciation. UIE management closely monitors the development of the underlying investments and, through board-level presence at Schörling and Investment Committee member in Greenbridge, UIE is active in developing the portfolios.

CURRENCY IMPACT

UIE's functional currency is USD and a weakening in other currencies against USD can reduce the values of UIE's assets denominated in non-USD currencies.

Impact
The investment in UP is denominated in MYR and as UP is a fully consolidated entity, any currency adjustments of the net investment will flow through Other Comprehensive Income to Equity and thus have no effect on the Income Statement.

The underlying investments in Schörling are denominated in SEK and any currency adjustment will affect the income statement, whereas the majority of underlying investments in Greenbridge are denominated in USD.

Mitigation
As UP and Schörling are long-term strategic investments, UIE has decided not to mitigate the potential currency effect by currency hedging. In a long-term perspective, there is an inherent natural hedge for part of the currency exposure as the underlying investments have significant cash inflows in USD. Approximately 75% of the cash reserves in UIE and short-term investments are denominated in USD and hence not subject to currency risk.

COMMERCIAL RISKS IN UP SEGMENT

EXTREME WEATHER CONDITIONS, E.G. FLOODS, DROUGHT OR FIRE

In recent years, climate change has become more evident with more extreme weather events around the globe.

Impact
Weather conditions affect the production, which was evident in 2016, where the output dropped due to the severe effects of El Niño. However, when weather conditions cause a general drop in production, commodity prices tend to increase and thereby reduce the negative impact of reduced production.

Mitigation
Water management is in place to mitigate the effects of drought and flooding to a certain extent.

Fire safety plans are in place, and fire hotspots are monitored via satellite through Global Forest Watch.

SHORT-TERM VOLATILITY IN PALM OIL PRICES

Palm oil prices are determined by the global supply and demand for vegetable oils and fats, and are to some extent, affected by the general commodity price development. In recent years, the Covid-19 pandemic as well as geopolitical issues affected both the supply and demand of palm oil and the other vegetable oils, resulting in high volatility.

Impact
CPO is a basic commodity where plantation companies, like other market participants, are price takers. Therefore, volatility in CPO prices has a direct impact on revenue and earnings of UP.

Mitigation
UP uses a Board-regulated forward sales policy to hedge a proportion of future production revenues to mitigate the impact of spot price volatility and to lock in forward prices to secure margins.

DEMAND FOR PALM OIL

Negative sentiment towards palm oil derived from western NGO anti-palm oil campaigns can affect the demand for palm oil.

Impact
Reduced demand will affect the supply and demand balance and have a dampening effect on the palm oil prices and hence the UP revenue and earnings.

Mitigation
UP is strongly committed to the RSPO, and has strict policies of No Deforestations, Preserving areas of High Conservation Values and High Carbon Stock ("HCS"), including No New Development on Peat soils.

UP produces 100% sustainable, traceable, segregated palm oil of a high quality. In addition, there is 100% circular economy at all the oil mills and UniFuji.

UP closely monitors political developments to be able to respond quickly to any adverse developments.

ADEQUATE SUPPLY OF LABOUR FOR THE PLANTATIONS

Palm oil plantations are labour intensive and are dependent on sufficient labour. Recruitment of guest workers into Malaysia has been necessary for sufficient supply. Due to the travel restrictions resulting from Covid-19, recruitment of new workers from neighbouring countries (which make up around 85% of the total labour force in the Malaysian plantation sector) has been virtually impossible until the re-opening of the Malaysian borders in April 2022. At one point, the acute labour shortage was estimated to have exceeded 100,000 employees within the Malaysian plantation sector.

Impact
Insufficient access to labour negatively affects the operations, such as the timely harvest of the fruits, crop losses and hence the production yields.

Mitigation
Besides UP management's increased focus on mechanisation and other initiatives to reduce the dependency on guest workers for the operations, UP's Human Resource is proactively cooperating with government agencies to facilitate the recruitment of guest workers.

SHAREHOLDER INFORMATION

In 2022, the UIE share price decreased by 4%, thus following, although not to the same extent, the general development in equity markets.

On 31 December 2022, UIE's issued share capital amounted to USD 32,227,690, consisting of 32,227,690 issued shares of USD 1.00 each.

UIE has only one share class, all shareholders have the same rights, and the Articles of Association do not contain any restrictions on ownership. Each share listed by name in UIE's share register is entitled to one vote at the AGM.

Ownership
According to UIE's share register, there were 2,304 registered shareholders on 31 December 2022, compared to 2,141 registered shareholders at the end of 2021. On 31 December 2022, the registered shareholders owned 98.75% of the share capital. The remaining 1.25% of shareholders have not yet been registered by name.

At the end of 2022, the major shareholder was Brothers Holding Limited with a shareholding of 52.5%, which is owned jointly by Carl Bek-Nielsen and Martin Bek-Nielsen. Including the shareholdings owned individually by Carl Bek-Nielsen and Martin Bek-Nielsen, the Bek-Nielsen family's equity interest amounted to 55.0% (excluding UIE's treasury shares, the Bek-Nielsen family's voting rights in UIE amounted to 55.1%).

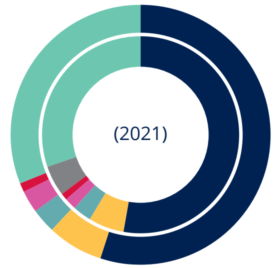
Share Price Development, Market Value and Turnover
The market value of UIE's issued share capital on 31 December 2022 was DKK 5,753 million (DKK 5,749 million excluding UIE's treasury shares) compared to DKK 6,273 million at the end of 2021 (DKK 5,989 million excluding UIE's treasury shares).

In 2022, the UIE share traded in a price range from DKK 175 to DKK 235 per share.

At the end of 2021, UIE's closing share price was DKK 186.00, and at the last trading date in 2022, it had decreased to DKK 178.50, which is equivalent to a decrease of 4%. By comparison, the Nasdaq Copenhagen Mid Cap Index decreased by 11.7% in 2022.

In 2022, the total turnover in the UIE share was DKK 413 million, which corresponds to a daily average trading turnover of DKK 1.6 million or 8,100 shares, which was lower than the daily average number of 16,660 shares traded in 2021.

CLASSIFICATION OF SHAREHOLDERS ON 31 DECEMBER



- Brothers Holding Limited[1] – **55%** (53%)
- Kapitalforeningen BLS Invest – **7%** (6%)
- BNY Mellon – **3%** (3%)
- Pension Danmark – **3%** (2%)
- PERSI – **1%** (1%)
- Treasury shares – **0%** (5%)
- Other – **31%** (30%)

1) Including shares owned by Carl Bek-Nielsen and Martin Bek-Nielsen.

SHARE INFORMATION ON 31 DECEMBER

	2021[1]	2022
Share price end of year (DKK)[2]	186.00	178.50
Total shares issued	33,727,690	32,227,690
Holding of treasury shares	1,526,790	21,974
Nominal value per share (USD)	1	1
Share capital (USD)	33,727,690	32,227,690
Equity (USD '000)	739,593	684,645
Market value (USD '000)[3]	912,781	825,083
Market value (DKK '000)[3]	5,989,367	5,748,720

1) Adjusted comparative figures for the share split at 1:10 on 4 August 2022
2) Closing price.
3) Excl. treasury shares.

HOLDING OF TREASURY SHARES

	2021	2022
Holding at the beginning of the year	-	1,526,790
Acquired from shareholders not registered in VP	232,100	-
Acquired in the share buy-back programme	1,300,000	-
Shares used for share based payment	(5,310)	(4,816)
Cancellation of treasury shares	-	(1,500,000)
Holding at the end of the year	1,526,790	21,974

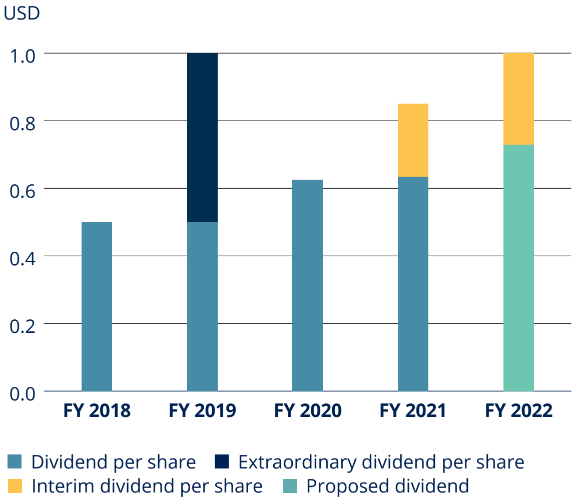
Investor Relations
UIE aims at ensuring open and timely information to its shareholders and other stakeholders.

A number of activities are carried out continuously to ensure good contacts with the Company's stakeholders. Furthermore, UIE holds analyst and investor meetings in Denmark and abroad.

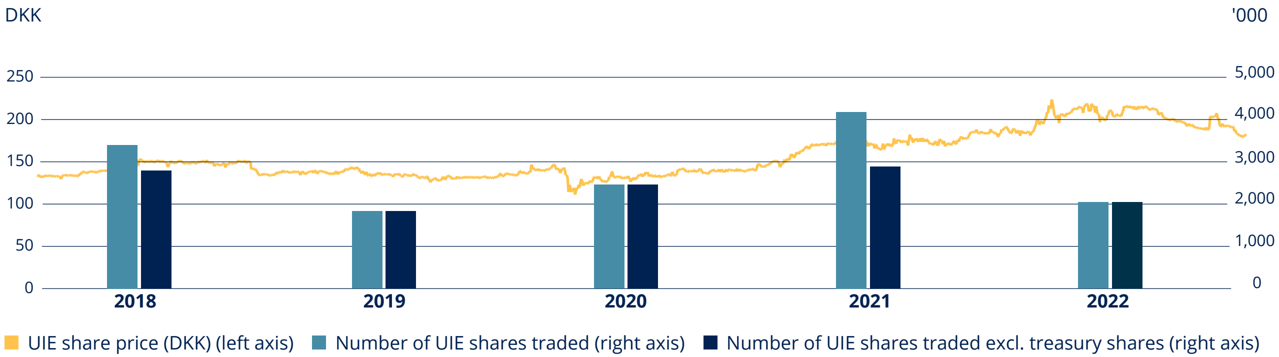
See all company announcements published in 2022 at UIE's website:
www.uie.dk/all_announcements/

Dividend
In addition to the interim dividend of USD 0.27 per share, which was paid in December 2022, the Board of Directors has resolved to propose a final dividend of USD 0.73 per share (equivalent to DKK 5.11 per share) for the financial year 2022. The dividends are expected to be paid to shareholders on 23 May 2023.

DIVIDEND KEY FIGURES



SHARE TURNOVER AND SHARE PRICE DEVELOPMENT



Financial Information
UIE publishes interim and annual reports, which are available on the Company's website and can be subscribed to via the website www.uie.dk/investor-relations/subscribe or the shareholder portal at www.uie.dk/invester-relations/shareholder-portal/.

Financial Calendar 2023

17 MAY
AGM 2023 in Malta

17 MAY
First Quarter Report 2023

16 AUGUST
Half Year Report 2023

21 NOVEMBER
Third Quarter Report 2023

Annual General Meeting
For shareholders unable to attend the AGM, we would appreciate receiving a proxy or a postal vote in order to know shareholders' view on the respective items on the agenda.

Informal Shareholder Meeting
An informal shareholder meeting will be held on:

26 MAY

at 10.00 a.m.
Børssalen
Børsbygningen
1217 Copenhagen K
Denmark

BOARD OF DIRECTORS & MANAGEMENT

Non-independent

Born: 1973
Nationality: Danish
First elected: 1998
Term expires: 2023
No. of shares: 9,074,675[1]

CARL BEK-NIELSEN, CHAIRMAN

Chief Executive Director of UP

Chairman of the Remuneration Committee and the Nomination Committee

Board positions
- UP (Deputy Chairman)
- Schörling
- Unitata (Chairman)
- The Malaysian Palm Oil Association ("MPOA")
- The Co-Chairman of the RSPO

Other Commercial Duties
- Director-in-Charge of Unitata

Competencies
- Experience and knowledge of culture as well as business environment in South East Asia
- International management and operational experience with the palm oil and refining industries
- Experience as board member in international and listed companies
- More than two decades of experience within agriculture and sustainability

Non-independent

Born: 1975
Nationality: Danish
First elected: 2003
Term expires: 2023
No. of shares: 8,664,455[2]

MARTIN BEK-NIELSEN, DEPUTY CHAIRMAN

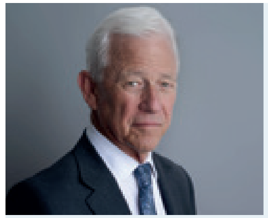
Executive Director (Finance and Marketing) of UP

Deputy Chairman of the Remuneration Committee and the Nomination Committee
Chairman of the Investment Committee

Board positions
- UP
- Unitata
- Member of the MPOA Working Committee - Marketing and Promotion

Other Commercial Duties
- Commercial Director of Unitata and UniFuji

Competencies
- Experience and knowledge of culture as well as business environment in South East Asia
- Experience as board member in international and listed companies
- Experience in commercial aspects within the edible oil industry



Non-independent

Born: 1944
Nationality: British
First elected: 1983
Term expires: 2023
No. of shares: -

JOHN A. GOODWIN, BOARD DIRECTOR

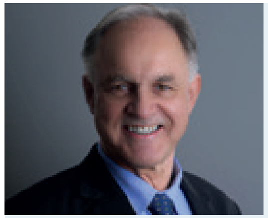
Former Managing Director of UIE

Chairman of the Audit Committee
Member of the Investment Committee

Competencies
- International management and investment banking experience
- Experience as board member in international and listed companies
- Experience in commercial aspects within the edible oil industry

1) Carl Bek-Nielsen holds 611,960 shares directly and 8,462,715 shares indirectly via joint ownership (50:50) of Brothers Holding (Brothers Holding owns 16,925,430 shares in UIE).
2) Martin Bek-Nielsen holds 201,740 shares directly and 8,462,715 shares indirectly via joint ownership (50:50) of Brothers Holding (Brothers Holding owns 16,925,430 shares in UIE).

BOARD OF DIRECTORS & MANAGEMENT



Independent

Born: 1960
Nationality: Danish
First elected: 2011
Term expires: 2023
No. of shares: 110

BENT MAHLER,
BOARD DIRECTOR

Managing Director, Citoforte
Asia Pacific Pte Ltd.

Member of the Nomination Committee

Competencies
- Hands-on oil palm plantation development and management experience
- International business development and general management experience in agricultural business-to-business supply enterprises, in Asia Pacific and Middle East markets in particular
- Agricultural equipment manufacturer Board member experience

Independent

Born: 1964
Nationality: Danish
First elected: 2013
Term expires: 2023
No. of shares: 1,000

JØRGEN BALLE,
BOARD DIRECTOR

Director of J. Balle Management ApS

Member of the Audit Committee and the Remuneration Committee

Board member
- UP
- Bach Salicath Danmark A/S
- CRF K/S
- Frey P/S (Chairman)
- Frey GP ApS (Chairman)
- Dry-Bag A/S
- UIE Services A/S
- MJ2018 Holding ApS

Competencies
- Professional expertise in the global vegetable oil industry, in finance and in FMCG markets, processes and logistics
- Organisational leadership and change management
- Strategic analyses and strategy implementation

Independent

Born: 1971
Nationality: Danish
First elected: 2015
Term expires: 2023
No. of shares: 3,300

FREDERIK STEEN WESTENHOLZ,
BOARD DIRECTOR

Chief Sales Officer of Environment Solutions ApS

Board member
- Environment Solution ApS
- FW ApS
- Bellamy International ApS
- Keytrade ApS
- Mermaid Asset Management Fondsmæglerselskab A/S
- Keytrade Scandinavia ApS
- APH Holding ApS
- Go2partners ApS
- Private Equity ApS
- UIE Services A/S
- K/S Obton Solenergi Lowen

Competencies
- International sales, marketing and finance experience
- Experience as board member and in international public listed companies
- International management experience

BOARD OF DIRECTORS & MANAGEMENT

Independent

Born: 1955
Nationality: German
First elected: 2017
Term expires: 2023
No. of shares: 850

HARALD SAUTHOFF,
BOARD DIRECTOR

Competencies
- Business management, organisational leader-ship, and change management experience in the chemical industry
- Commercial experience in the global vegetable oil industry
- Sustainability strategy development and stake-holder management with focus on the palm oil industry

Independent

Born: 1978
Nationality: Maltese
First elected: 2022
Term expires: 2023
No. of shares: -

CATHERINE BANNISTER,
BOARD DIRECTOR

Company Secretary and Chief Legal Officer of Finance Incorporated Limited

Competencies
- Financial services regulation with a specialised focus on fintech, payments, investments and private client management
- Governance, compliance and company law
- Regional organisational leadership and change management in financial services industry
- Previous board membership positions held in pension and trust administration, corporate services and shipping

Born: 1971
Nationality: Danish
Employed: 2006
No. of shares: 7,921

ULRIK JUUL ØSTERGAARD,
MANAGING DIRECTOR

Managing Director of UIE

Member of the Investment Committee in UIE Plc. and Greenbridge Sàrl

Board member:
- UIE Services A/S (Chairman)
- Hans A/S (Chairman)

Competencies
- International business management and invest-ment banking experience
- Expertise in strategy, accounting and finance as well as M&A

ENVIRONMENT, SOCIAL & GOVERNANCE (ESG)

CORPORATE SUSTAINABILITY

UIE continually strives to institute and maintain high corporate responsibility standards, as we have a firm belief that sustainable business practice is essential for achieving long-term value creation.

UIE has a strong focus on ESG related matters, and we consistently encourage and support the companies we invest in to act responsibly and with high integrity. We find it essential that our portfolio companies operate ethically and professionally, thus considering their long-term economic, social and environmental impact.

Our portfolio companies UP, Schörling and Greenbridge operate within different industries and are accountable for establishing their own strategies and ESG agenda based on an in-depth assessment of relevant ESG issues for their respective businesses. We are committed to using our influence where appropriate and will always seek to actively engage with our portfolio companies to embrace ESG in their strategies and operations, protect and create sustainable growth, and ensure the implementation of projects to achieve the goals and demands set by industries, governments, organisations, customers, investors, etc. Sustainability and responsibility in environmental, social and governance aspects are by all means deeply rooted in our DNA and long-term vision.

On this basis, UIE will naturally strive to include sustainability as an evaluation criterion when identifying and analysing new investment opportunities. Hence, we have structured our investment process to integrate ESG factors alongside financial factors in the due diligence process. However, we acknowledge that a number of challenges related to ESG do not necessarily apply to all of the companies or apply to the same degree. Certain ESG issues are more likely to arise and have a material effect in specific industries or sectors (e.g., agro-industrial and technology sectors) than in others, which we intend to address in our ESG reporting.

Strategic Sustainability Focus/Goals for Our Portfolio Companies

Environment

- Climate change
- Renewable energy
- Resource use
- Biodiversity
- Ecological footprint

13 CLIMATE ACTION

We will seek to measure, report and reduce our GHG emissions

7 AFFORDABLE AND CLEAN ENERGY

We will continue to promote green energy

15 LIFE ON LAND

We will seek to develop effective conservation strategies and promote biodiversity

Social

- Health & well-being
- Labour standards
- Human rights
- Safety
- Socio-economic impact

3 GOOD HEALTH AND WELL-BEING

We are committed to providing the highest possible welfare standards for our employees

8 DECENT WORK AND ECONOMIC GROWTH

We are committed to a responsible supply chain management

Governance

- Corporate governance
- Shareholder rights
- Transparency
- Partnering for impact
- Alignment of interests

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

We are working to adopt sustainable business practices

Sustainability Targets
UIE continuously encourages UP, Schörling and Greenbridge to act responsibly by:

- Protecting the environment and natural resources by applying environmentally responsible production methods
- Securing the well-being of employees by providing good and safe working conditions
- Upholding human rights and being responsible members of surrounding communities
- Promoting and maintaining high standards of business ethics, and working against all forms of corruption, including extortion and bribery

UIE has a considerable ownership in UP, which allows us to have a high degree of influence on how the business is run. Therefore, we are naturally very engaged in the operations of UP and have contributed to putting in place relevant measures to ensure sustainable development and growth.

UIE also focuses on active ownership to promote the long-term and sustainable value creation of our investments. As part of exercising the rights as a shareholder, UIE is represented on the boards or investment committees of the portfolio companies and thus, we have actual influence in decision-making processes.

UN's Sustainable Development Goals
UIE aims to invest in companies that integrate sustainability initiatives in their core businesses, contributing to the achievement of the UN Sustainable Development Goals ("SDGs"), which have been developed and agreed upon globally in 2015.

Through our investment in UP, Schörling and Greenbridge, UIE's main focus is on the goals of Good Health & Well-being (SDG 3), Affordable and Clean Energy (SDG 7), Decent Work and Economic Growth (SDG 8), Responsible Consumption and Production (SDG 12), Climate Action (SDG 13) and Life on Land (SDG 15).

SUSTAINABILITY IN UP

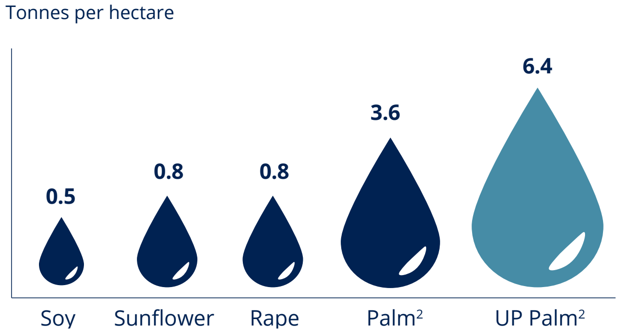
In a business context, sustainability is about a company's business model, i.e., how its products and services contribute to sustainable development and how it manages its operations to minimise negative impact. Therefore, it is also important to look at the industry or sector in which it operates and assess what ESG factors the sector, and hereunder the company, is exposed to.

Palm oil industry
UP's core business activity is the cultivation of oil palm and coconuts. Palm oil is the most consumed edible oil globally, partly due to its unique characteristics. The oil palm require, for a fact, less land per tonne of vegetable oil produced than other oil crops, and the oil is highly versatile. Thus, it can be used for a great variety of products, which fits well with the current challenges of an increasing population and consequently growing demand for global food. However, the production of palm oil is also contested, as it is often associated with negative effects on the environment, primarily deforestation and biodiversity loss. Therefore, it is important to raise awareness about the complexity of these issues and put data into context to provide the bigger picture of palm oil and sustainable agriculture.

Globally, the oil palm is the most efficient oil crop, producing more oil per land area than any other equivalent vegetable oil crop. Palm oil accounts for 35% of the global oils and fats production, yet the palm oil industry accounts for less than 0.5% of the world's total agricultural area. Hence, to produce the same amount of alternative oils (such as soybean, rapeseed or sunflower oil) as palm oil, 8-10 times more land is required. Replacing palm oil with other types of vegetable oils would therefore lead to further environmental costs, including pressures on different natural ecosystems, habitats, species and communities in other parts of the world.

The palm oil industry is complex. Far too often, it is subject to being painted with one brush without recognising the efforts undertaken by many different stakeholders, including producers, to promote responsible production and consumption of sustainable palm oil.

THE OIL PALM; A HIGHLY EFFICIENT CROP[1]



Palm oil production has often been linked with deforestation. It is true that an estimated 420 million hectares of forest have been lost globally through deforestation since 1990. However, there is some good news as the rate of forest loss has been declining substantially. From 2015 to 2020, for example, the annual rate of deforestation was estimated at 10 million hectares, compared with 12 million hectares between 2010 and 2015[3]. Moreover, when zooming into the role of palm oil in forest loss, FAO data shows that oil palm cultivation has contributed to 2.3% of global deforestation (5% of tropical deforestation)[4]. In comparison, soybean cultivation contributed to 5.5%, while an estimated 24% of forests were cleared for pastures to raise livestock.

UP has introduced several policies to break this link between palm oil and deforestation. Since 2010, the company has adhered to RSPO's policies on No Deforestation, No New Planting on Peat soils, regardless of its depth, and No Exploitation of People and Local Communities ("NDPE").

UP intends to raise the bar within the sphere of sustainability for the global palm oil industry by, for example, committing itself to a NDPE policy, operationalising this, and thus setting

1) Source: Oil World, 2023 and UP.
2) Includes crude palm oil and palm kernel oil.
3) Source: UN Food and Agriculture Organisation (FAO) and UNEP, 2020. *The State of the World's Forests 2020. Forests, biodiversity and People.* Rome.
4) Source: The European Commission (https://ec.europa.eu/environment/forests/pdf/1.%20Report%20analysis%20of%20impact.pdf).

a good example for other plantation companies in the agricultural sector to protect species and reduce the impact on the environment. It is important for UP to take an active role in transforming the palm oil industry for the better and creating awareness of the importance of sustainable palm oil production.

Environment & Climate (SDG 7, 13 & 15)
UP has a strong focus on environmental issues, aiming to resolve the climate and energy challenges addressed in SDGs 7, 13 and 15:

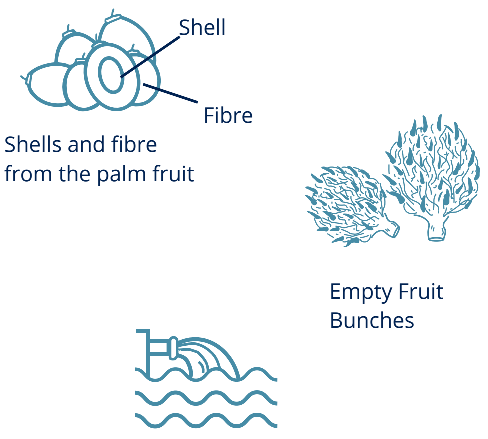
Renewable Energy
UP has invested significantly in promoting green energy since 2006, starting with the Biomass Reciprocating Boiler cum Power Plant and the Biogas Plants. These projects have substantially reduced the company's carbon emissions by 70% and methane by 80% at the operating units, laying the foundation for additional green investments.

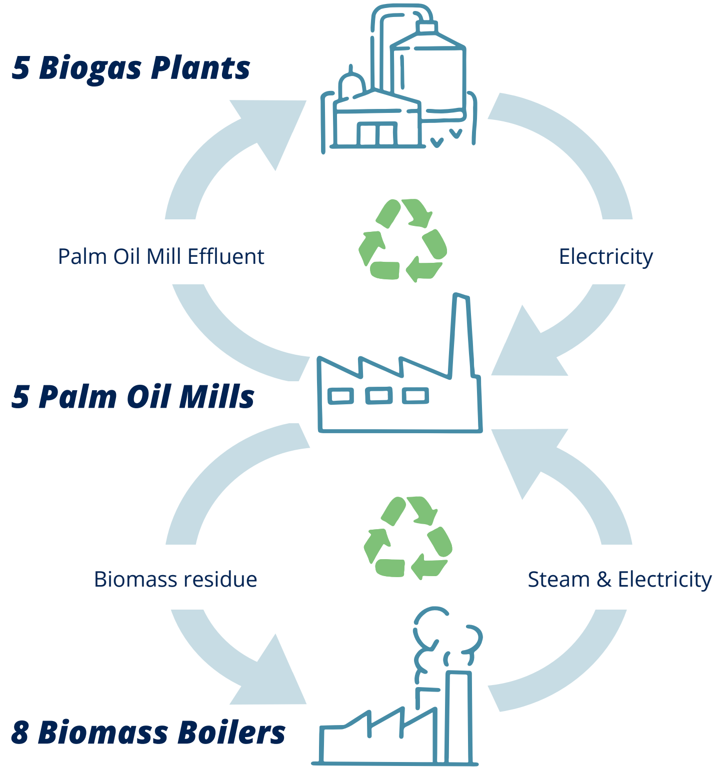
Currently, all of UP's oil mills are equipped with Biogas Plants that capture methane gas produced from the bacterial biodegradation of palm oil effluents, producing clean energy. All mills are now 100% energy self-sufficient. Additionally, the Electrification Project at one of the mills converts biogas into electricity that is sold to the national grid, thereby replacing fossil fuel-derived energy. In 2022, the biogas plant generated 6,654 MWh of electricity sold to the grid, which is comparable to the previous year's supply.

In 2020, UP launched a pilot project to assess the viability of solar photovoltaic ("PV") cells to generate green electricity and offset grid electricity consumption. The solar PV cells produced 193 MWh of renewable electricity in 2022.

Additionally, UP commissioned a more extensive PV project at the Unitata Refinery in May 2022, which generated 460 MWh of electricity in 2022.

Biomass utilisation rate: 99.6% (718,279 MT)

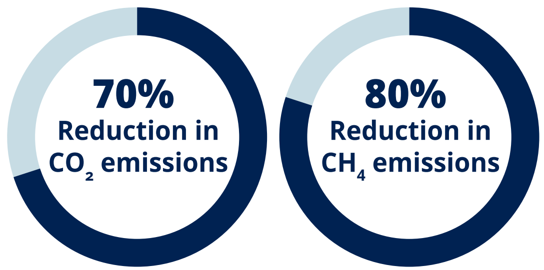




Clean Energy at the Mills

The electricity produced at UP is consumed internally as well as sold to the national grid.

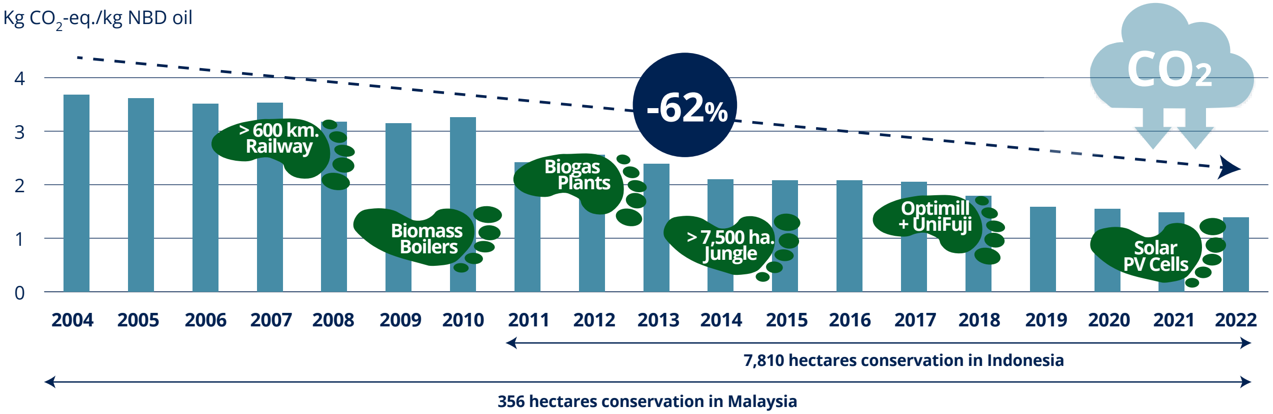
Emissions Reductions at Operating Units[1]



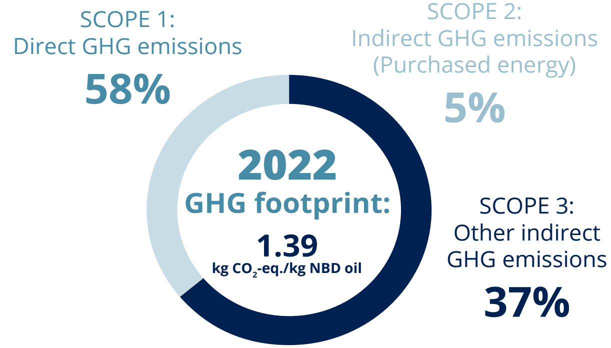
1) From 2006-2021.

Contributes to:

GHG EMISSIONS (INCL. ILUC AND NATURE CONSERVATION)



GHG EMISSIONS BROKEN DOWN INTO SCOPE 1, 2 AND 3



Reduction in GHG emissions

UP is committed to mitigating its "carbon footprint" and, thereby, its greenhouse gas ("GHG") emissions. From 2004 to 2022, the company reduced its total GHG emissions, per kg. of refined oil, by 62%. Looking at the last year only, it reduced its carbon footprint from 1.48 kg CO_2 eq./kg NBD (neutralised, bleached, and deodorised) oil to 1.39 kg CO_2 eq./kg. NBD oil, including indirect land use ("iLUC") and nature conservation. This represents a 6% reduction, mainly due to lower emissions from field activities and agricultural inputs.

In 2021, UP surpassed its previous internal target of a 60% reduction by 2025, that is four years ahead of schedule. Therefore, the company has established a new goal of reaching a 66% GHG reduction before 2030 compared to 2004 levels. To achieve and exceed this target, UP intends to implement additional initiatives and investments over the next eight years.

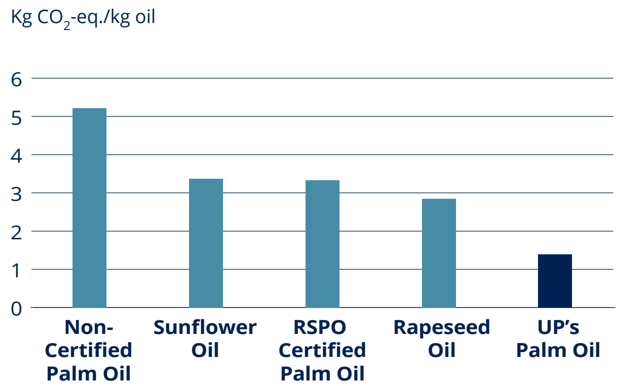
During the last years, new investments have been made to expand further the light railway network, which is an efficient and sustainable way of transporting FFB as it uses ten times fewer fossil fuels per tonne of FFB transported than tractor/lorry transport. The total length of the light railway network at UP has expanded from 479 km in 2015 to 600 km at the end of 2022, which corresponds to a net increase of 121 km in seven years.

The top graph to the right shows the development in GHG emissions from NBD palm oil at UP, including iLUC and nature conservation. It is important to note that almost all other palm oil producers use the RSPO Palm GHG Calculator to measure and report emissions from their operations. However, it is not possible to compare the results from this method with the results obtained from a detailed Life Cycle Assessment ("LCA") study, such as UP's, due to key methodological differences between the two models, particularly concerning the approach used to deal with land-use changes, peat emissions and nature conservation, the modelling of by-products, and the refinery stage. The RSPO GHG Calculator, for example, ignores the refinery stage, which accounts for 27% of the total emission reported in UP's LCA.

Certified Palm Oil Reduces GHG emissions Significantly compared to Non-certified and Other Oils

Based on a detailed LCA study on the production of 1 kg NBD palm oil, carried out by 2.0-LCA Consultants Dr. Jannick Schmidt and Michele De Rosa, shows that RSPO certified palm oil, on average, reduces GHG emission by 36% compared to non-certified i.e., 3.33 kg CO_2 eq./kg for certified vs. 5.22 kg CO_2 eq./kg for non-certified. Certified production achieves the largest GHG emissions reduction because of higher yields, i.e., less land use per unit of product, less oil palm cultivated on peat soil and higher share of palm oil mill effluents treated with biogas capture technologies.

COMPARISON OF PALM OIL PRODUCED IN UP AGAINST AVERAGE RSPO CERTIFIED PALM OIL AND OTHER OILS[1]



1) Source: Schmidt and De Rosa (2023).

The GHG emissions from UP's palm oil production have also been compared with industry averages of RSPO certified palm oil (Malaysia/Indonesia), as well as rapeseed and sunflower oil produced in Europe, as illustrated in the graph above. The results clearly show that UP's palm oil has significantly lower GHG emissions than RSPO certified palm oil and other oil types.

Water Footprint

The volume of water used in the production of crops varies greatly and can be a significant driver of water scarcity. Globally, palm oil uses the least quantity of freshwater (6 litres of water per kg of oil production) compared to other vegetable oils, such as rapeseed (238 litres), soy (415 litres), and sunflower (1,008 litres), as seen in the graph below.

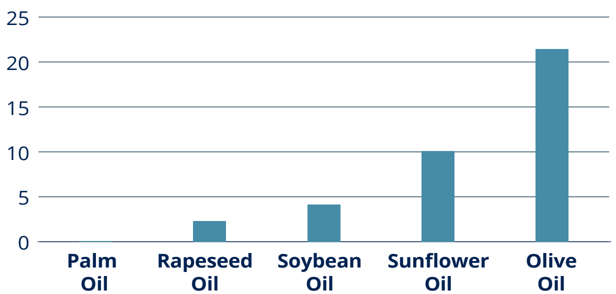
The water requirements for oil palm plantations depend primarily on rainfall (i.e., green water) and thus have the lowest water footprint of the different vegetable oils, particularly, blue water footprint[1]. In comparison, rapeseed, soy and sunflower leave a much higher water footprint, and a cause of concern is their blue and grey water footprint[2], which for refined rapeseed oil is significantly high.

To maximise the available water resources at the plantations, UP has constructed an extensive system of water gates, bunds weirs, canals and drains, enabling harvesting and optimising rainwater usage. In addition, leguminous cover crops are established in all immature plantings to conserve moisture. None of the planted areas (oil palms and coconuts) are irrigated, but all depend on rainwater, except for the nursery areas.

UP continues to mitigate its water footprint related to mill waste, maintaining buffers along natural waterways and harvesting rainwater, amongst other initiatives.

WATER USE PER OIL TYPE[3]

Litres per litre oil (1 unit = 100 litres)



Integrated Pest Management

UP has a strong commitment to minimising the use of pesticides via an Integrated Pest Management ("IPM") Programme.

UP has, for example, planted a total of 274,782 broadleaf flowering plants in the fields, thus encouraging parasite and predator activities against bagworm. This is a vital part of the IPM programme.

The key to minimising the economic impact of pests and environmental impacts from pesticide usage is by regular surveillance and monitoring. Several census gangs are deployed on each estate at UP to survey the extent of pest infestation. They take random frond samples in a pre-determined pattern and subsequently count insects and make damage assessments. Furthermore, UP carries out regular aerial surveillance to detect and mitigate potential outbreaks.

First-line treatment against leaf pests, i.e. Nettle Caterpillar and Bagworm, is by biological treatment in the form of Bacillus thuringiensis (a species of bacteria). The use of pheromone traps to catch Rhinoceros Beetles has been adopted on all UP estates, thus reducing the dependency on chemical pesticides. Besides trapping out the beetles, pheromone traps also provide UP with statistical information on the severity of the beetle problem and what spraying methods are needed to minimise the damage.

Overpopulation of rats, beetles and various weeds can negatively impact production yield. UP attempts to minimise the usage of chemical control agents and instead focus on biological control agents, where possible.

UP uses barn owls, leopard cats, cobras and monitor lizards as predators of rats in the plantations (a pair of breeding barn owls consume about 800-1,000 rats per annum). The results are very positive; UP's pesticide use is 6-7 times lower per tonne of oil produced than rapeseed and soybean farmers' and approximately 40-50 times lower than sunflower growers', delivering substantial benefits for society in general.

1) Water that has been sourced from surface or groundwater resources and is either evaporated, incorporated into a product, or taken from one body of water and returned to another, or returned at a different time.
2) Grey water footprint is the amount of freshwater required to assimilate pollutants to meet specific water quality standards.
3) Source: Poore J, Nemecek T, Science 360, 987–992 (2018).

Contributes to: 13 CLIMATE ACTION, 15 LIFE ON LAND

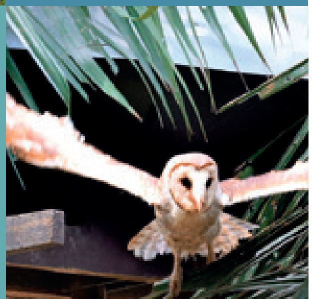
Integrated Pest Management is a way to grow a healthy crop with the least possible disruption to agro-ecosystems and encourage natural pest control mechanisms.

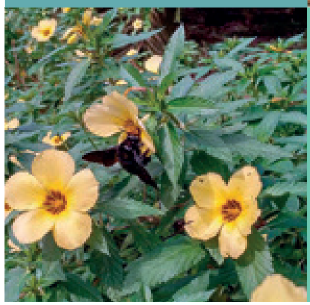
Pheromone Traps

Pheromone traps have been adopted on all estates at UP to trap Rhinoceros Beetles and reduce the dependency on chemical pesticides.

Natural Predators

Natural predators, e.g., barn owls and leopard cats, are used at UP to reduce the use of pesticides and maintain pest populations, like rats, at acceptable levels.





Beneficial Plants

In Malaysia and Indonesia, beneficial flowering plants have been planted to shelter and serve as food source for beneficial insects that prey on pests.

Biodiversity and Conservation

SDG no. 15 is to protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation and halt biodiversity loss. UP is fully committed to its No Deforestation Policy and contributes to the protection of biodiversity and wildlife as well as the avoidance of clearing land in High Carbon Stock ("HCS") areas. Since 2014, UP has introduced an HCS Policy for all its future developments.

UP is dedicated to environmental conservation, exemplified by its efforts in jungle reserves and wildlife sanctuaries and the promotion of green corridors. To encourage biodiversity and wildlife on its estates, UP has set aside 8,203 hectares of land for conservation purposes, representing approximately 16% of its total planted area. In Indonesia, the company has set about 42% of its land concession for conservation. The company also maintains riparian reserves to preserve flora and fauna, provide wildlife corridors, ensure water quality and prevent erosion.

To develop effective conservation strategies, UP has established several collaborations and partnerships. One such partnership is with Copenhagen Zoo, initiated in 2007 and officially established in 2010, which has been instrumental in achieving UP's target of producing certified sustainable palm oil and reducing its environmental impact. To manage the vast conservation areas, UP has a dedicated Biodiversity Department ("BioD") that develops standard operating procedures for mainstreaming environmental sustainability. The BioD has worked with leopard cats to control rats instead of environmentally detrimental chemical control.

Furthermore, the BioD has, amongst other initiatives, undertaken numerous camera trap surveys as well as bird and tree surveys to document the biodiversity within the company's conservation areas, recording many of Borneo's endangered species to date, among them Asia's only great ape, the orangutan.

As shown to the right, the BioD has recorded several species in the conservation areas in Indonesia. These recordings are expected to increase significantly as many more surveys are completed.

CUMULATIVE ANIMAL SPECIES

498

▲ 922% since 2011

CUMULATIVE PLANT AND TREE SPECIES

425

▲ 63% since 2017

Number of Animal Species

213	BIRD SPECIES
124	FISH SPECIES
72	MAMMALS
61	REPTILES
28	AMPHIBIANS

Conservation of jungle reserves and promoting biodiversity remain of vital importance to UP.

Key environmental milestones achieved in UP

- ZERO-BURN POLICY (1989)
- NO PRIMARY FOREST CLEARING POLICY (1990)
- NO BIO-DIESEL PRODUCTION/SUPPLY POLICY (2003)
- METHANE CAPTURING FACILITIES INTRO-DUCED (2006) AND ALL MILLS EQUIPPED WITH METHANE CAPTURING FACILITIES (2018)
- HCV ASSESSMENT INTRODUCED (2007)
- LCA ON PALM OIL PRODUCTION COM-PLETED IN (2008) WITH ANNUAL UPDATES SINCE THEN
- NO DEFORESTATION, NO NEW DEVELOP-MENT ON HIGH CONSERVATION VALUE (HCV) AREAS AND NO NEW DEVELOP-MENT ON PEAT SOILS REGARDLESS OF ITS DEPTH (2010)
- TOTAL PHASE-OUT OF PARAQUAT (2010)
- HCV COMBINED WITH HCS ASSESSMENTS AND LUCA FOR NEW PLANTINGS (2014)
- TOTAL PHASE-OUT OF CLASS 1A71B CHEMICALS (MONOCROTOPHOS/METHA-MIDOPHOS) (2020)

Safety, Labour & Human Rights (SDG 3)
Employees are UP's key asset. Therefore, it is also critical for the company to provide the highest possible welfare standards for its employees and a safe and healthy workplace.

UP places a high priority on the safety and health of its employees, contractors, visitors and local communities at all stages of its operations. The company is determined to mitigate safety risks through robust programmes and preventive interventions, which have proved effective. As a result, in 2022, the total number of accidents declined by 25% compared to 2021. Furthermore, there were no fatal occupancy-related accidents.

To strengthen its commitment to safety, UP has established a dedicated Safety Division with four Safety Officers under the Human Resources, Sustainability and Safety Department. Additionally, 30 Safety and Health Coordinators have been appointed across the company's business units to comply with the new amendment of the local workplace safety legislation, effective in 2023. These measures are aimed at preventing accidents from happening in the future.

FATAL ACCIDENT RATE ("FAR") IN UP

FAR/1,000 employees	2020	2021	2022
Malaysian operations	0.39	0.0	0.0
Indonesian operations	1.41	0.75	0.0

LOST TIME INJURY FREQUENCY RATE ("LTIFR") IN UP

LTIFR/million hours worked	2020	2021	2022
Malaysian operations	8.3	5.0	4.1
Indonesian operations[1]	117.2	87.4	97.1

UP is committed to protecting and advancing human rights, including prohibiting the use of child or forced labour in its operations. Furthermore, UP's Guest Worker Policy include the key elements of human rights protection and protect the workers from exploitation.

1) The difference in LTIFR between Malaysian and Indonesian operations is due to eight working hours per day for Malaysia and seven working hours per day for Indonesia.

Contributes to:

3 GOOD HEALTH AND WELL-BEING

8 DECENT WORK AND ECONOMIC GROWTH

Recent studies have revealed that guest workers in Malaysia are often subjected to deceptive recruitment practices and charged exorbitant fees by agents and middlemen. In response to this issue, UP has incorporated strict ethical recruitment principles in its Guest Worker Policy and advises guest workers against paying any recruitment fees. These practices align with the recommendations of the International Labour Organisation ("ILO"). Furthermore, extensive interviews of UP's guest workers, done in close cooperation with the social NGO Verité, revealed that they had paid fees to third parties in the past. Therefore, UP decided to reimburse all active guest workers as per 31 December 2021 for past recruitment fees in 2022, which amounted to MYR 24.7 million.

In 2022, UP continued to provide several social welfare initiatives to its employees and their families as well as to the local communities. Along with providing free housing, electricity and medical care, UP also provides child care, education for more than 500 children via primary schools, well-equipped hospitals and health clinics, places of worship, bus subsidies for school children and a bakery.

Furthermore, UP granted 22 scholarships to children of employees in 2022, allowing these students to pursue their tertiary studies.

Caring for the Employees

16
PRIMARY SCHOOLS/ KINDERGARTENS

12
GROUP HOSPITALS/ CLINICS

1
SENIOR CITIZEN HOME

1,567
MODERN HOUSING FACILITIES

> UP's founder, Aage Westenholz, was known for setting the highest standards for the workforce, which remains a hallmark of the UP Group. The company is committed to providing the best social amenities for its employees and their families and advancing the economic and social conditions in the surrounding communities.

At UP's plantations in Indonesia, the company actively participates in a government project, the Plasma Scheme, which aims to help smallholders become independent plantation growers. Under this initiative, UP assists smallholders in developing their land for oil palm cultivation, including land preparation. The company manages the plantation for one cycle before handing it over to the smallholder for self-management. The project aims to provide more opportunities for smallholders, reduce poverty and prevent illegal logging and slash-and-burn activities, which have a significant negative impact on the environment.

Responsible Supply Chain Management (SDG 12)
UP is dedicated to conducting business responsibly and maintaining a long-term perspective where it is recognised for meeting the highest agricultural standards internationally. As the first producer of certified sustainable palm oil, the company continues to lead in developing sustainable agricultural practices in the palm oil industry.

In April 2022, UP's newly acquired plantation, Tanarata Estate, received RSPO and Malaysian Sustainable Palm Oil ("MSPO") certifications. UP plays an active role in the RSPO, being a founding member of the organisation.

The RSPO promotes the use and growth of sustainable palm oil products through credible global standards and stakeholder engagement. UP's involvement in the RSPO has contributed to significant developments and decisions, and the organisation now includes over 5,000 members worldwide.

UP also participates in the Sustainable Palm Oil Transparency Toolkit ("SPOTT") assessment conducted by the Zoological Society of London ("ZSL"). This annual assessment scores tropical forestry, palm oil and natural rubber companies against over 100 sector-specific indicators to benchmark their progress over time. The assessment promotes transparency and accountability in the industry by measuring the public disclosure of best practices and sustainability commitments. In 2022, UP was ranked number one in Malaysia and number two globally, with a score of 92.6% for its efforts related to ESG matters and policy transparency. Although this is a significant achievement, the company remains committed to improving its score by engaging and cooperating with the ZSL.

UP recognises the importance placed by the Company's customers and consumers on food safety, product quality and traceability within the supply chain. Since 2017, the company has established a total overview of its supply chain, enabling finished goods to be traced back to their origin, including palm oil mills and individual plantations. All of UP's production of CPO is traceable back to the plantations.

For further information about UP's commitment to ESG, reference is made to UP's Sustainability Report enclosed in the Annual Report (pages 34-110) or the Company's website www.unitedplantations.com/reports/#Sustainability-Reports.

Download UP's Annual Report 2022

Contributes to:

SUSTAINABILITY IN SCHÖRLING

As for UIE, active and responsible ownership is an integral part of Schörling's investment strategy. Schörling believes that through engagement with the portfolio companies and an appropriate board representation, it is able to maintain a strong position of influence in its portfolio companies. In this way, Schörling can ensure that the people leading the portfolio companies have the right competencies and experience and that relevant policies on sustainability issues are established, implemented and complied with.

Schörling emphasises that sustainability must be well integrated into the portfolio companies' operations and business models, as it has a positive impact on both long-term investment results and society at large. Schörling continuously reviews and evaluates investee companies' development internally, with sustainability being one of the key areas of focus. It is important for Schörling that the companies in which it has invested operate in ways that meet fundamental responsibilities in the areas of environment, climate, biodiversity, labour and human rights, as well as gender equality.

> The overall goal for Schörling is that the long-term value development is the best by building on and operating sustainable business models.

All of the portfolio companies have identified relevant ESG risks and suitable adaptation measures to address these. However, as the portfolio companies operate within different sectors and industries, they have different approaches to ESG and, as a result, apply different ESG metrics.

For the manufacturing companies like Hexagon, AAK, HEXPOL and ASSA ABLOY, there is an increased focus on sustainable and efficient procurement of raw materials, reduction of GHG emissions, emissions of toxic chemicals and other pollutants, energy and water consumption, and control of suppliers.

On the other hand, Securitas is a service company in the security industry, which is staff intensive. Therefore, it exerts a greater focus on social aspects, such as the working environment, gender equality (better gender balance in a traditionally male-dominated sector) and employment conditions.

Environment, Climate & Biodiversity (SDG 7, 13 & 15)
Schörling encourages its portfolio companies to reduce their impact on the environment. The use of energy and the reduction of GHG emissions are indeed crucial environmental aspects for many of the businesses.

Various energy projects and initiatives are implemented every year to enhance energy efficiency. At ASSA ABLOY, for example, measures to reduce total energy consumption by 25% before 2025 include control systems or technologies for heating, ventilation and pressure systems. Furthermore, many of ASSA ABLOY's factories and sales companies have introduced modern LED lighting with occupancy sensors. At the same time, initiatives that require minimal investment include encouraging employees to switch off machines, equipment, and PCs when not in use. In relation to the production of certain products, ASSA ABLOY aims to increase efficiency in connection with the utilisation of machines, equipment and floor space and allocation of competence.

For an industrial company such as HEXPOL, a key part of its sustainability strategy is developing and offering low-carbon products to its customers. The company has introduced and increased the use of both recycled and bio-based raw materials, among other climate positive measures.

AAK has improved its environmental efficiency and continues to increase focus on GHG reduction. The company has shown progress in its GHG intensity emissions through technology and process changes (implementing new cleaner technologies and renewable energy sources), as well as sharing best practices and engagement on its sites. Another important part of AAK's sustainability work is aimed at protecting biodiversity and ecosystems. AAK is committed to sustainable sourcing all across its supply chains by engaging with its suppliers to verify that raw materials are produced responsibly and implementing sustainability programs.

Hexagon operates on the basis of a more direct approach, with its business model helping companies to use resources more smartly and efficiently by analysing and using the data available. Hexagon's smart solutions portfolio drives sustainable value creation by putting data to work and empowering increasingly autonomous connected ecosystems. The solutions include precision measurement systems with features that help customers optimise the use of raw materials and components, improve energy efficiency, extend product life cycles, improve work environments through ergonomic features and safety measures, and reduce hazardous materials in product design.

Anticimex also offers an intelligent, environmentally-friendly pest control system, SMART, which uses high-tech digital traps, sensors and cameras to help control rodent activity, thereby reducing the use of pesticides and decreasing the environmental impact.

Safety, Labour & Human Rights (SDG 3 & 8)
Schörling is convinced that employees are the key to maintaining a strong and competitive business. Therefore, personnel safety and gender equality in the workplace is a top priority for all of its portfolio companies.

All six companies aim to ensure that employees work in a safe and healthy environment, keeping the lost-time injury rate to a minimum. At HEXPOL, for example, the management of health and safety issues focuses continually on preventive measures and includes risk analyses, training programs, registration of incidents, and technical improvements.

Another focus area for all the portfolio companies is gender diversity. ASSA ABLOY, for instance, promotes diversity and inclusion. The company's ambition is to increase gender balance throughout the organisation; thus, it has set gender diversity objectives and outlined the necessary actions to achieve them. One key target is for 30% of management positions to be held by women, with progress continuously being measured.

AAK is also dedicated to ensuring women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life. In particular, there is an increasing number of female leaders in traditionally male dominated contexts, such as West Africa.

In addition to the above, Schörling also believes that by supporting and developing companies to grow from local players to world leaders in their respective markets, this should naturally lead to job creation and economic development, whilst curbing income inequality and increasing economic opportunity and well-being over time. By following this business approach, Schörling contributes to sustainable development, thus creating a positive impact on society.

For further information about the issues relevant for the individual companies, refer to the investee companies' annual reports, sustainability reports and websites:

Hexagon: **Download** Sustainability Report
www.hexagon.com

ASSA ABLOY: **Download** Sustainability Report
www.assaabloy.com/group/en

AAK: **Download** Sustainability Report
www.aak.com

HEXPOL: **Download** Sustainability Report
www.hexpol.com

Anticimex: **Download** Sustainability Report
www.anticimex.com

Securitas: **Download** Sustainability Report
www.securitas.com/en/

COMMITMENTS AND AMBITIONS FOR SCHÖRLING'S PORTFOLIO COMPANIES

Some of the key sustainability commitments and ambitions for Schörling's portfolio companies are presented below.

COMPANY	COMMITMENTS	AMBITIONS
HEXAGON	Operating sustainably to improve its own environmental footprint	**Reducing GHG emissions in its operations and supply chain** 2030: Become carbon neutral in its scope 1 and 2 emissions 2050: Become carbon neutral in its whole value chain (scope 1,2 and 3)
ASSA ABLOY	Promoting water efficiency in water intensive facilities	**Minimising water footprint, promoting water awareness and conservation across all sites, and implementing water recycling systems and closed loop systems** 2025: 25% water reduction
AAK	Protecting biodiversity and ecosystems. Reducing environmental impact	**Verified deforestation- and conversion-free** 2025: 100% verified deforestation-free for palm and soy **Reforestation** 2025: 100,000 trees
HEXPOL	Combatting climate change. Reducing carbon dioxide emissions	**Energy-efficiency measures, phasing out of fossil fuels, further installations of photovoltaics and purchase of fossil-free electricity where possible** 2025: 75% reduction of energy-related emissions
Anticimex	Promoting a safe and healthy workplace and reducing the risk of injuries and diseases caused by chemicals	**Preventative training of employees + increase use of its SMART solutions to reduce employees' exposure to biocides** Goal: zero incidents
SECURITAS	Promoting a safe and healthy workplace	**Preventing injury rates** Goal: 5% annual decrease in the company's injury rate

EU TAXONOMY

In 2022, UIE initiated its EU Taxonomy ("Taxonomy") assessment, which focused on determining the applicability of the economic activities listed in the environmental objectives on climate change mitigation and adaptation to its business activities. Despite our strong focus on minimising GHG emissions and our efforts on managing operations to minimise negative environmental impact, UIE's core business activities fall outside the current scope of the activities defined in the EU Taxonomy and are therefore not included in the reporting.

The EU Taxonomy Regulation is a classification system for sustainable economic activities that supports the transition towards a green and sustainable economy. The Regulation aims to facilitate sustainable investment by defining which economic activities contribute to meeting the EU's environmental objectives, with a focus on the objectives on climate change mitigation and climate change adaptation for the 2022 reporting.

UIE initiated its reporting against the Taxonomy in 2022 by reviewing its relevant activities and assessing their applicability to its core business. We noted that the cultivation of oil palms and coconuts and the processing of palm oil fall outside the scope of the activities defined in the Taxonomy. Thus, to report on the Taxonomy, we have identified and determined which economic activities are eligible under the Taxonomy definition and subsequently allocated financial numbers to these economic activities.

Alignment Process
The process for assessing compliance with the criteria set in Article 3 of Regulation (EU) 2020/852 has been conducted in three steps.

The first step was a thorough screening and analysis of the technical annexes of the Climate Delegated Act and the delegated act issued under Article 8 of the EU Taxonomy to identify any potentially eligible economic activities.

Then, each of the identified economic activities was assessed with regard to turnover, capital expenditures ("CapEx") and operational expenditures ("OpEx") to determine its Taxonomy eligibility (i.e., how much of the turnover, CapEx and OpEx could be considered Taxonomy-eligible).

Lastly, UIE evaluated whether its eligible economic activities could fulfil the alignment criteria and thus be considered Taxonomy-aligned (only the first two objectives – climate change mitigation and climate change adaptation – are in scope for reporting and reflected in 2022 reporting).

The initial screening used NACE codes, but as the economic activities did not correspond precisely to the available NACE codes, certain adaptations to the methodology were made to meet the criteria for calculating Taxonomy-eligibility.

Taxonomy-eligibility
The Group's principal business activities relate primarily to the cultivation of oil palms and coconuts and the processing of palm oil in Malaysia and Indonesia. However, as the criteria for agriculture have been temporarily excluded from the Delegated Regulation, UIE only has limited economic activities that are eligible under the Taxonomy definition.

In 2022, the only Taxonomy-eligible turnover in UIE was from UP's production of electricity from biogas plants and biomass boilers in Malaysia, which is sold to the national grid and a JV. However, electricity generation from bioenergy constitutes only 0.3% of our total turnover.

While UIE's primary business activities do not fall within the scope of the activities defined in the Taxonomy, we have identified some Taxonomy-eligible activities in terms of CapEx and OpEx. The CapEx- and OpEx-related eligible economic activities that are currently deemed to meet the Taxonomy's definition are the following:

- **1.4. Conservation forestry:**
  Conservation of jungle reserves, wildlife sanctuaries and green corridors, and promoting biodiversity in Indonesia and Malaysia
- **4.1. Electricity generation using solar PV technology:**
  The use of solar PV cells to produce green electricity consumed internally at UP
- **4.8. Electricity generation from bioenergy:**
  The conversion of biomass and biogas into electricity at sites in Malaysia and Indonesia, which is primarily consumed internally at UP
- **6.2. Freight rail transport:**
  Rail transport of FFB within UP Malaysia (via UP's own light railway system)
- **6.14. Infrastructure for rail transport:**
  Construction and maintenance of UP's light railway system on the majority of the estates in Malaysia
- **7.7. Acquisitions and ownership of buildings:**
  Residential and office buildings at UP Malaysia and Indonesia

Additional activities are expected to be added in 2023 or at a later stage, depending on how the Taxonomy evolves.

In 2022, the Taxonomy-eligible CapEx amounted to 10% of the total CapEx and the Taxonomy eligible OpEx amounted to 25% of the total OpEx.

Taxonomy-alignment
Given the relatively new nature of the Taxonomy, the reporting practice for Taxonomy-alignment is still evolving. Having conducted a thorough analysis of the 'substantial contributions' and 'do no significant harm' criteria for the identified eligible economic activities mentioned above, it has become apparent that UIE does not have the required detailed information and documentation to confirm adherence to the technical screening criteria. Therefore, we have adopted a conservative

approach and disclosed no Taxonomy-alignment for the eligible economic activities for the financial year 2022.

Accounting Policies
The share of Taxonomy-eligible economic activities is expressed as the proportion of turnover, total investments (CapEx) and operational expenditures (OpEx) related to assets or processes listed in the Taxonomy.

Turnover
Total turnover is defined as turnover and other income included in the consolidated financial statements in the Annual Report 2022. The turnover KPI is defined as Taxonomy-eligible turnover (numerator) divided by total turnover (denominator).

CapEx
Total CapEx consists of additions to fixed assets (including financial leases) (note 2.3b - Property, plant and equipment (IAS 16)) and note 2.3c Right-of-use assets (IFRS 16) in the Annual Report 2022. Goodwill is not included in CapEx because it is not defined as an intangible asset in accordance with IAS 38. The CapEx KPI is defined as Taxonomy-eligible CapEx (numerator) divided by total CapEx (denominator).

OpEx
According to the Taxonomy, OpEx is defined as direct non-capitalised costs that relate to research and development, building renovation, short-term lease, maintenance and repair and any other direct expenditures relating to the day-to-day servicing of property, plant and equipment assets. The OpEx KPI is defined as Taxonomy-eligible OpEx (numerator) divided by total OpEx (denominator).

Double Counting
For the calculation of the denominator of the Turnover, CapEx and OpEx KPIs, we have extracted the figures directly from our system and therefore ensure that the figures are only counted once in each KPI. For the allocation of the numerator for CapEx, we have first identified the relevant figures and then we have allocated the primary related economic activity in the Climate Delegated Act. In this way, we ensure that no CapEx is double-counted.

Disaggregation of KPI's
Our identified economic activities do not require disaggregation of KPI's.

Contextual Information about KPI's
Our Taxonomy-eligible Turnover relates to USD 1.9 million in sale of electricity from UP's biogas plants and biomass boilers at UP Malaysia to the national grid in Malaysia as well as a JV, and it makes up 0.3% of the total turnover. The low turnover generated from the taxonomy-eligible activity is due to the fact that most of the green electricity produced at UP is consumed internally.

UIE screened the activities listed in the technical annexes under the Delegated Act 2021/2139 and identified 10%, or USD 3.5 million, eligible capital expenditures. In relation to operational expenditures, our best estimate is that we have 25%, or USD 3.0 million, eligbile operational expenditures. Of all the eligible activities, none were assessed as Taxonomy-aligned for 2022.

Looking Ahead
The EU Taxonomy is still under development, and UIE will monitor the regulation over the coming years and the relevance of the Taxonomy to our business operations. We expect to be able to report at least some of our core business activities as Taxonomy-eligible in the future concurrently with the expansion of the Taxonomy. However, although the Climate Delegated Act does not currently cover activities that fall under the agricultural sector, the Group remains committed to reducing GHG emissions linked with its business activities as well as managing the risks and impacts associated with climate change. An overview of the Group's existing sustainability initiatives has been provided in our ESG reporting on pages 47-56 or UP's Sustainability Report.

Taxonomy reporting is a new process involving greater granularity of existing data, multiple systems and further data such as the output of processes. Implementing an efficient reporting process in UP with the appropriate checks and controls is vital for the future. The work and prioritisation of actions will be ongoing over the coming year.

			Substantial contributions						Do No Significant Harm (DNSH) criteria									
Turnover	Absolute Turnover	Proportion of Turnover	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of Turnover, Year N	Taxonomy-aligned proportion of Turnover, Year N-1	Category (enabling/ transitional activity)
USD million	USD	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E/T
Eligible Taxonomy-aligned activities																		
None	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	N/A
Eligible not Taxonomy-aligned activities																		
4.8 Electricity from Bioenergy	1.9	0																
Non-eligible activities																		
Turnover of non-eligible activities	575.4	100																
Total	**577.3**	**100**																

			Substantial contributions						Do No Significant Harm (DNSH) criteria									
CapEx	Absolute CapEx	Proportion of CapEx	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of CapEx, Year N	Taxonomy-aligned proportion of CapEx, Year N-1	Category (enabling/ transitional activity)
USD million	USD	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E/T
Eligible Taxonomy-aligned activities																		
None	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	N/A
Eligible not Taxonomy-aligned activities																		
4.1 Electricity - Solar PV technology	0.5	1																
4.8 Electricity - Bioenergy	0.5	1																
6.14 Infrastructure - Rail transport	1.0	3																
7.7 Ownership - Residential/offices	1.5	5																
Non-eligible activities																		
CapEx of non-eligible activities	31.3	90																
Total	**34.8**	**100**																

			Substantial contributions						Do No Significant Harm (DNSH) criteria									
OpEx	Absolute OpEx	Proportion of OpEx	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of OpEx, Year N	Taxonomy-aligned proportion of OpEx, Year N-1	Category (enabling/ transitional activity)
USD million	USD	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E/T
Eligible Taxonomy-aligned activities																		
None	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	N/A
Eligible not Taxonomy-aligned activities																		
1.4 Conservation forestry	0.0	0																
4.1 Electricity - Solar PV technology	0.0	0																
4.8 Electricity - Bioenergy	0.7	6																
6.2 Freight - Rail transport	0.6	5																
6.14 Infrastructure - Rail transport	0.4	3																
7.7 Ownership - Residential/offices	1.3	11																
Non-eligible activities																		
OpEx of non-eligible activities	9.0	75																
Total	**12.0**	**100**																

Minimum Safeguards
UIE is committed to complying with the EU Taxonomy's minimum safeguards, which include criteria used to determine whether an economic activity is environmentally sustainable.

To ensure compliance with these minimum safeguards, we have assessed performance criteria against the following four core topics established by the European Commission; human rights, bribery and corruption, taxation and fair competition.

Human Rights
In regards to human rights, UIE/UP is dedicated to safeguarding and promoting human and labour rights, including prohibiting the use of child labour or forced labour in its operations. UP adheres to the fundamental elements of the International Labour Organisation ("ILO") Convention and the United Nations Declaration on Human Rights, the Rights of Indigenous Peoples and other core values as ratified by the countries where it operates.

UP has implemented several policies, standard operating procedures, and systems to uphold its human rights commitments throughout its business functions. UP has, for example, established a Gender Committee that includes representatives from labour unions and management to promote female participation and advancement in the workplace, handle sexual harassment complaints and support victims. In addition, when a harassment case is reported informally or formally, the relevant committee investigates whether further sanctions are needed or if law enforcement action needs to be taken.

To ensure the protection of the rights of all guest workers (which comprise around 85% of the total labour force in the Malaysian sector), UP's Guest Workers Policy incorporates the key elements of human rights protection, such as reimbursing statutory recruitment fees, not withholding passports, executing employment contracts in the source countries, not withholding wages and no penalty for premature repatriation. UP conducts internal assessments and interviews of guest workers, and it deliberates on various guidelines and studies on migrant worker recruitment and risks related to forced labour by relevant organisations to proactively incorporate ethical recruitment and employer pay principles in its Guest Worker Policy. As part of UP's efforts to combat forced labour, it has conducted an internal investigation together with the social NGO, Verité, with whom UP collaborates closely. More than 300 guest workers were interviewed, revealing that they had paid significant fees to third parties in exchange for employment at UP.
In response, the company made the voluntary decision to reimburse all active guest workers as of 31 December 2021 the recruitment fees to third parties in the past.

UP is committed to securing the safety and health of all employees at work and has an Occupational Safety and Health Policy in place. The Human Resources, Sustainability and Safety Department formulates and develops policies and procedures that align with the Group's objectives and core values for managing people, the workplace, culture and the environment. Safety operating procedures and systems checks for all processes and equipment are in place, and product quality standards are stringently maintained. Training schedules are prepared for employees annually to cover occupational safety and health, human rights, best agriculture and management practices and industrial laws, among others.

UIE is committed to protecting personal data and has a Data Ethics Policy in place that outlines how personal data is processed and handled, which complies with laws and regulations, including the EU General Data Protection Regulation. Furthermore, it ensures the implementation of privacy and security safeguards, measures and procedures to ensure proper management and prevent unauthorised use, disclosure or breach of personal data.

UIE/UP has high standards of ethical, moral and legal business conduct and has a Whistleblower Policy to provide safe and easy access for employees, business partners and stakeholders to raise concerns and report suspicion of illegal behaviours, violations or misconduct.

Bribery and Corruption
UIE/UP has a zero-tolerance approach to fraud, bribery and corruption and condemns it in all forms. It applies to all dealings by directors, employees, suppliers, consultants, agents and any person associated with the Group. UP/UIE believes business should be conducted without facilitation payments and strive to follow ethical guidelines and standards, enforcing effective systems to counter bribery and corruption.

Corruption and bribery risk assessment are done regularly, and adequate procedures have been implemented to minimise the exposure to the Group (included in UP's code of conduct). In UP, the internal audit manager is responsible for anti-corruption matters and report any findings to the Chairman of the audit committee. Any actions that may raise concerns are reviewed by the Board of Directors and may result in disciplinary action, including dismissal for misconduct.

Taxation
UIE is a responsible taxpayer in the countries where it operates, generates taxable income, and does not engage in aggressive tax planning.

The Board of Directors is responsible for compliance with UIE's tax policy, which includes guidelines to:

- act in accordance with relevant legislation in its tax computations and tax reporting
- fulfil its tax obligations in the countries where it operates and pay the correct amount of all types of taxes and duties when due
- conduct transparent transactions in the Group that comply with laws, rules, and regulations; and
- only make use of tax incentives specified by law and generally available and aligned with the company's business objectives.

Fair Competition
Finally, the UIE Group believes in vigorous yet fair competition and supports the development of appropriate competition laws. It conducts its business operations following the principles of fair competition, good business practices and all applicable competition regulations. Any use of illegal or unethical methods to compete in the market may result in disciplinary action.

CORPORATE GOVERNANCE

UIE's Board of Directors and Management continuously strive to maintain an appropriate corporate governance framework and aim to provide shareholders as well as other stakeholders with relevant information about our business operations, business environment, financial results and future expectations.

The Board of Directors is of the view that developing corporate governance practices is an ongoing process influenced by current laws, regulations and recommendations. Therefore, it regularly reviews and assesses UIE's corporate governance framework to ensure clear and open decision-making processes as well as a high level of transparency.

The shareholders of UIE have ultimate authority over the company and exercise their right to make decisions at the AGM, for example in relation to approving the annual report, electing Board members and auditors, and deciding on amendments to the Articles of Association.

The general meeting exercises its powers pursuant to the provisions of UIE's Articles of Association, which are available on www.uie.dk. In 2022, the AGM was held on 19 May.

Reporting on Corporate Governance
UIE is incorporated and registered in Malta but listed on Nasdaq Copenhagen and the principles of the Danish Corporate Governance Code thus apply to UIE. The recommendations were last updated on 2 December 2020.

UIE follows the vast majority of the recommendations. However, there are three specific areas where UIE's corporate governance practice differs slightly from the recommendations;

- It is not possible to attend the AGM via a webcast
- A majority of the members of the Nomination and Remuneration Committee are not independent
- External assistance is currently not used in the self-evaluation of the Board of Directors

For more information on the status of compliance with the recommendations, reference is made to the statutory report on Corporate Governance 2022.

Download UIE's Statutory Report on Corporate Governance 2022

Board of Directors
UIE is managed by the Board of Directors, which is elected by the AGM.

The Board of Directors currently consists of eight qualified directors with specialised knowledge and experience within the sectors where UIE has its investments, and with sound financial insight and M&A experience as well as experience from involvement in other listed companies, thus contributing positively to the UIE's business operations and development.

Board members are elected at the AGM for a period of one year and must seek re-election at the ensuing AGM. For further information about the Board members, see pages 43-45.

Self-evaluation
The Board of Directors has defined a formal procedure for annual self-evaluation. The Board of Directors evaluates the work of the Board, the results of its work as well as the interaction between the Board of Directors and the Chairmanship, including the Chairman's leadership of the Board's work and responsibilities. The evaluation is based on a number of questions and prepares the ground for discussing relevant matters.

In 2022, the annual evaluation revealed an overall good performance by the Board of Directors and good collaboration and communication between the Board of Directors and the Management as well as the Board of Directors and the Board Committees. The dialogue continues to be positive, constructive and direct, and meetings are run in a structured way, where all Board members are given ample opportunity to express their views and opinions.

The recommendations from the self-evaluation included keeping a high focus on new regulatory frameworks and requirements, in particular the EU Taxonomy.

Furthermore, as 2022 was characterised by elevated inflation levels, rising interest rates, recession fears and geopolitical uncertainties, the Board of Directors proposed to continue to receive external input on relevant topics, such as as the long-term supply and demand situation within edible oil as well as the global economy. The current global economy presents many challenges, and how these are addressed and their impact on UIE's business operations remains a high priority.

The Board evaluation confirmed the alignment on top strategic issues and priorities.

Overall, the result of the self-evaluation conducted in 2022 did not give rise to any significant considerations and supported the current composition and organisation of the Board.

Diversity

The Board of Directors regularly reviews the structure, size and composition of the Board, including assessing whether the competencies required are adequately represented. In addition, the Board strives to enhance diversity, including representation of both genders at the Board level, which is of high priority when considering profiles of potential board candidates. For the same reason, UIE has adopted a diversity policy available on the Company's website.

Download UIE's Diversity Policy

In 2022, UIE achieved the target of having at least one female member on the Board of Directors with the election of Dr. Catherine Bannister at the AGM on 19 May, increasing the female representation to 13%.

Gender diversity is still of high priority, and UIE is determined to ensure a more balanced gender representation on the Board of Directors. Thus, the Company has set a new target figure for the share of the under-represented gender. The new target is to have at least 25% female members on the Board of Directors by 2026.

However, while gender is one dimension of diversity, the Board of Directors fully acknowledges that diversity has many facets, such as ethnicity, race, religion and age. Based on this perspective, it is clear that UIE has a diverse Board of Directors, where all the members bring their personal backgrounds and experiences to the boardroom, enabling a more nuanced line of thought.

Directors' Responsibilities

The Board of Directors sets the general business principles and deals with the overall and strategic management of UIE, including:

- Assessing, in cooperation with the Managing Director, the financial and operational management of UIE
- Reviewing and determining the strategy for UIE's activities
- Ensuring that UIE is properly managed and in compliance with the Company's Articles of Association, policies and guidelines as well as laws and regulations (including Nasdaq Copenhagen's Rules for Issuers of Shares)
- Defining tasks in relation to financial and managerial control of UIE
- Evaluating the UIE's capital and share structures to ensure that they are in the best interest of UIE and its shareholders

As UIE is a holding company with no independent operations, the day-to-day management is primarily overseeing the current investments and implementation of strategic/investment decisions, which are made in close dialogue with the Chairmanship.

Board Meetings

The Board of Directors in UIE held five ordinary board meetings ("BM") in 2022 and one strategy meeting with all directors attending, except one Board member, who was excused for one board meeting.

ATTENDANCE AT BOARD MEETINGS AND THE ANNUAL STRATEGY MEETING

Board member	BM	Strategy
Carl Bek-Nielsen	●●●●●	●
Martin Bek-Nielsen	●●●●●	●
John A. Goodwin	●●○●●	●
Bent Mahler	●●●●●	●
Jørgen Balle	●●●●●	●
Frederik Westenholz	●●●●●	●
Harald Sauthoff	●●●●●	●
Catherine Bannister[1]	●●●	●

1) Catherine Bannister joined the UIE Board in May 2022 and thus did not participate in the first two meetings in 2022.

Apart from contemporary business issues, the most important issues dealt with in 2022 were the impacts of the global economy on UIE's activities and the risks associated with that, strategy, IT security, the labour shortage situation in Malaysia and sustainability, including the implementation of the EU Taxonomy.

Data Ethics

UIE seeks to ensure high standards for data ethics as described in our Data Ethics Policy.

Download UIE's Data Ethics Policy

We aim to encourage all employees of UIE to handle data with utmost care and to store and process data in adherence to applicable laws and regulations on the protection of personal data, including the EU General Data Protection Regulation.

UIE enhanced its principles on data ethics in 2022. For example, to ensure automatic GDPR compliance and proper data management, UIE applied an automated clean-up tool in 2022, which scanned and identified potentially non-compliant data in Outlook every quarter. By using this clean-up tool, we were able to form an overview of data that could contain sensitive information, spot any inappropriate workflows and continuously improve our data practices. Thus, UIE will continue with this procedure in 2023.

Financial Reporting

The financial reporting process refers to activities that generate financial information used in managing UIE and the financial information published in accordance with the requirements of legislation, standards, and other regulations covering UIE's operations. Financial reporting is governed by a set of common principles. The Group fully complies with the IFRS accounting standards approved by the EU.

The Board of Directors has the overall responsibility for UIE's risk management and internal control procedures in connection with the financial reporting process, including ensuring compliance with relevant legislation and other regulations relating to financial reporting.

A reporting process has been established under which monthly reports are prepared to the Board of Directors, explaining deviations from the expected results and key figures for the underlying activities in UIE's portfolio companies. Estimates for the full year are updated on a quarterly basis.

Risk Management
The overall objective of risk management is to identify, evaluate, and manage risks that may threaten the achievement of UIE's business goals. The operating risks of the companies in which UIE invests are managed by the entities' own management. The Audit Committee reviews and discusses the risk map every quarter and the actions implemented to mitigate the identified risks. Furthermore, the Audit Committee performs an annual assessment of UIE's internal procedures. On a regular basis, the UIE Management and the Audit Committee report to the Board of Directors on developments within the most important risk areas and compliance with adopted policies.

The most important strategic and business-related risks are described in the Annual Report on pages 38-40.

Auditors
In 2019, Ernst & Young Malta Limited were appointed as auditors to the Company. They have indicated their willingness to continue in office, and a resolution for their reappointment will be proposed at the AGM in 2023.

OVERVIEW OF BOARD COMMITTEES

The purpose of UIE's Board committees is to prepare decisions and recommendations for consideration and approval by the Board of Directors. Accordingly, the Board of Directors has established the following four committees:

Audit Committee

The Audit Committee assists the Board of Directors in fulfilling its responsibilities related to the oversight of the internal and external audit functions, supervising the quality and integrity of all external financial reporting, as well as in relation to risk management and governance.

Four meetings were held by the Audit Committee during 2022, with all members attending each meeting. All meetings were held at the registered office in Malta. However, Mr. Appalanaidu Ganapathy attended three of the meetings via video conference.

ATTENDANCE AT AUDIT COMMITTEE MEETINGS

Committee member	Meetings attended
John A. Goodwin	●●●●
Jørgen Balle	●●●●
Appalanaidu Ganapathy	●●●●

In addition to discussing the fixed agenda items in relation to risk management, financial reporting and governance, the Audit Committee directed its attention to hedge accounting in UP and the new EU Taxonomy reporting. Furthermore, the Audit Committee has regularly discussed the valuation of non-listed investments throughout the year, particularly the valuation of Greenbridge, as well as UIE's insurance policies, tax-transfer pricing, and cyber security, which continues to be an essential risk issue.

All three members of the Audit Committee are non-executives, and two are independent. Mr. Appalanaidu Ganapathy is not part of the UIE Board, but he was the former Company Secretary of UP (UIE's largest investment) and served as Finance Manager for many years. Therefore, he has a lot of know-how and experience, which is of great value to UIE.

Nomination and Remuneration Committee

The Nomination Committee as well as the Remuneration Committee assist the Board in identifying and assessing potential candidates for appointment of the Board of Directors, Board Committees and Management as well as in monitoring and adjusting the Company's remuneration policy, including assessment of remuneration and incentive schemes.

The Nomination Committee held three meetings in 2022, whereas the Remuneration Committee held one. All committee members attended all meetings. The Nomination Committee focused its attention during the year on diversity, in particular gender diversity. In April 2022, the Nomination Committee proposed the election of Dr. Catherine Bannister as a new member of the Board of Directors. Dr. Bannister was appointed to the Board of Directors in May 2022. Thus, the target of having at least one female board member was achieved in 2022.

As for the Remuneration Committee, the focus has been on reviewing and defining benchmarks for the Board of Directors' and Managing Directors' remuneration, preparation of the remuneration report, and the employee share programme, which was initiated on 1 January 2021 and continued throughout 2022.

ATTENDANCE AT NOMINATION ("NC") AND REMUNERATION ("RC") COMMITTEE MEETINGS

Committee member	NC Meeting	RC Meeting
Carl Bek-Nielsen, Chairman	●●●	●
Martin Bek-Nielsen	●●●	●
Bent Mahler	●●●	
Jørgen Balle		●

The Remuneration and Nomination Committee each consists of three members; two qualified as non-independent and one qualified as independent.

Investment Committee

The Board of Directors formally established the Investment Committee in 2020 to oversee UIE's investments in equities and fixed income products as well as foreign currency exposure. The Investment Committee routinely assesses and, where necessary, recommends mitigatory actions it deems appropriate concerning UIE's market exposure to the Board of Directors.

The Investment Committee held six meetings in 2022, focusing on UIE's investment strategy and policy, currency issues, and liquid reserves invested in equities and fixed income products.

The Investment Committee consists of three non-independent members; Mr. Martin Bek-Nielsen, Deputy Chairman of the Board, Mr. John Goodwin (who served the Board for more than 12 years) and Mr. Ulrik Juul Østergaard (Managing Director of UIE).

ATTENDANCE AT INVESTMENT COMMITTEE MEETINGS

Committee member	Meetings attended
Martin Bek-Nielsen, Chairman	●●●●●●
John A. Goodwin	●●●●●●
Ulrik Juul Østergaard	●●●●●●

See Terms of Reference as well as the composition, tasks and responsibilities of the Committees at UIE's website: www.uie.dk/the-committees-of-the-board/

REMUNERATION

At UIE, we work to align the remuneration of the Board of Directors and Management with the long-term interests of our shareholders. The remuneration for the Board of Directors and Management in 2022 is fully in line with our remuneration policy.

The remuneration of the Board of Directors and Management for 2022 was provided in accordance with the remuneration policy of UIE.

Download UIE's Remuneration Policy

The Remuneration Report 2021 was subject to an advisory vote at the AGM in May 2022 and was approved by 97.6% of votes casted.

Remuneration Policy at a Glance
UIE's remuneration policy for the Board of Directors and the Management is designed to attract, motivate and retain qualified members to the Board of Directors and the Management, as well as to support the strategic goals of UIE and the long-term sustainable value creation for the benefit of UIE's shareholders.

UIE aims to ensure that the remuneration is at a reasonable level relative to the achieved results and the Company's particular situation. The remuneration policy intends to provide the Board of Directors and Management with a competitive financial package, which is regularly reviewed against external benchmarks.

Remuneration of the Board of Directors
The remuneration of the Board of Directors is approved every year at the AGM. As a matter of principle, the Board of Directors is remunerated with a fixed annual fee and not included in any incentive scheme or other programmes.

The Board of Directors assesses the fixed fees paid to the Board annually, according to the recommendations made by the Remuneration Committee.

In 2022, the ordinary fixed annual Board fee constituted USD 47,500, which is the same remuneration level as in 2021. The Chairman and Deputy Chairman, however, received a higher remuneration for their extended board duties (USD 75,000 and USD 60,000, respectively).

Committee Remuneration
In addition to the remuneration mentioned above, a separate fixed annual fee is paid to the Audit Committee. The basic remuneration for the Audit Committee members constituted USD 10,500 for the financial year 2022. The Chairman of the Audit Committee received an additional remuneration of USD 4,500 for his extended duties and responsibilities.

A fixed fee is also paid to members of the Investment Committee. The Investment Committee members receive a basic remuneration of USD 1,000 per annum, while the Chairman receives a remuneration of USD 2,000 per annum for his extended duties and responsibility.

Members of the Nomination Committee and Remuneration Committee are not paid any fees in addition to the ordinary Board fee.

Remuneration of Management
The Managing Director is remunerated with a fixed payment and an annual cash bonus, which is adjusted once a year based on a careful review of market levels for similar companies, UIE's financial position and results, as well as the competencies and performance of the Managing Director.

The Managing Director does not participate in any share, option, nor warrant schemes. However, in accordance with section 7P of the Danish Tax Assessment Act ("Ligningslov-en §7P"), the Managing Director had part (17%) of his fixed salary paid in UIE shares in 2022.

Total Remuneration 2022
The table on the left shows an overview of the remuneration received by the Board of Directors, Committee members and the Management during 2022 with comparative figures for the past four years.

For further information, reference is made to the remuneration report:

Download UIE's Remuneration Report

FIVE-YEAR OVERVIEW OF REMUNERATION (USD)

	2018	2019	2020	2021	2022
Total remuneration of the Board of Directors	302,500	302,500	372,500	372,500	404,167[1]
Development of remuneration (index 2018 = 100)[1]	100	100	123	123	134
Total remuneration of Committee members[2]	27,000	27,000	40,000	40,000	40,000
Development of remuneration (index 2018 = 100)	100	100	148	148	148
Total remuneration of the Management	503,000	700,000	741,000	664,000	507,000
Development of remuneration (index 2018 = 100)	100	139	147	132	101

1) The Board was extended by one director as Catherine Bannister joined the UIE Board in May 2022.
2) The Investment Committee did not receive remuneration before 2020, when it was formally established.

STATEMENT BY THE BOARD OF DIRECTORS AND THE MANAGEMENT

Statement of Directors' Responsibilities for the Year Ended 31 December 2022
The Companies Act, Cap. 386 of the Laws of Malta requires the Directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company as at the end of the financial period and of the profit or loss for that period. In preparing these financial statements, the directors are required to:

- adopt the going concern basis unless it is inappropriate to presume that the Company will continue in the business;
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- account for income and charges relating to the accounting period on the accruals basis;
- value separately the components of asset and liability items; and
- report comparative figures corresponding to those of the preceding accounting period.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act, Cap. 386 of the Laws of Malta. This responsibility includes designing, implementing and maintaining such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Going Concern
After making due enquiries, the Directors have a reasonable expectation, at the time of approving the financial statements, that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis has been adopted in preparing the consolidated financial statements.

Statement by the Board of Directors and the Management
The Board of Directors and the Management have today discussed and approved the Annual Report of the Company for the period 1 January - 31 December 2022.

The Annual Financial Report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU, the Companies Act, Cap. 386 of the Laws of Malta and the Commission Delegated Regulation on the European Single Electronic Format ("ESEF").

The Directors declare that the Audit Report on the ESEF Annual Financial Report is an exact copy of the original signed by the auditor and no alterations have been made to the audited elements of the Annual Financial Report including the annual financial statements.

In our opinion, the consolidated financial statements and the parent financial statements, identified as UIE-2022-31-12, give a true and fair view of the Group's and the Company's assets, liabilities and financial position on 31 December 2022, and of the results of the Group's and the Company's operations and cash flows for the period 1 January - 31 December 2022.

In our opinion, the Directors' Report gives a true and fair account of the developments in the operations and financial circumstances of the Group and the Company, of the results for the period and of the financial position of the Group and the Company. It also gives a fair account of the significant risks and uncertainty factors that may affect the Group and the parent company.

The Annual Report is recommended for approval by the Annual General Meeting.

2 March 2023.

BOARD OF DIRECTORS

Carl Bek-Nielsen
Chairman

Martin Bek-Nielsen
Deputy Chairman

John A. Goodwin

Bent Mahler

Jørgen Balle

Frederik Steen Westenholz

Harald Sauthoff

Cathrine Bannister

MANAGEMENT

Ulrik Juul Østergaard
Managing Director

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

Statements

Notes to the Consolidated Financial Statements

Section 1

Operating Activities

Section 2

Capital Employed

Section 3

Investment Activities

Section 4

Other Disclosures

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER

USD '000	Note	2022	2021
Revenue	1.1	573,271	488,610
Costs of goods sold		(208,243)	(203,112)
Gross profit		365,028	285,498
Other income		4,035	5,414
Amortisation, depreciation and impairment loss	2.3	(23,619)	(24,533)
Staff costs	1.2	(52,728)	(49,359)
Other expenses		(109,379)	(57,398)
Profit from operations before financial items		**183,337**	**159,622**
Changes in fair value of Schörling	3.1	(73,993)	42,749
Changes in fair value of Greenbridge	3.1	(8,092)	7,364
Results from investing activities - portfolio investments		(6,330)	1,821
Interest income		3,858	1,681
Interest expense		(579)	(126)
Net foreign exchange gain/(loss)		635	(1,412)
Share of results in joint venture	3.2	2,981	77
Profit before income tax		101,817	211,776
Income tax	4.1	(52,889)	(38,481)
Profit for the year		**48,928**	**173,295**
Profits attributable to			
Owners of the Company		(22,099)	108,126
Non-controlling interest		71,027	65,169
		48,928	**173,295**
Earnings per share attributable to owners of the Company (USD)		(0.69)	3.31

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER

USD '000	Note	2022	2021
Profit for the year		48,928	173,295
Items that will not be reclassified to the Income Statement			
Actuarial changes to defined retirement plans	4.5	476	1,271
Items that are or may be reclassified to the Income Statement			
Cash flows hedges, fair value adjustment	4.8	(17,090)	(71,505)
Cash flows hedges, realisation of previously deferred gains	4.8	59,200	49,660
Foreign currency translation		(36,341)	(23,137)
Tax on other comprehensive income	4.1	(10,212)	4,963
Other comprehensive income		(3,967)	(38,748)
Total comprehensive income		**44,961**	**134,547**
Total comprehensive income attributable to			
Owners of the Company		(24,421)	89,387
Non-controlling interests		69,382	45,160
		44,961	**134,547**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

USD '000	Note	31 Dec. 2022	31 Dec. 2021
ASSETS			
Current assets:			
Inventories	1.3	49,838	33,341
Cash and cash equivalents	3.3	192,079	131,222
Short-term deposits	3.3	8,362	8,818
Short-term funds	3.3	54,998	42,654
Trade and other receivables	1.4	38,139	106,964
Derivatives	4.8	7,828	2,594
Portfolio investments	3.1	25,265	31,883
Biological assets	2.1	10,361	11,502
Current tax receivable		8	5,264
Total current assets		386,878	374,242
Non-current assets:			
Goodwill	2.3a	88,102	92,527
Property, plant and equipment	2.3b	348,651	360,422
Right-of-use assets	2.3c	50,888	50,933
Deferred tax assets	4.1	484	648
Strategic investments	3.1	233,159	298,353
Joint venture	3.2	12,144	9,624
Non-current derivatives	4.8	2,575	-
Other receivables	1.4	168	1,256
Total non-current assets		736,171	813,763
Total assets		**1,123,049**	**1,188,005**

The official middle rate of exchange issued by the European Central Bank between the US Dollar and the Euro on 31 December 2022 stood at 1.0666 (EUR/USD).

USD '000	Note	31 Dec. 2022	31 Dec. 2021
LIABILITIES AND EQUITY			
Current liabilities:			
Current tax liability		12,235	11,679
Trade and other payables		42,007	36,364
Derivatives	4.8	-	29,164
Retirement benefit obligation	4.5	607	560
Total current liabilities		54,849	77,767
Non-current liabilities:			
Deferred tax liability	4.1	46,717	40,454
Derivatives	4.8	-	5,482
Lease liabilities	4.6	2,717	-
Retirement benefit obligation	4.5	2,907	3,330
Total non-current liabilities		52,341	49,266
Total liabilities		**107,190**	**127,033**
Equity:			
Share capital	4.3	32,228	33,728
Treasury shares		(584)	(40,526)
Other reserves		632,317	724,191
Equity attributable to owners of the Company		663,961	717,393
Non-controlling interests		351,898	343,579
Total equity		1,015,859	1,060,972
Total liabilities and equity		**1,123,049**	**1,188,005**

The financial statements on pages 69 to 110 were approved and authorised for issue by the Board of Directors on 2 March 2023. The financial statements were signed on behalf of the Company's Board of Directors by Carl Bek-Nielsen (Chairman) and Martin Bek-Nielsen (Deputy Chairman) as per the Directors' Declaration on ESEF Annual Financial Report submitted in conjunction with the Annual Report and Accounts 2022.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER

USD '000	Share capital	Share premium	Treasury shares	Trans-lation reserves	Hedging reserves	Retained profits	Total	Non-controlling interests	Total equity
On 1 January 2022	**33,728**	**8,688**	**(40,526)**	**(53,596)**	**(12,881)**	**781,980**	**717,393**	**343,579**	**1,060,972**
Total comprehensive income for the year									
Profit/(loss) for the year	-	-	-	-	-	(22,099)	(22,099)	71,027	48,928
Other comprehensive income/(loss)	-	-	-	(17,984)	15,482	180	(2,322)	(1,645)	(3,967)
Total comprehensive income/(loss) for the year	**-**	**-**	**-**	**(17,984)**	**15,482**	**(21,919)**	**(24,421)**	**69,382**	**44,961**
Transactions with owners									
Share-based payments	-	-	134	-	-	-	134	-	134
Cancellation of treasury shares	(1,500)	(386)	39,808	-	-	(37,922)	-	-	-
Dividends paid	-	-	-	-	-	(29,145)	(29,145)	(61,063)	(90,208)
Total transactions with owners	**(1,500)**	**(386)**	**39,942**	**-**	**-**	**(67,067)**	**(29,011)**	**(61,063)**	**(90,074)**
On 31 December 2022	**32,228**	**8,302**	**(584)**	**(71,580)**	**2,601**	**692,994**	**663,961**	**351,898**	**1,015,859**
On 1 January 2021	**33,728**	**8,688**	**-**	**(42,408)**	**(4,850)**	**700,859**	**696,017**	**348,644**	**1,044,661**
Total comprehensive income for the year									
Profit for the year	-	-	-	-	-	108,126	108,126	65,169	173,295
Other comprehensive income/(loss)	-	-	-	(11,188)	(8,031)	480	(18,739)	(20,009)	(38,748)
Total comprehensive income for the year	**-**	**-**	**-**	**(11,188)**	**(8,031)**	**108,606**	**89,387**	**45,160**	**134,547**
Transactions with owners									
Treasury shares purchased	-	-	(40,671)	-	-	-	(40,671)	-	(40,671)
Share-based payments	-	-	145	-	-	-	145	-	145
Dividends paid	-	-	-	-	-	(27,485)	(27,485)	(50,225)	(77,710)
Total transactions with owners	**-**	**-**	**(40,526)**	**-**	**-**	**(27,485)**	**(68,011)**	**(50,225)**	**(118,236)**
On 31 December 2021	**33,728**	**8,688**	**(40,526)**	**(53,596)**	**(12,881)**	**781,980**	**717,393**	**343,579**	**1,060,972**

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER

USD '000	2022	2021
Cash flows from operating activities		
Receipts from customers	583,653	480,218
Payment of operating expenses	(378,455)	(302,310)
Receipts/(payments) of deposits re. derivatives	46,581	(25,994)
Payment of taxes	(48,863)	(32,372)
Other receipts	3,478	5,059
Net cash generated from operating activities	206,394	124,601
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	231	263
Proceeds from sale of business	-	361
Interest received	3,987	1,919
Investment in Greenbridge	(16,892)	(3,084)
Dividend received	484	339
Proceeds from sale of portfolio investment	3,361	8,997
Purchase of portfolio investments	(3,691)	(10,314)
Purchase of property, plant and equipment	(29,926)	(22,481)
Payments on right-of-use assets	(1,398)	(4,908)
Net change in deposits with a tenure of more than 3 months	-	(22)
Net change in short-term funds	(14,475)	38,047
Net cash from/(used in) investing activities	(58,319)	9,117

FOR THE YEAR ENDED 31 DECEMBER

USD '000	2022	2021
Cash flows from financing activities		
Interest paid	(425)	(126)
Dividends paid	(90,207)	(77,710)
Purchase of treasury shares	-	(35,123)
Change in joint venture balances	5,311	(3,402)
Net cash used in financing activities	(85,321)	(116,361)
Net change in cash and cash equivalents	62,754	17,357
Cash and cash equivalents at the beginning of year	131,222	116,064
Foreign exchange adjustment	(1,897)	(2,199)
Cash and cash equivalents at the end of year	192,079	131,222

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Summary of Significant Accounting Policies covering the Consolidated Financial Statements

General Information

The Parent Company of the Group, UIE Plc, has been registered and domiciled in Malta since 30 December 2019 as a public limited liability company. The Company's shares are publicly traded on Nasdaq Copenhagen.

UIE is a holding company which invests in the agro-industrial sector as well as industrial and technology businesses. UIE exercises long-term and active ownership through direct board representation or representation on the investment committee, as well as close collaboration with the respective management of the portfolio companies.

The following is a summary of the significant accounting policies adopted by UIE and its subsidiaries, collectively referred to in these consolidated financial statements as the "Group". The general accounting policies applied to the consolidated financial statements are described below, while significant accounting policies covering specific accounts are placed in the notes to which they relate.

Basis of Preparation

The consolidated financial statements are prepared in accordance with IFRS as adopted by the EU, applicable interpretations issued by the IFRS Interpretations Committee ("IFRS IC") and the Maltese Companies Act (Cap 386).

These consolidated financial statements are expressed in USD, as this is UIE's functional and presentation currency. All values are rounded to the nearest thousand USD '000 where indicated.

UIE's consolidated financial statements are prepared on a historical cost basis, except as noted in the various accounting policies.

The Group generates strong cash flows, and has a solid financial position with strong liquidity and no interest-bearing debt. On this background, the Consolidated Financial Statements have been prepared on a going concern basis.

Change in Accounting Policies

The Group has implemented, with effect from 1 January 2022, the standards and interpretations that became effective in the EU in 2022.

- Amendments to IFRS 3 "Business Combinations"
- Amendments to IAS 16 "Property, Plant and Equipment"
- Amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets"
- Annual Improvements to IFRS Standards 2018-2020 (IFRS 1, IFRS 9, IFRS 16 and IAS 41)Interest

None of these standards and interpretations has had an impact on profit or loss, assets, liabilities or equity for 2022 and is not anticipated to have a significant impact on future periods.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but has yet to be effective.

Defining Materiality

The consolidated financial statements are a result of processing large numbers of transactions and aggregating those transactions into classes according to their nature or function. When aggregated, the transactions are presented in classes of similar items in the consolidated financial statements. If a line item is not individually material, it is aggregated with other items of a similar nature in the consolidated financial statements or the notes.

Basis of Consolidation

Subsidiaries are enterprises controlled by UIE. Control exists when UIE has the power, directly or indirectly, to govern the financial and operating policies of an enterprise to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The financial statements for the subsidiaries are prepared for the same accounting period as UIE, using consistent accounting policies. Non-controlling interests' ("NCI") share of subsidiaries' profit/loss for the year and of equity are included in the Group's profit/loss and equity but are presented separately.

On acquisition of NCI, the difference between the consideration paid and the amount by which the NCI are adjusted is recognised directly in owners share of equity. Gain or loss on disposal of NCI is recognised directly in owners share of equity.

On consolidation, intragroup balances and intragroup transactions are eliminated in full.

These consolidated financial statements include the accounts of UIE and its subsidiary companies, as listed on the following page.

Foreign Exchange Translation

Transactions and Balances

Foreign currency transactions are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange ruling at the reporting date.

All differences are recognised in the Income Statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates on the dates of the initial transactions.

Group Companies

The assets and liabilities of foreign operations are translated into USD at the rate of exchange prevailing at the reporting date, and their Income Statements are translated at average exchange rates prevailing for the period. The exchange differences arising from the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

	Country of incorporation	Equity interest 2022	Equity interest 2021
Parent company:			
UIE Plc	Malta	N/A	N/A
Subsidiaries:			
MVSB	Malaysia	100%	100%
UIE Services A/S	Denmark	100%	100%
UP	Malaysia	48%	48%
Subsidiaries of UP:			
Unitata	Malaysia	100%	100%
Bernam Advisory Services Sdn. Bhd.	Malaysia	100%	100%
Berta Services Sdn. Bhd.	Malaysia	100%	100%
PT. Surya Sawit Sejati	Indonesia	95%	95%
Bernam Agencies Sdn. Bhd.	Malaysia	100%	100%
United International Enterprises (M) Sdn. Bhd.[1]	Malaysia	100%	100%
Associates/Joint ventures of UP:			
Bernam Bakery Sdn. Bhd.[1]	Malaysia	30%	30%
UniFuji[2]	Malaysia	50%	50%

1) Dormant. 2) Joint venture.

relating to that particular foreign operation is recognised in the Consolidated Income Statement.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated based on the exchange rate at the reporting date.

UIE has assessed that although it holds less than 50% of UP's voting shares, de facto control exists as defined under IFRS 10.

The main factor contributing to UP being considered a subsidiary of UIE is that the shares held by non-UIE related shareholders in UP are widely dispersed. Therefore, UIE related shareholders have a greater ability to control votes at shareholder meetings.

Information regarding NCI in UP is specified in the following:

NON-CONTROLLING INTEREST

USD '000	2022	2021
Principal place of business	Malaysia	Malaysia
Proportion of ownership	51.6%	51.6%
Profit attributable to NCI	71,027	65,169
Accumulated NCI of the subsidiary on 31 December	351,898	343,579
NCI share of non-current assets	246,524	255,309
NCI share of current assets	146,035	141,235
Dividends paid to NCI	61,063	50,225

Impairment of Non-financial Assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication of those assets having suffered an impairment loss. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of an asset's fair value less cost to sell and value in use, which is measured by reference to discounted future cash flows. Recoverable amounts are estimated for individual assets or, if this is not possible, for the cash-generating unit ("CGU") to which the asset belongs and prorated to the costs of the asset by reference to the cost of the CGU.

An impairment loss is charged to the Income Statement immediately.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. The reversal is recognised to the extent of the carrying amount of the asset (that would have been determined, net of amortisation and depreciation) had no impairment loss been recognised. The reversal is immediately recognised in the Income Statement.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Please refer to note 2.3a for impairment of goodwill.

Impairment of Financial Assets
The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract, and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach to calculating ECLs. Therefore, the Group does not track changes in credit risk but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Government Grants
Grants that compensate the Group for replanting expenses incurred are credited against pre-cropping expenditure and are amortised over the economic life of the crop.

Grants received as incentives by the Group are recognised as income in the periods when the incentives are receivable or/and when there is reasonable assurance that the grant will be received.

Current versus Non-Current Classification
The Group presents assets and liabilities in statements of financial position based on current/non-current classification. An asset is current when it is:

i. Expected to be realised or intended to be sold or consumed in normal operating cycle;
ii. Held primarily for the purpose of trading;
iii. Expected to be realised within twelve months after the reporting period; or
iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

i. It is expected to be settled in normal operating cycle;
ii. It is held primarily for the purpose of trading;
iii. It is due to be settled within twelve months after the reporting period; or
iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classify all other liabilities as non-current.

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

Other Accounting Policies
The descriptions of accounting policies in the notes form part of the overall description of accounting policies. Description of financial accounting policies are included in the following notes:

- Revenue (section 1)
- Staff costs (section 1)
- Inventories (section 1)
- Impairment (section 2)
- Biological assets (section 2)
- Research and development costs (section 2)
- Intangible assets (section 2)
- Property, plant, and equipment (section 2)
- Right-of-use assets (section 2)
- Strategic and portfolio investments (section 3)
- Cash and short-term deposits (section 3)
- Investment in joint ventures (section 3)
- Taxation (section 4)
- Derivative financial instruments (section 4)
- Lease liabilities (section 4)
- Financial instruments (section 4)

Use of Estimates
The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported in these Consolidated Financial Statements and the accompanying notes. These estimates are based on historical experience, other relevant information available at the reporting date and expectations of future events that are believed to be reasonable under the circumstances. As such, actual results could differ from those estimates.

In the process of applying the Group's accounting policies, management has made estimates and assumptions related to the following:

- Biological assets (section 2.1)
- Intangible assets (section 2.3a)
- Property, plant, and equipment (section 2.3b)
- Right-of-use assets (section 2.3c)
- Unquoted shares (section 4.9)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Standards Issued, but not yet Effective
The standards and interpretations that are issued, but not effective, up to the date of issuance of the Group's financial statements are as follows:

Effective 1 January 2023:
Amendments to

- IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: "Definition of Accounting Estimates"
- IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: "Disclosure of Accounting policies"
- IAS 12 Income Taxes: "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"
- IFRS 17 Insurance Contracts and "Amendments to IFRS 17": "Initial Applications of IFRS 17" and IFRS 9 Comparative Information"

Not yet adopted by the EU effective later years:

- Amendment to IAS 1 "Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Classification of Current or Non-current – Deferral of Effective Date"
- Amendment to IFRS 16 "Leases: Lease Liability in a Sale and Leaseback"

The Group will implement the new and amended standard when they become effective, subject to their endorsement by the EU. In the opinion of the management, none of the new standards and interpretations will materially affect UIE's recognition and measurement of assets and liabilities in annual reports in the coming financial years. The Group will adopt the amendments when they become mandatory.

Reporting under the ESEF Regulation
The Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) has introduced a single electronic reporting format for the annual financial reports of issuers with securities listed on the EU-regulated markets.

The combination of XHTML format and iXBRL tags enables the annual financial reports to be read by both humans and machines, thus enhancing accessibility, analysis and comparability of the information included in the annual financial reports.

The Group's iXBRL tags have been prepared in accordance with the ESEF taxonomy, which is included in the ESEF Regulation and has been developed based on the IFRS taxonomy published by the IFRS Foundation.

The line items in the consolidated financial statements are tagged to elements in the ESEF taxonomy. For financial line items that are not directly defined in the ESEF taxonomy, an extension to the taxonomy has been created. Extensions are anchored to elements in the ESEF taxonomy, except for extensions that are subtotals.

The annual report consists of the XHTML document together with the technical files, all of which are included in the ZIP file UIE-2022-12-31.zip.

SECTION 1: OPERATING ACTIVITIES

Section 1 covers note disclosures that provide insight and specifications related to the Group's operating activities, including segment information, revenue and revenue split. Operating income contains a share of results in equity-accounted investments, changes in fair value of investments in equities, interest income and dividend income.

The following notes are presented in section 1; "Operating activities":

- Segmental information and revenue
- Staff costs and key management personnel compensation
- Inventory
- Trade and other receivables

1.1 SEGMENTAL INFORMATION AND REVENUE

The segment reporting includes the following two segments:

- UIE
- UP

UIE: UIE is a holding company which invests in the agro-industrial sector as well as industrial and technology businesses. UIE exercises long-term and active ownership through direct board representation or representation on the investment committee, as well as close collaboration with the respective management of the portfolio companies.

In the UIE segment, the investment in UP is measured by UIE's share of UP's net profit (equity accounting), and the other investments are measured by changes in the fair value of the investments.

UP: a company incorporated in Malaysia, and its shares are publicly traded on Bursa Malaysia. Its primary business activity is the cultivation of oil palms and coconuts and the processing of palm oil in Malaysia and Indonesia.

In the UP segment, the results, assets, and liabilities are based on a translation of UP's reported figures from MYR to USD.

Recognition and Measurement in the Segment Reporting

The recognition and measurement in segment reporting generally follow accounting policies according to IFRS, except for areas described below.

In the UIE segment, the following areas deviate from the Consolidated Financial Statements:

- The investment in UP is recognised using the equity method. The measurement of the net assets and the result from UP excludes the impact of acquisition accounting in UP in 2003, according to IFRS 3.

In the UP segment, the following areas deviate from the Consolidated Financial Statements:

- The figures exclude the impact of the purchase price allocation performed according to IFRS 3.

Further information on the recognition and measurement principles is provided in the Group's accounting policies.

Difference between Business Reporting and Consolidated Financial Statements

The difference in net result between the Business Reporting in the Directors' Report and the consolidated financial statements is shown below and in details in the column "Adjustments to IFRS 3" on pages 78 and 79.

BUSINESS PERFORMANCE VS. IFRS CONSOLIDATED

USD '000	2022	2021
Net profit - Business reporting	(22,097)	108,164
Adjustment of UP assets, related to the acquisition accounting of UP in 2003	(2)	(38)
Owner's share of net profit - IFRS consolidated	(22,099)	108,126

BUSINESS REPORTING – ACCOUNTING POLICIES

According to IFRS, UIE is deemed to have de facto control of UP (even though UIE holds less than 50% of UP's voting rights). Hence, UP's result is fully consolidated in UIE's financial statements.

However, as UIE is a non-operating holding company, the Board of UIE is of the view that the most appropriate measurement of the performance of the investment in UP is to equity account (measuring UIE's share of the net profit in one line item). Accordingly, this measurement is used in the internal reporting as well as in the reporting to shareholders, referred to as "Business Reporting" in the Directors' Report. Fully-owned subsidiaries are fully consolidated and other investments (primarily Schörling and Greenbridge) are measured at fair value in the Business Reporting as well as consolidated figures.

SECTION 1: OPERATING ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER

	2022						2021					
USD '000	**UIE**	**UP**	**Total**	**Adjust-ments to IFRS 3**	**Elimi-nations**	**UIE con-solidated**	**UIE**	**UP**	**Total**	**Adjust-ments to IFRS 3**	**Elimi-nations**	**UIE con-solidated**
INCOME STATEMENT												
Revenue	-	573,271	573,271	-	-	573,271	-	488,610	488,610	-	-	488,610
Other income	124	3,930	4,054	-	(19)	4,035	120	5,314	5,434	-	(20)	5,414
Changes in fair value of Schörling	(73,993)	-	(73,993)	-	-	(73,993)	42,749	-	42,749	-	-	42,749
Changes in fair value of Greenbridge	(8,092)	-	(8,092)	-	-	(8,092)	7,364	-	7,364	-	-	7,364
Results from investing activities - portfolio	(6,330)	-	(6,330)	-	-	(6,330)	1,821	-	1,821	-	-	1,821
Share of results of equity-accounted investments	65,716	2,981	68,697	-	(65,716)	2,981	60,225	77	60,302	-	(60,225)	77
Total operating income[1]	(22,575)	580,182	557,607	-	(65,735)	491,872	112,279	494,001	606,280	-	(60,245)	546,035
Operating expenses	(2,366)	(391,409)	(393,775)	(213)	19	(393,969)	(2,600)	(331,497)	(334,097)	(325)	20	(334,402)
Interest income	1,238	2,620	3,858	-	-	3,858	46	1,635	1,681	-	-	1,681
Interest expense	(56)	(523)	(579)	-	-	(579)		(120)	(6)	-	-	(126)
Foreign exchange adjustment	635	-	635	-	-	635	(1,412)	-	(1,412)	-	-	(1,412)
Profit before tax	(23,124)	190,870	167,746	(213)	(65,716)	101,817	108,193	164,133	272,326	(325)	(60,225)	211,776
Income tax	1,027	(54,125)	(53,098)	209	-	(52,889)	(29)	(38,696)	(38,725)	244	-	(38,481)
Net profit	(22,097)	136,745	114,648	(4)	(65,716)	48,928	108,164	125,437	233,601	(81)	(60,225)	173,295
Profits attributable to												
Owners of the Company	(22,097)	135,846	113,749	(2)	(135,846)	(22,099)	108,164	124,496	232,660	(38)	(124,496)	108,126
Non-controlling interests	-	899	899	(2)	70,130	71,027	-	941	941	(43)	64,271	65,169

1) Operating income, as presented in the Operating Activities, includes the fair value change of UIE's investment activities in line with how the operating results are reviewed by the Management of the Group.

SECTION 1: OPERATING ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER

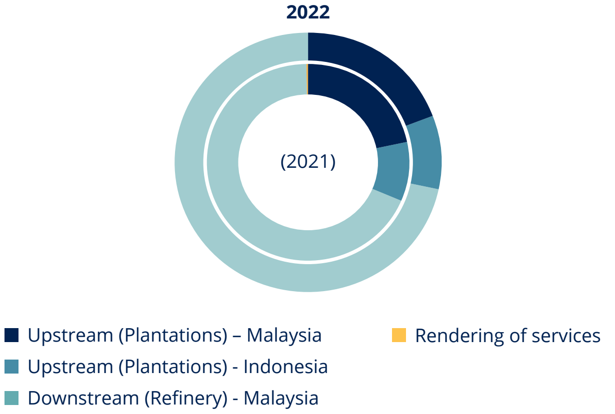
	2022						2021					
USD '000	UIE	UP	Total	Adjust-ments to IFRS 3	Elimi-nations	UIE con-solidated	UIE	UP	Total	Adjust-ments to IFRS 3	Elimi-nations	UIE con-solidated
STATEMENT OF FINANCIAL POSITION												
Assets												
Cash & short-term funds	78,546	176,893	255,439	-	-	255,439	68,301	114,393	182,694	-	-	182,694
Other current assets	25,455	105,984	131,439	-	-	131,439	32,361	159,187	191,548	-	-	191,548
Strategic investments	587,704	-	587,704	-	(354,545)	233,159	647,313	-	647,313	-	(348,960)	298,353
Other non-current assets	85	470,434	470,519	25,397	7,096	503,012	23	481,283	481,306	27,008	7,096	515,410
Total assets	691,790	753,311	1,445,101	25,397	(347,449)	1,123,049	747,998	754,863	1,502,861	27,008	(341,864)	1,188,005
Liabilities and equity												
Total liabilities	7,145	93,931	101,076	6,114	-	107,190	8,405	111,961	120,366	6,667	-	127,033
Equity												
Equity attributable to owners	684,645	656,198	1,340,843	9,328	(686,210)	663,961	739,593	640,464	1,380,057	9,840	(672,504)	717,393
Non-controlling interest	-	3,182	3,182	9,955	338,761	351,898	-	2,438	2,438	10,501	330,640	343,579
Total equity	684,645	659,380	1,344,025	19,283	(347,449)	1,015,859	739,593	642,902	1,382,495	20,341	(341,864)	1,060,972
Total liabilities and equity	691,790	753,311	1,445,101	25,397	(347,449)	1,123,049	747,998	754,863	1,502,861	27,008	(341,864)	1,188,005
STATEMENT OF CASH FLOWS												
Operating activities	(2,295)	208,689	206,394	-	-	206,394	(3,050)	127,654	124,604	-	-	124,604
Investing activities	41,888	(42,988)	(1,100)	-	(57,219)	(58,319)	42,296	12,925	55,221	-	(46,104)	9,117
Financing activities	(29,200)	(113,340)	(142,540)	-	57,219	(85,321)	(62,729)	(99,736)	(162,465)	-	46,104	(116,361)

SECTION 1: OPERATING ACTIVITIES

DISAGGREGATION OF REVENUE FROM CONTRACTS FROM CUSTOMERS

USD '000	2022	2021
Sales proceeds of produce stocks		
Upstream (Plantations):		
Malaysia	111,081	106,895
Indonesia	52,082	47,289
Sales proceeds of finished goods		
Downstream (Refinery):		
Malaysia	410,108	334,127
Rendering of services	-	299
Total	573,271	488,610
Timing of revenue:		
Goods transferred at point in time	573,271	488,311
Services transferred over time	-	299
Total	573,271	488,610

SALES PROCEEDS ON 31 DECEMBER



Geographical Locations
In determining the geographical segments of the Group, revenue is based on the geographical location of customers. Total assets and capital expenditure are based on the geographical location of assets:

USD '000	Malaysia	Indonesia	United States	Europe	Other	Total
2022						
Revenue	290,269	52,082	93	73,964	156,863	573,271
Total assets	716,057	71,140	-	323,926	11,926	1,123,049
Capital expenditures	32,673	2,249	-	-	-	34,922

USD '000	Malaysia	Indonesia	United States	Europe	Other	Total
2021						
Revenue	253,711	47,289	37	99,360	88,213	488,610
Total assets	729,817	62,822	-	382,068	13,298	1,188,005
Capital expenditures	26,262	1,127	-	-	-	27,389

Major Customers
Revenue from one major customer amounted to USD 282 million (2021: USD 243 million), arising from sales by the palm oil refining segment.

Accounting Policy
Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with a customer. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of goods and services tax or sales and services tax, returns, rebates and discounts. The transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or service promised in the contract. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer. The Group recognises revenue from contracts with customers for the provision of services and sale of goods based on the five-step model as set out in IFRS 15. The following describes the performance obligation in contracts with customers:

Sale of Goods
Revenue from the sale of produce stocks and finished goods is recognised at a point in time when control of the assets is transferred to the customer, normally at the delivery of the goods. The payment is generally due within 5 to 75 days from delivery. The contracts do generally not contain other performance obligations, including return obligations.

SECTION 1: OPERATING ACTIVITIES

Revenue from Services
Revenue from services is recognised over time as the services are rendered.

Income from other sources are recognised as follows:

Dividend Income
Dividend income is recognised when the right to receive payment has been established.

Interest Income
Interest income is determined based on the effective interest rate method.

1.2 STAFF COSTS AND KEY MANAGEMENT PERSONNEL COMPENSATION

STAFF COSTS

USD '000	2022	2021
Wages and salaries	44,189	40,772
Pension costs		
- defined contribution plans	2,036	2,457
- defined benefit plans	541	715
Other social security costs	803	712
Other staff costs	5,159	4,703
Total staff costs	52,728	49,359
Number of employees	6,386	5,740

REMUNERATION OF KEY MANAGEMENT PERSONNEL AND DIRECTORS

Remuneration of UIE's key management personnel is as follows:

USD '000	2022	2021
Remuneration, excl. pension	1,427	1,607
Pension	187	186
Total	1,614	1,793

UIE's Managing Director receives total remuneration of USD 507,000 (2021: USD 664,000), which includes a pension of USD 39,000 and other related benefits of USD 18,000 (2021: USD 41,000 and USD 21,000, respectively).

His contract does not have any unusual employment or contractual terms.

The Managing Director's ordinary bonus is based on UIE's results as well as achieving specific targets and is limited to a maximum of 50% of his annual remuneration.

In the event of dismissal, UIE's Managing Director has nine months' notice.

On 1 January 2021, an employee share programme was initiated in UIE, making it possible for the Managing Director to have part of the fixed salary paid in UIE shares. In accordance with section 7P of the Danish Tax Assessment Act ("Ligningsloven §7P"), the Managing Director had 17% (equivalent to USD 66,000) of his fixed salary paid in UIE shares in 2022 (2021: 18% equivalent to USD 70,000).

The total amount of share based payment in 2022 amounted to USD 134,000, of which the USD 68,000 relates to employees in UIE's subsidiary.

The UIE Board of Directors' remuneration was USD 404,167 (2021: USD 372,500) for the year, which was allocated between the Directors as follows: USD 75,000 to the Chairman, USD 60,000 to the Deputy Chairman and USD 47,500 to each of the other Directors of the Board. In May 2022, one additional board member was elected at the AGM.

The UIE Audit Committee fees were USD 36,000 (2021: USD 36,000) for the year, which were allocated between the Audit Committee members as follows: USD 15,000 to the Chairman and USD 10,500 to each of the other members of the Audit Committee.

The UIE Investment Committee fees were USD 4,000 (2021: USD 4,000) for the year, which were allocated between the Committee members as follows: USD 2,000 to the Chairman and USD 1,000 to each of the other members of the Investment Committee.

Accounting Policy
Wages, salaries, social security contributions, paid annual and sick leave, bonuses, and non-monetary benefits are accrued in the year in which employees of the Group render the associated services.

1.3 INVENTORY

The Group's inventory relates to the operating segment UP.

USD '000	2022	2021
Agricultural produce stocks	7,807	3,655
Estate stores	11,230	8,686
Raw materials	8,062	3,937
Finished goods	21,232	15,669
Consumables	1,507	1,394
Total	49,838	33,341

In 2022, writedown of inventories recognised in the Income Statement amounted to USD 1.8 million (2021: nil).

SECTION 1: OPERATING ACTIVITIES

Accounting Policy
Agricultural produce stocks are stated at net realisable value at the reporting date.

All other inventories are valued at the lower of cost and estimated net realisable value. Cost includes the actual cost of materials, labour and appropriate production overheads and is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to completion and the estimated costs necessary to make the sale.

1.4 TRADE AND OTHER RECEIVABLES

USD '000	Note	2022	2021
Non-current			
Other receivables	(d)	168	1,256
Current			
Trade receivables:			
From third parties		33,477	52,000
From joint ventures	(b)	-	5,668
	(a)	33,477	57,668
Other receivables:			
Non-trade receivables			
from joint ventures	(b)	258	238
Deposits	(c)	129	40,194
Other receivables	(d)	4,275	8,864
		4,662	49,296
Total current trade and other receivables		38,139	106,964

The normal credit terms granted to the Group's customers are 5 to 75 days (2021: 10 to 75 days).

(a) Trade receivables
The ageing analysis of the Group's and the Company's trade receivables is as follows:

USD '000	2022	2021
Neither past due nor impaired	32,570	55,559
1 to 30 days past due not impaired	598	1,753
31 to 60 days past due not impaired	303	343
61 to 90 days past due not impaired	41	-
91 to 120 days past due not impaired	5	13
	907	2,109
Total trade receivables	33,477	57,668

Receivables that are neither past due nor impaired
Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. More than 99% (2021: 99%) of the Group trade receivables arise from customers with more than three years of business relationships with the Group.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired
The Group has trade receivables amounting to USD 0.9 million (2021: USD 2.1 million) that are past due at the reporting date but have yet to be impaired. These receivables are unsecured; however, the vast majority have been collected at the date of this report.

(b) Due from joint venture (trade and non-trade)
The amount due from joint venture is unsecured. The trade debt due from joint venture has a repayment term of 30 days, and the overdue trade and non-trade debt bear an average interest of approximately 2.74% (2021: 2.36%) per annum. The non-trade debt is repayable on demand.

(c) Deposits
Included in deposits is USD 0.0 million (2021: USD 39.8 million) being deposits placed with a broker for Bursa Malaysia Derivatives Bhd. for CPO futures.

(d) Other receivables
Included in other receivables is USD 1.0 million (2021: USD 2.4 million), being receivables related to the Indonesian Plasma Scheme.

SECTION 2: CAPITAL EMPLOYED

The Group's main operating activities are performed through UP, which has significant biological assets, land and buildings, as its primary activity is the cultivation of oil palms and coconuts as well as the processing of palm oil.

This section describes the Group's employment of capital, which includes, inter alia, the Group's biological assets, land use rights and property plant and equipment.

The following notes are presented in section 2; "Capital employed":

- Biological assets
- Capital expenditure
- Intangible assets
- Property, plant and equipment
- Right-of-use assets

2.1 BIOLOGICAL ASSETS

RECONCILIATION OF CARRYING AMOUNT OF FFB AND COCONUTS

USD '000	2022	2021
Carrying amount at 1 January	11,502	9,603
Fair value change	(475)	2,193
Exchange differences	(666)	(294)
Net book value on 31 December	10,361	11,502
Hereof:		
Oil palms	8,677	9,077
Coconut palms	1,684	2,425

The biological assets comprise oil palm FFBs and coconuts prior to harvest. The fair value represents the estimated net cash flows from the unripe FFB and coconuts less costs to sell.

Accounting Policies
Biological assets are measured at fair value less cost to sell. Any gains or losses arising from changes in the fair value less cost to sell are recognised in profit or loss.

Estimates
The biological assets of the Group comprise FFB and coconut prior to harvest. The valuation model adopted by the Group considers the present value of the net cash flows expected to be generated from the sale of FFB and coconut. The fair value assessments have been completed consistently using the same valuation techniques within Level 3 of the fair value hierarchy.

To arrive at the fair value of FFB, the management considered the oil content of the unripe FFB and came to the assumption that the net cash flows generated from FFB more than four weeks to harvest were negligible. Therefore, the quantity of unripe FFB on bearer plants of up to four weeks prior to harvest was used for valuation purposes. The value of the unripe FFB was estimated to be approximately 49% for FFB that are 3-4 weeks prior to harvest and 83% for FFB that are 1-2 weeks prior to harvest, based on actual OER and KER of the unripe FFB from tests. Costs to sell, which include harvesting and transport cost, are deducted in arriving at the net cash flows to be generated.

To arrive at the fair value of coconuts, the management came to the assumption that the net cash flows generated from coconuts more than four weeks to harvest were negligible. Therefore, the number of unripe coconuts on bearer plants of up to four weeks prior to harvest was used for valuation purposes.

Sensitivity Analysis of Biological Assets
A change of 10% in price would impact profit or loss (before tax) by USD 1.0 million in 2022 (2021: USD 1.1 million).

The change in the fair value of the biological assets in each accounting period is recognised in the income statements.

The key assumptions used to determine the fair value are as follows:

	December 2022	December 2021
Oil palms		
Mature area (hectares)	43,628	42,485
FFB production in tonnes	84,454	76,303
Average FFB selling price (USD/tonnes)	174	197
Coconut palms		
Mature area (hectares)	3,837	3,954
Coconut production (nuts '000)	6,013	8,165

2.2 CAPITAL COMMITMENTS

USD '000	2022	2021
Capital expenditure approved by the Directors but not contracted	19,256	27,035
Capital expenditure contracted, but not provided for	1,567	9,549
	20,823	36,584

Accounting Policy
Capital expenditure is accounted for when the asset or service is transferred to the Group. If the contract becomes onerous, a provision is recognised.

SECTION 2: CAPITAL EMPLOYED

2.3a INTANGIBLE ASSETS

Estimates
The Group tests for impairment of goodwill annually and at any other time when such indicators exist. This requires an estimation of value in use of the assets or CGU to which the goodwill is allocated. Estimating the value in use requires management to estimate the expected future cash flows from the asset or CGU and also to choose a suitable discount rate in order to determine the present value of those cash flows. The preparation of the estimated future cash flows involves significant judgement and estimations. While the Group believes that the assumptions are appropriate and reasonable, changes in the assumptions may materially affect the assessment of recoverable amounts.

Accounting Policies
Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for NCI and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed. Furthermore, the Group reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

Impairment Testing
Goodwill in the Group relates to plantations acquired through business combinations, which is allocated to single CGUs, being specific estates or UP as a whole.

In 2019, goodwill amounting to MYR 356.9 million (USD 86.5 million) was recognised in the Group. The goodwill represented the excess of the purchase consideration over the fair value of the identifiable assets recognised upon the Group's acquisition of the plantation business and assets of Pinehill Pacific Berhad's group of companies (renamed to Tanarata Estate). This goodwill was allocated to the Group's CGU identified according to the estate, namely Jendarata-Tanarata Estates, which are principally involved in plantation activities, as the Group believes that Jendarata-Tanarata Estate's operation will benefit from both the enlarged planted/plantable area and other synergies arising from the acquisition.

The Group carries out its annual impairment assessment on the goodwill arising from the acquisition. The recoverable amount of the CGU is based on the value-in-use calculation, which is derived using cash flow projection in which the following key assumptions are used:

- Projection period: A 99-year (2021: 99 years) cash flows projection based on the maximum lease period of the leasehold lands. In 2021, the lease term was extended from 74 years to 99 years
- FFB yields per hectare: 15 - 28 MT (2021: 15 - 28 MT)
- Selling prices per tonne: CPO MYR 3,298 and PK MYR 2,093 (2021: MYR 3,309 and MYR 2,168, respectively)
- Discount rate (pre-tax): 13.2% (2021: 11.8%)

The Group's impairment assessment of the CGU, as outlined previously, included a sensitivity analysis on the key assumptions used. Based on the results of the sensitivity analysis, no reasonable change in the key assumptions used would result in an impairment charge for the current financial year. Management believes that no impairment charge is required on the goodwill as the recoverable amount calculated based on value-in-use exceeded the carrying value of the goodwill.

2.3b PROPERTY, PLANT AND EQUIPMENT

Estimates
Assets are tested for impairment when indications of potential impairment exist. Indicators of impairment, which could trigger an impairment review, include evidence of obsolescence or physical damage, a significant fall in market values, significant underperformance relative to historical or projected future operating results, significant changes in the use of assets or the strategy of the business, and the significant adverse industry or economic changes. Recoverable amounts of assets are based on management's estimates and assumptions of the net realisable value, cash flows arising from the future operating performance, and revenue-generating capacity of the assets and cash operating units as well as future market conditions. Changes in circumstances may lead to changes in estimates and assumptions and result in changes to the recoverable amounts of assets and impairment losses needed.

Accounting Policy
Property, plant and equipment ("PPE") are measured at cost less depreciation and any impairment loss. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

In general, the construction of major investments is self-financed, and thus, no material borrowing costs are capitalised.

If significant parts of one item of PPE have different useful lives, they are accounted for as separate items of PPE.

SECTION 2: CAPITAL EMPLOYED

Bearer plants comprise palm and coconut trees, which are measured at cost less depreciation and impairment. The cost comprises pre-cropping expenditure incurred from land clearing to the point of maturity. Such expenditure is capitalised and amortised at maturity of the palm at the rates, which are deemed as the useful economic lives of the crop.

2.3c RIGHT-OF-USE ASSETS

Right-of-use assets comprise leasehold land, which relate to land in Malaysia, and land use rights, which relate to land in Indonesia.

Estimates
Estimates and impairment testing of Right-of-use assets are similar to those for PPE.

Accounting Policy
The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of PPE as follows:

Leasehold land and Land use rights - over the lease period ranging from 12 to 99 years.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurement of the lease liability. The lease liability is initially measured at the present value of future lease payments at the commencement date, discounted using the Group's incremental borrowing rates. Lease payments included in the measurement of the lease liability include fixed payments, any variable lease payments, amount expected to be payable under a residual value guarantee, and exercise price under an extension option that the Group is reasonably certain to exercise. The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in rate, or if the Group changes its assessment of whether it will exercise an extension or termination option.

Lease payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

SECTION 2: CAPITAL EMPLOYED

2022	2.3a Intangible assets	2.3b Property, plant and equipment						2.3c Right-of-use assets		
USD '000	**Goodwill**	**Freehold land**	**Bearer plants**	**Buildings**	**Plant and machinery**	**Capital work-in-progress**	**Total**	**Leasehold land**	**Land-use rights**	**Total**
Costs										
On 1 January 2022	92,527	118,431	260,434	88,415	240,059	8,201	715,540	63,714	9,558	73,272
Additions	-	-	5,805	3,825	17,594	3,583	30,807	3,342	627	3,969
Disposals	-	-	-	(74)	(2,503)	-	(2,577)	-	-	-
Written off	-	-	(773)	-	-	-	(773)	-	-	-
Reclassification	-	-	-	1,513	9,439	(10,952)	-	-	-	-
Exchange differences	(4,425)	(6,134)	(14,636)	(5,107)	(13,127)	(426)	(39,430)	(3,300)	(691)	(3,991)
On 31 December 2022	**88,102**	**112,297**	**250,830**	**88,572**	**251,462**	**406**	**703,567**	**63,756**	**9,494**	**73,250**
Accumulated depreciation										
On 1 January 2022	-	-	152,847	49,430	152,841	-	355,118	21,541	798	22,339
Depreciation/amortisation	-	-	8,297	2,908	11,226	-	22,431	922	266	1,188
Disposals	-	-	-	(52)	(2,201)	-	(2,253)	-	-	-
Written off	-	-	(376)	-	-	-	(376)	-	-	-
Exchange differences	-	-	(8,649)	(2,765)	(8,590)	-	(20,004)	(1,113)	(52)	(1,165)
On 31 December 2022	**-**	**-**	**152,119**	**49,521**	**153,276**	**-**	**354,916**	**21,350**	**1,012**	**22,362**
Net book value on 31 December 2022	**88,102**	**112,297**	**98,711**	**39,051**	**98,186**	**407**	**348,651**	**42,406**	**8,482**	**50,888**

Depreciation is provided under the straight line method to residual value over the estimated useful life as follows:

Buildings	2.0%-5.0% p.a.	Furniture and office equipment	10.0%-20.0% p.a.
Bulking installations	5.0% p.a.	Motor vehicles, tractors and implements	7.1%-25.0% p.a.
Railways	4.0% p.a.	Aircrafts	5.0% p.a.
Rolling stock	7.1% p.a.	Leasehold land and land-use rights[1]	12-99 years
Plant and machinery	5.0%-20.0% p.a.		

Freehold land and capital work-in-progress are stated at cost less any accumulated impairment losses.

The residual value of useful life and depreciation method are reviewed each financial year to ensure that the amount, method and period of depreciation are consistent with previous estimates.

1) The Group has prepaid the leasehold land and land-use rights with the exception of the new lease entered into during the current year. Consequently, the lease obligations only pertain to this new lease (refer to note 4.6).

AMORTISATION OF PRE-CROPPING EXPENDITURES AS FROM MATURITY OF THE PALMS

OIL PALM

20 YEARS

COCONUT PALM

30 YEARS

Research and Development Costs
All general research and development costs are expended as incurred.

SECTION 2: CAPITAL EMPLOYED

2021	2.3a Intangible assets	2.3b Property, plant and equipment						2.3c Right-of-use assets		
USD '000	**Goodwill**	**Freehold land**	**Bearer plants**	**Buildings**	**Plant and machinery**	**Capital work-in-progress**	**Total**	**Leasehold land**	**Land-use rights**	**Total**
Costs										
On 1 January 2021	95,489	122,537	261,648	88,790	242,383	4,098	719,456	61,052	9,549	70,601
Additions	-	-	7,134	4,022	6,303	5,022	22,481	4,708	200	4,908
Disposals	-	-	(317)	-	(1,739)	-	(2,056)	-	-	-
Disposal re. to sale of business	-	-	-	(1,751)	-	-	(1,751)			
Reclassification	-	-	-	-	783	(783)	-	-	-	-
Exchange differences	(2,962)	(4,106)	(8,031)	(2,646)	(7,671)	(136)	(22,590)	(2,046)	(191)	(2,237)
On 31 December 2021	**92,527**	**118,431**	**260,434**	**88,415**	**240,059**	**8,201**	**715,540**	**63,714**	**9,558**	**73,272**
Accumulated depreciation										
On 1 January 2021	-	-	148,800	49,790	147,539	-	346,129	20,762	551	21,313
Depreciation/amortisation	-	-	8,687	2,847	11,255	-	22,789	1,460	284	1,744
Disposals	-	-	(50)	-	(1,230)	-	(1,280)	-	-	-
Disposal re. to sale of business	-	-	-	(1,692)	-	-	(1,692)			
Exchange differences	-	-	(4,590)	(1,515)	(4,723)	-	(10,828)	(681)	(37)	(718)
On 31 December 2021	**-**	**-**	**152,847**	**49,430**	**152,841**	**-**	**355,118**	**21,541**	**798**	**22,339**
Net book value on 31 December 2021	**92,527**	**118,431**	**107,587**	**38,985**	**87,218**	**8,201**	**360,422**	**42,173**	**8,760**	**50,933**

SECTION 3: INVESTMENT ACTIVITIES

The following notes are presented in section 3; "Investment activities":

- Strategic and portfolio investments
- Joint venture
- Cash and short-term funds

3.1 STRATEGIC AND PORTFOLIO INVESTMENTS

UIE's investment activities comprise strategic investments and a portfolio of investments relating to part of the liquid reserves.

When making strategic investments, UIE has an active ownership policy through direct board representation or representation on the investment committee, as well as close collaboration with the respective management of the portfolio companies about operational and strategic issues. The current strategic investments consist of the following three companies:

Investment fully consolidated:

- UP is a company incorporated in Malaysia, and its shares are publicly traded on Bursa Malaysia. Its primary business activity is the cultivation of oil palms on plantations in Malaysia and Indonesia, as well as the cultivation of coconuts in Malaysia. Furthermore, UP is involved in the processing of palm oil into value-added palm fractions for the speciality and chocolate industry. UP is fully consolidated.

Investments at fair value:

- Schörling is a privately held company incorporated in Sweden. Schörling is a holding company focusing on long-term industrial development. Schörling's portfolio in all material aspects consists of investments in six companies, of which five are publicly listed.
- Greenbridge is a privately held company incorporated in Luxembourg. The purpose of Greenbridge is to invest in and have an industrial focus on high-tech and/or software-related companies. Greenbridge has established a portfolio of four companies and is actively engaged in supporting the development and expansion of these investments. Greenbridge is the largest individual share-holder in all four companies.

UIE, partly through asset managers and funds, invests a small portion of its liquidity reserves in a diversified and liquid portfolio of money market instruments, debt instruments, derivatives and equity instruments. All instruments in the portfolio investments are recognised at fair value through profit or loss.

FAIR VALUE ACCOUNTED STRATEGIC AND PORTFOLIO INVESTMENTS

USD '000	2022	2021
Portfolio investments		
Total portfolio investments at fair value	25,265	31,883
Strategic investments		
Schörling	189,847	263,840
Greenbridge	43,312	34,513
Total strategic investments at fair value	233,159	298,353

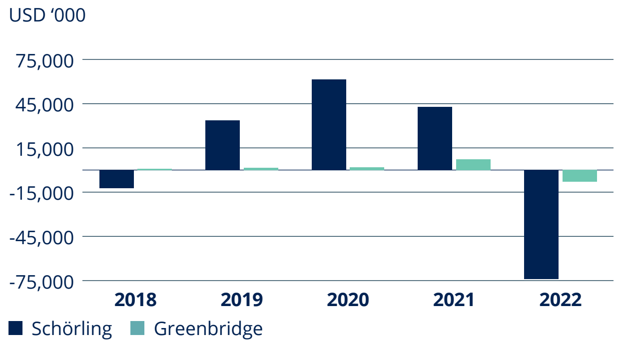
FAIR VALUE ACCOUNTED STRATEGIC INVESTMENTS

USD '000	2022	2021
Schörling		
Investment on 1 January	263,840	221,091
Fair value changes during the year	(73,993)	42,749
Fair value on 31 December	189,847	263,840
Greenbridge		
Investment on 1 January	34,513	24,064
Investment during the year	16,891	3,085
Fair value changes during the year	(8,092)	7,364
Fair value on 31 December	43,312	34,513

CHANGE IN FAIR VALUE OF STRATEGIC INVESTMENTS

USD '000	2022	2021
Schörling	(73,993)	42,749
Greenbridge	(8,092)	7,364
Total change in fair value of strategic investment	(82,085)	50,113

CHANGE IN FAIR VALUE



SECTION 3: INVESTMENT ACTIVITIES

Accounting Policy
Investments in quoted equities, bonds, foreign currency futures and all other investments, other than joint ventures, are classified at fair value through profit or loss. They are measured at fair value with reference to share prices, broker prices, the underlying net assets of the company or transaction prices between independent parties.

Investments in unquoted equities classified at fair value through profit or loss are measured at fair value using valuation techniques based on market conditions existing at each reporting date. For further information on the determination of fair value, refer to the explanation in note 4.8.

Investment in quoted equities and bonds is recorded on the trade-date basis. Fair value adjustments on quoted equities and bonds, together with the realised gains and losses on investments, are reflected in the Consolidated Income Statement as net gain or loss on investments.

3.2 JOINT VENTURE

In 2017, UP entered into a newly established 50:50 joint venture with Fuji Oil. This joint venture is operating a refinery with a solvent fractionation plant for the production of value-added palm fractions for the speciality fats and chocolate industry.

USD '000	2022	2021
Cost on 1 January	7,182	7,431
Exchange rate adjustments	(372)	(249)
Cost on 31 December	6,810	7,182
Share of results of equity-accounted investments:		
1 January	2,442	2,446
Share of result	2,981	77
Exchange rate adjustments	(89)	(81)
31 December	5,334	2,442
Value on 31 December	12,144	9,624

SHARE OF CAPITAL COMMITMENTS IN A JOINT VENTURE

	Country of incorporation	Equity and voting interest 2022	Equity and voting interest 2021
Joint venture			
UniFuji Sdn. Bhd.	Malaysia	50%	50%

Summarised financial information of the joint venture and reconciliation with the carrying amount of the investment is set out to the right:

USD '000	2022	2021
Statement of comprehensive income:		
Revenue	148,312	98,166
Cost of sales	(132,361)	(89,455)
Administration and depreciation	(6,678)	(7,686)
Finance, net	(1,358)	(1,334)
Income tax	(1,953)	463
Net profit	5,962	154
Total comprehensive income	5,962	154
Statement of financial position:		
Current assets	20,462	26,238
Non-current assets	36,823	40,314
Current liabilities	20,071	32,709
Non-current liabilities	12,925	14,595
Equity	24,289	19,248

Accounting Policies
The Group's investment in joint ventures is accounted for using the equity method. The consolidated Financial Statements include the Group's share of the total comprehensive income on the equity-accounted basis. The equity method of accounting for investments in joint ventures adjusts the original cost of the investment to recognise the Group's proportionate share of the increases or decreases in the underlying comprehensive income of the investee companies subsequent to the date of investment therein less any distributions received. Goodwill relating to joint ventures is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. The share of profit from joint ventures is shown on the face of the Consolidated Income Statement, and other movements in comprehensive income are shown in the Consolidated Statement of Comprehensive Income.

SECTION 3: INVESTMENT ACTIVITIES

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss for the Group's investment in the investee. An impairment loss is recognised if the carrying value of the investment exceeds its recoverable amount. The recoverable amount is the higher of its fair value less costs to sell and its value in use.

3.3 CASH AND SHORT-TERM FUNDS

Cash, deposits and bank overdrafts are as follows:

USD '000	2022	2021
Cash and cash equivalents	192,079	131,222
Deposits (tenure >3 months)	8,362	8,818
Total	200,441	140,040

Specified net by segment:

USD '000	2022	2021
UIE	78,546	68,301
UP	121,895	71,739
Total	200,441	140,040

Cash, deposits and bank overdrafts held by the Group on 31 December is as follows:

USD '000	2022	2021
Currency		
USD	62,839	56,375
MYR	93,141	62,342
IDR	29,782	15,307
DKK	14,207	4,424
Other	472	1,592
Total	200,441	140,040

Short-term funds on 31 December are as follows:

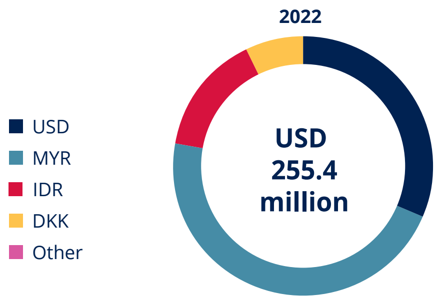
Currency	USD '000	Interest Rate[1]
2022		
MYR	54,998	2.72%
Total	54,998	
2021		
MYR	42,654	1.90%
Total	42,654	

1) Average weighted interest rate

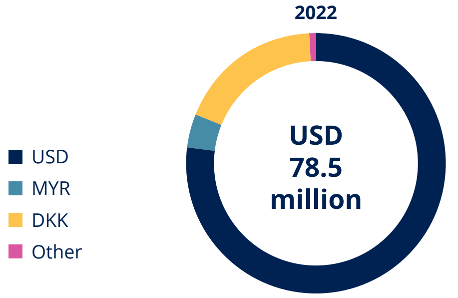
Accounting Policy
Cash and cash equivalents comprise cash at bank and short-term deposits with an original maturity of three months or shorter, which qualify as cash equivalents.

Short-term funds are investments in income trust funds in Malaysia. The trust funds invest in highly liquid assets that are convertible to cash with insignificant changes in value.

TOTAL CASH AND SHORT-TERM FUNDS FOR THE GROUP ON 31 DECEMBER 2022



TOTAL CASH AND SHORT-TERM FUNDS FOR THE UIE SEGMENT ON 31 DECEMBER 2022



SECTION 4: OTHER DISCLOSURES

The notes presented in this section are relevant for the overall understanding of financial statements, but are not relevant for the key themes in the financial statements.

The following notes are presented in section 4; “Other disclosures”:

- Taxation
- Auditors’ remuneration
- Share capital and other reserves
- Capital management
- Pension – defined benefit plans
- Lease liabilities
- Financial risks
- Derivative financial instruments
- Financial assets and liabilities
- Related parties
- Significant events during the year and subsequent events

4.1 TAXATION

INCOME TAX

USD ‘000	2022	2021
Income tax	53,993	37,062
Movements in deferred tax	(1,349)	1,183
Adjustments to prior years’ income tax	711	(661)
Adjustments to prior years’ deferred tax	(466)	897
Total	52,889	38,481

EFFECTIVE TAX RATE

USD ‘000	2022	2021
Profit before tax	101,817	211,776
Tax rate, Malaysia[1]	24%	24%
Tax at the applicable rate	24,436	50,826
Effect of 2022 prosperity tax in Malaysia	10,113	-
Non-taxable income	(352)	(868)
Non-taxable fair value adjustments and equity accounted investments	18,983	(12,046)
Expenses not deductible for tax purposes	1,827	1,570
Adjustments to prior years' deferred tax	(466)	897
Adjustments to prior years' income tax	711	(661)
Other	(2,199)	(632)
Effect of different tax rate in other countries	(164)	(605)
Tax expense for the year	52,889	38,481
Effective tax rate	51.9%	18.2%

1) the statutory Malaysian tax rate has been applied for the Group as its main operating activities are located in Malaysia and thus, the vast majority of the Group’s tax expense is in Malaysia. In 2022, in addition to the corporate tax of 24%, a temporary one-off tax (Prosperity Tax/Cukai Makmur) of 9% on taxable income above MYR 100 million was imposed on Malaysian entities. The statutory income tax rate in Malta, where UIE Plc. is registered, is 35%.

DEFERRED TAX

USD ‘000	2022	2021
On 1 January	39,806	44,159
Recognised in profit or loss	(1,815)	2,080
Recognised in OCI	10,212	(4,963)
Exchange differences	(1,970)	(1,470)
On 31 December	46,233	39,806

Presented after appropriate offsetting as follows:

USD ‘000	2022	2021
Deferred tax assets	(484)	(648)
Deferred tax liabilities	46,717	40,454
Total	46,233	39,806

SECTION 4: OTHER DISCLOSURES

The components and movements of deferred tax liabilities and assets prior to offsetting are as follows:

	Deferred tax (assets) / liabilities by components					
USD '000	Biological assets	PPE and Right-of-use assets	Retirement benefit obligations	Cash flows hedges	Others	Total
On 1 January 2022	2,717	46,643	(835)	(7,082)	(1,637)	39,806
Recognised in profit or loss	(123)	1,375	(104)	(941)	(2,022)	(1,815)
Recognised in OCI	-	-	104	10,002	-	10,106
Exchange differences	(138)	(2,402)	45	467	164	(1,864)
On 31 December 2022	2,456	45,616	(790)	2,446	(3,495)	46,233
On 1 January 2021	2,277	47,114	(1,059)	(3,167)	(1,006)	44,159
Recognised in profit or loss	516	1,114	(86)	1,225	(689)	2,080
Recognised in OCI	-	-	280	(5,243)	-	(4,963)
Exchange differences	(76)	(1,585)	30	103	58	(1,470)
On 31 December 2021	2,717	46,643	(835)	(7,082)	(1,637)	39,806

Accounting Policy
Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the reporting date, in the countries where the Group operates and generates taxable income.

Deferred taxation is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying value of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all temporary taxable differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The Group recognises a deferred tax liability for all temporary taxable differences associated with investments in subsidiaries, associates and joint ventures, except to the extent that both of the following conditions are satisfied:

(i) The Group is able to control the timing of the reversal of the temporary differences; and

(ii) it is probable that the temporary differences will not reverse in the foreseeable future.

4.2 AUDITORS' REMUNERATION

USD '000	2022	2021
Audit fees	306	324
Tax compliance	2	3
Other advisory	24	2
Total	332	329

No additional fees for non-audit services were paid to the auditors.

4.3 SHARE CAPITAL AND OTHER RESERVES

The authorised share capital on 31 December 2022 and 2021 was USD 100 million divided into 100 million shares of USD 1 each after the share split in August 2022.

ISSUED AND FULLY PAID CAPITAL

No. of USD 1 shares	2022	2021[1]
Balance		
On 1 January	33,727,690	33,727,690
Cancellation of treasury shares	(1,500,000)	-
Balance on 31 December	32,227,690	33,727,690

USD '000	2022	2021
Balance		
On 1 January	33,728	33,728
Cancellation of treasury shares	(1,500)	-
Balance on 31 December	32,228	33,728

1) Adjusted for the share split of 1 to 10 made on 4 August 2022.

SECTION 4: OTHER DISCLOSURES

Share Premium
The share premium on 31 December 2022 was USD 8.3 million, reduced from USD 8.7 million on 31 December 2021 due to cancellation of shares in 2022. Share premium comprises the surplus over the par value of the shares arising on the issue of shares in prior years.

Treasury Shares
UIE holds 21,974 (2021: 1,526,790) of its own shares on 31 December 2022.

	No. of USD 1 share[1]	USD '000
Balance on 1 January 2022	1,526,790	40,526
Shares used for		
share based payment	(4,816)	(134)
Shares cancelled in 2022	(1,500,000)	(39,808)
Balance on 31 December 2022	21,974	584
Balance on 1 January 2021	-	-
Shares acquired in 2021		
share buy-back programme	1,300,000	35,115
Shares acquired in 2021[2]	232,100	5,556
Shares used for share based payment	(5,310)	(145)
Shares cancelled in 2021	-	-
Balance on 31 December 2021	1,526,790	40,526

1) Adjusted comparative figures for the share split at 1:10 on 4 August 2022.

2) As authorised at the Extraordinary General Meeting on 10 December 2019, 23,210 shares (232,100 USD 1 shares after the share split) were taken over in January 2021 (as treasury shares) from holders of physical UIE share certificates, who had not arranged for electronic registration of their shares with VP Securities A/S within the stipulated period and whose identity is unknown for UIE.

Hedging Reserves
The effective portion of the gain or loss on a hedging instrument is recognised in other comprehensive income in the hedging reserve. The cumulative loss, net of tax, on 31 December 2022 was USD 2.6 million (2021: USD (12.9) million).

Accounting Policy
The purchase price of UIE shares acquired is deducted from equity as treasury shares, and the sales proceeds from the subsequent sale of these shares are credited against the purchase price. No gain or loss is recognised in the Consolidated Income Statement on the purchase, sale, issue or cancellation of UIE's own equity instruments.

On the cancellation of shares, the treasury shares are reduced by the percentage of treasury shares being cancelled and the par value of cancelled shares is offset against share capital.

Share premium is reduced by the percentage of shares being cancelled relative to total shares, with the balance being offset against retained earnings.

Translation of Foreign Operations Reserve
The change in foreign currency translation represents the differences arising on translation to USD of the Group's investment in and advances to associated and subsidiary companies, which is included in other reserves in the Consolidated Statement of Changes in Equity.

Dividends

Dividend Declared in respect of the Financial Year 2022
At the forthcoming AGM on 17 May 2023, a final dividend of USD 0.73 per share in respect of the financial year 2022 will be proposed for shareholders' approval. The dividend is expected to be paid to shareholders on 23 May 2023.

On 9 December 2022, an interim dividend of USD 0.27 per share was paid to shareholders in UIE.

The total dividend (interim dividend and proposed final dividend) will amount to USD 32.2 million.

Dividend Declared and Paid in respect of the Financial Year 2021
USD 0.85 per share was declared and paid to shareholders in respect of the financial year 2021. Hereof, USD 0.215 per share was paid as interim dividend in December 2021 and as final dividend of USD 0.635 per share was paid in May 2022. In total, the dividend amounted to USD 27.4 million.

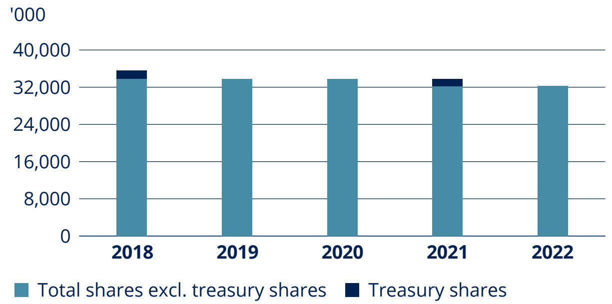
Distribution is not subject to any particular restrictions and is not subject to any tax payments.

DIVIDEND IN RESPECT OF THE FINANCIAL YEAR EXCL. TREASURY SHARES

USD '000	2022	2021
Interim dividend	8,696	6,923
Final dividend[1]	23,510	20,449
Total dividends paid	32,206	27,372

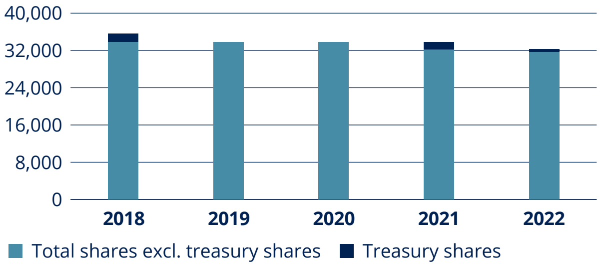
1) Dividend proposed to be paid out in May 2023 of USD 0.73 per share amounts to USD 23.5 million based on current holdings of treasury shares.

NO. OF ISSUED USD 1 SHARES

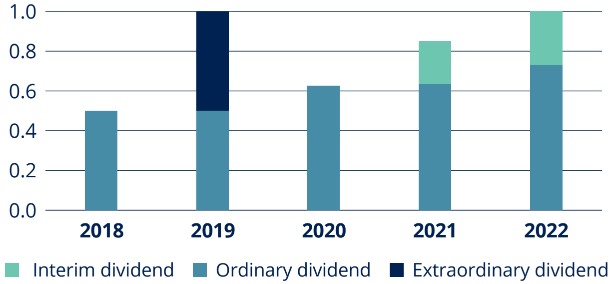


SECTION 4: OTHER DISCLOSURES

FULLY PAID CAPITAL



DIVIDEND PER SHARE



Earnings Per Share
The earnings per share values have been calculated based on the average number of shares outstanding after subtracting the treasury shares, resulting in an average of 32,203,188 (2021: 32,686,980) shares outstanding during the year.

	2022	2021
Net profit/(loss) to owners (USD '000)	(22,099)	108,126
Average no. of outstanding shares	32,203,188	32,686,980
Earnings per share (USD)	(0.69)	3.31

As the Group does not have any outstanding warrants, share options or similar instruments, the diluted earnings per share have not been presented.

4.4 CAPITAL MANAGEMENT

The primary objective of UIE's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios so that it can support its business and maximise shareholder value. UIE manages its capital structure and makes adjustments to it in light of changes in economic conditions.

Dividend Policy
The objective of UIE's dividend policy is, subject to the requirements of its investment programme, to distribute 50% of dividends received from its investments to shareholders. In the interest of maintaining a stable dividend trend. The actual distribution percentage may fluctuate from one year to the next.

From 2021, dividends are distributed in two payments; an interim dividend in December and a final dividend in May (subject to Shareholders' approval), thus following the dividend payment structure as applied in UP.

No changes were made in the objectives, policies or processes for managing capital in 2022 and 2021, except for the amendment to the dividend policy endorsing to pay out an interim dividend.

4.5 PENSION - DEFINED BENEFIT PLANS

Certain subsidiary companies pay retirement benefits to their eligible employees in accordance with the terms of employment and practices. These plans are generally of the defined benefit type, where benefits are based on employees' years of service and on predetermined rates or average final remuneration. Furthermore, they are unfunded.

From the financial year 2011 onwards, the subsidiaries in Indonesia provided employee benefits under the Labour Law No. 13. No formal independent actuarial valuations have been undertaken to value the Group's obligations under these plans, but these are estimated by the Group.

The obligations of the Group are based on the following actuarial assumptions:

%	2022	2021
Discount rate in determining the actuarial present value of the obligations	6.0 - 7.5	6.0 - 7.5
The average rate of increase in future earnings	4.0 - 10.0	4.0 - 10.0
Turnover of employees	10.0 - 20.0	10.0 - 20.0

SENSITIVITY ANALYSIS (GROUP)

USD '000	2022	2021
Discount rate increase by 1%	(271)	(331)
Discount rate decrease by 1%	314	387
The average rate of increase in future earnings increase by 1%	76	141
The average rate of increase in future earnings decrease by 1%	(70)	(125)
Turnover of employee increase by 1%	(26)	(20)
Turnover of employee decrease by 1%	26	20

SECTION 4: OTHER DISCLOSURES

The amounts recognised in the statements of financial position are determined as follows:

USD '000	2022	2021
Present value of unfunded defined benefit obligations	3,514	3,890
On 1 January	3,890	4,775
Provision during the year	544	720
Paid during the year	(202)	(160)
Actuarial changes during the year	(476)	(1,271)
Disposal rel. to sale of business	-	(59)
Exchange difference	(242)	(115)
On 31 December	3,514	3,890
Analysed as:		
Current	607	560
Non-current:		
Between 1 and 2 years	177	186
Between 2 and 5 years	500	467
Later than 5 years	2,230	2,677
Total non current	2,907	3,330
Total current and non-current	3,514	3,890

4.6 LEASE LIABILITIES

Accounting Policies
At the commencement date of the lease, the Group recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group use their incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The movements of lease liabilities during the years are as follows:

USD '000	2022	2021
On 1 January	-	-
Addition	2,574	-
Accretion of interests	154	-
Exchange rate adjustments	(11)	-
On 31 December	2,717	-

The effective financing cost per annum at the reporting year 2022 was 6%. The lease relates to land with a lease term of 99 years with annual payments from 2025. The undiscounted lease liability amounts to USD 17.6 million on 31 December 2022 (2021: nil).

USD '000	2022	2021
Statement of financial position:		
Current liabilities	-	-
Non-current liabilities	2,717	-
Total current and non-current	2,717	-

The remaining maturities of the lease liabilities as at 31 December 2022 and 31 December 2021 are as follows:

USD '000	2022	2021
Within 1 year	-	-
Between 1 and 5 years	334	-
Later than 5 years	2,383	-
Total	2,717	-

SECTION 4: OTHER DISCLOSURES

4.7 FINANCIAL RISKS

Financial Risk Management Objectives and Policies
The Group's financial risk management policy is directed towards managing the financial risks that directly arise from the Group's operations, investments and financing. The Group operates within clearly defined guidelines that are approved by the Board of Directors. There have been no significant changes to the Group's risk exposure or risk management compared to 2021.

The Board of Directors is responsible for identifying and controlling risks and is assisted by the Audit Committee.

UIE is a non-operating holding company with strategic financial investment activity in the UIE segment and UP as the main operating investment. The financial risk management policy is allocated to managing risks arising from UIE's investing activities and UP's operating activities.

As a separately listed company on the Malaysian stock exchange, UP has its own financial risk management objectives and policies, which are in accordance with UIE's. UP manages its own risks. The risk associated with UP form a significant part of the risk profile in the UIE Group, and the management of UIE is in close ongoing dialogue with the management of UP in relation to identifying, classifying and managing risk in UP.

Management's assessment of financial risks in the Group are as follows:

	UIE Segment	UP Segment	Group
(A) Market risks			
Share price risk	High	Low	High
Commodity price risk	Low	High	High
Foreign currency risk	High	Medium	High
Interest rate risk	Low	Low	Low
(B) Credit risk			
Financial institutions	Medium	Medium	Medium
Trade receivables	Low	Medium	Medium
(C) Liquidity risk	Low	Low	Low

In the management of financial risks, the Group uses a number of financial instruments within the framework of existing risk management policies. Control and monitoring procedures include, amongst others, setting of trading limits and the manner and timing of management reporting. Such derivative trading is also under the close supervision of a Director. These control procedures are periodically reviewed and enhanced, where necessary, in response to changes in market conditions.

(A) Market Risks
In the ordinary course of business, the Group is exposed to a variety of market risks, which include share and commodity price risks and foreign currency risks. The Group has implemented a risk management policy, which stipulates the acceptable exposure thresholds for market risk, and this did not change in 2022.

Share Price Risk
Share price risk is the risk that the value of the investments (strategic and portfolio) will fluctuate due to changes in share prices.

It is not part of the risk management objective to hedge the share price risk in the UIE segment, as investing activity is part of the business model, and thus, the exposure towards the equity market is an inherent risk.

The largest financial investment is in Schörling. Schörling has a carrying value of USD 189.8 million (2021: USD 263.8 million). Five of Schörling's major investments, accounting for 87% of the values in Schörling are listed on Nasdaq Stockholm. The foreign currency risk related to this investment is described below.

The management actively monitors all investments with regular oversight by the Board of Directors.

A 10% change in the price of UIE's total equity investments would result in an impact of approximately USD 25.4 million to the Income Statement (2021: USD 32.5 million).

Commodity Price Risk
Risks arise from fluctuations in the price of CPO, PK and coconuts, the main commodities produced by UP.
It is the policy of UP to hedge a proportion of future CPO production revenues in Malaysia, to reduce the impact of spot price volatility affecting earnings and cash flows. The Group uses commodity futures contracts to manage this risk. The Group applies hedge accounting to these hedges.

The hedges include minimal risk, as the future contracts match the hedged exposure. Limited ineffectiveness is therefore expected from the hedges.

In addition to the forward sales policy, it is also the objective of UP to reduce the short-term exposure within the refinery business, by hedging commodity prices of stocks and ongoing production for periods consistent with transaction exposure. Hedge accounting is not applied to these contracts.

A 10% increase/decrease in the CPO/PKO prices would, all other being equal, result in a pre-tax change in the fair value of the Group's commodity derivatives under hedge account-

SECTION 4: OTHER DISCLOSURES

ing of USD 18.7 million (2021: USD 16.6 million), affecting equity through Other Comprehensive Income.

In relation to the derivative where hedge accounting is not applied, a change in the CPO/PKO prices would all other being equal not have any material effect on the income statement or equity, as the value change of the hedged items, being stocks or firm commitments in the refinery segment, will neutralise the fair value change of the derivatives.

Foreign Currency Risk
The Group's exposure to foreign currency risk derives when there is a mismatch between the currencies in which sales, purchases and financial investments are denominated and the respective functional currencies of Group companies. The functional currencies of Group companies are primarily USD and MYR.

In the UP Segment, the functional currency is MYR. Approximately 55% (2021: 52%) of UP's sales and 46% (2021: 47%) of UP's costs are denominated in foreign currencies, mainly USD. UP's trade receivable and trade payable balances at the reporting date have similar exposures. In the UP segment, forward currency contracts are used to hedge the cash flows from the sales and purchases denominated in foreign currency. On 31 December 2022, UP had hedged 86% (2021: 85%) and 0% (2021: 0%) of its foreign currency-denominated sales and purchases, respectively, for which firm commitments existed at the reporting date, extending to December 2023 (2021: December 2022). The Group does not apply hedge accounting to these contracts.

In respect of the investment activities in the UIE Segment, the primary risk relates to the investment in Schörling, denominated in SEK. Fluctuations in USD/SEK will not affect the Group's cash flows, but impact the Income Statement and Statement of Financial Position as the investment is measured at fair value through profit or loss. It is not part of the risk management objective to hedge the currency risk related to long-term strategic investments.

In relation to cash reserves and short-term investments in fixed income products, it is the Group's policy to minimise the short-term negative impact of exchange rate fluctuations on earnings and cash flows by either placing the majority in the functional currency of the entities or by implementing stop-loss orders.

The significant exposure to currencies, other than the functional currency of the individual group entities, as on 31 December comprises the following:

USD '000	DKK	2022 SEK	MYR
Cash and bank balances	14,207	98	3,150
Strategic investments	-	189,847	-
Bonds and equities	8,639	586	1,516
	22,846	190,531	4,666

USD '000	DKK	2021 SEK	MYR
Cash and bank balances	4,425	503	8,692
Strategic investments	-	263,840	-
Bonds and equities	9,340	373	1,405
	13,765	264,716	10,097

The sensitivity of the Group's net profit and equity to a 10% change in MYR, DKK and SEK foreign exchange rates against the functional currency of the Group (USD), with all other variables held constant, is USD 21.8 million (2021: USD 28.9 million).

Translation Risk of Foreign Operations
The translation risk relates to the translation of equity and other comprehensive income of the Group's subsidiaries denominated in currencies other than the USD, as this is the currency in which the Group prepares its financial statements.

The primary translation risk relates to fluctuations in USD/MYR, as MYR is the functional currency in UP.

The Group does not hedge the currency exposure from net investments in foreign operations, which are recognised in other comprehensive income.

The sensitivity of the Group's net profit and equity to a 10% change in USD/MYR, with all other variable held constant, is USD 13.6 million (2021: USD 12.4 million) and USD 67.5 million (2021: USD 66.1 million), respectively. Excluding NCI, the impact on net profit and equity would be USD 6.6 million (2021: USD 6.0 million) and USD 32.7 million (2021: USD 32.0 million), respectively.

Interest Rate Risk
The Group has exposure to interest rate risk arising from fixed income product, floating-rate cash at bank and short-term deposits. The Group has no interest-bearing debt.

At the reporting date, if interest rates had been 1 percentage point higher/lower, with all other variables held constant, the Group's net profit and equity would have been USD 2.5 million (2021: USD 1.8 million) higher/lower. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market movements.

(B) Credit Risk
The Group has an unavoidable exposure to credit risk arising from trade receivables and deposits as well as derivative receivables from financial institutions. The Group has implemented a risk management policy, which stipulates the acceptable exposure thresholds for credit risk.

Trade Receivables
Credit risks, or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored by limiting the Group's associations to business partners with high creditworthiness. On 31 December 2022, 2.7% of the Group's trade receivables were past due (2021: 3.7%).

Except for the amount due from a major customer of the palm oil refinery unit, the Group has no other significant concentrations of risk that may arise from exposures to a

SECTION 4: OTHER DISCLOSURES

single debtor or a group of debtors. Trade receivables are monitored on an ongoing basis via management reporting procedures. The credit terms granted to the Group's customers are 5 to 75 days.

At the reporting date, the majority of the Group's trade receivables of USD 33.5 million (2021: USD 57.7 million) were due from the palm oil refining segment, of which approximately 79% (2021: 79%) was due from one major customer.
The impairment provision amounts to USD 0.0 million on 31 December 2022 (2021: USD 0.0 million).

Banks, Corporate Bonds and Derivatives
The Group is exposed to credit risk on its cash at bank, fixed deposits, corporate bonds as well as financial derivatives. Group manages its credit risk on financial institutions by ensuring that deposits are either placed with SIFI banks (Systemically Important Financial Institution) and/or highly-rated banks. The Group assesses the ratings of the banks routinely. The Group only enters into derivatives with financial institutions, and the credit risk on corporate bonds is limited by investing only in a highly diversified portfolio of highly liquid, short-term bonds with solid credit ratings.

On 31 December 2022, the Group's exposure to the three banks with the largest deposits totalled USD 161 million, corresponding to 63% (2021: 54%) of the total deposits and the highest exposure to one bank is USD 68 million or 27% (2021: 23%).

On 31 December 2022, the Groups exposures to corporate bonds amount to USD 4.1 million (2021: USD 5.1 million).

Maximum Exposure to Credit Risk
At the reporting date, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial asset recognised in the statements of financial position, including derivatives with positive fair values.

Refer to note 4.9 for details of the Group's total financial assets.

(C) Liquidity Risk
The Group has a low exposure to liquidity risk (as the cash surplus is significantly higher than the liabilities in the Group). Non-derivative financial liabilities (undiscounted) amount to USD 59.7 million (2021: USD 36.4 million, all due within 1 year) of which USD 42.0 million fall due within 1 year. USD 0.6 million fall due within 1-5 years and USD 17.0 million fall due after 5 years. Derivative financial liabilities (undiscounted) amount to USD 0.0 million (2021: USD 34.6 million).

4.8 DERIVATIVE FINANCIAL INSTRUMENTS

Accounting Policy
The Group uses financial instruments to reduce the impact of foreign exchanges and commodity price fluctuations on financial results. Net investments in foreign subsidiaries are currently not hedged.

Initial Recognition and Measurement
Derivative financial instruments are initially recognised at fair value and subsequently remeasured at fair value at the end of the reporting period. Gains and losses on derivatives, for which hedge accounting is not applied, are recognised directly in the Income Statement under Other income or Other expenses.

Hedge Accounting – Cash Flows Hedges
The Group has designated certain commodity futures contracts as cash flows hedges to reduce the volatility attributable to price fluctuations of CPO. Value adjustments of the effective part of cash flows hedges are recognised directly in Other comprehensive income. When the hedged transaction (sale of CPO) is recognised in the Income Statement, the cumulative value adjustment of the hedging instrument is transferred from Other Comprehensive Income to the Income Statement, recognised as part of Revenue.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the commodity price and forward commodity contracts match the terms of the expected highly probable forecast transactions. The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the commodity price and commodity forward contracts are identical to the hedged risk components. To test the hedge effectiveness, the Group uses the hypothetical derivative method. It compares the changes in the fair value of the hedging instruments against the changes in the fair value of the hedged items attributable to the hedged risks.

Currently the Group does not apply hedge accounting for its currency hedges.

SECTION 4: OTHER DISCLOSURES

	2022				2021			
USD '000	Notional amount	Assets	Liabilities	Net	Notional amount	Assets	Liabilities	Net
Hedge accounting applied (cash flows):								
Commodity futures contracts	186,694	9,307	-	9,307	166,269	-	(34,595)	(34,595)
Hedge accounting not applied:								
Forward currency contracts	69,539	532	-	532	78,355	-	(51)	(51)
Commodity futures contracts	2,043	564	-	564	135,819	2,594	-	2,594
Total derivatives	258,276	10,403	-	10,403	380,443	2,594	(34,646)	(32,052)
Recognised as:								
Current derivatives (assets/liabilities)		7,828	-	7,828		2,594	(29,164)	(26,570)
Non-current derivatives (assets/liabilities)		2,575	-	2,575		-	(5,482)	(5,482)

	2022 <1 year	2022 1-5 years	2022 Total	2021 <1 year	2021 1-5 years	2021 Total
Maturity of cash flows hedges under hedge accounting:						
Contractual amount (CPO MT)	153,875	38,000	191,875	137,075	62,900	199,975
Contractual amount (USD '000)	149,535	37,159	186,694	114,051	52,218	166,269
Average hedged rate (in MYR per MT)	4,281	4,308	4,286	3,475	3,468	3,473

RECOGNITION OF DERIVATIVES UNDER HEDGE ACCOUNTING IN OTHER COMPREHENSIVE INCOME

USD '000	2022	2021
On 1 January	(34,595)	(13,192)
Fair value adjustments	(17,090)	(71,505)
Realisation of deferred gains	59,200	49,660
Exchange differences	1,792	442
On 31 December	9,307	(34,595)

SECTION 4: OTHER DISCLOSURES

4.9 FINANCIAL ASSETS AND LIABILITIES

The carrying amount of financial instruments by category is presented below:

USD'000	2022	2021
Financial assets measured at fair value through profit and loss	268,827	332,830
Financial assets measured at amortised cost	285,373	290,902
Financial liabilities measured at fair value through profit/loss	-	(34,646)
Financial liabilities measured at amortised cost	(46,201)	(36,364)
Total	507,999	552,722

FINANCIAL ASSETS/(LIABILITIES) MEASURED AT FAIR VALUE

31 December 2022

USD '000	Total	Level 1	Level 2	Level 3
Fair value through profit or loss:				
Quoted equities	21,145	21,145	-	-
Unquoted equities[1]	233,159	-	189,847	43,312
Quoted corporate bonds	4,120	4,120	-	-
Commodity futures contracts	9,872	9,872	-	-
Currency derivatives	531	-	531	-
Total	268,827	35,137	190,378	43,312

31 December 2021

USD '000	Total	Level 1	Level 2	Level 3
Fair value through profit or loss:				
Quoted equities	26,808	26,808	-	-
Unquoted equities[1]	298,353	-	263,840	34,513
Quoted corporate bonds	5,075	5,075	-	-
Commodity futures contracts	(32,001)	(32,001)	-	-
Currency derivatives	(51)	-	(51)	-
Total	298,184	(118)	263,789	34,513

1) Unquoted equities include the Investment in Schörling and Greenbridge, amounting to a total net asset value of USD 233.2 million (2021: USD 298.4 million). The investment portfolios in Schörling and Greenbridge include quoted investments amounting to USD 164.9 million (2021: USD 237.6 million).

Determination of Fair Value
In estimating the fair values of financial instruments, the following assumptions and bases were applied:

(i) cash, fixed deposits, negotiable papers issued by licensed banks, short-term funds invested in income trust funds, trade receivables, trade and other payables are all measured at amortised cost, which is close to their fair values due to the short-term nature of these instruments.

(ii) investments in quoted equities and corporate bonds are determined based on quoted prices in active markets.

(iii) the valuation of unquoted investments is based on an overall assessment of relevant available information. UIE assesses which valuation model and liquidity risk are appropriate for each investment depending on its characteristics and business life cycle. When applying relative valuation models to estimate the fair value of the unquoted investments, the valuation multiples are determined based on several inputs, such as but not limited to: multiples for comparable listed peer-group companies (a rolling weighted estimate reducing the short term volatility in peer companies), transaction in the companies' shares by third parties, M&A transactions for comparable companies and significant events within the company or industry. The earnings or revenues used in the valuation models are based on the companies' latest 12-months realised figures. When investments are made through partnerships, UIE applies the same valuation methods for unquoted investments indirectly owned (the partnerships internal valuation is included as an input for UIE's overall fair value assessment). A 10% increase/decrease in the applied multiples would result in an increase/decrease in the fair value of USD 3.6 million.

(iv) derivative financial instruments are measured according to generally accepted valuation techniques and are based on observable market data, such as currency and interest rates, as well as commodity prices.

The measurement of fair value is performed regularly.

SECTION 4: OTHER DISCLOSURES

Fair Value Hierarchy
The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

Level 1: Quoted (unadjusted) prices in active markets for identical assets and liabilities.
Level 2: Other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3: Other techniques for which all inputs that have a significant effect on the recorded fair value are not based on observable market data.

4.10 RELATED PARTIES

UIE has the following shareholder holding more than a five percent interest:

- Brothers Holding Ltd.

Brothers Holding Ltd. has received USD 15.3 million (2021: USD 14.2 million) in dividend in 2022.

Receivables from the Joint Venture UniFuji is specified in note 1.4. Interest income from Joint Ventures amounted to USD 0.2 million in 2022 (2021: USD 0.1 million).

Key Management Personnel
Key management personnel comprises the Board of Directors and the Managing Director. The compensation paid to key management personnel is specified in note 1.2.

Related parties also include companies in which these persons have significant interests.

The subsidiary, UIE Services A/S, has during the year provided asset management services to the Chairman, Carl Bek-Nielsen, and Deputy Chairman, Martin Bek-Nielsen, for the amount of USD 106,000 (2021: USD 112,000).

All transactions with related parties are undertaken in the ordinary course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

4.11 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT EVENTS

No item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report, which is likely to affect substantially the results of the Group for the financial year in which this report is made.

PARENT COMPANY FINANCIAL STATEMENTS

PARENT COMPANY - CONTENTS

Statements & Notes

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER

USD '000	Note	2022	2021
Administration costs		(1,074)	(1,898)
Staff costs and Board remuneration	2	(1,197)	(1,240)
Result before financial items		(2,271)	(3,138)
Share of results in subsidiary companies	4	66,662	61,055
Change in fair value of Schörling	5	(73,993)	42,749
Change in fair value of Greenbridge	5	(8,092)	7,364
Results from investing activities - portfolio		(6,605)	1,720
Interest income		928	7
Interest expense		(50)	(105)
Foreign exchange gain/(loss)		187	(1,542)
Profit/(loss) before income tax		(23,234)	108,110
Income tax	6	1,135	16
Profit/(loss) for the year		**(22,099)**	**108,126**

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER

USD '000	Note	2022	2021
Profit/(loss) for the year		(22,099)	108,126
Items that are or may be reclassified to the Income Statement			
Share of equity movement in subsidiaries	4	15,661	(7,551)
Equity adjustment on foreign currency translation	4	(20,011)	(12,542)
Total comprehensive income		(26,449)	88,033
Total comprehensive income attributable to			
Reserve for net revaluation under the equity method	4	(12,738)	138,128
Retained earnings		(13,711)	(50,095)
		(26,449)	**88,033**

The official middle rate of exchange issued by the European Central Bank between the US Dollar and the Euro on 31 December 2022 stood at 1.0666 (EUR/USD).

STATEMENT OF FINANCIAL POSITION

USD '000	Note	31 Dec. 2022	31 Dec. 2021
ASSETS			
Current assets:			
Cash and cash equivalents	3	65,758	37,734
Trade and other receivables		42	77
Portfolio investments		23,749	30,478
Total current assets		89,549	68,289
Non-current assets:			
Property, plant and equipment		1	4
Deferred tax assets		256	-
Investments in subsidiaries	4	378,920	391,657
Strategic investments	5	233,159	298,353
Total non-current assets		612,336	690,014
Total assets		**701,885**	**758,303**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Due to subsidiary company		601	375
Trade and other payables	7	7,012	7,237
Current tax liabilities		297	122
Total current liabilities		7,910	7,734
Non-current liabilities:			
Deferred tax liability	6	-	1,134
Total non-current liabilities		-	1,134
Total liabilities		**7,910**	**8,868**
Equity:			
Share capital		32,228	33,728
Treasury shares		(584)	(40,526)
Share premium		8,302	8,688
Retained earnings		463,294	544,072
Reserve for revaluation under the equity method		190,735	203,473
Total equity		693,975	749,435
Total liabilities and shareholders' equity		**701,885**	**758,303**

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER

USD '000	Share capital	Share premium	Treasury shares	Revaluation to equity method	Retained profits	Total
On 1 January 2022	33,728	8,688	(40,526)	203,473	544,072	749,435
Profit for the year	-	-	-	-	(22,099)	(22,099)
Transfer to/(from) revaluation reserve	-	-	-	(8,388)	8,388	-
Share of equity movement in subsidiaries	-	-	-	15,661	-	15,661
Foreign currency translation	-	-	-	(20,011)	-	(20,011)
Total comprehensive income for the year	-	-	-	(12,738)	(13,711)	(26,449)
Dividends	-	-	-	-	(29,145)	(29,145)
Cancellation of treasury shares	(1,500)	(386)	39,808	-	(37,922)	-
Share-based payments	-	-	134	-	-	134
Total contributions and distributions	(1,500)	(386)	39,942	-	(67,067)	(29,011)
On 31 December 2022	**32,228**	**8,302**	**(584)**	**190,735**	**463,294**	**693,975**
On 1 January 2021	33,728	8,688	-	65,345	621,652	729,413
Profit for the year	-	-	-	-	108,126	108,126
Transfer to/(from) revaluation reserve	-	-	-	158,221	(158,221)	-
Share of equity movement in subsidiaries	-	-	-	(7,551)	-	(7,551)
Foreign currency translation	-	-	-	(12,542)	-	(12,542)
Total comprehensive income for the year	-	-	-	138,128	(50,095)	88,033
Dividends	-	-	-	-	(27,485)	(27,485)
Acquisition of treasury shares	-	-	(40,671)	-	-	(40,671)
Share-based payments	-	-	145	-	-	145
Total contributions and distributions	-	-	(40,526)	-	(27,485)	(68,011)
On 31 December 2021	**33,728**	**8,688**	**(40,526)**	**203,473**	**544,072**	**749,435**

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER

USD '000	2022	2021
Cash flows from operations		
Payment of operating expenses	(2,038)	(2,330)
Payment of taxes	(81)	(136)
Movement in working capital balances	(58)	416
Net cash used in operations	(2,177)	(2,050)
Cash flows from investments		
Interest received	1,059	214
Dividends and liquidation proceeds from subsidiaries	75,049	45,185
Dividends from portfolio investments	323	280
Paid in capital in strategic investments	(16,891)	(3,084)
Purchase and sale of portfolio investments, net	(330)	(1,318)
Net cash generated from investments	59,210	41,277
Cash flows from financing		
Dividend paid	(29,145)	(27,485)
Acquisition of treasury shares	-	(35,115)
Interest paid	(50)	(105)
Net cash used in financing	(29,195)	(62,705)
Increase/(decrease) in cash position	27,838	(23,478)
Cash position, beginning of year	37,734	62,755
Foreign exchange adjustment	186	(1,543)
Cash position, end of year	**65,758**	**37,734**

NOTES

1. AUDITORS' REMUNERATION

USD '000	2022	2021
Audit fees	153	160
Tax compliance	2	3
Other advisory	22	-
Total	177	163

No additional fees for non-audit services were paid to the auditors.

2. STAFF COSTS AND KEY MANAGEMENT PERSONNEL COMPENSATION

Remuneration of Key Management Personnel and Directors
UIE's only employee is the Managing Director, and his total remuneration for 2022 was USD 507,000 (2021: USD 664,000), including pension contribution of USD 39,000 and other related benefits of USD 18,000 (2021: USD 41,000 and USD 21,000). The Managing Director's salary is paid in DKK.

Remuneration to the Board of Directors is described in note 1.2 to the Consolidated Financial Statements.

On 1 January 2021, an employee share programme was initiated in UIE, making it possible for the Managing Director to have part of the fixed salary paid in UIE shares. In accordance with section 7P of the Danish Tax Assessment Act ("Ligningsloven §7P"), the Managing Director had 17% (equivalent to USD 66,000) of his fixed salary paid in UIE shares in 2022 (2021: 18% equivalent to USD 70,000).

The total amount of share based payment in 2022 amounted to USD 134,000, of which the USD 68,000 relates to employees in UIE's subsidiary.

3. CASH AND CASH EQUIVALENTS

Cash at bank held by UIE on 31 December was as follows:

Currency	2022 USD '000	2021 USD'000
USD	49,598	30,294
MYR	2,123	2,794
DKK	13,510	3,065
SEK	98	503
EUR	429	1,078
Total	65,758	37,734

4. INVESTMENTS IN SUBSIDIARIES

USD '000	2022	2021
Cost on 1 January	188,185	330,535
Disposals during the year[1]	-	(142,350)
Cost on 31 December	188,185	188,185
Share of result on 1 January	203,472	65,345
Share of result during the year	66,662	61,055
Dividends received	(75,049)	(45,185)
Share of equity movements in subsidiaries	15,661	(7,551)
Disposal during the year[1]	-	142,350
Exchange rate differences	(20,011)	(12,542)
Share of result on 31 December	190,735	203,472
Book value	378,920	391,657

1) The disposal in 2021 relates to the subsidiary UIE Malta Holding Ltd. which was voluntarily liquidated in 2020 and finally stricken off the Business Register in 2021. The liquidation proceeds were fully paid to the parent company in 2020.

For further information about subsidiaries, reference is made to the descriptions in section 3.1 to the Consolidated Financial Statements.

5. STRATEGIC INVESTMENTS

FAIR VALUE ACCOUNTED STRATEGIC INVESTMENTS

USD '000	2022	2021
Schörling		
Investment on 1 January	263,840	221,091
Additions during the year	-	-
Fair value changes during the year	(73,993)	42,749
Fair value on 31 December	189,847	263,840
Greenbridge		
Investment on 1 January	34,513	24,064
Additions during the year	16,891	3,085
Fair value changes during the year	(8,092)	7,364
Fair value on 31 December	43,312	34,513

In 2022, the Company invested an additional USD 16.9 million in Greenbridge (2021: USD 3.1 million). The Company has no further commitment to invest in Greenbridge or Schörling at year-end 2022. Reference is also made to note 3.1 in the Consolidated Financial Statements.

6. TAXATION

The Company is domiciled in Malta and is subject to Maltese company tax. As a holding company, the Company has participation exemption on income from subsidiaries and strategic investments.

INCOME TAX

USD '000	2022	2021
Income tax	331	196
Deferred tax	(1,473)	(203)
Adjustment for prior years' income tax	(75)	(393)
Adjustment for prior years' deferred tax	82	384
Total	(1,135)	(16)

EFFECTIVE TAX RATE

USD '000	2022	2021
Profit before tax	(23,234)	108,110
Tax rate (Malta)	35%	35%
Tax at the applicable rate	(8,132)	37,839
Tax effect of:		
Non-taxable fair value adjustment	28,730	(17,540)
Expenses not deductible for tax	749	1,048
Share of profit/loss in equity accounted investments	(23,332)	(21,369)
Effect of flat rate foreign tax credit on current tax	(244)	(204)
Effect of flat rate foreign tax credit on deferred tax	1,087	219
Adjustment for prior years' income tax	(75)	(393)
Adjustment for prior years' deferred tax	82	384
Tax (credit)/expense for the year	(1,135)	(16)
Effective tax rate	4.9%	0.0%

DEFERRED TAX

USD '000	2022	2021
On 1 January	1,134	953
Recognised in profit or loss	(1,390)	181
On 31 December	(256)	1,134

The deferred tax relates mainly to unrealised capital losses on equities.

7. TRADE AND OTHER PAYABLES

USD '000	2022	2021
Accrued expenses	732	839
Other payables	53	91
Provision related to unknown shareholders[1]	6,227	6,307
Total	7,012	7,237

1) In January 2021 a provision of USD 5.6 million was recognised in relation to the 23,132 UIE shares (as treasury shares) taken over from holders of physical UIE share certificates who had not arranged for electronic registration. To the extent that the previous owners of the physical share certificates do not claim the proceeds of the take over before 13 January 2024, the provision will be reversed. In addition, dividends received on these shares within the last five years, amounting to USD 0.6 million (2021: USD 0.7 million) will be reversed no later than 13 January 2024.

8. FINANCIAL RISKS

Reference is made to note 4.7 in the Consolidated Financial Statements for a description of Financial Risk Management Objectives and Policies for the parent company is reflected in the UIE Segment.

Market Risk in UIE
Share price risk is the risk that the value of the investments (strategic and portfolio) will fluctuate due to changes in share prices. In UIE, this risk relates primarily to the strategic investments in Schörling and Greenbridge.

A 10% change in the price of equity investments would result in an impact of approximately USD 25.3 million to the Income Statement (2021: USD 32.8 million).

The Company's exposure to foreign currency risk derives from its investments and bank deposits denominated in other currencies than the functional currency of the Company, USD.

The most significant exposure to currencies as on 31 December comprises the following:

	2022	
USD '000	**DKK**	**SEK**
Cash and bank balances	13,510	98
Strategic investments	-	189,847
Bonds and equities	8,639	586
Total	22,149	190,531

	2021	
USD '000	**DKK**	**SEK**
Cash and bank balances	3,065	503
Strategic investments	-	263,840
Bonds and equities	11,067	1,136
Total	14,132	265,479

The sensitivity of the Group's net profit and equity to a 10% change in DKK and SEK foreign exchange rates against the functional currency, USD, with all other variables held constant, is USD 21.4 million (2021: USD 28.0 million).

In addition, to the currency exposure affecting net profit, the Company has an exposure on its Investments in subsidiaries, accounted for using the equity method, denominated in other currencies than the functional currency of the Company. Most significantly the investment in UP, denominated in MYR, where a 10% change in USD/MYR would affect the equity by USD 37.7 million (2021: USD 35.9 million).

On 31 December 2022, the Company is primarily exposed to two banks with deposits totalling USD 63.6 million, corresponding to 97% (2021: USD 34.9 million corresponding to 93%) of the total deposits and the highest exposure to one bank is USD 37.7 million or 57% (2021: USD 25.0 million corresponding to 66%).

On 31 December 2022, the Company's exposures to corporate bonds amount to USD 4.1 million (2021: USD 4.7 million).

At the reporting date, the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial asset recognised in the statements of financial position.

Liquidity Risk in UIE

The Company has a low exposure to liquidity risk as the cash surplus is significantly higher than the liabilities in the Group.

9. FINANCIAL ASSETS AND LIABILITIES

The carrying amount of financial instruments by category is presented below:

USD'000	2022	2021
Financial assets measured at fair value through profit and loss	256,908	328,831
Financial assets measured at amortised cost	65,800	37,811
Financial liabilities measured at fair value through profit/loss	-	-
Financial liabilities measured at amortised cost	(7,613)	(7,612)
Total	315,095	359,030

FINANCIAL ASSETS/(LIABILITIES) MEASURED AT FAIR VALUE

31 December 2022

USD '000	Total	Level 1	Level 2	Level 3
Fair value through profit or loss:				
Quoted equities	19,629	19,629	-	-
Unquoted equities	233,159	-	189,847	43,312
Quoted corporate bonds	4,120	4,120	-	-
Total	256,908	23,749	189,847	43,312

31 December 2021

USD '000	Total	Level 1	Level 2	Level 3
Fair value through profit or loss:				
Quoted equities	25,504	25,504	-	-
Unquoted equities	298,353	-	263,840	34,513
Quoted corporate bonds	4,974	4,974	-	-
Total	328,831	30,478	263,840	34,513

Determination of Fair Value
In estimating the fair values of financial instruments, the following assumptions and bases were applied:

(i) cash, fixed deposits, negotiable papers issued by licensed banks, short-term funds invested in income trust funds, trade receivables, trade and other payables are all measured at amortised cost, which is close to their fair values due to the short-term nature of these instruments.

(ii) investments in quoted equities and corporate bonds are determined based on quoted prices in active markets.

(iii) the valuation of unquoted investments is based on an overall assessment of relevant available information. UIE assesses which valuation model and liquidity risk are appropriate for each investment depending on its characteristics and business life cycle. When applying relative valuation models to estimate the fair value of the unquoted investments, the valuation multiples are determined based on several inputs, such as but not limited to: multiples for comparable listed peer-group companies (a rolling weighted estimate reducing the short term volatility in peer companies), transaction in the companies' shares by third parties, M&A transactions for comparable companies and significant events within the company or industry. The earnings or revenues used in the valuation models are based on the companies' latest 12-months realised figures. When investments are made through partnerships, UIE applies the same valuation methods for unquoted investments indirectly owned (the partnerships internal valuation is included as an input for UIE's overall fair value assessment). A 10% increase/decrease in the applied multiples would result in an increase/decrease in the fair value of USD 4.3 million.

(iv) derivative financial instruments are measured according to generally accepted valuation techniques and are based on observable market data, such as currency and interest rates, as well as commodity prices.

The measurement of fair value is performed regularly.

Fair Value Hierarchy
The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

Level 1: Quoted (unadjusted) prices in active markets for identical assets and liabilities.
Level 2: Other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3: Other techniques for which all inputs that have a significant effect on the recorded fair value are not based on observable market data.

10. RELATED PARTIES

Intercompany balances are detailed in the Statement of Financial Position. The Company received administration services from a subsidiary at a value of USD 0.6 million (2021: USD 0.7 million).

Reference is also made to note 4.10 in the Consolidated Financial Statements.

11. OTHER DISCLOSURES

For the following notes, reference is made to the Consolidated Financial Statements:

- Strategic and portfolio investments (Note 3.1, page 88)
- Share capital and other reserves (Note 4.3, page 92)
- Capital management (Note 4.4, page 94)
- Financial risks (Note 4.7, page 96)
- Derivative financial instruments (Note 4.8, page 98)
- Related parties (Note 4.10, page 101)

12. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation
The separate financial statements are prepared in accordance with IFRS, as adopted by the EU, IFRS IC and the Maltese Companies Act (Cap 386).

These separate financial statements are expressed in USD, as this is UIE's functional and presentation currency. All values are rounded to the nearest thousand USD '000 where indicated.

UIE's separate financial statements are prepared under the historical cost basis, except as noted in the various accounting policies.

Investments in Subsidiaries
Investments in subsidiaries are measured in UIE's financial statements using the equity method. UIE's financial statements include UIE's share of the total comprehensive income on the equity-accounted basis. The equity method of accounting for investments in subsidiaries adjusts the original cost of the investment to recognise UIE's proportionate share of the increases or decreases in the underlying comprehensive income of the investee companies subsequent to the date of investment therein less any distributions received. Goodwill relating to subsidiaries is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. The share of profit from subsidiaries is shown on the face of the income statement, and other movements in comprehensive income are shown in the statement of comprehensive income.

After the application of the equity method, UIE determines whether it is necessary to recognise an additional impairment of loss for the Company's investment in the investee. An impairment loss is recognised if the carrying value of the investment exceeds its recoverable amount. The recoverable amount is the higher of its fair value less costs to sell and value in use.

AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF UIE PLC.

Opinion
We have audited the consolidated and parent company financial statements ("the financial statements") of UIE PLC (the "Company") and the Group of which the Company is the parent, set on pages 69 to 110, which comprise the consolidated and parent company statements of financial position as at 31 December 2022, the consolidated and parent company income statements, the consolidated and parent company statements of comprehensive income, the consolidated and parent company statements of changes in equity and the consolidated and parent company statements of cash flows for the year then ended, and notes to the consolidated and parent company financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and parent company financial statements give a true and fair view of the financial position of the Group and the Company as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU ("IFRS"), the Companies Act, Cap. 386 of the Laws of Malta (the "Companies Act").

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and the Companies Act. Our responsibilities under those standards and under the Companies Act are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group and the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) as issued by the International Ethics Standards Board of Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in accordance with the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act, Cap. 281 of the Laws of Malta, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters Incorporating the Most Significant Risks of Material Misstatements, Including Assessed Risk of Material Misstatements due to Fraud
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Revenue Recognition
The revenue from sale of produce stocks and finished goods recognized by the Group during the financial year amounted to USD 573 million. We identified revenue recognition in respect of the sale of produce stocks and finished goods to be an area of audit focus as we consider the high volume of transactions for numerous types of produce stocks and finished goods produced by the Group to be a possible cause of higher risk of material misstatements in relation to the timing and amount of revenue recognized. We have specifically focused our audit efforts to determine the possibility of overstatement of revenue.

Our audit procedures for revenue recognition of the sale of produce stocks and finished goods included amongst others:

Testing the Group's internal controls over timing and amount of revenue recognized. We have on a sampling basis, inspected the terms of significant sales contracts to determine the point at which control is transferred to the customer.

We have independently obtained confirmation of sales transactions by the Group to a key customer for the current financial year.

We have also on a sampling basis, inspected documents which evidenced the delivery of goods to customers. We also focused on testing the recording of sales transactions close to the financial year end and credit notes issued after financial year end, to establish whether sales transactions were recorded in the correct accounting period.

We have also used data analytics on the audit of revenue recognised by establishing the correlation between revenue, receivables and cash.

The Group's disclosures on revenue recognition are included in Note 1.1 to the consolidated financial statements.

Impairment Review of Goodwill
The Group is required to perform an annual impairment test of the cash generating units ("CGU") to which the goodwill acquired in a business combination has been allocated. The Group estimated the recoverable amounts of its CGU based on the estimated value-in-use ("VIU") of the CGU. The areas that involved significant audit effort and judgement were the possible variations in the basis and assumptions used by the management in deriving at the VIU of the CGU. The aforementioned impairment review did not give rise to any impairment loss.

Our audit procedures over the impairment review of goodwill included amongst others:

Assessing the VIU of the CGU, by obtaining an understanding of the relevant internal controls over the process of estimating the VIU of the CGU.

Reviewing the appropriateness of the methodology and approach applied, including historical accuracy of management's estimates of profits (and the resulting cash flows).

We have assessed the key assumptions applied in determining the VIU which comprise fresh fruit bunches ("FFB") yield per hectare, selling prices of Crude Palm Oil ("CPO") and Palm Kernel ("PK"), costs of producing CPO and PK, oil extraction rate ("OER"), kernel extraction rate ("KER") and replanting cost by making comparisons to historical trends, taking into consideration the current and expected outlook for economic growth.

We have also assessed the appropriateness of the discount rate used to determine the present value of the cash flows and whether the rate used reflects the current market assessments of the time value of money and the risks specific to the asset.

The Group's disclosures on the impairment assessment of goodwill are included in Note 2.3a to the consolidated financial statements.

Other Information
The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon other than our reporting on other legal and regulatory requirements.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors and Those Charged with Governance for the Financial Statements
The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of the Companies Act, and for such internal control as the directors determine 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, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

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 the 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 skepticism throughout the audit. We also:
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, 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 Group's and the Company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- conclude on the appropriateness of the directors' 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 Group's and 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 fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Matters on which we are Required to Report by the Companies Act

Directors' report

We are required to express an opinion as to whether the directors' report has been prepared in accordance with the applicable legal requirements. In our opinion the directors' report has been prepared in accordance with the Companies Act.

In addition, in the light of the knowledge and understanding of the Group and the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Directors' report. We have nothing to report in this regard.

Other requirements

We also have responsibilities under the Companies Act to report if in our opinion:

- proper accounting records have not been kept;
- proper returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- we have not received all the information and explanations we require for our audit.

We have nothing to report to you in respect of these responsibilities.

Appointment

We were appointed as the statutory auditor by the Shareholders of the Company on 26 April 2019. The total uninterrupted engagement period as statutory auditor, including renewals and reappointments amounts to 4 years.

Consistency with the Additional Report to the Audit Committee

Our audit opinion on the financial statements expressed herein is consistent with the additional report to the audit committee of the Company, which was issued on 27 February 2023.

Non-audit Services

No prohibited non-audit services referred to in Article 18A(1) of the Accountancy Profession Act, Cap. 281 of the Laws of Malta were provided by us to the Group and the Company and we remain independent of the Group as described in the Basis for Opinion section of our report.

No other services besides statutory audit services and services disclosed in the annual report and in the financial statements, were provided by us to the Company and its controlled undertakings.

Report on Compliance with the Requirements of the European Single Electronic Format Regulatory Technical Standard (the "ESEF RTS")

We have undertaken a reasonable assurance engagement in accordance with the requirements of Directive 6 issued by the Malta Accountancy Board in terms of the Accountancy Profession Act (Cap. 281 of the Laws of Malta) - the Accountancy Profession (European Single Electronic Format) Assurance Directive (the "ESEF Directive 6") on the annual financial report of UIE PLC. for the year ended 31 December 2022, entirely prepared in a single electronic reporting format.

Responsibilities of the Directors

The directors are responsible for the preparation of the annual financial report, including the consolidated financial statements and the relevant mark-up requirements therein, in accordance with the requirements of the ESEF RTS.

Our Responsibilities

Our responsibility is to obtain reasonable assurance about whether the annual financial report, including the consolidated financial statements and the relevant electronic tagging therein comply in all material respects with the ESEF RTS based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with the requirements of ESEF Directive 6.

Our procedures included:

- Obtaining an understanding of the entity's financial reporting process, including the preparation of the annual financial report, in accordance with the requirements of the ESEF RTS.
- Obtaining the annual financial report and performing validations to determine whether the annual financial report has been prepared in accordance with the requirements of the technical specifications of the ESEF RTS.
- Examining the information in the annual financial report to determine whether all the required tagging's therein have been applied and whether, in all material respects, they are in accordance with the requirements of the ESEF RTS.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the annual financial report for the year ended 31 December 2022 has been prepared, in all material respects, in accordance with the requirements of the ESEF RTS.

Christopher Balzan for and on behalf of

Ernst & Young Malta Limited
Certified Public Accountants

2 March 2023

ABBREVIATIONS & DEFINITIONS

Company Name	Abbreviation
Greenbridge Sàrl	Greenbridge
Maximum Vista Sdn. Bhd.	MVSB
Schörling AB	Schörling
UIE Plc.	UIE or the Company
United Plantations Berhad	UP

Currency	Abbreviation
Danish Kroner	DKK
Malaysian Ringgit	MYR
Swedish Kroner	SEK
United States Dollar	USD

Others	Abbreviation
Annual General Meeting	AGM
Biodiversity Department	BioD
Cash-generating unit	CGU
Crude Palm Oil	CPO
Environment, Social & Governance	ESG
European Single Electronic Format	ESEF
European Single Electronic Format Regulatory Technical Standard	ESEF RTS
Expected credit losses	ECL
Fresh Fruit Bunches	FFB
Greenhouse Gas	GHG
High Carbon Stock	HCS
Indirect Land Use Change	iLUC
Integrated Pest Management	IPM
International Accounting Standards	IAS
International Financial Reporting Standards as adopted by the EU	IFRS
IFRS Interpretations Committee	IFRS IC
Kernel Extraction Rate	KER
Lost time injury frequency rate	LTIFR
Malaysian Palm Oil Association	MPOA
Malaysian Palm Oil Board	MPOB
Metric tonnes	MT
Non-controlling interests	NCI
Oil Extraction Rate	OER
Palm Kernel	PK
Photovoltaic	PV
Property, plant and equipment	PPE
Roundtable on Sustainable Palm Oil	RSPO
UN Sustainable Development Goals	SDG
Value-in-use	VIU

Definitions

Earnings per share
Net profit for the period attributable to equity holders of the company/Weighted average number of shares, excluding treasury shares

Book value per share
Equity at the end of the period, excluding minority interests/Number of shares at the end of the period, excluding treasury shares

Net asset value per share
Total market value of UIE's underlying net assets divided with number of outstanding shares at the end of the period

Return on equity
Net profit for the period attributable to equity holders of the company/Average equity, excluding minority interests

Solvency ratio
Equity at the end of the period/Total assets at the end of the period

Comparative Figures
The USD comparatives are expressed at the foreign exchange rates that applied at the date on which these were originally reported. All figures are converted at average exchange rates for the period/year except balance sheet figures, which are converted at period/year-end exchange rates.

Registered Office

UIE Plc.
Blue Harbour Business Centre
Level 1, Sector L
Ta' Xbiex Yacht Marina
Ta' Xbiex XBX 1027
Malta

Company Registration No. C94418

Representative Office

UIE Services A/S
Vandtårnsvej 83A
2860 Søborg
Denmark

Tel.: +45 3393 3330
Email: uie-info@plantations.biz

www.uie.dk

Publication

02 March 2023