

Supplemental Listing Document

If you are in any doubt as to any aspect of this document, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, accountant or other professional adviser.

Application has been made to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for permission to deal in and for quotation of the Certificates (as defined below). The SGX-ST takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of SG Issuer, Société Générale, the Certificates, or the Company (as defined below).

16,700,000 European Style Cash Settled Short Certificates
relating to the ordinary shares of Keppel Corporation Limited
with a Daily Leverage of -5x
issued by
SG Issuer
(Incorporated in Luxembourg with limited liability)
unconditionally and irrevocably guaranteed by
Société Générale

Issue Price: S\$0.60 per Certificate

This document is published for the purpose of obtaining a listing of all the above certificates (the “**Certificates**”) to be issued by SG Issuer (the “**Issuer**”) unconditionally and irrevocably guaranteed by Société Générale (the “**Guarantor**”), and is supplemental to and should be read in conjunction with a base listing document dated 17 June 2022 including such further base listing documents as may be issued from time to time (the “**Base Listing Document**”) for the purpose of giving information with regard to the Issuer, the Guarantor and the Certificates. Information relating to the Company (as defined below) is contained in this document.

This document does not constitute or form part of any offer, or invitation, to subscribe for or to sell, or solicitation of any offer to subscribe for or to purchase, Certificates or other securities of the Issuer, nor is it calculated to invite, nor does it permit the making of, offers by the public to subscribe for or purchase for cash or other consideration the Certificates or other securities of the Issuer.

Restrictions have been imposed on offers and sales of the Certificates and on distributions of documents relating thereto in Singapore, Hong Kong, the European Economic Area, the United Kingdom and the United States (see “Placing and Sale” contained herein).

The Certificates are complex products. You should exercise caution in relation to them. Investors are warned that the price of the Certificates may fall in value as rapidly as it may rise and holders may sustain a total loss of their investment. The price of the Certificates also depends on the

supply and demand for the Certificates in the market and the price at which the Certificates is trading at any time may differ from the underlying valuation of the Certificates because of market inefficiencies. It is not possible to predict the secondary market for the Certificates. Although the Issuer, the Guarantor and/or any of their affiliates may from time to time purchase the Certificates or sell additional Certificates on the market, the Issuer, the Guarantor and/or any of their affiliates are not obliged to do so. Investors should also note that there are leveraged risks because the Certificates integrate an inverse leverage mechanism and the Certificates will amplify the movements in the increase, and in the decrease, of the value of the Underlying Stock (as defined below) and if the investment results in a loss, any such loss will be increased by the leverage factor of the Certificates. As such, investors could lose more than they would if they had invested directly in the Underlying Stock.

The Certificates are classified as capital markets products other than prescribed capital markets products¹ and Specified Investment Products (SIPs)², and may only be sold to retail investors with enhanced safeguards, including an assessment of such investors' investment knowledge or experience.

The Certificates constitute general unsecured obligations of the Issuer (in the case of any substitution of the Issuer in accordance with the Conditions of the Certificates, the Substituted Obligor as defined in the Conditions of the Certificates) and of no other person, and the guarantee dated 17 June 2022 (the "**Guarantee**") and entered into by the Guarantor constitutes direct unconditional unsecured senior preferred obligations of the Guarantor and of no other person, and if you purchase the Certificates, you are relying upon the creditworthiness of the Issuer and the Guarantor and have no rights under the Certificates against any other person.

Application has been made to the SGX-ST for permission to deal in and for quotation of the Certificates and the SGX-ST has agreed in principle to grant permission to deal in and for quotation of the Certificates. It is expected that dealings in the Certificates will commence on or about 20 December 2022.

As of the date hereof, the Guarantor's long term credit rating by S&P Global Ratings is A, and by Moody's Investors Service, Inc. is A1.

The Issuer is regulated by the Luxembourg Commission de Surveillance du Secteur Financier on a consolidated basis and the Guarantor is regulated by, *inter alia*, the Autorité des Marchés Financiers, the Autorité de Contrôle Prudentiel et de Résolution and the European Central Bank.

19 December 2022

¹ As defined in the Securities and Futures (Capital Markets Products) Regulations 2018.

² As defined in the MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products.

Subject as set out below, the Issuer and the Guarantor accept full responsibility for the accuracy of the information contained in this document and the Base Listing Document in relation to themselves and the Certificates. To the best of the knowledge and belief of the Issuer and the Guarantor (each of which has taken all reasonable care to ensure that such is the case), the information contained in this document and the Base Listing Document for which they accept responsibility (subject as set out below in respect of the information contained herein with regard to the Company) is in accordance with the facts and does not omit anything likely to affect the import of such information. The information with regard to the Company as set out herein is extracted from publicly available information. The Issuer and the Guarantor accept responsibility only for the accurate reproduction of such information. No further or other responsibility or liability in respect of such information is accepted by the Issuer and the Guarantor.

No person has been authorised to give any information or to make any representation other than those contained in this document in connection with the offering of the Certificates, and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer or the Guarantor. Neither the delivery of this document nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Issuer, the Guarantor or their respective subsidiaries and associates since the date hereof.

This document does not constitute an offer or invitation by or on behalf of the Issuer or the Guarantor to purchase or subscribe for any of the Certificates. The distribution of this document and the offering of the Certificates may, in certain jurisdictions, be restricted by law. The Issuer and the Guarantor require persons into whose possession this document comes to inform themselves of and observe all such restrictions. In particular, the Certificates and the Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended or any state securities law, and trading in the Certificates has not been approved by the United States Commodity Futures Trading Commission (the “**CFTC**”) under the United States Commodity Exchange Act of 1936, as amended and the Issuer will not be registered as an investment company under the United States Investment Company Act of 1940, as amended, and the rules and regulations thereunder. None of the Securities and Exchange Commission, any state securities commission or regulatory authority or any other United States, French or other regulatory authority has approved or disapproved of the Certificates or the Guarantee or passed upon the accuracy or adequacy of this document. Accordingly, Certificates, or interests therein, may not at any time be offered, sold, resold, traded, pledged, exercised, redeemed, transferred or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, nor may any U.S. person at any time trade, own, hold or maintain a position in the Certificates or any interests therein. In addition, in the absence of relief from the CFTC, offers, sales, re-sales, trades, pledges, exercises, redemptions, transfers or deliveries of Certificates, or interests therein, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, may constitute a violation of United States law governing commodities trading and commodity pools. Consequently, any offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery made, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. person will not be recognised. A further description of certain restrictions on offering and sale of the Certificates and distribution of this document is given in the section headed “Placing and Sale” contained herein.

The SGX-ST has made no assessment of, nor taken any responsibility for, the financial soundness of the Issuer or the Guarantor or the merits of investing in the Certificates, nor have they verified the accuracy or the truthfulness of statements made or opinions expressed in this document.

The Issuer, the Guarantor and/or any of their affiliates may repurchase Certificates at any time on or after the date of issue and any Certificates so repurchased may be offered from time to time in one or more transactions in the over-the-counter market or otherwise at prevailing market prices or in negotiated transactions, at the discretion of the Issuer, the Guarantor and/or any of their affiliates.

Investors should not therefore make any assumption as to the number of Certificates in issue at any time.

References in this document to the “**Conditions**” shall mean references to the Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities contained in the Base Listing Document. Terms not defined herein shall have the meanings ascribed thereto in the Conditions.

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RISK FACTORS

The following are risk factors relating to the Certificates:

- (a) investment in Certificates involves substantial risks including market risk, liquidity risk, and the risk that the Issuer and/or the Guarantor will be unable to satisfy its/their obligations under the Certificates. Investors should ensure that they understand the nature of all these risks before making a decision to invest in the Certificates. You should consider carefully whether Certificates are suitable for you in light of your experience, objectives, financial position and other relevant circumstances. Certificates are not suitable for inexperienced investors;
- (b) the Certificates constitute general unsecured obligations of the Issuer (in the case of any substitution of the Issuer in accordance with the Conditions of the Certificates, the Substituted Obligor as defined in the Conditions of the Certificates) and of no other person, and the Guarantee constitutes direct unconditional unsecured senior preferred obligations of the Guarantor and of no other person. In particular, it should be noted that the Issuer issues a large number of financial instruments, including Certificates, on a global basis and, at any given time, the financial instruments outstanding may be substantial. If you purchase the Certificates, you are relying upon the creditworthiness of the Issuer and the Guarantor and have no rights under the Certificates against any other person;
- (c) since the Certificates relate to the price of the Underlying Stock, certain events relating to the Underlying Stock may cause adverse movements in the value and the price of the Underlying Stock, as a result of which, the Certificate Holders (as defined in the Conditions of the Certificates) may, in extreme circumstances, sustain a significant loss of their investment if the price of the Underlying Stock has risen sharply;
- (d) due to their nature, the Certificates can be volatile instruments and may be subject to considerable fluctuations in value. The price of the Certificates may fall in value as rapidly as it may rise due to, including but not limited to, variations in the frequency and magnitude of the changes in the price of the Underlying Stock, the time remaining to expiry, the currency exchange rates and the creditworthiness of the Issuer and the Guarantor;
- (e) if, whilst any of the Certificates remain unexercised, trading in the Underlying Stock is suspended or halted on the relevant stock exchange, trading in the Certificates may be suspended for a similar period;
- (f) as indicated in the Conditions of the Certificates and herein, a Certificate Holder must tender a specified number of Certificates at any one time in order to exercise. Thus, Certificate Holders with fewer than the specified minimum number of Certificates in a particular series will either have to sell their Certificates or purchase additional Certificates, incurring transactions costs in each case, in order to realise their investment;
- (g) investors should note that in the event of there being a Market Disruption Event (as defined in the Conditions) determination or payment of the Cash Settlement Amount (as defined in the Conditions) may be delayed, all as more fully described in the Conditions;
- (h) certain events relating to the Underlying Stock require or, as the case may be, permit the Issuer to make certain adjustments or amendments to the Conditions. Investors may refer to the Conditions 4 and 6 on pages 31 to 35 and the examples and illustrations of adjustments set out in the "Information relating to the European Style Cash Settled Short Certificates on Single Equities" section of this document for more information;

- (i) the Certificates are only exercisable on the Expiry Date and may not be exercised by Certificate Holders prior to such Expiry Date. Accordingly, if on the Expiry Date the Cash Settlement Amount is zero, a Certificate Holder will lose the value of his investment;
- (j) the total return on an investment in any Certificate may be affected by the Hedging Fee Factor (as defined below), Management Fee (as defined below) and Gap Premium (as defined below);
- (k) investors holding their position overnight should note that they would be required to bear the annualised cost which consists of the Management Fee and Gap Premium, which are calculated daily and applied to the value of the Certificates, as well as certain costs embedded within the Leverage Inverse Strategy (as described below) including the Stock Borrowing Cost (as defined below) and Rebalancing Cost (as defined below);
- (l) investors should note that there are leveraged risks because the Certificates integrate an inverse leverage mechanism and the Certificates will amplify the movements in the increase, and in the decrease, of the value of the Underlying Stock and if the investment results in a loss, any such loss will be increased by the leverage factor of the Certificates. As such, investors could lose more than they would if they had invested directly in the Underlying Stock;
- (m) when held for longer than a day, the performance of the Certificates could be more or less than the leverage factor that is embedded within the Certificates. The performance of the Certificates each day is locked in, and any subsequent returns are based on what was achieved the previous day. This process, referred to as compounding, may lead to a performance difference from 5 times the inverse performance of the Underlying Stock over a period longer than one day. This difference may be amplified in a volatile market with a sideways trend, where market movements are not clear in direction, whereby investors may sustain substantial losses;
- (n) the Air Bag Mechanism (as defined below) is triggered only when the Underlying Stock is calculated or traded, which may not be during the trading hours of the Relevant Stock Exchange for the Certificates (as defined below);
- (o) investors should note that the Air Bag Mechanism reduces the impact on the Leverage Inverse Strategy if the Underlying Stock rises further, but will also maintain a reduced exposure to the Underlying Stock in the event the Underlying Stock starts to fall after the Air Bag Mechanism is triggered, thereby reducing its ability to recoup losses;
- (p) there is no assurance that the Air Bag Mechanism will prevent investors from losing the entire value of their investment, in the event of (i) an overnight increase in the Underlying Stock, where there is a 20% or greater gap between the previous day closing price and the opening price of the Underlying Stock the following day, as the Air Bag Mechanism will only be triggered when market opens (including the pre-opening session) the following day or (ii) a sharp intraday increase in the price of the Underlying Stock of 20% or greater within the 15 minutes Observation Period compared to the reference price, being: (1) if air bag has not been previously triggered on the same day, the previous closing price of the Underlying Stock, or (2) if one or more air bag have been previously triggered on the same day, the latest New Observed Price. Investors may refer to pages 51 to 52 of this document for more information;
- (q) In the case of extreme market conditions or where the Air Bag Mechanisms are triggered simultaneously, trading in the Certificates may be suspended for an extended period, which may be up to an additional 15 minutes, to facilitate the intra-day adjustment under the Air Bag Mechanism;
- (r) certain events may, pursuant to the terms and conditions of the Certificates, trigger (i) the implementation of methods of adjustment or (ii) the early termination of the Certificates. The

Issuer will give the investors reasonable notice of any early termination. If the Issuer terminates the Certificates early, then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Certificate Holder in respect of each Certificate held by such holder equal to the fair market value of the Certificate less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion. The performance of this commitment shall depend on (i) general market conditions and (ii) the liquidity conditions of the underlying instrument(s) and, as the case may be, of any other hedging transactions. Investors should note that the amount repaid by the Issuer may be less than the amount initially invested. Investors may refer to the Condition 13 on pages 37 to 38 of this document for more information;

- (s) there is no assurance that an active trading market for the Certificates will sustain throughout the life of the Certificates, or if it does sustain, it may be due to market making on the part of the Designated Market Maker. The Issuer acting through its Designated Market Maker may be the only market participant buying and selling the Certificates. Therefore, the secondary market for the Certificates may be limited and you may not be able to realise the value of the Certificates. Do note that the bid-ask spread increases with illiquidity;
- (t) in the ordinary course of their business, including without limitation, in connection with the Issuer or its appointed designated market maker's market making activities, the Issuer, the Guarantor and any of their respective subsidiaries and affiliates may effect transactions for their own account or for the account of their customers and hold long or short positions in the Underlying Stock. In addition, in connection with the offering of any Certificates, the Issuer, the Guarantor and any of their respective subsidiaries and affiliates may enter into one or more hedging transactions with respect to the Underlying Stock. In connection with such hedging or market-making activities or with respect to proprietary or other trading activities by the Issuer, the Guarantor and any of their respective subsidiaries and affiliates, the Issuer, the Guarantor and any of their respective subsidiaries and affiliates may enter into transactions in the Underlying Stock which may affect the market price, liquidity or value of the Certificates and which may affect the interests of Certificate Holders;
- (u) various potential and actual conflicts of interest may arise from the overall activities of the Issuer, the Guarantor and/or any of their subsidiaries and affiliates.

The Issuer, the Guarantor and any of their subsidiaries and affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, hedging transactions and investment and other activities for their own account or the account of others. In addition, the Issuer, the Guarantor and any of their subsidiaries and affiliates, in connection with their other business activities, may possess or acquire material information about the Underlying Stock. Such activities and information may involve or otherwise affect issuers of the Underlying Stock in a manner that may cause consequences adverse to the Certificate Holders or otherwise create conflicts of interests in connection with the issue of Certificates by the Issuer. Such actions and conflicts may include, without limitation, the exercise of voting power, the purchase and sale of securities, financial advisory relationships and exercise of creditor rights. The Issuer, the Guarantor and any of their subsidiaries and affiliates have no obligation to disclose such information about the Underlying Stock or such activities. The Issuer, the Guarantor and any of their subsidiaries and affiliates and their officers and directors may engage in any such activities without regard to the issue of Certificates by the Issuer or the effect that such activities may directly or indirectly have on any Certificate;

- (v) legal considerations which may restrict the possibility of certain investments:

Some investors' investment activities are subject to specific laws and regulations or laws and regulations currently being considered by various authorities. All potential investors must consult their own legal advisers to check whether and to what extent (i) they can legally purchase the Certificates (ii) the Certificates can be used as collateral security for various forms of borrowing (iii) if other restrictions apply to the purchase of Certificates or their use as collateral security. Financial institutions must consult their legal advisers or regulators to determine the appropriate treatment of the Certificates under any applicable risk-based capital or similar rules;

- (w) the credit rating of the Guarantor is an assessment of its ability to pay obligations, including those on the Certificates. Consequently, actual or anticipated declines in the credit rating of the Guarantor may affect the market value of the Certificates;
- (x) the Certificates are linked to the Underlying Stock and subject to the risk that the price of the Underlying Stock may rise. The following is a list of some of the significant risks associated with the Underlying Stock:
 - Historical performance of the Underlying Stock does not give an indication of future performance of the Underlying Stock. It is impossible to predict whether the price of the Underlying Stock will fall or rise over the term of the Certificates; and
 - The price of the Underlying Stock may be affected by the economic, financial and political events in one or more jurisdictions, including the stock exchange(s) or quotation system(s) on which the Underlying Stock may be traded;
- (y) the value of the Certificates depends on the Leverage Inverse Strategy performance built in the Certificate. The Calculation Agent will make the Leverage Inverse Strategy last closing level and a calculation tool available to the investors on a website;
- (z) two or more risk factors may simultaneously have an effect on the value of a Certificate such that the effect of any individual risk factor may not be predicted. No assurance can be given as to the effect any combination of risk factors may have on the value of a Certificate;
- (aa) as the Certificates are represented by a global warrant certificate which will be deposited with The Central Depository (Pte) Limited ("**CDP**"):
 - (i) investors should note that no definitive certificate will be issued in relation to the Certificates;
 - (ii) there will be no register of Certificate Holders and each person who is for the time being shown in the records maintained by CDP as entitled to a particular number of Certificates by way of interest (to the extent of such number) in the global warrant certificate in respect of those Certificates represented thereby shall be treated as the holder of such number of Certificates;
 - (iii) investors will need to rely on any statements received from their brokers/custodians as evidence of their interest in the Certificates; and
 - (iv) notices to such Certificate Holders will be published on the web-site of the SGX-ST. Investors will need to check the web-site of the SGX-ST regularly and/or rely on their brokers/custodians to obtain such notices;
- (bb) the US Foreign Account Tax Compliance Act ("**FATCA**") withholding risk:

FATCA generally imposes a 30 per cent. withholding tax on certain U.S.-source payments to certain non-US persons that do provide certification of their compliance with IRS rules to

disclose the identity of their US owners and account holders (if any) or establish a basis for exemption for such disclosure. The Issuer or an investor's broker or custodian may be subject to FATCA and, as a result, may be required to obtain certification from investors that they have complied with FATCA disclosure requirements or have established a basis for exemption from FATCA. If an investor does not provide the Issuer or the relevant broker or custodian with such certification, the Issuer and the Guarantor or other withholding agent could be required to withhold U.S. tax on U.S.-source income (if any) paid pursuant to the Certificates. In certain cases, the Issuer or the relevant broker or custodian could be required to close an account of an investor who does not comply with the FATCA certification procedures.

FATCA IS PARTICULARLY COMPLEX. EACH INVESTOR SHOULD CONSULT ITS OWN TAX ADVISER TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND TO DETERMINE HOW THIS LEGISLATION MIGHT AFFECT EACH INVESTOR IN ITS PARTICULAR CIRCUMSTANCES;

(cc) U.S. withholding tax

The Issuer has determined that this Certificate is not linked to U.S. Underlying Equities within the meaning of applicable regulations under Section 871(m) of the United States Internal Revenue Code, as discussed in the accompanying Base Listing Document under "TAXATION—TAXATION IN THE UNITED STATES OF AMERICA—Section 871(m) of the U.S. Internal Revenue Code of 1986." Accordingly, the Issuer expects that Section 871(m) will not apply to the Certificates. Such determination is not binding on the IRS, and the IRS may disagree with this determination. Section 871(m) is complex and its application may depend on a Certificate Holder's particular circumstances. Certificate Holders should consult with their own tax advisers regarding the potential application of Section 871(m) to the Certificates; and

(dd) risk factors relating to the BRRD

French and Luxembourg law and European legislation regarding the resolution of financial institutions may require the write-down or conversion to equity of the Certificates or other resolution measures if the Issuer or the Guarantor is deemed to meet the conditions for resolution.

Directive 2014/59/EU of the European Parliament and of the Council of the European Union dated 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (the "**BRRD**") entered into force on 2 July 2014. The BRRD has been implemented into Luxembourg law by, among others, the Luxembourg act dated 18 December 2015 on the failure of credit institutions and certain investment firms, as amended (the "**BRR Act 2015**"). Under the BRR Act 2015, the competent authority is the Luxembourg financial sector supervisory authority (*Commission de surveillance du secteur financier*, the CSSF) and the resolution authority is the CSSF acting as resolution council (*conseil de résolution*).

Moreover, Regulation (EU) No. 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism ("**SRM**") and a Single Fund Framework (the "**SRM Regulation**") has established a centralised power of resolution entrusted to a Single Resolution Board (the "**SRB**") in cooperation with the national resolution authorities.

Since November 2014, the European Central Bank ("**ECB**") has taken over the prudential supervision of significant credit institutions in the member states of the Eurozone under the Single Supervisory Mechanism ("**SSM**"). In addition, the SRM has been put in place to ensure

that the resolution of credit institutions and certain investment firms across the Eurozone is harmonised. As mentioned above, the SRM is managed by the SRB. Under Article 5(1) of the SRM Regulation, the SRM has been granted those responsibilities and powers granted to the EU Member States' resolution authorities under the BRRD for those credit institutions and certain investment firms subject to direct supervision by the ECB. The ability of the SRB to exercise these powers came into force at the beginning of 2016.

Societe Generale has been, and continues to be, designated as a significant supervised entity for the purposes of Article 49(1) of Regulation (EU) No 468/2014 of the ECB of 16 April 2014 establishing the framework for cooperation within the SSM between the ECB and national competent authorities and with national designated authorities (the "**SSM Regulation**") and is consequently subject to the direct supervision of the ECB in the context of the SSM. This means that Societe Generale and SG Issuer (being covered by the consolidated prudential supervision of Societe Generale) are also subject to the SRM which came into force in 2015. The SRM Regulation mirrors the BRRD and, to a large part, refers to the BRRD so that the SRB is able to apply the same powers that would otherwise be available to the relevant national resolution authority.

The stated aim of the BRRD and the SRM Regulation is to provide for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and certain investment firms. The regime provided for by the BRRD is, among other things, stated to be needed to provide the resolution authority designated by each EU Member State (the "**Resolution Authority**") with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions while minimising the impact of an institution's failure on the economy and financial system (including taxpayers' exposure to losses).

In accordance with the provisions of the SRM Regulation, when applicable, the SRB, has replaced the national resolution authorities designated under the BRRD with respect to all aspects relating to the decision-making process and the national resolution authorities designated under the BRRD continue to carry out activities relating to the implementation of resolution schemes adopted by the SRB. The provisions relating to the cooperation between the SRB and the national resolution authorities for the preparation of the institutions' resolution plans have applied since 1 January 2015 and the SRM has been fully operational since 1 January 2016.

The SRB is the Resolution Authority for the Issuer and the Guarantor.

The powers provided to the Resolution Authority in the BRRD and the SRM Regulation include write-down/conversion powers to ensure that capital instruments (including subordinated debt instruments) and eligible liabilities (including senior debt instruments if junior instruments prove insufficient to absorb all losses) absorb losses of the issuing institution that is subject to resolution in accordance with a set order of priority (the "**Bail-in Power**"). The conditions for resolution under the SRM Regulation are deemed to be met when: (i) the Resolution Authority determines that the institution is failing or is likely to fail, (ii) there is no reasonable prospect that any measure other than a resolution measure would prevent the failure within a reasonable timeframe, and (iii) a resolution measure is necessary for the achievement of the resolution objectives (in particular, ensuring the continuity of critical functions, avoiding a significant adverse effect on the financial system, protecting public funds by minimizing reliance on extraordinary public financial support, and protecting client funds and assets) and winding up of the institution under normal insolvency proceedings would not meet those resolution objectives to the same extent.

The Resolution Authority could also, independently of a resolution measure or in combination with a resolution measure, fully or partially write-down or convert capital instruments (including subordinated debt instruments) into equity when it determines that the institution or its group will no longer be viable unless such write-down or conversion power is exercised or when the institution requires extraordinary public financial support (except when extraordinary public financial support is provided in Article 10 of the SRM Regulation). The terms and conditions of the Certificates contain provisions giving effect to the Bail-in Power in the context of resolution and write-down or conversion of capital instruments at the point of non-viability.

The Bail-in Power could result in the full (i.e., to zero) or partial write-down or conversion of the Certificates into ordinary shares or other instruments of ownership, or the variation of the terms of the Certificates (for example, the maturity and/or interest payable may be altered and/or a temporary suspension of payments may be ordered). Extraordinary public financial support should only be used as a last resort after having assessed and applied, to the maximum extent practicable, the resolution measures. No support will be available until a minimum amount of contribution to loss absorption and recapitalization of 8% of total liabilities including own funds has been made by shareholders, holders of capital instruments and other eligible liabilities through write-down, conversion or otherwise.

In addition to the Bail-in Power, the BRRD provides the Resolution Authority with broader powers to implement other resolution measures with respect to institutions that meet the conditions for resolution, which may include (without limitation) the sale of the institution's business, the creation of a bridge institution, the separation of assets, the replacement or substitution of the institution as obligor in respect of debt instruments, modifications to the terms of debt instruments (including altering the maturity and/or the amount of interest payable and/or imposing a temporary suspension on payments), removing management, appointing an interim administrator, and discontinuing the listing and admission to trading of financial instruments.

Before taking a resolution measure, including implementing the Bail-in Power, or exercising the power to write down or convert relevant capital instruments, the Resolution Authority must ensure that a fair, prudent and realistic valuation of the assets and liabilities of the institution is carried out by a person independent from any public authority.

The BRRD, the BRR Act 2015 and the SRM Regulation however also state that, under exceptional circumstances, if the bail-in instrument is applied, the SRB, in cooperation with the CSSF, may completely or partially exclude certain liabilities from the application of the impairment or conversion powers under certain conditions.

Since 1 January 2016, EU credit institutions (such as Societe Generale) and certain investment firms have to meet, at all times, a minimum requirement for own funds and eligible liabilities ("**MREL**") pursuant to Article 12 of the SRM Regulation. The MREL, which is expressed as a percentage of the total liabilities and own funds of the institution, aims at preventing institutions from structuring their liabilities in a manner that impedes the effectiveness of the Bail-in Power in order to facilitate resolution.

The regime has evolved as a result of the changes adopted by the EU legislators. On 7 June 2019, as part of the contemplated amendments to the so-called "EU Banking Package", the following legislative texts were published in the Official Journal of the EU 14 May 2019:

- Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending the BRRD as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms ("**BRRD II**"); and

- Regulation (EU) 2019/877 of the European Parliament and of the Council of 20 May 2019 amending the SRM Regulation as regards the loss-absorbing and recapitalisation capacity (“**TLAC**”) of credit institutions and investment firms (the “**SRM II Regulation**” and, together with the BRRD II, the “**EU Banking Package Reforms**”).

The EU Banking Package Reforms introduced, among other things, the TLAC standard as implemented by the Financial Stability Board's TLAC Term Sheet (“**FSB TLAC Term Sheet**”), by adapting, among other things, the existing regime relating to the specific MREL with aim of reducing risks in the banking sector and further reinforcing institutions’ ability to withstand potential shocks will strengthen the banking union and reduce risks in the financial system.

The TLAC has been implemented in accordance with the FSB TLAC Term Sheet, which impose a level of “Minimum TLAC” that will be determined individually for each global systemically important bank (“**G-SIB**”), such as Societe Generale, in an amount at least equal to (i) 16%, plus applicable buffers, of risk weight assets since January 1, 2022 and 18%, plus applicable buffers, thereafter and (ii) 6% of the Basel III leverage ratio denominator since January 1, 2022 and 6.75% thereafter (each of which could be extended by additional firm-specific requirements).

Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms (the “**CRR**”), as amended by Regulation (EU) 2019/876 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements (the “**CRR II**”), EU G-SIBs, such as Societe Generale, have to comply with TLAC requirements, on top of the MREL requirements, since the entry into force of the CRR II. As such, G-SIBs, such as Societe Generale have to comply with both the TLAC and MREL requirements.

Consequently, the criteria for MREL-eligible liabilities have been closely aligned with the criteria for TLAC-eligible liabilities under CRR II, but subject to the complementary adjustments and requirements introduced in the BRRD II. In particular, certain debt instruments with an embedded derivative component, such as certain structured notes, will be eligible, subject to certain conditions, to meet MREL requirements to the extent that they have a fixed or increasing principal amount repayable at maturity that is known in advance with only an additional return permitted to be linked to that derivative component and dependent on the performance of a reference asset.

The level of capital and eligible liabilities required under MREL is set by the SRB for Societe Generale on an individual and/or consolidated basis based on certain criteria including systemic importance and may also be set for SG Issuer. Eligible liabilities may be senior or subordinated, provided, among other requirements, that they have a remaining term of at least one year and, they recognise contractually the Resolution Authority's power to write down or convert the liabilities governed by non-EU law.

The scope of liabilities used to meet MREL includes, in principle, all liabilities resulting from claims arising from ordinary unsecured creditors (non-subordinated liabilities) unless they do not meet specific eligibility criteria set out in BRRD, as amended by BRRD II. To enhance the resolvability of institutions and entities through an effective use of the bail-in tool, the SRB should be able to require that MREL be met with own funds and other subordinated liabilities, in particular where there are clear indications that bailed-in creditors are likely to bear losses in resolution that would exceed the losses that they would incur under normal insolvency proceedings. Moreover the SRB should assess the need to require institutions and entities to

meet the MREL with own funds and other subordinated liabilities where the amount of liabilities excluded from the application of the bail-in tool reaches a certain threshold within a class of liabilities that includes MREL-eligible liabilities. Any subordination of debt instruments requested by the SRB for the MREL shall be without prejudice to the possibility to partly meet the TLAC requirements with non-subordinated debt instruments in accordance with the CRR, as amended by the CRR II, as permitted by the TLAC standard. Specific requirements apply to resolution groups with assets above EUR 100 billion (top-tier banks, including Societe Generale).

TERMS AND CONDITIONS OF THE CERTIFICATES

The following are the terms and conditions of the Certificates and should be read in conjunction with, and are qualified by reference to, the other information set out in this document and the Base Listing Document.

The Conditions are set out in the section headed “Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities” in the Base Listing Document. For the purposes of the Conditions, the following terms shall have the following meanings:

Certificates:	16,700,000 European Style Cash Settled Short Certificates relating to the ordinary shares of Keppel Corporation Limited (the “Underlying Stock”)
ISIN:	LU2375047557
Company:	Keppel Corporation Limited (RIC: KPLM.SI)
Underlying Price ³ and Source:	S\$7.310 (Reuters)
Calculation Agent:	Société Générale
Strike Level:	Zero
Daily Leverage:	-5x (within the Leverage Inverse Strategy as described below)
Notional Amount per Certificate:	SGD 0.60
Management Fee (p.a.) ⁴ :	0.40%
Gap Premium (p.a.) ⁵ :	6.50%, is a hedging cost against extreme market movements overnight.
Stock Borrowing Cost ⁶ :	The annualised costs for borrowing stocks in order to take an inverse exposure on the Underlying Stock.
Rebalancing Cost ⁶ :	The transaction costs (if applicable), computed as a function of leverage and daily inverse performance of the Underlying Stock.
Launch Date:	13 December 2022
Closing Date:	19 December 2022

³ These figures are calculated as at, and based on information available to the Issuer on or about 19 December 2022. The Issuer is not obliged, and undertakes no responsibility to any person, to update or inform any person of any changes to the figures after 19 December 2022.

⁴ Please note that the Management Fee is calculated on a 360-day basis and may be increased up to a maximum of 3% p.a. on giving one month's notice to investors. Any increase in the Management Fee will be announced on the SGXNET. Please refer to “Fees and Charges” below for further details of the fees and charges payable and the maximum of such fees as well as other ongoing expenses that may be borne by the Certificates.

⁵ Please note that the Gap Premium is calculated on a 360-day basis.

⁶ These costs are embedded within the Leverage Inverse Strategy. Please note that the Stock Borrowing Cost may be changed on giving 5 Business Days' notice to investors. Any change in the Stock Borrowing Cost will be announced on the SGXNET.

Expected Listing Date:	20 December 2022
Last Trading Date:	The date falling 5 Business Days immediately preceding the Expiry Date, currently being 11 December 2024
Expiry Date:	18 December 2024 (if the Expiry Date is not a Business Day, then the Expiry Date shall fall on the preceding Business Day and subject to adjustment of the Valuation Date upon the occurrence of Market Disruption Events as set out in the Conditions of the Certificates)
Board Lot:	100 Certificates
Valuation Date:	17 December 2024 or if such day is not an Exchange Business Day, the immediately preceding Exchange Business Day.
Exercise:	The Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in a Board Lot or integral multiples thereof. Certificate Holders shall not be required to deliver an exercise notice. Exercise of Certificates shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) of the Conditions. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.
Cash Settlement Amount:	<p>In respect of each Certificate, shall be an amount payable in the Settlement Currency equal to:</p> <p>Closing Level multiplied by the Notional Amount per Certificate</p> <p>Please refer to the “Information relating to the European Style Cash Settled Short Certificates on Single Equities” section on pages 42 to 57 of this document for examples and illustrations of the calculation of the Cash Settlement Amount.</p>
Hedging Fee Factor:	In respect of each Certificate, shall be an amount calculated as: Product (for t from 2 to Valuation Date) of $(1 - \text{Management Fee} \times (\text{ACT}(t-1;t) \div 360)) \times (1 - \text{Gap Premium}(t-1) \times (\text{ACT}(t-1;t) \div 360))$, where:

“t” refers to “**Observation Date**” which means each Exchange Business Day (subject to Market Disruption Event) from (and including) the Exchange Business Day immediately preceding the Expected Listing Date to the Valuation Date; and

ACT (t-1;t) means the number of calendar days between the Exchange Business Day immediately preceding the Observation Date (which is “t-1”) (included) and the Observation Date (which is “t”) (excluded).

If the Issuer determines, in its sole discretion, that on any Observation Date a Market Disruption Event has occurred, then that Observation Date shall be postponed until the first succeeding Exchange Business Day on which there is no Market Disruption Event, unless there is a Market Disruption Event on each of the five Exchange Business Days immediately following the original date that, but for the Market Disruption Event, would have been an Observation Date. In that case, that fifth Exchange Business Day shall be deemed to be the Observation Date notwithstanding the Market Disruption Event and the Issuer shall determine, its good faith estimate of the level of the Leverage Inverse Strategy and the value of the Certificate on that fifth Exchange Business Day in accordance with the formula for and method of calculation last in effect prior to the occurrence of the first Market Disruption Event taking into account, inter alia, the exchange traded or quoted price of the Underlying Stock and the potential increased cost of hedging by the Issuer as a result of the occurrence of the Market Disruption Event.

Please refer to the “Information relating to the European Style Cash Settled Short Certificates on Single Equities” section on pages 42 to 57 of this document for examples and illustrations of the calculation of the Hedging Fee Factor.

Closing Level: In respect of each Certificate, shall be an amount payable in the Settlement Currency equal to:

$$\left(\frac{\text{Final Reference Level} \times \text{Final Exchange Rate}}{\text{Initial Reference Level} \times \text{Initial Exchange Rate}} - \text{Strike Level} \right) \times \text{Hedging Fee Factor}$$

Initial Reference Level: 1,000

Final Reference Level: The closing level of the Leverage Inverse Strategy (as described below) on the Valuation Date

The calculation of the closing level of the Leverage Inverse Strategy is set out in the “Specific Definitions relating to the Leverage Inverse Strategy” section on pages 19 to 25 below.

Initial Exchange Rate: 1

Final Exchange Rate: 1

Air Bag Mechanism:	<p>The “Air Bag Mechanism” refers to the mechanism built in the Leverage Inverse Strategy and which is designed to reduce the Leverage Inverse Strategy exposure to the Underlying Stock during extreme market conditions. If the Underlying Stock rises by 15% or more (“Air Bag Trigger Price”) during the trading day (which represents an approximately 75% loss after a 5 times inverse leverage), the Air Bag Mechanism is triggered and the Leverage Inverse Strategy is adjusted intra-day. The Air Bag Mechanism reduces the impact on the Leverage Inverse Strategy if the Underlying Stock rises further, but will also maintain a reduced exposure to the Underlying Stock in the event the Underlying Stock starts to fall after the Air Bag Mechanism is triggered, thereby reducing its ability to recoup losses.</p> <p>Trading of Certificates is suspended for at least 30 minutes after the Air Bag is triggered.</p> <p>The Leverage Inverse Strategy is floored at 0 and the Certificates cannot be valued below zero.</p> <p>Please refer to the “Extraordinary Strategy Adjustment for Performance Reasons (“Air Bag Mechanism”)” section on pages 23 to 25 below and the “Description of Air Bag Mechanism” section on pages 48 to 50 of this document for further information of the Air Bag Mechanism.</p>
Adjustments and Extraordinary Events:	<p>The Issuer has the right to make adjustments to the terms of the Certificates if certain events, including any capitalisation issue, rights issue, extraordinary distributions, merger, delisting, insolvency (as more specifically set out in the terms and conditions of the Certificates) occur in respect of the Underlying Stock. For the avoidance of doubt, no notice will be given if the Issuer determines that adjustments will not be made.</p>
Underlying Stock Currency:	Singapore Dollar (“ SGD ”)
Settlement Currency:	SGD
Exercise Expenses:	Certificate Holders will be required to pay all charges which are incurred in respect of the exercise of the Certificates.
Relevant Stock Exchange for the Certificates:	The Singapore Exchange Securities Trading Limited (the “ SGX-ST ”)
Relevant Stock Exchange for the Underlying Stock:	The SGX-ST
Business Day and Exchange Business Day:	A “ Business Day ” or an “ Exchange Business Day ” is a day on which the SGX-ST is open for dealings in Singapore during its normal trading hours and banks are open for business in Singapore.
Warrant Agent:	The Central Depository (Pte) Limited (“ CDP ”)

Clearing System: CDP

Fees and Charges: Normal transaction and brokerage fees shall apply to the trading of the Certificates on the SGX-ST. Investors should note that they may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Certificates are transferred. Investors who are in any doubt as to their tax position should consult their own independent tax advisers. In addition, investors should be aware that tax regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time.

Investors holding position overnight would also be required to bear the Management Fee and Gap Premium, which are calculated daily and applied to the value of the Certificates, as well as certain costs embedded within the Leverage Inverse Strategy including the Stock Borrowing Cost and Rebalancing Cost. The Management Fee may be increased up to a maximum of 3% p.a. on giving one month's notice to investors in accordance with the terms and conditions of the Certificates. Any increase in the Management Fee will be announced on the SGXNET.

Further Information: Please refer to the website at dlc.socgen.com for more information on the theoretical closing price of the Certificates on the previous trading day, the closing price of the Underlying Stock on the previous trading day, the Air Bag Trigger Price for each trading day and the Management Fee and Gap Premium.

Specific Definitions relating to the Leverage Inverse Strategy

Description of the Leverage Inverse Strategy

The Leverage Inverse Strategy is designed to track a 5 times daily leveraged inverse exposure to the Underlying Stock.

At the end of each trading day of the Underlying Stock, the exposure of the Leverage Inverse Strategy to the Underlying Stock is reset within the Leverage Inverse Strategy in order to retain a daily leverage of 5 times the inverse performance of the Underlying Stock (excluding costs) regardless of the performance of the Underlying Stock on the preceding day. This mechanism is referred to as the Daily Reset.

The Leverage Inverse Strategy incorporates an air bag mechanism which is designed to reduce exposure to the Underlying Stock during extreme market conditions, as further described below.

Leverage Inverse Strategy Formula

LSL_t means, for any Observation Date(t), the Leverage Inverse Strategy Closing Level as of such day (t).

Subject to the occurrence of an Intraday Restrike Event, the **Leverage Inverse Strategy Closing Level** as of such Observation Date(t) is calculated in accordance with the following formulae:

On Observation Date(1):

$$LSL_1 = 1000$$

On each subsequent Observation Date(t):

$$LSL_t = \text{Max}[LSL_{t-1} \times (1 + LR_{t-1,t} - FC_{t-1,t} - SB_{t-1,t} - RC_{t-1,t}), 0]$$

LR_{t-1,t}

means the Leveraged Return of the Underlying Stock between Observation Date(t-1) and Observation Date(t) closing prices, calculated as follows:

$$LR_{t-1,t} = \text{Leverage} \times \left(\frac{S_t}{S_{t-1} \times Rfactor_t} - 1 \right)$$

FC_{t-1,t}

means, the Funding Cost between Observation Date(t-1) (included) and Observation Date(t) (excluded) calculated as follows:

$$FC_{t-1,t} = (\text{Leverage} - 1) \times \frac{\text{Rate}_{t-1} \times \text{ACT}(t-1, t)}{\text{DayCountBasisRate}}$$

SB_{t-1,t}

means the Stock Borrowing Cost between Observation Date(t-1) (included) and Observation Date(t) (excluded) calculated as follows:

$$SB_{t-1,t} = -\text{Leverage} \times \frac{\text{CB} \times \text{ACT}(t-1, t)}{\text{DayCountBasisRate}}$$

CB

means the Cost of Borrowing applicable that is equal to: 2.00%

RC_{t-1,t}

means the Rebalancing Cost of the Leverage Inverse Strategy on Observation Date (t), calculated as follows:

$$RC_{t-1,t} = \text{Leverage} \times (\text{Leverage} - 1) \times \left(\left| \frac{S_t}{S_{t-1} \times Rfactor_t} - 1 \right| \right) \times \text{TC}$$

TC

means the Transaction Costs applicable (including Stamp Duty and any other applicable taxes, levies and costs which may be levied on the stock transactions on the Relevant Stock Exchange for the Underlying Stock by the applicable regulatory authorities from time to time) that are currently equal to:

0.04%

“Stamp Duty” refers to the applicable rate of stamp duty on the stock transactions in the jurisdiction of the Relevant Stock Exchange for the Underlying Stock, which may be changed by the applicable regulatory authorities from time to time.

Leverage

-5

S_t	means, in respect of each Observation Date(t), the Closing Price of the Underlying Stock as of such Observation Date(t), subject to the adjustments and provisions of the Conditions.
Rate_t	means, in respect of each Observation Date(t), the daily Singapore Overnight Rate Average (SORA) provided by the Monetary Authority of Singapore as administrator of the benchmark (or a successor administrator), as published on BLOOMBERG/SIBCSORA Index or any successor page, being the rate as of day (t-2) at 09:00 Singapore time, provided that if such rate is not available, then such rate shall be determined by reference to the last available rate that was published on Refinitiv Screen (SORA=MAST) or any successor page.
Rfactor_t	<p>means, in the event Observation Date (t) is an ex-dividend date of the Underlying Stock, an amount determined by the Calculation Agent, subject to the adjustments and provisions of the Conditions, according to the following formula :</p> $Rfactor_t = 1 - \frac{Div_t}{S_{t-1}}$ <p>where</p> <p><i>Div_t</i> is the dividend to be paid out in respect of the Underlying Stock and the relevant ex-dividend date which shall be considered gross of any applicable withholding taxes.</p>
ACT(t-1,t)	ACT (t-1;t) means the number of calendar days between the Exchange Business Day immediately preceding the Observation Date (which is “t-1”) (included) and the Observation Date (which is “t”) (excluded).
DayCountBasisRate	365
Benchmark Fallback	upon the occurrence or likely occurrence, as determined by the Calculation Agent, of a Reference Rate Event, the Calculation Agent may make adjustments as it may determine appropriate to account for the relevant event or circumstance, including but not limited to using any alternative rates from such date, with or without retroactive effect as the Calculation Agent may in its sole and absolute discretion determine.
Reference Rate Event	<p>means, in respect of the Reference Rate any of the following has occurred or will occur:</p> <ul style="list-style-type: none"> (i) a Reference Rate Cessation; (ii) an Administrator/Benchmark Event; or (iii) a Reference Rate is, with respect to over-the-counter derivatives transactions which reference such Reference Rate, the subject of any market-wide development formally agreed upon by the International Swaps and Derivative Association (ISDA) or the Asia

Securities Industry & Financial Markets Association (ASIFMA), pursuant to which such Reference Rate is, on a specified date, replaced with a risk-free rate (or near risk-free rate) established in order to comply with the recommendations in the Financial Stability Board's paper titled "Reforming Major Interest Rate Benchmarks" dated 22 July 2014.

Reference Rate Cessation

means, for a Reference Rate, the occurrence of one or more of the following events:

(i) a public statement or publication of information by or on behalf of the administrator of the Reference Rate announcing that it has ceased or will cease to provide the Reference Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the Reference Rate;

(ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Reference Rate, the central bank for the currency of the Reference Rate, an insolvency official with jurisdiction over the administrator for the Reference Rate, a resolution authority with jurisdiction over the administrator for the Reference Rate or a court or an entity with similar insolvency or resolution authority over the administrator for the Reference Rate, which states that the administrator of the Reference Rate has ceased or will cease to provide the Reference Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the Reference Rate; or

(iii) in respect of a Reference Rate, a public statement or publication of information by the regulatory supervisor for the administrator of such Reference Rate announcing that (a) the regulatory supervisor has determined that such Reference Rate is no longer, or as of a specified future date will no longer be, representative of the underlying market and economic reality that such Reference Rate is intended to measure and that representativeness will not be restored and (b) it is being made in the awareness that the statement or publication will engage certain contractual triggers for fallbacks activated by pre-cessation announcements by such supervisor (howsoever described) in contracts;

Administrator/Benchmark Event

means, for a Reference Rate, any authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register in respect of the Reference Rate or the administrator or sponsor of the Benchmark has not been, or will not be, obtained or has been, or will be, rejected, refused, suspended or withdrawn by the relevant competent authority or other relevant official body, in each case with the effect that either the Issuer, the Calculation Agent or any other entity is not, or will not be, permitted under any applicable law or regulation to use the Reference Rate to perform its or their respective obligations under the Certificates.

Reference Rate(s) means the rate(s) used in the Leverage Inverse Strategy Formula, for example SORA, SOFR and US Federal Funds Effective Rate.

Extraordinary Strategy Adjustment for Performance Reasons (“Air Bag Mechanism”)

Extraordinary Strategy Adjustment for Performance Reasons If the Calculation Agent determines that an Intraday Restrike Event has occurred during an Observation Date(t) (the **Intraday Restrike Date**, noted hereafter **IRD**), an adjustment (an **Extraordinary Strategy Adjustment for Performance Reasons**) shall take place during such Observation Date(t) in accordance with the following provisions.

(1) Provided the last Intraday Restrike Observation Period as of such Intraday Restrike Date does not end on the TimeReferenceClosing, the Leverage Inverse Strategy Closing Level on the Intraday Restrike Date (LSL_{IRD}) should be computed as follows :

$$LSL_{IRD} = \text{Max}[ILSL_{IR(n)} \times (1 + ILR_{IR(n),IR(C)} - IRC_{IR(n),IR(C)}), 0]$$

(2) If the last Intraday Restrike Event Observation Period on the relevant Intraday Restrike Date ends on the TimeReferenceClosing:

$$LSL_{IRD} = \text{Max}[ILSL_{IR(n)}, 0]$$

$ILSL_{IR(k)}$ means, in respect of $IR(k)$, the Intraday Leverage Inverse Strategy Level in accordance with the following provisions :

(1) for $k = 1$:

$$ILSL_{IR(1)} = \text{Max}[LSL_{IRD-1} \times (1 + ILR_{IR(0),IR(1)} - FC_{IRD-1,IRD} - SB_{IRD-1,IRD} - IRC_{IR(0),IR(1)}), 0]$$

(2) for $k > 1$:

$$ILSL_{IR(k)} = \text{Max}[ILSL_{IR(k-1)} \times (1 + ILR_{IR(k-1),IR(k)} - IRC_{IR(k-1),IR(k)}), 0]$$

$ILR_{IR(k-1),IR(k)}$ means the Intraday Leveraged Return between $IR(k-1)$ and $IR(k)$, calculated as follows :

$$ILR_{IR(k-1),IR(k)} = \text{Leverage} \times \left(\frac{IS_{IR(k)}}{IS_{IR(k-1)}} - 1 \right)$$

$IRC_{IR(k-1),IR(k)}$ means the Intraday Rebalancing Cost of the Leverage Inverse Strategy in respect of $IR(k)$ on a given Intraday Restrike Date, calculated as follows :

$$IRC_{IR(k-1),IR(k)} = \text{Leverage} \times (\text{Leverage} - 1) \times \left(\left| \frac{IS_{IR(k)}}{IS_{IR(k-1)}} - 1 \right| \right) \times TC$$

$IS_{IR(k)}$ means the Underlying Stock Price in respect of $IR(k)$ computed as follows :

(1) for $k=0$

$$IS_{IR(0)} = S_{IRD-1} \times R_{\text{factor}} r_{IRD}$$

(2) for $k=1$ to n

means in respect of $IR(k)$, the highest price of the Underlying Stock during the respective Intraday Restrike Observation Period

(3) with respect to $IR(C)$

$$IS_{IR(C)} = S_{IRD}$$

In each case, subject to the adjustments and provisions of the Conditions.

$IR(k)$ For $k=0$, means the scheduled close for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto) on the Observation Date immediately preceding the relevant Intraday Restrike Date;
For $k=1$ to n , means the k^{th} Intraday Restrike Event on the relevant Intraday Restrike Date.

$IR(C)$ means the scheduled close for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto) on the relevant Intraday Restrike Date.

n means the number of Intraday Restrike Events that occurred on the relevant Intraday Restrike Date.

Intraday Restrike Event means in respect of an Observation Date(t):
(1) provided no Intraday Restrike Event has previously occurred on such Observation Date (t), the increase at any Calculation Time of the Underlying Stock price by 15% or more compared with the relevant Underlying Stock Price $IS_{IR(0)}$ as of such Calculation Time.
(2) if k Intraday Restrike Events have occurred on the relevant Intraday Restrike Date, the increase at any Calculation Time of the Underlying Stock price by 15% or more compared with the relevant Underlying Stock Price $IS_{IR(k)}$ as of such Calculation Time.

Calculation Time means any time between the TimeReferenceOpening and the TimeReferenceClosing, provided that the relevant data is available to enable the Calculation Agent to determine the Leverage Inverse Strategy Level.

TimeReferenceOpening means the scheduled opening time (including pre-opening session) for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto).

TimeReferenceClosing means the scheduled closing time (including closing auction session) for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto).

Intraday Restrike Event Observation Period means in respect of an Intraday Restrike Event, the period starting on and excluding the Intraday Restrike Event Time and finishing on and including the sooner between (1) the time falling 15 minutes after the Intraday Restrike Event Time and (2) the TimeReferenceClosing.

Where, during such period, the Calculation Agent determines that (1) the trading in the Underlying Stock is disrupted or subject to suspension or limitation or (2) the Relevant Stock Exchange for the Underlying Stock is not open for continuous trading, the Intraday Restrike Event Observation Period will be extended to the extent necessary until (1) the trading in the Underlying

Stock is no longer disrupted, suspended or limited and (2) the Relevant Stock Exchange for the Underlying Stock is open for continuous trading.

**Intraday Restrike Event
Time**

means in respect of an Intraday Restrike Event, the Calculation Time on which such event occurs.

The Conditions set out in the section headed “Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities” in the Base Listing Document are set out below. This section is qualified in its entirety by reference to the detailed information appearing elsewhere in this document which shall, to the extent so specified or to the extent inconsistent with the relevant Conditions set out below, replace or modify the relevant Conditions for the purpose of the Certificates.

TERMS AND CONDITIONS OF

THE EUROPEAN STYLE CASH SETTLED LONG/SHORT CERTIFICATES ON SINGLE EQUITIES

1. Form, Status and Guarantee, Transfer and Title

- (a) *Form.* The Certificates (which expression shall, unless the context otherwise requires, include any further certificates issued pursuant to Condition 11) are issued subject to and with the benefit of: -
- (i) a master instrument by way of deed poll (the “**Master Instrument**”) dated 17 June 2022, made by SG Issuer (the “**Issuer**”) and Société Générale (the “**Guarantor**”); and
 - (ii) a warrant agent agreement (the “**Master Warrant Agent Agreement**” or “**Warrant Agent Agreement**”) dated any time before or on the Closing Date, made between the Issuer and the Warrant Agent for the Certificates.

Copies of the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement are available for inspection at the specified office of the Warrant Agent.

The holders of the Certificates (the “**Certificate Holders**”) are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement.

- (b) *Status and Guarantee.* The Certificates constitute direct, general and unsecured obligations of the Issuer and rank, and will rank, equally among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer (save for statutorily preferred exceptions). The Certificates provide for cash settlement on exercise. The Certificates do not entitle Certificate Holders to the delivery of any Underlying Stock, are not secured by the Underlying Stock and do not entitle Certificate Holders to any interest in any Underlying Stock.

The due and punctual payment of any amounts due by the Issuer in respect of the Certificates issued by the Issuer is unconditionally and irrevocably guaranteed by the Guarantor as provided in the Guarantee (each such amount payable under the Guarantee, a “**Guarantee Obligation**”).

The Guarantee Obligations will constitute direct, unconditional, unsecured and unsubordinated obligations of the Guarantor ranking as senior preferred obligations as provided for in Article L. 613-30-3 I 3° of the French Code *Monétaire et Financier* (the “**Code**”).

Such Guarantee Obligations rank and will rank equally and rateably without any preference or priority among themselves and:

- (i) *pari passu* with all other direct, unconditional, unsecured and unsubordinated obligations of the Guarantor outstanding as of the date of the entry into force of the law no. 2016-1691 (the “**Law**”) on 11 December 2016;
- (ii) *pari passu* with all other present or future direct, unconditional, unsecured and senior preferred obligations (as provided for in Article L. 613-30-3 I 3° of the Code) of the Guarantor issued after the date of the entry into force of the Law on 11 December 2016;
- (iii) junior to all present or future claims of the Guarantor benefiting from the statutorily preferred exceptions; and
- (iv) senior to all present and future senior non-preferred obligations (as provided for in Article L.613-30-3 I 4° of the Code) of the Guarantor.

In the event of the failure of the Issuer to promptly perform its obligations to any Certificate Holder under the terms of the Certificates, such Certificate Holder may, but is not obliged to, give written notice to the Guarantor at Société Générale, Tour Société Générale, 75886 Paris Cedex 18, France marked for the attention of SEGL/JUR/OMF - Market Transactions & Financing.

- (c) **Transfer.** The Certificates are represented by a global warrant certificate (“**Global Warrant**”) which will be deposited with The Central Depository (Pte) Limited (“**CDP**”). Certificates in definitive form will not be issued. Transfers of Certificates may be effected only in Board Lots or integral multiples thereof. All transactions in (including transfers of) Certificates, in the open market or otherwise, must be effected through a securities account with CDP. Title will pass upon registration of the transfer in the records maintained by CDP.
- (d) **Title.** Each person who is for the time being shown in the records maintained by CDP as entitled to a particular number of Certificates shall be treated by the Issuer, the Guarantor and the Warrant Agent as the holder and absolute owner of such number of Certificates, notwithstanding any notice to the contrary. The expression “**Certificate Holder**” shall be construed accordingly.
- (e) **Bail-In.** By the acquisition of Certificates, each Certificate Holder (which, for the purposes of this Condition, includes any current or future holder of a beneficial interest in the Certificates) acknowledges, accepts, consents and agrees:
 - (i) to be bound by the effect of the exercise of the Bail-In Power (as defined below) by the Relevant Resolution Authority (as defined below) on the Issuer’s liabilities under the Certificates, which may include and result in any of the following, or some combination thereof:
 - (A) the reduction of all, or a portion, of the Amounts Due (as defined below), on a permanent basis;
 - (B) the conversion of all, or a portion, of the Amounts Due into shares, other securities or other obligations of the Issuer or the Guarantor or another person (and the issue to the Certificate Holder of such shares, securities or obligations), including by means of an amendment, modification or variation of the Conditions of the Certificates, in which case the Certificate Holder agrees to accept in lieu of its rights under the Certificates any such shares, other securities or other obligations of the Issuer or the Guarantor or another person;

- (C) the cancellation of the Certificates; and/or
- (D) the amendment or alteration of the expiration of the Certificates or amendment of the amounts payable on the Certificates, or the date on which the amounts become payable, including by suspending payment for a temporary period; and

that terms of the Certificates are subject to, and may be varied, if necessary, to give effect to the exercise of the Bail-In Power by the Relevant Resolution Authority or the regulator,

(the “**Statutory Bail-In**”);

- (ii) if the Relevant Resolution Authority exercises its Bail-In Power on liabilities of the Guarantor, pursuant to Article L.613-30-3-I-3 of the French Monetary and Financial Code (the “**M&F Code**”):

- (A) ranking:
 - (1) junior to liabilities of the Guarantor benefitting from statutorily preferred exceptions pursuant to Article L.613-30-3-I 1° and 2 of the M&F Code;
 - (2) *pari passu* with liabilities of the Guarantor as defined in Article L.613-30-3-I-3 of the M&F Code; and
 - (3) senior to liabilities of the Guarantor as defined in Article L.613-30-3-I-4 of the M&F Code; and
- (B) which are not *titres non structurés* as defined under Article R.613-28 of the M&F Code, and
- (C) which are not or are no longer eligible to be taken into account for the purposes of the MREL (as defined below) ratio of the Guarantor

and such exercise of the Bail-In Power results in the write-down or cancellation of all, or a portion of, the principal amount of, or the outstanding amount payable in respect of, and/or interest on, such liabilities, and/or the conversion of all, or a portion, of the principal amount of, or the outstanding amount payable in respect of, or interest on, such liabilities into shares or other securities or other obligations of the Guarantor or another person, including by means of variation to their terms and conditions in order to give effect to such exercise of Bail-In Power, then the Issuer’s obligations under the Certificates will be limited to (i) payment of the amount as reduced or cancelled that would be recoverable by the Certificate Holders and/or (ii) the delivery or the payment of value of the shares or other securities or other obligations of the Guarantor or another person that would be paid or delivered to the Certificate Holders as if, in either case, the Certificates had been directly issued by the Guarantor itself and any Amount Due under the Certificates had accordingly been directly subject to the exercise of the Bail-In Power (the “**Contractual Bail-in**”).

No repayment or payment of the Amounts Due will become due and payable or be paid after the exercise of the Statutory Bail-In with respect to the Issuer or the Guarantor unless, at the time such repayment or payment, respectively, is scheduled to become due, such repayment or payment would be permitted to be made by the Issuer or the Guarantor under the applicable laws and regulations in effect in France or Luxembourg

and the European Union applicable to the Issuer or the Guarantor or other members of its group.

No repayment or payment of the Amounts Due will become due and payable or be paid under the Certificates issued by SG Issuer after implementation of the Contractual Bail-in.

Upon the exercise of the Statutory Bail-in or upon implementation of the Contractual Bail-in with respect to the Certificates, the Issuer or the Guarantor will provide a written notice to the Certificate Holders in accordance with Condition 9 as soon as practicable regarding such exercise of the Statutory Bail-in or implementation of the Contractual Bail-in. Any delay or failure by the Issuer or the Guarantor to give notice shall not affect the validity and enforceability of the Statutory Bail-in or Contractual Bail-in nor the effects on the Certificates described above.

Neither a cancellation of the Certificates, a reduction, in part or in full, of the Amounts Due, the conversion thereof into another security or obligation of the Issuer or the Guarantor or another person, as a result of the exercise of the Statutory Bail-in or the implementation of the Contractual Bail-in with respect to the Certificates will be an event of default or otherwise constitute non-performance of a contractual obligation, or entitle the Certificate Holder to any remedies (including equitable remedies) which are hereby expressly waived.

The matters set forth in this Condition shall be exhaustive on the foregoing matters to the exclusion of any other agreements, arrangements or understandings between the Issuer, the Guarantor and each Certificate Holder. No expenses necessary for the procedures under this Condition, including, but not limited to, those incurred by the Issuer and the Guarantor, shall be borne by any Certificate Holder.

For the purposes of this Condition:

“Amounts Due” means any amounts due by the Issuer under the Certificates.

“Bail-In Power” means any statutory cancellation, write-down and/or conversion power existing from time to time under any laws, regulations, rules or requirements relating to the resolution of banks, banking group companies, credit institutions and/or investment firms, including but not limited to any such laws, regulations, rules or requirements that are implemented, adopted or enacted within the context of a European Union directive or regulation of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms, or any other applicable laws or regulations, as amended, or otherwise, pursuant to which obligations of a bank, banking group company, credit institution or investment firm or any of its affiliates can be reduced, cancelled, varied or otherwise modified in any way and/or converted into shares or other securities or obligations of the obligor or any other person.

“MREL” means the Minimum Requirement for own funds and Eligible Liabilities as defined in Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (as amended from time to time).

“Relevant Resolution Authority” means any authority with the ability to exercise the Bail-in Power on Societe Generale or SG Issuer as the case may be.

2. Certificate Rights and Exercise Expenses

- (a) *Certificate Rights.* Every Certificate entitles each Certificate Holder, upon due exercise and on compliance with Condition 4, to payment by the Issuer of the Cash Settlement Amount (as defined below) (if any) in the manner set out in Condition 4.

The “**Cash Settlement Amount**”, in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to the Closing Level multiplied by the Notional Amount per Certificate.

The “**Closing Level**”, in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to:

$$\left(\frac{\text{Final Reference Level} \times \text{Final Exchange Rate}}{\text{Initial Reference Level} \times \text{Initial Exchange Rate}} - \text{Strike Level} \right) \times \text{Hedging Fee Factor}$$

If the Issuer determines, in its sole discretion, that on the Valuation Date or any Observation Date a Market Disruption Event has occurred, then that Valuation Date or Observation Date shall be postponed until the first succeeding Exchange Business Day or Underlying Stock Business Day, as the case may be, on which there is no Market Disruption Event, unless there is a Market Disruption Event on each of the five Exchange Business Days or Underlying Stock Business Days, as the case may be, immediately following the original date that, but for the Market Disruption Event, would have been a Valuation Date or an Observation Date. In that case: -

- (i) that fifth Exchange Business Day or Underlying Stock Business Day, as the case may be, shall be deemed to be the Valuation Date or the Observation Date notwithstanding the Market Disruption Event; and
- (ii) the Issuer shall determine the Final Reference Level or the relevant closing level on the basis of its good faith estimate of the Final Reference Level or the relevant closing level that would have prevailed on that fifth Exchange Business Day or Underlying Stock Business Day, as the case may be, but for the Market Disruption Event.

“**Market Disruption Event**” means the occurrence or existence of (i) any suspension of trading on the Relevant Stock Exchange of the Underlying Stock requested by the Company if that suspension is, in the determination of the Issuer, material, (ii) any suspension of or limitation imposed on trading (including but not limited to unforeseen circumstances such as by reason of movements in price exceeding limits permitted by the Relevant Stock Exchange or any act of God, war, riot, public disorder, explosion, terrorism or otherwise) on the Relevant Stock Exchange in the Underlying Stock if that suspension or limitation is, in the determination of the Issuer, material, or (iii) the closing of the Relevant Stock Exchange or a disruption to trading on the Relevant Stock Exchange if that disruption is, in the determination of the Issuer, material as a result of the occurrence of any act of God, war, riot, public disorder, explosion or terrorism.

- (b) *Exercise Expenses.* Certificate Holders will be required to pay all charges which are incurred in respect of the exercise of the Certificates (the “**Exercise Expenses**”). An amount equivalent to the Exercise Expenses will be deducted by the Issuer from the Cash Settlement Amount in accordance with Condition 4. Notwithstanding the foregoing, the Certificate Holders shall account to the Issuer on demand for any Exercise Expenses to the extent that they were not or could not be deducted from the Cash Settlement Amount prior to the date of payment of the Cash Settlement Amount to the Certificate Holders in accordance with Condition 4.

- (c) No Rights. The purchase of Certificates does not confer on the Certificate Holders any right (whether in respect of voting, dividend or other distributions in respect of the Underlying Stock or otherwise) which the holder of an Underlying Stock may have.

3. Expiry Date

Unless automatically exercised in accordance with Condition 4(b), the Certificates shall be deemed to expire at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day (as defined below), the immediately preceding Business Day.

4. Exercise of Certificates

- (a) *Exercise.* Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in accordance with Condition 4(b).
- (b) *Automatic Exercise.* Certificate Holders shall not be required to deliver an exercise notice. Exercise of Certificates shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) below. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.
- (c) *Settlement.* In respect of Certificates which are automatically exercised in accordance with Condition 4(b), the Issuer will pay to the relevant Certificate Holder the Cash Settlement Amount (if any) in the Settlement Currency. The aggregate Cash Settlement Amount (less any Exercise Expenses) shall be despatched as soon as practicable and no later than five Business Days following the Expiry Date by way of crossed cheque or other payment in immediately available funds drawn in favour of the Certificate Holder only (or, in the case of joint Certificate Holders, the first-named Certificate Holder) appearing in the records maintained by CDP. Any payment made pursuant to this Condition 4(c) shall be delivered at the risk and expense of the Certificate Holder and posted to the Certificate Holder's address appearing in the records maintained by CDP (or, in the case of joint Certificate Holders, to the address of the first-named Certificate Holder appearing in the records maintained by CDP). If the Cash Settlement Amount is equal to or less than the determined Exercise Expenses, no amount is payable.
- (d) *CDP not liable.* CDP shall not be liable to any Certificate Holder with respect to any action taken or omitted to be taken by the Issuer or the Warrant Agent in connection with the exercise of the Certificates or otherwise pursuant to or in connection with these Conditions.
- (e) *Business Day.* In these Conditions, a "**Business Day**" shall be a day on which the SGX-ST is open for dealings in Singapore during its normal trading hours and banks are open for business in Singapore.

5. Warrant Agent

- (a) *Warrant Agent.* The Issuer reserves the right, subject to the appointment of a successor, at any time to vary or terminate the appointment of the Warrant Agent and to appoint another Warrant Agent provided that it will at all times maintain a Warrant Agent which, so long as the Certificates are listed on the SGX-ST, shall be in Singapore. Notice of any such termination or appointment and of any change in the specified office of the Warrant Agent will be given to the Certificate Holders in accordance with Condition 9.
- (b) *Agent of Issuer.* The Warrant Agent will be acting as agent of the Issuer and will not assume any obligation or duty to or any relationship of agency or trust for the Certificate Holders. All determinations and calculations by the Warrant Agent under these Conditions shall (save in the case of manifest error) be final and binding on the Issuer and the Certificate Holders.

6. Adjustments

- (a) *Potential Adjustment Event.* Following the declaration by a Company of the terms of any Potential Adjustment Event (as defined below), the Issuer will determine whether such Potential Adjustment Event has a dilutive or concentrative or other effect on the theoretical value of the Underlying Stock and, if so, will (i) make the corresponding adjustment, if any, to any one or more of the Conditions as the Issuer determines appropriate to account for that dilutive or concentrative or other effect, and (ii) determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an exchange on which options or futures contracts on the Underlying Stock are traded.
- (b) *Definitions.* **"Potential Adjustment Event"** means any of the following:
 - (i) a subdivision, consolidation, reclassification or other restructuring of the Underlying Stock (excluding a Merger Event) or a free distribution or dividend of any such Underlying Stock to existing holders by way of bonus, capitalisation or similar issue;
 - (ii) a distribution or dividend to existing holders of the Underlying Stock of (1) such Underlying Stock, or (2) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Company equally or proportionately with such payments to holders of such Underlying Stock, or (3) share capital or other securities of another issuer acquired by the Company as a result of a "spin-off" or other similar transaction, or (4) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or otherwise) at less than the prevailing market price as determined by the Issuer;
 - (iii) an extraordinary dividend;
 - (iv) a call by the Company in respect of the Underlying Stock that is not fully paid;
 - (v) a repurchase by the Company of the Underlying Stock whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;

- (vi) with respect to a Company an event that results in any shareholder rights pursuant to a shareholder rights agreement or other plan or arrangement of the type commonly referred to as a “poison pill” being distributed, or becoming separated from shares of common stock or other shares of the capital stock of such Company (provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights); or
 - (vii) any other event that may have, in the opinion of the Issuer, a dilutive or concentrative or other effect on the theoretical value of the Underlying Stock.
- (c) *Merger Event, Tender Offer, Nationalisation and Insolvency.* If a Merger Event, Tender Offer, Nationalisation or Insolvency occurs in relation to the Underlying Stock, the Issuer may take any action described below:
- (i) determine the appropriate adjustment, if any, to be made to any one or more of the Conditions to account for the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of the Merger Event, Tender Offer, Nationalisation or Insolvency made by an options exchange to options on the Underlying Stock traded on that options exchange;
 - (ii) cancel the Certificates by giving notice to the Certificate Holders in accordance with Condition 9. If the Certificates are so cancelled, the Issuer will pay an amount to each Certificate Holder in respect of each Certificate held by such Certificate Holder which amount shall be the fair market value of a Certificate taking into account the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, less the cost to the Issuer and/or any of its affiliates of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its reasonable discretion. Payment will be made in such manner as shall be notified to the Certificate Holders in accordance with Condition 9; or
 - (iii) following any adjustment to the settlement terms of options on the Underlying Stock on such exchange(s) or trading system(s) or quotation system(s) as the Issuer in its reasonable discretion shall select (the “**Option Reference Source**”) make a corresponding adjustment to any one or more of the Conditions, which adjustment will be effective as of the date determined by the Issuer to be the effective date of the corresponding adjustment made by the Option Reference Source. If options on the Underlying Stock are not traded on the Option Reference Source, the Issuer will make such adjustment, if any, to any one or more of the Conditions as the Issuer determines appropriate, with reference to the rules and precedents (if any) set by the Option Reference Source, to account for the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, that in the determination of the Issuer would have given rise to an adjustment by the Option Reference Source if such options were so traded.

Once the Issuer determines that its proposed course of action in connection with a Merger Event, Tender Offer, Nationalisation or Insolvency, it shall give notice to the Certificate Holders in accordance with Condition 9 stating the occurrence of the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto. Certificate Holders

should be aware that due to the nature of such events, the Issuer will not make an immediate determination of its proposed course of action or adjustment upon the announcement or occurrence of a Merger Event, Tender Offer, Nationalisation or Insolvency.

- (d) *Definitions.* “**Insolvency**” means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Company (i) all the Underlying Stock of that Company is required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Underlying Stock of that Company become legally prohibited from transferring them. “**Merger Date**” means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Issuer. “**Merger Event**” means, in respect of the Underlying Stock, any (i) reclassification or change of such Underlying Stock that results in a transfer of or an irrevocable commitment to transfer all of such Underlying Stock outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of a Company with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Company is the continuing entity and which does not result in reclassification or change of all of such Underlying Stock outstanding), (iii) takeover offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Underlying Stock of the Company that results in a transfer of or an irrevocable commitment to transfer all such Underlying Stock (other than such Underlying Stock owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Company or its subsidiaries with or into another entity in which the Company is the continuing entity and which does not result in a reclassification or change of all such Underlying Stock outstanding but results in the outstanding Underlying Stock (other than Underlying Stock owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Underlying Stock immediately following such event, in each case if the Merger Date is on or before the Valuation Date. “**Nationalisation**” means that all the Underlying Stock or all or substantially all of the assets of a Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof. “**Tender Offer**” means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Company, as determined by the Issuer, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Issuer deems relevant.
- (e) *Other Adjustments.* Except as provided in this Condition 6 and Conditions 10 and 12, adjustments will not be made in any other circumstances, subject to the right reserved by the Issuer (such right to be exercised in the Issuer's sole discretion and without any obligation whatsoever) to make such adjustments and amendments as it believes appropriate in circumstances where an event or events occur which it believes in its sole discretion (and notwithstanding any prior adjustment made pursuant to the above) should, in the context of the issue of the Certificates and the obligations of the Issuer, give rise to such adjustment or, as the case may be, amendment provided that such

adjustment or, as the case may be, amendment is considered by the Issuer not to be materially prejudicial to the Certificate Holders generally (without considering the circumstances of any individual Certificate Holder or the tax or other consequences of such adjustment or amendment in any particular jurisdiction).

- (f) *Notice of Adjustments.* All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Certificate Holders. The Issuer will give, or procure that there is given, notice as soon as practicable of any adjustment and of the date from which such adjustment is effective by publication in accordance with Condition 9. For the avoidance of doubt, no notice will be given if the Issuer determines that adjustments will not be made.

7. Purchases

The Issuer, the Guarantor or any of their respective subsidiaries may at any time purchase Certificates at any price in the open market or by tender or by private treaty. Any Certificates so purchased may be held or resold or surrendered for cancellation.

8. Meetings of Certificate Holders; Modification

- (a) *Meetings of Certificate Holders.* The Master Warrant Agent Agreement or Warrant Agent Agreement contains provisions for convening meetings of the Certificate Holders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Master Warrant Agent Agreement or Warrant Agent Agreement) of a modification of the provisions of the Certificates or of the Master Warrant Agent Agreement or Warrant Agent Agreement.

At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the meeting is held) specifying the date, time and place of the meeting shall be given to the Certificate Holders.

Such a meeting may be convened by the Issuer or by Certificate Holders holding not less than ten per cent. of the Certificates for the time being remaining unexercised. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 25 per cent. of the Certificates for the time being remaining unexercised, or at any adjourned meeting, two or more persons being or representing Certificate Holders whatever the number of Certificates so held or represented.

A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than three-quarters of the votes cast by such Certificate Holders who, being entitled to do so, vote in person or by proxy.

An Extraordinary Resolution passed at any meeting of the Certificate Holders shall be binding on all the Certificate Holders whether or not they are present at the meeting. Resolutions can be passed in writing if passed unanimously.

- (b) *Modification.* The Issuer may, without the consent of the Certificate Holders, effect (i) any modification of the provisions of the Certificates or the Master Instrument which is not materially prejudicial to the interests of the Certificate Holders or (ii) any modification of the provisions of the Certificates or the Master Instrument which is of a formal, minor or technical nature, which is made to correct an obvious error or which is necessary in order to comply with mandatory provisions of Singapore law. Any such modification shall be binding on the Certificate Holders and shall be notified to them by

the Warrant Agent before the date such modification becomes effective or as soon as practicable thereafter in accordance with Condition 9.

9. Notices

- (a) *Documents.* All cheques and other documents required or permitted by these Conditions to be sent to a Certificate Holder or to which a Certificate Holder is entitled or which the Issuer shall have agreed to deliver to a Certificate Holder may be delivered by hand or sent by post addressed to the Certificate Holder at his address appearing in the records maintained by CDP or, in the case of joint Certificate Holders, addressed to the joint holder first named at his address appearing in the records maintained by CDP, and airmail post shall be used if that address is not in Singapore. All documents delivered or sent in accordance with this paragraph shall be delivered or sent at the risk of the relevant Certificate Holder.
- (b) *Notices.* All notices to Certificate Holders will be validly given if published in English on the web-site of the SGX-ST. Such notices shall be deemed to have been given on the date of the first such publication. If publication on the web-site of the SGX-ST is not practicable, notice will be given in such other manner as the Issuer may determine. The Issuer shall, at least one month prior to the expiry of any Certificate, give notice of the date of expiry of such Certificate in the manner prescribed above.

10. Liquidation

In the event of a liquidation or dissolution of the Company or the appointment of a liquidator (including a provisional liquidator) or receiver or judicial manager or trustee or administrator or analogous person under Singapore or other applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, all unexercised Certificates will lapse and shall cease to be valid for any purpose, in the case of voluntary liquidation, on the effective date of the relevant resolution and, in the case of an involuntary liquidation or dissolution, on the date of the relevant court order or, in the case of the appointment of a liquidator (including a provisional liquidator) or receiver or judicial manager or trustee or administrator or analogous person under Singapore or other applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, on the date when such appointment is effective but subject (in any such case) to any contrary mandatory requirement of law. In the event of the voluntary liquidation of the Company, the Issuer shall make such adjustments or amendments as it reasonably believes are appropriate in the circumstances.

11. Further Issues

The Issuer shall be at liberty from time to time, without the consent of the Certificate Holders, to create and issue further certificates so as to form a single series with the Certificates, subject to the approval of the SGX-ST.

12. Delisting

- (a) *Delisting.* If at any time, the Underlying Stock ceases to be listed on the Relevant Stock Exchange, the Issuer shall give effect to these Conditions in such manner and make such adjustments and amendments to the rights attaching to the Certificates as it shall, in its absolute discretion, consider appropriate to ensure, so far as it is reasonably able to do so, that the interests of the Certificate Holders generally are not materially prejudiced as a consequence of such delisting (without considering the individual circumstances of any Certificate Holder or the tax or other consequences that may result in any particular jurisdiction).
- (b) *Issuer's Determination.* The Issuer shall determine, in its absolute discretion, any adjustment or amendment and its determination shall be conclusive and binding on the

Certificate Holders save in the case of manifest error. Notice of any adjustments or amendments shall be given to the Certificate Holders in accordance with Condition 9 as soon as practicable after they are determined.

13. Early Termination

- (a) *Early Termination for Illegality and Force Majeure, etc.* If the Issuer determines that a Regulatory Event (as defined below) has occurred and, for reasons beyond its control, the performance of its obligations under the Certificates has become illegal or impractical in whole or in part for any reason, or the Issuer determines that, for reasons beyond its control, it is no longer legal or practical for it to maintain its hedging arrangements with respect to the Certificates for any reason, the Issuer may in its discretion and without obligation terminate the Certificates early in accordance with Condition 13(d).

Should any one or more of the provisions contained in the Conditions be or become invalid, the validity of the remaining provisions shall not in any way be affected thereby.

For the purposes of this Condition:

“Regulatory Event” means, following the occurrence of a Change in Law (as defined below) with respect to the Issuer and/or Société Générale as Guarantor or in any other capacity (including without limitation as hedging counterparty of the Issuer, market maker of the Certificates or direct or indirect shareholder or sponsor of the Issuer) or any of its affiliates involved in the issuer of the Certificates (hereafter the **“Relevant Affiliates”** and each of the Issuer, Société Générale and the Relevant Affiliates, a **“Relevant Entity”**) that, after the Certificates have been issued, (i) any Relevant Entity would incur a materially increased (as compared with circumstances existing prior to such event) amount of tax, duty, liability, penalty, expense, fee, cost or regulatory capital charge however defined or collateral requirements for performing its obligations under the Certificates or hedging the Issuer’s obligations under the Certificates, including, without limitation, due to clearing requirements of, or the absence of, clearing of the transactions entered into in connection with the issue of, or hedging the Issuer’s obligation under, the Certificates, (ii) it is or will become for any Relevant Entity impracticable, impossible (in each case, after using commercially reasonable efforts), unlawful, illegal or otherwise prohibited or contrary, in whole or in part, under any law, regulation, rule, judgement, order or directive of any governmental, administrative or judicial authority, or power, applicable to such Relevant Entity (a) to hold, acquire, issue, reissue, substitute, maintain, settle, or as the case may be, guarantee, the Certificates, (b) to acquire, hold, sponsor or dispose of any asset(s) (or any interest thereof) of any other transaction(s) such Relevant Entity may use in connection with the issue of the Certificates or to hedge the Issuer’s obligations under the Certificates, (c) to perform obligations in connection with, the Certificates or any contractual arrangement entered into between the Issuer and Société Générale or any Relevant Affiliate (including without limitation to hedge the Issuer’s obligations under the Certificates) or (d) to hold, acquire, maintain, increase, substitute or redeem all or a substantial part of its direct or indirect shareholding in the Issuer’s capital or the capital of any Relevant Affiliate or to directly or indirectly sponsor the Issuer or any Relevant Affiliate, or (iii) there is or may be a material adverse effect on a Relevant Entity in connection with the issue of the Certificates.

“Change in law” means (i) the adoption, enactment, promulgation, execution or ratification of any applicable new law, regulation or rule (including, without limitation,

any applicable tax law, regulation or rule) after the Certificates have been issued, (ii) the implementation or application of any applicable law, regulation or rule (including, without limitation, any applicable tax law, regulation or rule) already in force when the Certificates have been issued but in respect of which the manner of its implementation or application was not known or unclear at the time, or (iii) the change of any applicable law, regulation or rule existing when the Certificates are issued, or the change in the interpretation or application or practice relating thereto, existing when the Certificates are issued of any applicable law, regulation or rule, by any competent court, tribunal, regulatory authority or any other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any additional or alternative court, tribunal, authority or entity, to that existing when the Certificates are issued).

- (b) *Early Termination for Holding Limit Event.* The Issuer may in its discretion and without obligation terminate the Certificates early in accordance with Condition 13(d) where a Holding Limit Event (as defined below) occurs.

For the purposes of this Condition:

“Holding Limit Event” means, assuming the investor is the Issuer and/or any of its affiliates, the Issuer together with its affiliates, in aggregate hold, an interest in the Underlying Stock, constituting or likely to constitute (directly or indirectly) ownership, control or the power to vote a percentage of any class of voting securities of the Underlying Stock, of the Underlying Stock in excess of a percentage permitted or advisable, as determined by the Issuer, for the purpose of its compliance with the Bank Holding Company Act of 1956 as amended by Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Volcker Rule), including any requests, regulations, rules, guidelines or directives made by the relevant governmental authority under, or issued by the relevant governmental authority in connection with, such statutes.

- (c) *Early Termination for other reasons.* The Issuer reserves the right (such right to be exercised in the Issuer's sole and unfettered discretion and without any obligation whatsoever) to terminate the Certificates in accordance with Condition 13(d) where an event or events occur which it believes in its sole discretion should, in the context of the issue of the Certificates and the obligations of the Issuer, give rise to such termination provided that such termination (i) is considered by the Issuer not to be materially prejudicial to the interests of Certificate Holders generally (without considering the circumstances of any individual Certificate Holder or the tax or other consequences of such termination in any particular jurisdiction); or (ii) is otherwise considered by the Issuer to be appropriate and such termination is approved by the SGX-ST.
- (d) *Termination.* If the Issuer terminates the Certificates early, then the Issuer will give notice to the Certificate Holders in accordance with Condition 9. The Issuer will, if and to the extent permitted by applicable law, pay an amount to each Certificate Holder in respect of each Certificate held by such holder equal to the fair market value of a Certificate notwithstanding such illegality, impracticality or the relevant event less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Certificate Holders in accordance with Condition 9.

14. Substitution of the Issuer

The Issuer may be replaced by the Guarantor or any subsidiary of the Guarantor as principal obligor in respect of the Certificates without the consent of the relevant Certificate Holders. If the Issuer determines that it shall be replaced by the Guarantor or any subsidiary of the Guarantor (the “**Substituted Obligor**”), it shall give at least 90 days’ notice (exclusive of the day on which the notice is given and of the day on which the substitution is effected) specifying the date of the substitution, in accordance with Condition 9, to the Certificate Holders of such event and, immediately on the expiry of such notice, the Substituted Obligor shall become the principal obligor in place of the Issuer and the Certificate Holders shall thereupon cease to have any rights or claims whatsoever against the Issuer.

Upon any such substitution, all references to the Issuer in the Conditions and all agreements relating to the Certificates will be to the Substituted Obligor and the Certificates will be modified as required, and the Certificate Holders will be notified of the modified terms and conditions of such Certificates in accordance with Condition 9.

For the purposes of this Condition, it is expressly agreed that by subscribing to, acquiring or otherwise purchasing or holding the Certificates, the Certificate Holders are expressly deemed to have consented to the substitution of the Issuer by the Substituted Obligor and to the release of the Issuer from any and all obligations in respect of the Certificates and all agreements relating thereto and are expressly deemed to have accepted such substitution and the consequences thereof.

15. Governing Law

The Certificates, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement will be governed by and construed in accordance with Singapore law. The Issuer and the Guarantor and each Certificate Holder (by its purchase of the Certificates) shall be deemed to have submitted for all purposes in connection with the Certificates, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement to the non-exclusive jurisdiction of the courts of Singapore. The Guarantee shall be governed by and construed in accordance with Singapore law.

16. Prescription

Claims against the Issuer for payment of any amount in respect of the Certificates will become void unless made within six years of the Expiry Date and, thereafter, any sums payable in respect of such Certificates shall be forfeited and shall revert to the Issuer.

17. Contracts (Rights of Third Parties) Act 2001 of Singapore

Unless otherwise provided in the Global Warrant, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement, a person who is not a party to any contracts made pursuant to the Global Warrant, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement has no rights under the Contracts (Rights of Third Parties) Act 2001 of Singapore to enforce any terms of such contracts. Except as expressly provided herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts.

SUMMARY OF THE ISSUE

The following is a summary of the issue and should be read in conjunction with, and is qualified by reference to, the other information set out in this document and the Base Listing Document. Terms used in this Summary are defined in the Conditions.

Issuer:	SG Issuer
Company:	Keppel Corporation Limited
The Certificates:	European Style Cash Settled Short Certificates relating to the Underlying Stock
Number:	16,700,000 Certificates
Form:	The Certificates will be issued subject to, and with the benefit of, a master instrument by way of deed poll dated 17 June 2022 (the “ Master Instrument ”) and executed by the Issuer and the Guarantor and a master warrant agent agreement dated 29 May 2017 (the “ Master Warrant Agent Agreement ”) and made between the Issuer, the Guarantor and the Warrant Agent.
Cash Settlement Amount:	In respect of each Certificate, is the amount (if positive) equal to: Notional Amount per Certificate x Closing Level
Denominations:	Certificates are represented by a global warrant in respect of all the Certificates.
Exercise:	The Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in a Board Lot or integral multiples thereof. Certificate Holders will not be required to deliver an exercise notice. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates will be deemed to have been automatically exercised at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) of the Conditions. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.
Exercise and Trading Currency:	SGD
Board Lot:	100 Certificates

Transfers of Certificates:	Certificates may only be transferred in Board Lots (or integral multiples thereof). All transfers in Certificates, in the open market or otherwise, must be effected through a securities account with CDP. Title will pass upon registration of the transfer in the records of CDP.
Listing:	Application has been made to the SGX-ST for permission to deal in and for quotation of the Certificates and the SGX-ST has agreed in principle to grant permission to deal in and for quotation of the Certificates. Issue of the Certificates is conditional on such listing being granted. It is expected that dealings in the Certificates on the SGX-ST will commence on or about 20 December 2022.
Governing Law:	The laws of Singapore
Warrant Agent:	The Central Depository (Pte) Limited 11 North Buona Vista Drive #06-07 The Metropolis Tower 2 Singapore 138589
Further Issues:	Further issues which will form a single series with the Certificates will be permitted, subject to the approval of the SGX-ST.

The above summary is qualified in its entirety by reference to the detailed information appearing elsewhere in this document and the Base Listing Document.

INFORMATION RELATING TO THE EUROPEAN STYLE CASH SETTLED SHORT CERTIFICATES ON SINGLE EQUITIES

What are European Style Cash Settled Short Certificates on Single Equities?

European style cash settled short certificates on single equities (the “**Certificates**”) are structured products relating to the Underlying Stock and the return on a Certificate is linked to the performance of the Leverage Inverse Strategy.

A) Cash Settlement Amount Payable upon the Exercise of the Certificates at Expiry

Upon the exercise of the Certificates at expiry, the Certificate Holders would be paid a Cash Settlement Amount in respect of each Certificate.

The Cash Settlement Amount, in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to the Closing Level multiplied by the Notional Amount per Certificate.

The Closing Level, in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to (1) divided by (2) less (3) subject to any adjustments such as (4), where:

- (1) is the Final Reference Level multiplied by the Final Exchange Rate;
- (2) is the Initial Reference Level multiplied by the Initial Exchange Rate;
- (3) is the Strike Level; and
- (4) is the Hedging Fee Factor.

If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised and investors will receive a Cash Settlement Amount. If the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired. Please refer to the section headed “Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities” for further details on the calculation of the Cash Settlement Amount.

The Certificates are only suitable for investors who believe that the price of the Underlying Stock will decrease and are seeking short-term leveraged inverse exposure to the Underlying Stock.

B) Trading the Certificates before Expiry

If the Certificate Holders want to cash out their investments in the Certificates before the expiry of the Certificates, they may sell the Certificates in the secondary market during the life of the Certificates, and would be subject to the following fees and charges:

- (i) For Certificate Holders who trade the Certificates intraday: shall pay normal transaction and brokerage fees for the trading of the Certificates on the SGX-ST, and may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Certificates are transferred; and
- (ii) For Certificate Holders who hold the Certificates overnight: in addition to the normal transaction and brokerage fees and applicable stamp taxes, would also be required to bear the Management Fee and Gap Premium as well as certain costs embedded within the Leverage Inverse Strategy including the Stock Borrowing Cost and Rebalancing Cost.

Illustration of the Calculation of Hedging Fee Factor

Hedging Fee Factor	=	Product of the Daily Fees
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Daily Fees	=	Daily Management Fee Adjustment	
		1 – Management Fee x ACT (t-1;t) / 360	
		x	
		Daily Gap Premium Adjustment	
		1 – Gap Premium (t-1) x ACT (t-1;t) / 360	

Illustration of the Calculation of Cash Settlement Amount

Cash Settlement Amount = Final Value of Certificates – Strike Level (zero)

Value of Certificates	=	t ⁷ =0	x	t=1	x	t=2	x ...	t=i
		Notional Amount		Leverage Inverse Strategy daily performance ⁸ x Daily Fees		Leverage Inverse Strategy daily performance x Daily Fees		Leverage Inverse Strategy Daily performance x Daily Fees

Value of Certificates	=	t=0	x	Product of the daily Leverage Inverse Strategy Performance	x	Product of the Daily Fees (Hedging Fee Factor)
		Notional Amount		Leverage Inverse Strategy daily performance x Leverage Inverse Strategy daily performance		Daily Fees x Daily Fees

Final Value of Certificates	=	t=0	x	Final Reference Level x Final Exchange Rate ÷ Initial Reference Level x Initial Exchange Rate	x	Hedging Fee Factor
		Notional Amount				

Illustration of the applicable fees and charges for an intraday trading scenario

Hedging Fee is implemented overnight in the price of the Certificate. As a consequence, when trading intraday, investors will not bear any Hedging Fee.

Investors will only support bid/ask costs, which are the difference between the price at which the Designated Market Maker purchases (bid) and sells (ask) the Certificate at any point of time.

⁷ "t" refers to "Observation Date" which means each Exchange Business Day (subject to Market Disruption Event) from (and including) the Exchange Business Day immediately preceding the Expected Listing Date to the Valuation Date.

⁸ Leverage Inverse Strategy daily performance is computed as the Leverage Inverse Strategy Closing Level on Business Day (t) divided by the Leverage Inverse Strategy Closing Level on Business Day (t-1).

Example of Calculation of Hedging Fee Factor and Cash Settlement Amount

The example is purely hypothetical. We include the example to illustrate how the Certificates work, and you MUST NOT rely on them as any indication of the actual return or what the payout on the Certificates might actually be. The example also assumes a product which expires 16 days after listing date, to illustrate the daily calculation of price, costs and fees from listing date to expiry date.

Assuming an investor purchases the following Certificates at the Issue Price:

Underlying Stock:	Ordinary shares of Keppel Corporation Limited
Expected Listing Date:	03/07/2018
Expiry Date:	18/07/2018
Initial Reference Level:	1,000
Initial Exchange Rate:	1
Final Reference Level:	1,200
Final Exchange Rate:	1
Issue Price:	0.60 SGD
Notional Amount per Certificate:	0.60 SGD
Management Fee (p.a.):	0.40%
Gap Premium (p.a.):	6.50%
Strike Level:	Zero

Hedging Fee Factor

Hedging Fee Factor on the n^{th} Exchange Business Day after issuance of Certificate ("HFF (n)") is calculated as follows:

$$\text{HFF}(0) = 100\%$$

On Next Calendar Day (assuming it is an Exchange Business Day):

$$\text{HFF}(1) = \text{HFF}(0) \times \left(1 - \text{Management Fee} \times \frac{\text{ACT}(t-1; t)}{360}\right) \times \left(1 - \text{Gap Premium} \times \frac{\text{ACT}(t-1; t)}{360}\right)$$

$$\text{HFF}(1) = 100\% \times \left(1 - 0.40\% \times \frac{1}{360}\right) \times \left(1 - 6.50\% \times \frac{1}{360}\right)$$

$$\text{HFF}(1) = 100\% \times 99.9989\% \times 99.9819\% \approx 99.9808\%$$

Assuming 2nd Exchange Business Day falls 3 Calendar Days after 1st Exchange Business Day:

$$\text{HFF}(2) = \text{HFF}(1) \times \left(1 - \text{Management Fee} \times \frac{\text{ACT}(t-1; t)}{360}\right) \times \left(1 - \text{Gap Premium} \times \frac{\text{ACT}(t-1; t)}{360}\right)$$

$$\text{HFF}(2) = 99.9808\% \times \left(1 - 0.40\% \times \frac{3}{360}\right) \times \left(1 - 6.50\% \times \frac{3}{360}\right)$$

$$\text{HFF (2)} = 99.9808\% \times 99.9967\% \times 99.9458\% \approx 99.9233\%$$

The same principle applies to the following Exchange Business Days:

$$\text{HFF (n)} = \text{HFF (n - 1)} \times \left(1 - \text{Management Fee} \times \frac{\text{ACT (t - 1; t)}}{360} \right) \times \left(1 - \text{Gap Premium} \times \frac{\text{ACT (t - 1; t)}}{360} \right)$$

In this example, the Hedging Fee Factor as of the Valuation Date would be equal to 99.7129% as illustrated below:

Date	HFF
3/7/2018	100.0000%
4/7/2018	99.9808%
5/7/2018	99.9617%
6/7/2018	99.9425%
9/7/2018	99.8850%
10/7/2018	99.8659%
11/7/2018	99.8468%
12/7/2018	99.8276%
13/7/2018	99.8085%
16/7/2018	99.7511%
17/7/2018	99.7320%
18/7/2018	99.7129%

Cash Settlement Amount

In this example, the Closing Level and the Cash Settlement Amount would be computed as follows:

$$\begin{aligned} \text{Closing Level} &= [(\text{Final Reference Level} \times \text{Final Exchange Rate}) / (\text{Initial Reference Level} \times \text{Initial Exchange Rate}) - \text{Strike Level}] \times \text{Hedging Fee Factor} \\ &= [(1200 \times 1) / (1000 \times 1) - 0] \times 99.7129\% \\ &= 119.66\% \end{aligned}$$

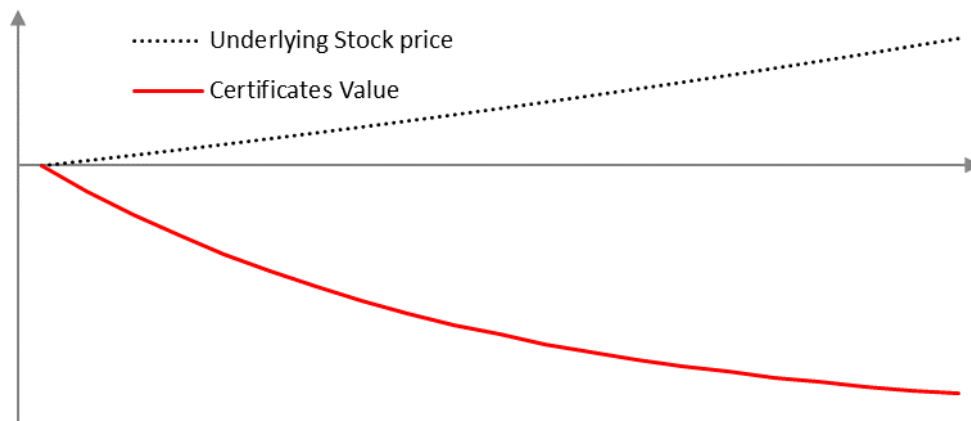
$$\begin{aligned} \text{Cash Settlement Amount} &= \text{Closing Level} \times \text{Notional Amount per Certificate} \\ &= 119.66\% \times 0.60 \text{ SGD} \\ &= \mathbf{0.718 \text{ SGD}} \end{aligned}$$

Illustration on how returns and losses can occur under different scenarios

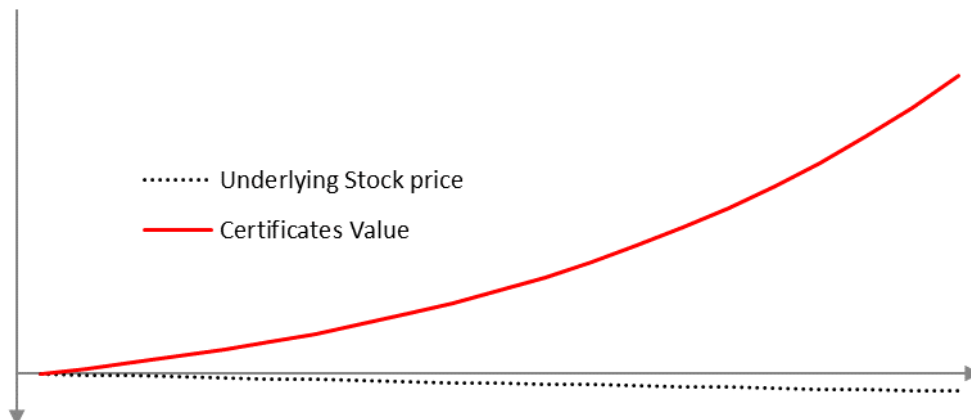
The examples are purely hypothetical and do not take fees and charges payable by investors into consideration. The examples highlight the effect of the Underlying Stock performance on the value of the Certificates and do not take into account the possible influence of fees, exchange rates, dividends, or any other market parameters.

1. Illustrative examples

Scenario 1 – Upward Trend



Scenario 2 – Downward Trend



Scenario 3 – Volatile Market



2. Numerical Examples

Scenario 1 – Upward Trend

Underlying Stock						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		2.0%	2.0%	2.0%	2.0%	2.0%
Value at end of day	10,000.0	10,200.0	10,404.0	10,612.1	10,824.3	11,040.8
Accumulated Return		2.00%	4.04%	6.12%	8.24%	10.41%

Value of the Certificates						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		-10.0%	-10.0%	-10.0%	-10.0%	-10.0%
Price at end of day	0.6	0.54	0.49	0.44	0.39	0.35
Accumulated Return		-10.00%	-19.00%	-27.10%	-34.39%	-40.95%

Scenario 2 – Downward Trend

Underlying Stock						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		-2.0%	-2.0%	-2.0%	-2.0%	-2.0%
Value at end of day	10,000.0	9,800.0	9,604.0	9,411.9	9,223.7	9,039.2
Accumulated Return		-2.00%	-3.96%	-5.88%	-7.76%	-9.61%

Value of the Certificates						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		10.0%	10.0%	10.0%	10.0%	10.0%
Price at end of day	0.6	0.66	0.73	0.80	0.88	0.97
Accumulated Return		10.00%	21.00%	33.10%	46.41%	61.05%

Scenario 3 – Volatile Market

Underlying Stock						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		2.0%	-2.0%	2.0%	-2.0%	2.0%
Value at end of day	10,000.0	10,200.0	9,996.0	10,195.9	9,992.0	10,191.8
Accumulated Return		2.00%	-0.04%	1.96%	-0.08%	1.92%

Value of the Certificates						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		-10.0%	10.0%	-10.0%	10.0%	-10.0%
Price at end of day	0.6	0.54	0.59	0.53	0.59	0.53
Accumulated Return		-10.00%	-1.00%	-10.90%	-1.99%	-11.79%

Description of Air Bag Mechanism

The Certificates integrate an “Air Bag Mechanism” which is designed to reduce exposure to the Underlying Stock during extreme market conditions.

When the Air Bag triggers, a 30-minute period starts. This period is divided into two sub-periods:

- Observation Period: during 15 minutes after the Air Bag trigger, the price of the Underlying Stock is observed and its maximum price is recorded; and
- Reset Period: after 15 minutes, the Leverage Inverse Strategy is reset using the maximum price of the Underlying Stock during the Observation Period as the New Observed Price. The New Observed Price replaces the last closing price of the Underlying Stock in order to compute the performance of the Leverage Inverse Strategy, 30 minutes after the Air Bag trigger.

Trading of Certificates is suspended for at least 30 minutes after the Air Bag is triggered and does not take into account the mid-day break. Investors cannot sell or purchase any Certificates during this period.

The performance of the Leverage Inverse Strategy will be the inverse of the Underlying Stock.

Air Bag Mechanism timeline

Air Bag Trigger	Observation Period	Resumption of Trading
More than 45 minutes before Market Close	First 15 minutes after Air Bag Trigger	Trading resumes the same day between 30 and 45 minutes after Air Bag Trigger
Less than 45 minutes before Market Close and more than 15 minutes before Market Close		Next trading day at Market Open
15 minutes or less than 15 minutes before Market Close	From Air Bag Trigger to Market Close	

With **Market Close** defined as:

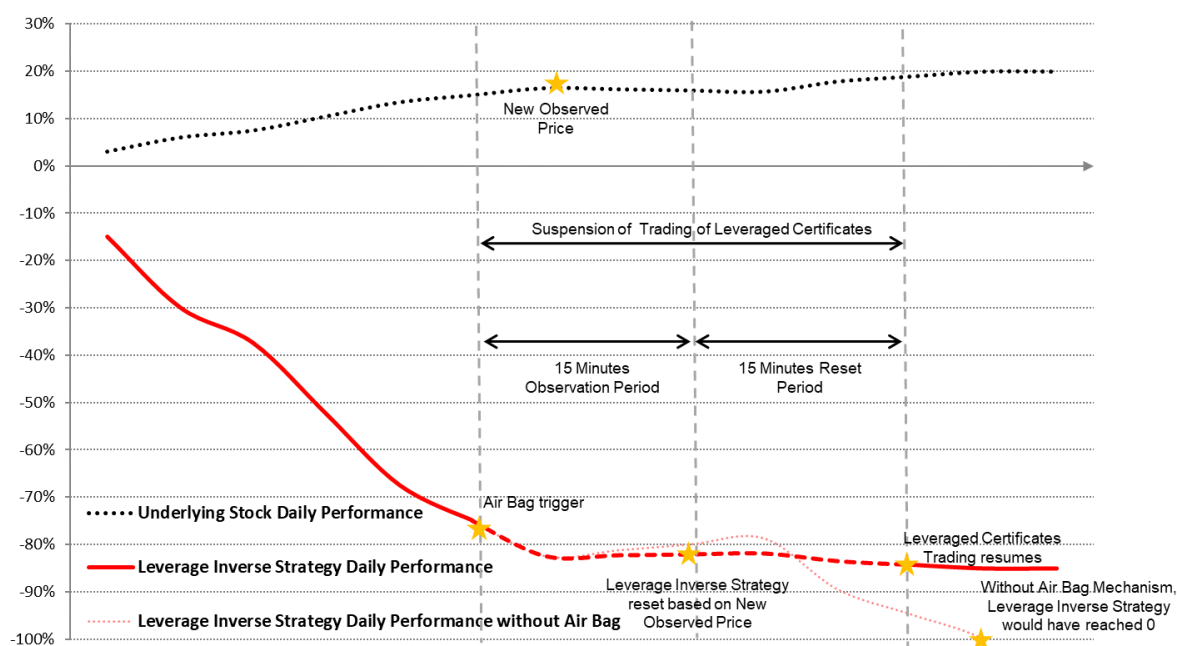
- Underlying Stock closing time with respect to the Observation Period
- The sooner between Underlying Stock closing time and SGX closing time with respect to the Resumption of Trading



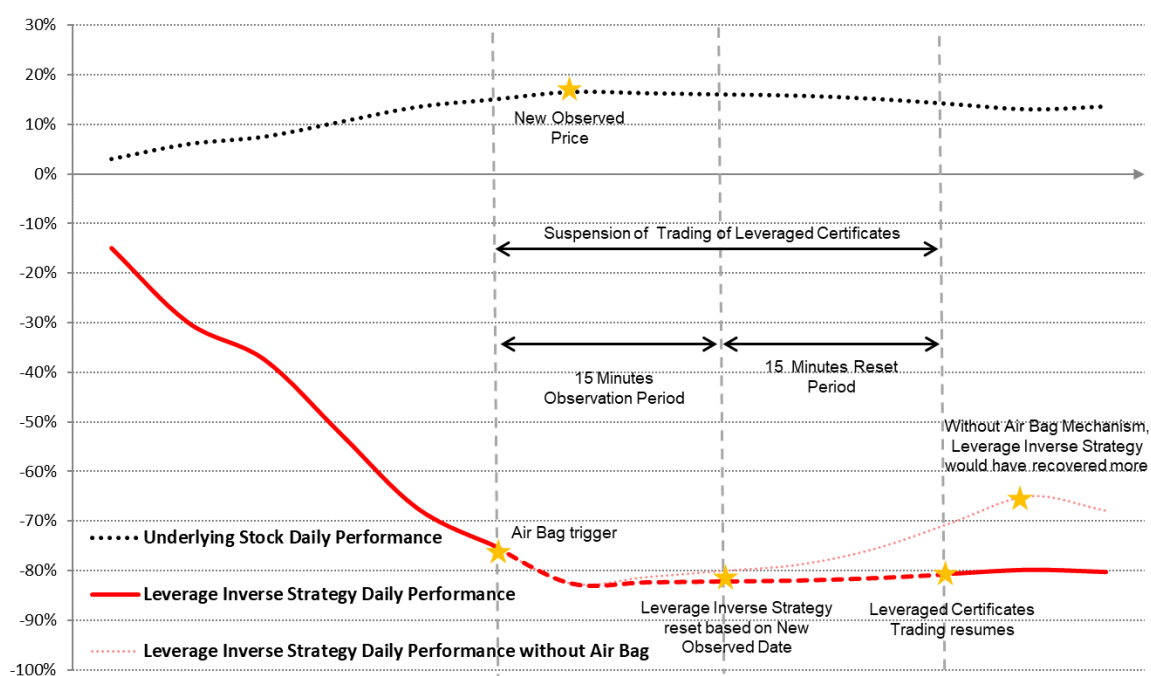
- The later between $X+30$ minutes or $Y+15$ minutes will be the earliest time the Certificates can be resumed, the next quarter-of-an-hour of which will be the scheduled resumption time of the Certificates
- If the scheduled resumption time of the Certificates is at or later than the scheduled closing time of the underlying asset, the Certificates will resume at 9 a.m. on the next SGX-ST trading day

Illustrative examples of the Air Bag Mechanism⁹

Scenario 1 – Upward Trend after Air Bag trigger



Scenario 2 – Downward Trend after Air Bag trigger



⁹ The illustrative examples are not exhaustive.

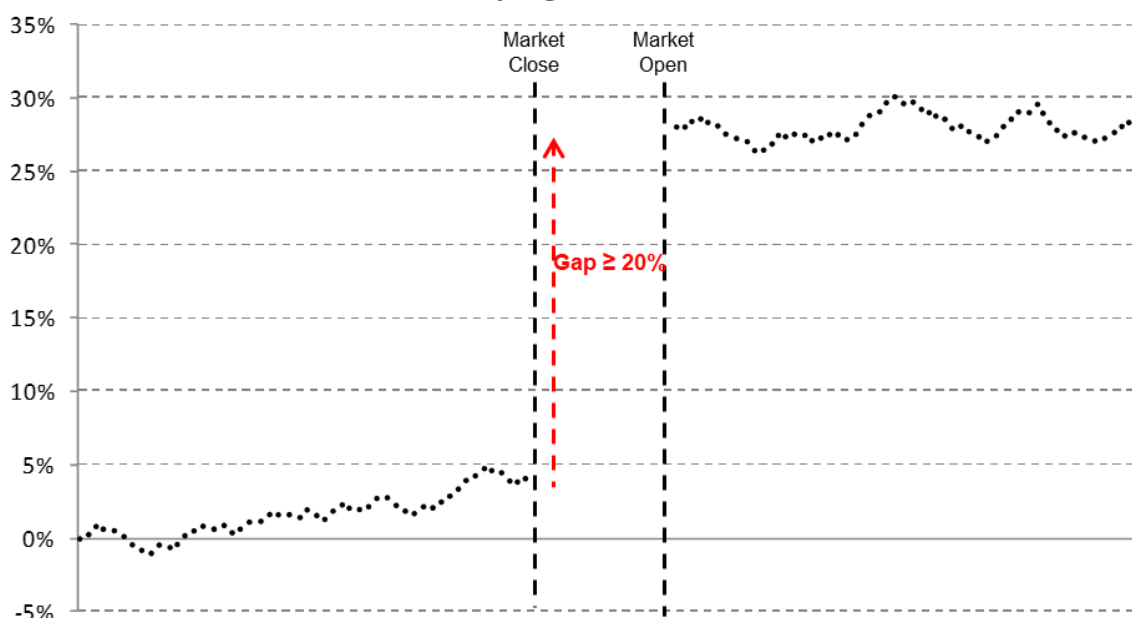
Scenarios where the investor may lose the entire value of the investment

The scenarios below are purely hypothetical and do not take fees and charges payable by investors into consideration. The scenarios highlight cases where the Certificates may lose 100% of their value.

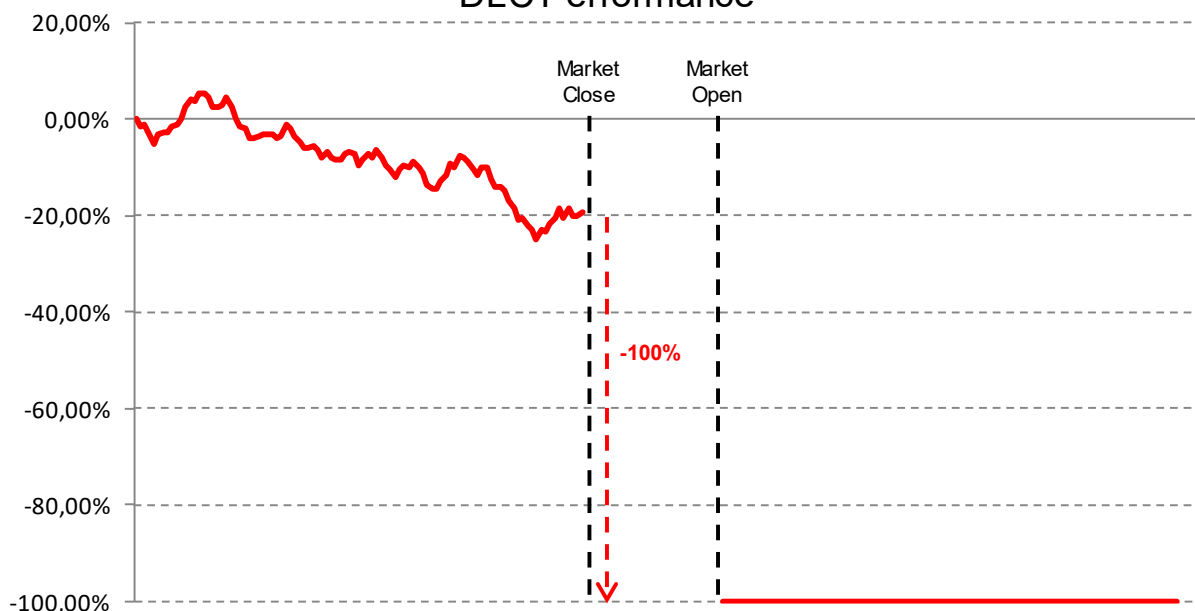
Scenario 1 – Overnight rise of the Underlying Stock

On any business day, the opening price of the Underlying Stock may be higher or lower than the closing price on the previous day. The difference between the previous closing price and the opening price of the Underlying Stock is termed a “gap”. If the opening price of the Underlying Stock is 20% or more above the previous day closing price, the Air Bag Mechanism would only be triggered when the market opens (including the pre-opening session) the following day, and the Certificates would lose their entire value in such event.

Underlying Stock Performance

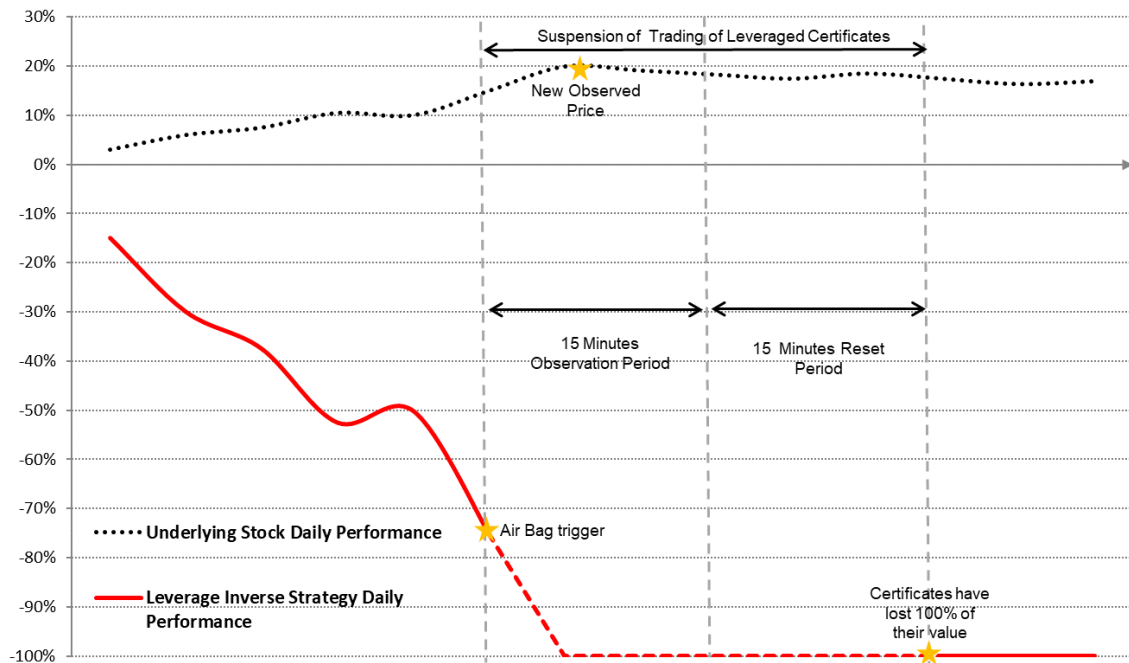


DLC Performance



Scenario 2 – Sharp intraday rise of the Underlying Stock

Although the Air Bag Mechanism is designed to reduce the exposure to the Underlying Stock during extreme market conditions, the Certificate can lose 100% of its value in the event the price of the Underlying Stock rises by 20% or more within the 15 minutes Observation Period compared to the reference price, being: (i) if air bag has not been previously triggered on the same day, the previous closing price of the Underlying Stock, or (ii) if one or more air bag have been previously triggered on the same day, the latest New Observed Price. The Certificates would lose their entire value in such event.



Examples and illustrations of adjustments due to certain corporate actions

The examples are purely hypothetical and do not take fees and charges payable by investors into consideration. The examples highlight the effect of corporate actions on the value of the Certificates and do not take into account the possible influence of fees, exchange rates, or any other market parameters.

In the case of any corporate action on the Underlying Stock, the Calculation Agent will, as soon as reasonably practical after it becomes aware of such event, determine whether such corporate action has a dilutive or concentrative effect on the theoretical value of the Underlying Stock, and if so, will (a) calculate the corresponding adjustment, if any, to be made to the elements relating to the Underlying Stock which are used to determine any settlement or payment terms under the Certificates and/or adjust at its discretion any other terms of the Certificates as it determines appropriate to preserve the economic equivalent of the obligations of the Issuer under the Certificates and (b) determine the effective date of such adjustment.

Notwithstanding the foregoing, in the event Observation Date (t) is an ex-date with respect to a corporate action related to the Underlying Stock, the Calculation Agent may, in its sole and absolute discretion, replace the $Rfactor_t$ with respect to such Observation Date (t) by an amount computed according to the following generic formula :

$$Rfactor_t = \left[1 - \frac{Div_t + DivExc_t - M \times R}{S_{t-1}} \right] \times \frac{1}{1 + M}$$

This formula is provided for indicative purposes and the Calculation Agent may determine that this formula is not appropriate for certain corporate actions and may apply a different formula instead.

Such adjustment of $Rfactor_t$ would affect the Leveraged Return, the Rebalancing Cost, and the Underlying Reference Price used to determine the Intraday Restrike Event. The Air Bag mechanism would not be triggered if the stock price rises by 15% exclusively because of the dilutive effect of a corporate action.

Where:

$DivExc_t$ is the amount received as an Extraordinary Dividend by a holder of existing Shares for each Share held prior to the Extraordinary Dividend, net of any applicable withholding taxes.

M is the number of new Share(s) (whether a whole or a fraction) per existing Share each holder thereof is entitled to subscribe or to receive (positive amount) or the number of existing Shares redeemed or canceled per existing Share (negative amount), as the case may be, resulting from the corporate action.

R is the subscription price per Share (positive amount) or the redemption price per Share (negative amount) including any dividends or other benefits forgone to be subscribe to or to receive (as applicable), or to redeem a Share.

1. Stock split

Assuming the Underlying Stock is subject to a 1 to 2 stock split (i.e. 1 new Share for every 1 existing share):

$$S_{t-1} = \$100$$

$$S_t = \$51$$

$$Div_t = \$0$$

$$DivExc_t = \$0$$

M = 1 (i.e. 1 new Shares for 1 existing Share)

R = \$0 (no subscription price / redemption price)

$$Rfactor_t = \left[1 - \frac{0 + 0 - 2 \times 0}{100} \right] \times \frac{1}{1 + 1} = 50\%$$

As a consequence:

$$LR_{t-1,t} = \text{Leverage} \times \left(\frac{S_t}{S_{t-1} \times Rfactor_t} - 1 \right) = -5 \times \left(\frac{51}{100 \times 50\%} - 1 \right) = -10\%$$

S_{t-1}	$S_{t-1} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	50	51	2%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.60	0.54	-10%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to \$57.5, which is 15% above \$50, the Underlying Stock Reference Price.

2. Share Consolidation

Assuming the Underlying Stock is subject to a 2 to 1 share consolidation (i.e. 1 Share canceled for every 2 existing Shares):

$$S_{t-1} = \$100$$

$$S_t = \$202$$

$$\text{Div}_t = \$0$$

$$\text{DivExc}_t = \$0$$

M = -0.5 (i.e. 0.5 Shares canceled for each 1 existing Share)

R = \$0 (no subscription price / redemption price)

$$Rfactor_t = \left[1 - \frac{0 + 0 - (-0.5) \times 0}{100} \right] \times \frac{1}{1 + (-0.5)} = 200\%$$

As a consequence:

$$LR_{t-1,t} = \text{Leverage} \times \left(\frac{S_t}{S_{t-1} \times Rfactor_t} - 1 \right) = -5 \times \left(\frac{202}{100 \times 200\%} - 1 \right) = -5\%$$

S_{t-1}	$S_{t-1} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	200	202	1%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.60	0.57	-5%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to \$230, which is 15% above \$200, the Underlying Stock Reference Price.

3. Rights Issues

Assuming there is a rights issue with respect to the Underlying Stock, with a right to receive 1 new Share for every 2 existing Shares, for a subscription price of \$40.

$$S_{t-1} = \$100$$

$$S_t = \$84$$

$$Div_t = \$0$$

$$DivExc_t = \$0$$

$$R = \$40 \text{ (i.e. subscription price of \$40)}$$

$$M = 0.5 \text{ (i.e. 1 new share for every 2 existing shares)}$$

$$Rfactor_t = \left[1 - \frac{0 + 0 - 0.5 \times 40}{100} \right] \times \frac{1}{1 + 0.5} = 80\%$$

As a consequence:

$$LR_{t-1,t} = \text{Leverage} \times \left(\frac{S_t}{S_{t-1} \times Rfactor_t} - 1 \right) = -5 \times \left(\frac{84}{100 \times 80\%} - 1 \right) = -25\%$$

S_{t-1}	$S_{t-1} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	80	84	5%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.60	0.45	-25%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to \$92, which is 15% above \$80, the Underlying Stock Reference Price.

4. Bonus Issues

Assuming there is a bonus issue with respect to the Underlying Stock, where shareholders receive 1 bonus share for 5 existing shares:

$$S_{t-1} = \$100$$

$$S_t = \$85$$

$$\text{Div}_t = \$0$$

$$\text{DivExc}_t = \$0$$

$$R = \$0$$

$$M = 0.2 \text{ (i.e. 1 new share for 5 existing shares)}$$

$$Rfactor_t = \left[1 - \frac{0 + 0 - 0.2 \times 0}{100} \right] \times \frac{1}{1 + 0.2} = 83.33\%$$

As a consequence:

$$LR_{t-1,t} = \text{Leverage} \times \left(\frac{S_t}{S_{t-1} \times Rfactor_t} - 1 \right) = -5 \times \left(\frac{85}{100 \times 83.33\%} - 1 \right) = -10\%$$

S_{t-1}	$S_{t-1} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	83.33	85	2%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.60	0.54	-10%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to \$95.83, which is 15% above \$83.33, the Underlying Stock Reference Price.

5. Extraordinary Dividend

Assuming there is an extraordinary dividend of \$20 (net of taxes) paid in respect of each stock.

$$S_{t-1} = \$100$$

$$S_t = \$84$$

$$\text{Div}_t = \$0$$

$$\text{DivExc}_t = \$20$$

$$R = \$0$$

$$M = 0$$

$$Rfactor_t = \left[1 - \frac{0 + 20 - 0 \times 0}{100} \right] \times \frac{1}{1 + 0} = 80\%$$

As a consequence:

$$LR_{t-1,t} = \text{Leverage} \times \left(\frac{S_t}{S_{t-1} \times Rfactor_t} - 1 \right) = -5 \times \left(\frac{84}{100 \times 80\%} - 1 \right) = -25\%$$

S_{t-1}	$S_{t-1} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	80	84	5%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.60	0.45	-25%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to \$92, which is 15% above \$80, the Underlying Stock Reference Price.

INFORMATION RELATING TO THE COMPANY

All information contained in this document regarding the Company, including, without limitation, its financial information, is derived from publicly available information which appears on the web-site of the SGX-ST at <http://www.sgx.com>. The Issuer has not independently verified any of such information.

From its humble beginnings as a local ship repair yard in Singapore in the 1960s, Keppel Corporation Limited (the “**Keppel Group**” or the “**Company**”) has expanded into three key businesses of Offshore & Marine, Infrastructure and Property, with operations spanning over 30 countries.

The Keppel Group of Companies includes Keppel Offshore and Marine, Keppel Integrated Engineering, Keppel Energy, Keppel Telecommunications and Transportation, K-Green Trust, Keppel Land and K-REIT Asia, among others.

Keppel Offshore & Marine is the global leader in offshore rig design and construction, ship repair and conversion, and specialised shipbuilding. With its core competencies and strong execution capabilities, it is the partner of choice in its chosen segments. Its strategic global network of over 20 yards and offices serving regions including Asia Pacific, Gulf of Mexico, Brazil, Caspian Sea, Middle East and the North Sea, enables effective execution of the Group’s *Near Market, Near Customer* strategy.

The Infrastructure business comprises environmental engineering, power generation, logistics and data centre businesses. Keppel Integrated Engineering is a leading global provider of environmental solutions and engineering services, offering a complete range of water and thermal technology for municipal and industrial clients. Keppel Energy has a track record of developing, owning and operating power plants in Singapore, Asia and Latin America, while Keppel Telecommunications and Transportation is a leading service provider in Southeast Asia and Europe with businesses in logistics and data centres.

Keppel Land transforms cityscapes across Asia as the premier developer with a sterling portfolio of award-winning residential developments, integrated townships and investment-grade commercial properties. With a geographical spread across Asia with particular focus on Singapore, China, Vietnam and Indonesia, Keppel Land has a strategic focus on property development and property fund management.

The information set out in Appendix I of this document relates to the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries for the half year ended 30 June 2022 and has been extracted and reproduced from an announcement by the Company dated 28 July 2022 in relation to the same. Further information relating to the Company may be located on the web-site of the SGX-ST at <http://www.sgx.com>.

INFORMATION RELATING TO THE DESIGNATED MARKET MAKER

Société Générale has been appointed the designated market maker (“DMM”) for the Certificates. The DMM will provide competitive buy and sell quotes for the Certificates continuously during the trading hours of the SGX-ST on the following basis:

- (a) Maximum bid and offer spread : (i) when the best bid price of the Certificate is S\$10 and below: 10 ticks or S\$0.20 whichever is greater; and
(ii) when the best bid price of the Certificate is above S\$10: 5% of the best bid price of the Certificate.
- (b) Minimum quantity subject to bid and offer spread : 10,000 Certificates
- (c) Last Trading Day for Market Making : The date falling 5 Business Days immediately preceding the Expiry Date

In addition, the DMM may not provide a quotation in the following circumstances:

- (i) during the pre-market opening and five minutes following the opening of the SGX-ST on any trading day;
- (ii) if the Certificates are valueless (where the Issuer’s bid price is below the minimum bid size for such securities as prescribed by the SGX-ST);
- (iii) where the Certificates are suspended from trading for any reason;
- (iv) market disruption events, including, without limitation, any suspension of or limitation imposed on trading (including but not limited to unforeseen circumstances such as by reason of movements in price exceeding limits permitted by the SGX-ST or any act of God, war, riot, public disorder, explosion, terrorism or otherwise) in the Underlying Stock;
- (v) where the Issuer or the DMM faces technical problems affecting the ability of the DMM to provide bids and offer quotations;
- (vi) where the ability of the Issuer to source a hedge or unwind an existing hedge, as determined by the Issuer in good faith, is materially affected by the prevailing market conditions, and the Issuer informs the SGX-ST of its inability to do so as soon as practicable;
- (vii) in cases where the Issuer has no Certificates to sell, then the DMM will only provide the bid price;
- (viii) if the stock market experiences exceptional price movement and volatility;
- (ix) when it is a public holiday in Singapore and/or the SGX-ST is not open for dealings; and
- (x) during the suspension of trading of Certificates after an Air Bag Mechanism has been triggered.

The last trading day on which the DMM will provide competitive quotations for the Certificates would be the fifth Business Day immediately preceding the Expiry Date.

SUPPLEMENTAL INFORMATION RELATING TO THE ISSUER

The information set out in Appendix II of this document is a reproduction of the Issuer's condensed interim financial statements as at and for the six-month period ended 30 June 2022.

SUPPLEMENTAL INFORMATION RELATING TO THE GUARANTOR

The information set out in Appendix III of this document is a reproduction of the press release dated 4 November 2022 containing the Guarantor's consolidated financial results for the third quarter ended 30 September 2022.

SUPPLEMENTAL GENERAL INFORMATION

The information set out herein is supplemental to, and should be read in conjunction with, the information set out on page 106 of the Base Listing Document.

1. Save as disclosed in this document and the Base Listing Document, neither the Issuer nor the Guarantor is involved in any legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Issuer or the Guarantor is aware) which may have or have had in the previous 12 months a significant effect on the financial position of the Issuer or the Guarantor in the context of the issuance of the Certificates.
2. Settlement of trades done on a normal “ready basis” on the SGX-ST generally take place on the second Business Day following the transaction. Dealing in the Certificates will take place in Board Lots in Singapore dollars. For further details on the transfer of Certificates and their exercise, please refer to the section headed “Summary of the Issue” above.
3. It is not the current intention of the Issuer to apply for a listing of the Certificates on any stock exchange other than the SGX-ST.
4. Save as disclosed in the Base Listing Document and herein, there has been no material adverse change in the financial position or prospects of the Issuer since 30 June 2022 or the Guarantor since 30 September 2022, in the context of the issuance of Certificates hereunder.
5. The following contracts, relating to the issue of the Certificates, have been or will be entered into by the Issuer and/or the Guarantor and may be material to the issue of the Certificates:
 - (a) the Guarantee;
 - (b) the Master Instrument; and
 - (c) the Master Warrant Agent Agreement.

None of the directors of the Issuer and the Guarantor has any direct or indirect interest in any of the above contracts.

6. The Auditors of the Issuer and the Guarantor have given and have not withdrawn their written agreement to the inclusion of the report, included herein, in the form and context in which it is included. Their report was not prepared exclusively for incorporation into this document.

The Auditors of the Issuer and the Guarantor have no shareholding in the Issuer or the Guarantor or any of its subsidiaries, nor do they have the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities of the Issuer or the Guarantor or any of its subsidiaries.

7. The Certificates are not fully covered by the Underlying Stock held by Issuer or a trustee for and on behalf of the Issuer. The Issuer has appropriate risk management capabilities to manage the issue of the Certificates.
8. Société Générale, Singapore Branch, currently of 8 Marina Boulevard, #12-01 Marina Bay Financial Centre Tower 1, Singapore 018981, has been authorised to accept, on behalf of the Issuer and the Guarantor, service of process and any other notices required to be served on the Issuer or the Guarantor. Any notices required to be served on the Issuer or the Guarantor should be sent to Société Générale at the above address for the attention of Société Générale Legal Department.

9. Copies of the following documents may be inspected during usual business hours on any weekday (Saturdays, Sundays and holidays excepted) at the offices of Société Générale, Singapore Branch at 8 Marina Boulevard, #12-01 Marina Bay Financial Centre Tower 1, Singapore 018981, during the period of 14 days from the date of this document:
- (a) the Memorandum and Articles of Association of the Issuer and the Constitutional Documents of the Guarantor;
 - (b) the latest financial reports (including the notes thereto) of the Issuer;
 - (c) the latest financial reports (including the notes thereto) of the Guarantor;
 - (d) the consent letters from the Auditors to the Issuer and the Guarantor referred to in paragraph 6 above;
 - (e) the Base Listing Document;
 - (f) this document; and
 - (g) the Guarantee.

PLACING AND SALE

General

No action has been or will be taken by the Issuer that would permit a public offering of the Certificates or possession or distribution of any offering material in relation to the Certificates in any jurisdiction where action for that purpose is required. No offers, sales or deliveries of any Certificates, or distribution of any offering material relating to the Certificates may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws or regulations and will not impose any obligation on the Issuer. In the event that the Issuer contemplates a placing, placing fees may be payable in connection with the issue and the Issuer may at its discretion allow discounts to placees.

Each Certificate Holder undertakes that it will inform any subsequent purchaser of the terms and conditions of the Certificates and all such subsequent purchasers as may purchase such securities from time to time shall be deemed to be a Certificate Holder for the purposes of the Certificates and shall be bound by the terms and conditions of the Certificates.

Singapore

This document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Certificates may not be circulated or distributed, nor may Certificates be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than pursuant to, and in accordance with the conditions of, any applicable provision of the Securities and Futures Act 2001 of Singapore.

Hong Kong

Each dealer has represented and agreed, and each further dealer appointed in respect of the Certificates and each other purchaser will be required to represent and agree, that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Certificates (except for Certificates which are a "structured product" as defined in the Securities and Futures Ordinance (Cap.571) of Hong Kong ("**SFO**")) other than (i) to "professional investors" as defined in the SFO and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus", as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong ("**CWUMPO**") or which do not constitute an offer to the public within the meaning of the CWUMPO; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Certificates, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Certificates which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

European Economic Area

Each dealer represents and agrees, and each further dealer appointed in respect of the Certificates will be required to represent and agree, that it has not offered, sold or otherwise made

available and will not offer, sell, or otherwise make available any Certificates which are the subject of the offering as contemplated by this document to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or
 - (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the Insurance Distribution Directive), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended and superseded, the Prospectus Regulation); and
- (b) the expression “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe for the Certificates.

United Kingdom

Each dealer represents and agrees, and each further dealer appointed in respect of the Certificates will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Certificates which are the subject of the offering as contemplated by this document to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
 - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“EUWA”); or
 - (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act, as amended (the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
 - (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and
- (b) the expression an “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe for the Certificates.

Each dealer further represents and agrees, and each further dealer appointed in respect of the Certificates will be required to further represent and agree, that:

- (a) in respect to Certificates having a maturity of less than one year: (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and (ii) it has not offered or sold and will not offer or sell any Certificates other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of

investments (as principal or agent) for the purposes of their businesses where the issue of the Certificates would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Certificates in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Certificates in, from or otherwise involving the United Kingdom.

United States

The Certificates and the Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) or any state securities law, and trading in the Certificates has not been approved by the United States Commodity Futures Trading Commission (the “**CFTC**”) under the United States Commodity Exchange Act of 1936, as amended (the “**Commodity Exchange Act**”) and the Issuer will not be registered as an investment company under the United States Investment Company Act of 1940, as amended, and the rules and regulations thereunder. None of the Securities and Exchange Commission, any state securities commission or regulatory authority or any other United States, French or other regulatory authority has approved or disapproved of the Certificates or the Guarantee or passed upon the accuracy or adequacy of this document. Accordingly, Certificates, or interests therein, may not at any time be offered, sold, resold, traded, pledged, exercised, redeemed, transferred or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, nor may any U.S. person at any time trade, own, hold or maintain a position in the Certificates or any interests therein. In addition, in the absence of relief from the CFTC, offers, sales, re-sales, trades, pledges, exercises, redemptions, transfers or deliveries of Certificates, or interests therein, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, may constitute a violation of United States law governing commodities trading and commodity pools. Consequently, any offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery made, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. person will not be recognised.

Each dealer has represented and agreed, and each further dealer will be required to represent and agree, that it has not and will not at any time offer, sell, resell, trade, pledge, exercise, redeem, transfer or deliver, directly or indirectly, Certificates in the United States or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale, trade, pledge, exercise, redeem, transfer or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any such U.S. person. Any person purchasing Certificates of any tranches must agree with the relevant dealer or the seller of such Certificates that (i) it is not a U.S. Person, (ii) it will not at any time offer, sell, resell, trade, pledge, exercise, redeem, transfer or deliver, directly or indirectly, any Certificates in the United States or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person, and (iii) it is not purchasing any Certificates, directly or indirectly, in the United States or for the account or benefit of any U.S. person.

Exercise or otherwise redemption of Certificates will be conditional upon certification that each person exercising or otherwise redeeming a Certificate is not a U.S. person or in the United States and that the Certificate is not being exercised or otherwise redeemed on behalf of a U.S. person. No payment will be made to accounts of holders of the Certificates located in the United States.

As used in the preceding paragraphs, the term “**United States**” includes the territories, the possessions and all other areas subject to the jurisdiction of the United States of America, and the term “**U.S. person**” means any person who is (i) a U.S. person as defined under Regulation S under the Securities Act, (ii) a U.S. person as defined in paragraph 7701(a)(30) of the Internal Revenue Code of 1986, or (iii) a person who comes within any definition of U.S. person for the purposes of the United States Commodity Exchange Act of 1936, as amended (the “**CEA**”) or any rules thereunder of the CFTC (the “**CFTC Rules**”), guidance or order proposed or issued under the CEA (for the avoidance of doubt, any person who is not a “Non-United States person” defined under CFTC Rule 4.7(a)(1)(iv), but excluding, for purposes of subsection (D) thereof, the exception for qualified eligible persons who are not “Non-United States persons”, shall be considered a U.S. person).

APPENDIX I
REPRODUCTION OF THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2022 OF
KEPPEL CORPORATION LIMITED AND ITS SUBSIDIARIES

The information set out below is a reproduction of the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries for the half year ended 30 June 2022 and has been extracted and reproduced from an announcement by the Company dated 28 July 2022 in relation to the same.

Media Release

Keppel's net profit rises 66% yoy to S\$498 million in 1H 2022

- *Strong recurring income growth of 43% yoy to S\$202 million in 1H 2022.*
- *Over S\$3.6 billion in asset monetisation announced from October 2020 to July 2022, with S\$2.9 billion in cash received.*
- *Higher interim dividend of 15.0 cents per share declared for 1H 2022.*

Singapore, 28 July 2022 – Keppel Corporation Limited (Keppel) reported an overall net profit of S\$498 million for the half year ended 30 June 2022, an increase of 66% over the previous year, underpinned by profitability across all segments including the discontinued offshore & marine operations¹.

Excluding the discontinued operations, the Group's net profit from continuing operations in 1H 2022 was S\$434 million, or 26% higher year-on-year, bolstered by recurring income which grew 43% to S\$202 million.

The Group's revenue from continuing operations grew 16% to S\$3,356 million in 1H 2022 from S\$2,888 million in 1H 2021. This was due mainly to a significant increase in contributions from the Energy & Environment and Asset Management segments, which more than offset the decline in Urban Development's revenue.

In 1H 2022, the Group achieved an annualised Return on Equity (ROE) of 8.4%, up from 5.5% a year ago. Free cash outflow was S\$127 million compared to an inflow of S\$499 million in 1H 2021 due mainly to lower divestment proceeds. The Group's net gearing remained unchanged at 0.68x as at 30 June 2022, compared to 31 December 2021.

The Group made substantial strides towards its Vision 2030 with the successful divestment of Keppel Logistics² and the signing of definitive agreements for the proposed combination of Keppel O&M and Sembcorp Marine, and also the resolution of Keppel O&M's legacy rigs and associated receivables.

Keppel can realise approximately S\$9.42 billion in value from the proposed O&M transactions, which is equivalent to S\$5.32 in value per share of Keppel Corporation. This

¹ Discontinued operations comprise the results of Keppel O&M, excluding certain out-of-scope assets, and other group adjustments.

² Includes Keppel Logistics' businesses in Singapore, Malaysia, Vietnam and Australia, as well as UrbanFox.

includes (i) S\$4.87 billion³ comprising shares in the Combined Entity, (ii) S\$500 million in cash, and (iii) S\$4.05 billion⁴ comprising vendor notes, perpetual securities and a 10% stake in Asset Co, which the Group expects to realise over time.

Keppel has also announced the monetisation of over S\$3.6 billion in assets since the asset monetisation programme began in October 2020, including Keppel Marina East Desalination Plant, which is being monetised through Keppel Infrastructure Trust (KIT).

The Group also continued to make good progress in driving collaboration and integration across business units. In July 2022, the Group announced a joint initiative between Keppel Corporation and KIT to invest S\$234 million in onshore wind assets with a capacity of 258MW across Europe. When the transaction is completed, the Group's renewable energy portfolio would grow 64% to about 1.8GW⁵, demonstrating Keppel's ability to quickly scale up in growth areas and expand sources of recurring income through its asset-light business model.

Reflecting confidence in the Group's vision and strategy, the Board of Keppel Corporation has approved an interim cash dividend of 15.0 cents per share for 1H 2022. This interim dividend, which will be paid to shareholders on 19 August 2022, is 25% higher than 2021's interim dividend of 12.0 cents per share.

Mr Loh Chin Hua, CEO of Keppel Corporation, said, "Keppel has delivered a set of strong results in 1H 2022 against a challenging global economic landscape. In an extended inflationary environment, demand for real assets with cash flow, such as those which Keppel develops, operates and manages, will continue to grow, auguring well for the Group.

"These are very exciting times for Keppel as we prepare for a new phase in the Company's growth journey. When the Offshore & Marine transactions are completed, the new Keppel will be very different from what we were before. With the global energy transition and decarbonisation efforts, Keppel is in the right space, at the right time. In line

³ The sum of S\$4.87 billion, which is represented as the value attributable to 56% equity interest in the Combined Entity ("Pro Forma Value"), is computed based on (1) the assumption that 39,949,762,557 shares will be issued by Combined Entity to Keppel representing 56% of the issued and paid-up share capital of the Combined Entity, (2) the Sembcorp Marine shareholders being issued with, in aggregate, 44% of the issued and paid-up share capital of the Combined Entity, which for the purpose of the computation, is assumed to be the same number of shares, being 31,389,099,152, as held by Sembcorp Marine shareholders as at 26 April 2022 (the "Last Market Day"), being the last trading day immediately prior to the date of the Announcement (27 April 2022); and (3) S\$0.122, being the volume weighted average price ("VWAP") of the Sembcorp Marine Shares for the last 10 trading days up to and including the Last Market Day. The actual issue price used by the Combined Entity to issue their shares on the closing date of the combination would be determined by the Combined Entity subsequently and may not be the same as the aforementioned VWAP price. In any event, the market price of the Combined Entity's shares may vary from the issue price once the merger is completed and the Combined Entity starts trading.

⁴ This is computed on a pro forma basis, based on carrying values of the legacy rigs and associated receivables as at 31 December 2021. The actual value of the consideration will be based on the carrying values of these assets at the date of completion of the sale.

⁵ On a gross basis and includes projects under development.

with Vision 2030, we will focus on growing recurring income through our flagship offerings in clean energy, decarbonisation, environmental engineering, sustainable urban renewal and connectivity solutions, with a symbiotic asset management business to turbocharge the Group's growth and create value for all our stakeholders."

The Energy & Environment segment recorded a net profit S\$109 million for 1H 2022 including discontinued operations, which was a sharp reversal from the net loss of S\$179 million in 2021. Keppel Infrastructure performed strongly in 1H 2022 with earnings growing 77% year-on-year⁶, and embarked on several new initiatives in renewables, carbon capture and floating solar solutions.

Meanwhile, discontinued operations recorded a net profit of S\$64 million in 1H 2022, reversing the net loss of S\$44 million in 2021. In 1H 2022, Keppel O&M secured S\$256 million of new orders, bringing its net orderbook to S\$4.4 billion as at the end of June 2022. Keppel O&M is in advanced discussions with Petrobras for up to two new Floating Production Storage and Offloading (FPSO) vessel projects, which would add over S\$8 billion to its orderbook, if awarded.

In the Urban Development segment, 1H 2022 net profit was lower year-on-year at S\$168 million mainly due to lower contributions from China trading projects and lower fair value gains from investment properties. To further accelerate its asset-light strategy, Keppel Land is actively exploring opportunities to significantly monetise its China and Vietnam landbank over the next one to two years, including injecting them into Keppel-managed funds.

In the Connectivity segment, net profit was lower year-on-year at S\$10 million mainly due to lower disposal gains. In 1H 2022, the Group's integrated data centre business, contributed total earnings of about S\$25 million⁷ to the Group. Meanwhile, M1's earnings rose 62% year-on-year in 1H 2022, underpinned by strong execution of its transformation plans and continuing growth in the enterprise business, coupled with the increase in roaming and prepaid revenues with the progressive reopening of economies.

In the Asset Management segment, net profit grew 32% to S\$155 million in 1H 2022, underpinned by higher fee income as well as higher share of fair value gains on investment properties and data centres. Keppel Capital's asset management fees⁸ rose steadily by 14% year-on-year to S\$126 million. In line with the Group's focus on sustainable urbanisation solutions, Keppel Capital is planning to launch new flagship funds such as the Keppel Core Infrastructure Fund and the Keppel Sustainable Urban Renewal Fund.

⁶ Does not include contribution from the business trust.

⁷ Recognised across the Connectivity and Asset Management segments.

⁸ Includes 100% fees from subsidiary managers, joint ventures and associated entities, as well as share of fees based on shareholding stake in associate with which Keppel has strategic alliance.

Financial Highlights

	1H 2022 (S\$ m)	1H 2021 (S\$ m)	Change (%)
Revenue	3,356	2,888	16
Operating Profit	355	207	71
Net Profit	498	300	66
– Profit from Continuing Operations	434	344	26
– Profit/ (Loss) from Discontinued Operations	64	(44)	n.m.f.
Earnings per Share	27.9 cents	16.5 cents	69

n.m.f. denotes No Meaningful Figure

- Annualised ROE was 8.4% in 1H 2022 compared to 5.5% in 1H 2021
- Net gearing was 0.68x as at end-June 2021
- Free cash outflow was S\$127 million in 1H 2022 compared to an inflow of S\$499 million in 1H 2021
- Declared interim cash dividend of 15.0 cents per share for 1H 2022

– END –

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Addendum

Energy & Environment

The Energy & Environment segment recorded a net profit of S\$109 million for 1H 2022 including discontinued operations. This was a sharp reversal from the net loss of S\$179 million in 2021, which had included an impairment of S\$318 million related to the Group's exposure to KrisEnergy, partly offset by the share of Floatel's net restructuring gain of S\$215 million.

Keppel Infrastructure performed strongly in 1H 2022 with earnings growing 77% year-on-year⁹. In June, Keppel Electric became the first entity in Singapore to be issued an electricity importer licence by Energy Market Authority and commenced its first renewable energy import under a two-year power purchase agreement for up to 100MW of renewable hydropower with Electricite Du Laos as part of the LTMS-PIP¹⁰. Keppel Infrastructure also signed a Memorandum of Understanding with the National Environment Agency to jointly study the feasibility and explore the implementation of carbon capture at Singapore's waste-to-energy plants, and received a grant from the Energy Market Authority and JTC to pilot Singapore's first membrane-based nearshore floating solar photovoltaic system at Jurong Island.

Meanwhile, discontinued operations recorded a net profit of S\$64 million in 1H 2022, reversing the net loss of S\$44 million in 1H 2021. Keppel O&M was profitable in 1H 2022, while Op Co¹¹ also made a net profit of S\$94 million in the same period.

In 1H 2022, Keppel O&M secured S\$256 million of new orders, bringing its net orderbook to S\$4.4 billion as at the end of June 2022. Keppel O&M is in advanced discussions with Petrobras for the P-80 FPSO contract, as well as an option for a second FPSO, which would together add over S\$8 billion to its orderbook, if awarded. Keppel O&M is also making good progress with its legacy rigs, having secured about S\$255 million worth of bareboat charter contracts for four of its legacy jackups, with charter periods of three to five years.

Urban Development

In the Urban Development segment, 1H 2022 net profit was lower year-on-year at S\$168 million mainly due to lower contributions from China trading projects and fair value gains from investment properties. In the first six months of the year, Keppel Land sold 1,010 homes, compared to 2,650 homes in 1H 2021, affected by headwinds in the China and Vietnam markets. Looking ahead, Keppel Land will continue to accelerate its pivot towards providing real estate-as-a-service and is also exploring a pipeline of sustainable

⁹ Does not include contribution from the business trust.

¹⁰ LTMS-PIP stands for Lao PDR-Thailand-Malaysia-Singapore Power Integration Project.

¹¹ Op Co comprises Keppel O&M excluding the legacy completed and uncompleted rigs and associated receivables and its interests in Floatel and Dyna-Mac.

urban renewal and senior living projects across key markets. To further accelerate its asset-light strategy, Keppel Land is actively exploring opportunities to significantly monetise its China and Vietnam landbank over the next one to two years, including the possibility of injecting them into Keppel-managed funds.

Connectivity

In the Connectivity segment, net profit was lower year-on-year at S\$10 million mainly due to an absence of gain from the disposal of interests in Keppel Logistics (Foshan) in 1H 2021. Meanwhile, the Group's integrated data centre business, comprising Keppel Data Centres working in collaboration with the private funds and data centre REIT managed by Keppel Capital, contributed total earnings of about S\$25 million¹² to the Group in 1H 2022. The Group announced its sixth data centre project in mainland China, to cater to the strong demand for data centres, driven by the country's continuing digitalisation and data localisation requirements. In Singapore, the Group is also actively working with the government and partners to introduce green power and energy efficient infrastructure for both its new and existing data centres.

M1's earnings rose 62% year-on-year in 1H 2022, underpinned by strong execution of its transformation plans and continuing growth in the enterprise business, coupled with the increase in roaming and prepaid revenues with the progressive reopening of economies. M1 continues to make good progress in its 5G Standalone Network rollout, having achieved more than 80% outdoor coverage as at end-June 2022. M1 is also actively collaborating with other Keppel business units and industry partners to create smarter, future-ready solutions and more 5G use cases.

Asset Management

In the Asset Management segment, net profit grew 32% to S\$155 million in 1H 2022, underpinned by higher fee income arising from successful acquisitions by the REITs & Trust, as well as higher share of fair value gains on investment properties and data centres. Keppel Capital's asset management fees¹³ rose steadily, up 14% year-on-year to S\$126 million, further boosting the Group's recurring income. Looking ahead, Keppel Capital is planning to launch new flagship funds such as the Keppel Core Infrastructure Fund and the Keppel Sustainable Urban Renewal Fund, in line with the Group's focus on sustainable urbanisation solutions.

¹² Recognised across the Connectivity and Asset Management segments.

¹³ Includes 100% fees from subsidiary managers, joint ventures and associated entities, as well as share of fees based on shareholding stake in associate with which Keppel has strategic alliance.

KEPPEL CORPORATION LIMITED
Co Reg No. 196800351N
(Incorporated in the Republic of Singapore)

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS & DIVIDEND
ANNOUNCEMENT**

FOR THE HALF YEAR ENDED 30 JUNE 2022

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KEPPEL CORPORATION LIMITED & ITS SUBSIDIARIES

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the half year ended 30 June 2022

On 27 April 2022, Keppel Corporation Limited ("the Company") and Sembcorp Marine Ltd ("Sembcorp Marine") entered into definitive agreements for the proposed combination of Keppel Offshore & Marine Ltd ("Keppel O&M") and Sembcorp Marine. Concurrent with the proposed combination, the Company has entered into a definitive agreement with Baluran Limited and Kyanite Investment Holdings Pte Ltd, for the sale of Keppel O&M's legacy rigs and associated receivables to a new and separate entity.

In accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations*, the performance of Keppel O&M, as a separate reportable operating segment, excluding certain out-of-scope assets, are presented as discontinued operations for the period, with comparative information re-presented accordingly. Refer to Note 13 for further details.

		Half Year			
	Note	30.06.2022 \$'000	30.06.2021# \$'000	+/- %	
Continuing operations					
Revenue	6	3,355,730	2,887,720	+16.2	
Materials, subcontract and other costs		(2,644,124)	(2,102,507)	+25.8	(i)
Staff costs		(346,130)	(310,267)	+11.6	(ii)
Depreciation and amortisation		(101,840)	(139,245)	-26.9	(iii)
Expected credit loss on financial assets, contract assets and financial guarantee	7	(2,058)	(286,316)	-99.3	
Other operating income – net	7	93,236	157,299	-40.7	
Operating profit		354,814	206,684	+71.7	
Investment income		24,206	81,213	-70.2	(iv)
Interest income		46,714	44,041	+6.1	(v)
Interest expenses		(78,113)	(75,697)	+3.2	(vi)
Share of results of associated companies and joint ventures	3	203,148	308,889	-34.2	(vii)
Profit before tax		550,769	565,130	-2.5	
Taxation		(110,017)	(222,450)	-50.5	(viii)
Profit from continuing operations for the period		440,752	342,680	+28.6	
Discontinued operations					
Profit/(loss) from discontinued operations, net of tax	13	62,531	(45,831)	n.m.f.	
Profit for the period		503,283	296,849	+69.5	
Attributable to:					
Shareholders of the Company:					
- from continuing operations		434,142	343,547	+26.4	
- from discontinued operations		63,363	(43,751)	n.m.f.	
		497,505	299,796	+65.9	
Perpetual securities holders		5,752	–	n.m.f.	
Non-controlling interests		26	(2,947)	n.m.f.	
		503,283	296,849	+69.5	
Earnings per ordinary share					
- basic		27.9 cts	16.5 cts	+69.1	(ix)
- diluted		27.6 cts	16.4 cts	+68.3	
Earnings per ordinary share - Continuing operations:					
- basic		24.3 cts	18.9 cts	+28.6	
- diluted		24.1 cts	18.8 cts	+28.2	

n.m.f. - No Meaningful Figure

KEPPEL CORPORATION LIMITED & ITS SUBSIDIARIES

- (i) Materials, subcontract and other costs increased for the half year ended 30 June 2022 in line with higher revenue from the Energy & Environment and Connectivity segments, partly offset by Urban Development segment. The extent of increase in materials, subcontract and other costs was higher than the increase in revenue mainly due to M1 commencing recognition of network service fee expenses in the current period, and higher electricity tariffs.
- (ii) Staff costs increased for the half year ended 30 June 2022 mainly due to increase in headcount to support growth in existing businesses and new initiatives, as well as higher share plan expense as a result from higher share price.
- (iii) Depreciation and amortisation for the half year ended 30 June 2022 was lower mainly due to the disposal of M1's network assets in December 2021.
- (iv) Investment income for the half year ended 30 June 2022 was lower mainly due to lower distributions received from funds invested.
- (v) Higher interest income for the half year ended 30 June 2022 largely attributable to the Urban Development segment.
- (vi) Higher interest expense was mainly attributable to higher weighted average interest rates on borrowings.
- (vii) Share of results of associated companies and joint ventures for the half year ended 30 June 2022 was lower mainly due to absence of share of Floatel International Ltd's ("Floatel") restructuring gain recognised in 1H 2021, partly offset by higher share of profits from associated companies and joint ventures in the Energy and Environment, Asset Management and Urban Development segments.
- (viii) Taxation expenses for the half year ended 30 June 2022 were lower mainly due to lower taxable profits in the Urban Development business.
- (ix) Earnings per ordinary share

	Half Year		
	30.06.2022	30.06.2021 [#]	+/-%
Earnings per ordinary share of the Group based on net profit attributable to shareholders:-			
(i) Based on weighted average number of shares:			
- Profit for the period from continuing operations	24.3 cts	18.9 cts	+28.6
- Profit/(loss) for the period from discontinued operations	3.6 cts	(2.4) cts	n.m.f.
Profit for the period	27.9 cts	16.5 cts	+69.1
- Weighted average number of shares (excluding treasury shares) ('000)	1,785,596	1,820,416	-1.9
(ii) On a fully diluted basis			
- Profit for the period from continuing operations	24.1 cts	18.8 cts	+28.2
- Profit/(loss) for the period from discontinued operations	3.5 cts	(2.4) cts	n.m.f.
Profit for the period	27.6 cts	16.4 cts	+68.3
- Adjusted weighted average number of shares (excluding treasury shares) ('000)	1,803,675	1,831,263	-1.5

n.m.f. - No Meaningful Figure

KEPPEL CORPORATION LIMITED & ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the half year ended 30 June 2022

	Half Year		
	30.06.2022	30.06.2021#	+/-
	\$'000	\$'000	%
Profit for the period	503,283	296,849	+69.5
<u>Items that may be reclassified subsequently to profit & loss account:</u>			
Cash flow hedges			
- Fair value changes arising during the period, net of tax	372,456	165,650	+124.8 (i)
- Realised and transferred to profit & loss account	129,873	21,721	+497.9 (ii)
Foreign exchange translation			
- Exchange differences arising during the period	(147,075)	57,859	n.m.f. (iii)
- Realised and transferred to profit & loss account	3,930	(473)	n.m.f.
Share of other comprehensive income of associated companies and joint ventures			
- Cash flow hedges	56,518	18,413	+206.9
- Foreign exchange translation	(61,490)	34,532	n.m.f.
	354,212	297,702	+19.0
<u>Items that will not be reclassified subsequently to profit & loss account:</u>			
Financial assets, at FVOCI			
- Fair value changes arising during the period	37,604	(55,348)	n.m.f. (iv)
Foreign exchange translation			
- Exchange differences arising during the period	(6,275)	975	n.m.f. (iii)
Share of other comprehensive income of associated companies and joint ventures			
- Financial assets, at FVOCI	(173)	424	n.m.f.
	31,156	(53,949)	n.m.f.
Other comprehensive income for the period, net of tax	385,368	243,753	+58.1
Total comprehensive income for the period	888,651	540,602	+64.4
Attributable to:			
Shareholders of the Company:			
- from continuing operations	742,986	576,967	+28.8
- from discontinued operations	147,881	(35,217)	n.m.f.
	890,867	541,750	+64.4
Perpetual securities holders	5,752	—	n.m.f.
Non-controlling interests	(7,968)	(1,148)	>+500
	888,651	540,602	+64.4

n.m.f. - No Meaningful Figure

KEPPEL CORPORATION LIMITED & ITS SUBSIDIARIES

- (i) Fair value differences were due mainly to the hedging differential on forward exchange contracts and fuel oil forward contracts.
- (ii) These represented cash flow hedges, which were transferred to profit & loss account upon realisation.
- (iii) These exchange differences arose from the translation of financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency as well as from the translation of foreign currency loans that form part of the Group's net investment in foreign operations. The translation losses in the current period arose largely from the weakening of foreign currencies, such as Renminbi against Singapore dollar.

The translation gains in the prior period arose largely from the strengthening of foreign currencies, such as Renminbi against Singapore dollar.

- (iv) Fair value changes were attributable to movements in prices of financial assets measured at fair value with fair value changes recognised in other comprehensive income.

KEPPEL CORPORATION LIMITED & ITS SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
As at 30 June 2022

		Group		Company	
	Note	30.06.2022	31.12.2021	30.06.2022	31.12.2021
		\$'000	\$'000	\$'000	\$'000
Share capital	5	1,305,668	1,305,668	1,305,668	1,305,668
Treasury shares		(320,407)	(4,624)	(320,407)	(4,624)
Reserves		10,836,343	10,354,096	9,411,165	8,495,816
Share capital & reserves		11,821,604	11,655,140	10,396,426	9,796,860
Perpetual securities		401,521	401,521	401,521	401,521
Non-controlling interests		345,162	384,700	–	–
Total equity		12,568,287	12,441,361	10,797,947	10,198,381
Represented by:					
Fixed assets		903,696	2,044,374	6,912	8,462
Investment properties		4,274,267	4,256,428	–	–
Right-of-use assets		255,188	529,216	13,509	15,231
Subsidiaries	2	–	–	10,358,662	7,993,786
Associated companies and joint ventures	3	6,281,188	6,050,258	–	–
Investments		1,451,490	1,447,664	25,253	24,100
Deferred tax assets		86,463	212,679	9,272	9,313
Long term assets		687,959	1,347,354	245,509	122,507
Intangibles		1,549,995	1,589,272	–	–
		15,490,246	17,477,245	10,659,117	8,173,399
Current assets					
Stocks		2,819,245	4,603,985	–	–
Contract assets		218,369	3,169,694	–	–
Amounts due from:					
- subsidiaries		–	–	7,435,886	9,852,909
- associated companies and joint ventures		326,665	591,744	11,573	22,110
Debtors		1,546,717	2,168,612	8,218	9,971
Derivative assets		312,054	140,031	106,679	39,153
Short term investments		56,114	27,103	–	–
Bank balances, deposits & cash		1,790,878	3,616,633	5,859	810
		7,070,042	14,317,802	7,568,215	9,924,953
Disposal group and assets classified as held for sale	13	9,067,851	527,880	–	–
		16,137,893	14,845,682	7,568,215	9,924,953
Current liabilities					
Creditors		3,247,327	5,098,788	94,282	92,523
Derivative liabilities		235,721	249,690	34,974	31,284
Contract liabilities		357,958	1,002,024	–	–
Provisions for warranties		13,034	28,932	–	–
Amounts due to:					
- subsidiaries		–	–	353,002	175,802
- associated companies and joint ventures		250,221	286,085	30	882
Term loans	4	3,455,405	4,659,308	2,727,833	3,326,730
Lease liabilities	4	41,904	89,677	4,213	4,175
Taxation		393,971	505,479	48,725	39,651
		7,995,541	11,919,983	3,263,059	3,671,047
Liabilities directly associated with disposal group and assets classified as held for sale	13	3,444,292	38,330	–	–
		11,439,833	11,958,313	3,263,059	3,671,047
Net current assets		4,698,060	2,887,369	4,305,156	6,253,906
Non-current liabilities					
Term loans	4	6,726,625	6,795,912	4,029,032	4,113,695
Lease liabilities	4	171,351	472,042	10,400	12,265
Deferred tax liabilities		380,249	426,891	–	–
Other non-current liabilities		341,794	228,408	126,894	102,964
		7,620,019	7,923,253	4,166,326	4,228,924
Net assets		12,568,287	12,441,361	10,797,947	10,198,381
<i>Group net debt</i>		<i>8,604,407</i>	<i>8,400,306</i>	<i>n.a.</i>	<i>n.a.</i>
<i>Group net gearing ratio</i>		<i>0.68x</i>	<i>0.68x</i>	<i>n.a.</i>	<i>n.a.</i>

KEPPEL CORPORATION LIMITED & ITS SUBSIDIARIES

(i) Net asset value

	Group			Company		
	30.06.2022	31.12.2021	+/-%	30.06.2022	31.12.2021	+/-%
Net asset value per ordinary share *	\$6.68	\$6.41	+4.2	\$5.87	\$5.38	+9.1
Net tangible asset per ordinary share *	\$5.80	\$5.53	+4.9	\$5.87	\$5.38	+9.1

* Based on share capital of 1,770,895,935 ordinary shares (excluding treasury shares) as at the end of the financial period (31 December 2021: 1,819,614,508 ordinary shares (excluding treasury shares)).

(ii) Balance sheet analysis

Following the announcement on 27 April 2022 and in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations*, the assets and liabilities related to Keppel O&M, excluding the out-of-scope assets, had been presented in the balance sheet as "Disposal group classified as held for sale" and "Liabilities directly associated with disposal group classified as held for sale" as at 30 June 2022. Refer to Note 13 for further details.

Group shareholder's funds increased by \$0.17 billion to \$11.82 billion as at 30 June 2022. The increase was mainly attributable to retained profits and increase in fair value on cash flow hedges for the half year ended 30 June 2022, as well as fair value gains from investments held at fair value through other comprehensive income during the period, partly offset by payment of final dividend of 21.0 cents per share in respect of financial year 2021, share buyback programme and foreign exchange translation losses.

Group total assets were \$31.63 billion as at 30 June 2022, \$0.69 billion lower than the previous year end. This was mainly attributable to decrease in bank balances, deposits & cash and amount due from associated companies and joint ventures, partly offset by increase in investments in associated companies and joint ventures.

Group total liabilities of \$19.06 billion as at 30 June 2022 were \$0.82 billion lower than the previous year end. This was largely attributable to the net repayment of term loans and decrease in contract liabilities, partly offset by the increase in other non-current liabilities.

Group net debt increased by \$0.20 billion to \$8.60 billion as at 30 June 2022. Total equity increased by \$0.13 billion mainly due to increase in shareholders' funds as explained above. As a result, group net gearing ratio as at 30 June 2022 was 68%, unchanged from that as at 31 December 2021.

KEPPEL CORPORATION LIMITED & ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the half year ended 30 June 2022

Group 2022	Attributable to owners of the Company								
	Share Capital \$'000	Treasury Shares \$'000	Capital Reserves* \$'000	Revenue Reserves \$'000	Foreign Exchange Translation Account \$'000	Share Capital & Reserves \$'000	Perpetual Securities \$'000	Non- controlling Interests \$'000	Total Equity \$'000
As at 1 January 2022	1,305,668	(4,624)	129,619	10,365,733	(141,256)	11,655,140	401,521	384,700	12,441,361
Total comprehensive income for first half									
Profit for first half	-	-	-	497,505	-	497,505	5,752	26	503,283
Other comprehensive income **	-	-	597,997	-	(204,635)	393,362	-	(7,994)	385,368
Total comprehensive income for first half	-	-	597,997	497,505	(204,635)	890,867	5,752	(7,968)	888,651
Transactions with owners, recognised directly in equity									
<u>Contributions by and distributions to owners</u>									
Dividends paid	-	-	-	(378,094)	-	(378,094)	-	-	(378,094)
Share-based payment	-	-	22,998	-	-	22,998	-	-	22,998
Dividend paid to non-controlling shareholders	-	-	-	-	-	-	-	(32,495)	(32,495)
Purchase of treasury shares	-	(363,806)	-	-	-	(363,806)	-	-	(363,806)
Treasury shares reissued pursuant to share plans	-	48,023	(48,023)	-	-	-	-	-	-
Transfer of statutory, capital and other reserves from revenue reserves	-	-	5,210	(3,835)	(1,375)	-	-	-	-
Contribution by non-controlling shareholders	-	-	-	-	-	-	-	2,876	2,876
Distribution paid to perpetual securities	-	-	-	-	-	-	(5,752)	-	(5,752)
Contributions to defined benefits plans	-	-	(42)	-	-	(42)	-	-	(42)
Total contributions by and distributions to owners	-	(315,783)	(19,857)	(381,929)	(1,375)	(718,944)	(5,752)	(29,619)	(754,315)
<u>Changes in ownership interests in subsidiaries</u>									
Acquisition of additional interest in subsidiaries	-	-	(5,485)	-	-	(5,485)	-	(14,503)	(19,988)
Disposal of interest in subsidiaries	-	-	-	26	-	26	-	(4,056)	(4,030)
Effects of acquiring part of non-controlling interests in a subsidiary	-	-	-	-	-	-	-	16,608	16,608
Total change in ownership interests in subsidiaries	-	-	(5,485)	26	-	(5,459)	-	(1,951)	(7,410)
Total transactions with owners	-	(315,783)	(25,342)	(381,903)	(1,375)	(724,403)	(5,752)	(31,570)	(761,725)
As at 30 June 2022	1,305,668	(320,407)	702,274	10,481,335	(347,266)	11,821,604	401,521	345,162	12,568,287

* Includes share option and share plans reserve, fair value reserve, hedging reserve, bonus issue by subsidiaries and other reserves.

** Details of other comprehensive income have been included in the consolidated statement of comprehensive income.

KEPPEL CORPORATION LIMITED & ITS SUBSIDIARIES

Group 2021	Attributable to owners of the Company							
	Share Capital \$'000	Treasury Shares \$'000	Capital Reserves* \$'000	Revenue Reserves \$'000	Foreign Exchange Translation Account \$'000	Share Capital & Reserves \$'000	Non- controlling Interests \$'000	Total Equity \$'000
As at 1 January 2021	1,305,668	(13,690)	175,731	9,703,452	(442,703)	10,728,458	427,446	11,155,904
Total comprehensive income for first half								
Profit for first half	—	—	—	299,796	—	299,796	(2,947)	296,849
Other comprehensive income **	—	—	150,036	—	91,918	241,954	1,799	243,753
Total comprehensive income for first half	—	—	150,036	299,796	91,918	541,750	(1,148)	540,602
Transactions with owners, recognised directly in equity								
<u>Contributions by and distributions to owners</u>								
Dividend paid	—	—	—	(127,402)	—	(127,402)	—	(127,402)
Share-based payment	—	—	13,643	—	—	13,643	—	13,643
Dividend paid to non-controlling shareholders	—	—	—	—	—	—	(10,362)	(10,362)
Purchase of treasury shares	—	(13,048)	—	—	—	(13,048)	—	(13,048)
Treasury shares reissued pursuant to share plans	—	21,991	(21,991)	—	—	—	—	—
Transfer of statutory, capital and other reserves from revenue reserves	—	—	(4,542)	4,542	—	—	—	—
Contribution by non-controlling shareholders	—	—	—	—	—	—	1,295	1,295
Contributions to defined benefits plans	—	—	(388)	—	—	(388)	—	(388)
Total contributions by and distributions to owners	—	8,943	(13,278)	(122,860)	—	(127,195)	(9,067)	(136,262)
<u>Changes in ownership interests in subsidiaries</u>								
Acquisition of additional interest in a subsidiary	—	—	(11,922)	—	—	(11,922)	(18,680)	(30,602)
Disposal of interest in subsidiaries	—	—	—	—	—	—	(602)	(602)
Total change in ownership interests in subsidiaries	—	—	(11,922)	—	—	(11,922)	(19,282)	(31,204)
Total transactions with owners	—	8,943	(25,200)	(122,860)	—	(139,117)	(28,349)	(167,466)
As at 30 June 2021	1,305,668	(4,747)	300,567	9,880,388	(350,785)	11,131,091	397,949	11,529,040

* Includes share option and share plans reserve, fair value reserve, hedging reserve, bonus issue by subsidiaries and other reserves.

** Details of other comprehensive income have been included in the consolidated statement of comprehensive income.

KEPPEL CORPORATION LIMITED & ITS SUBSIDIARIES

	Attributable to owners of the Company						<u>Total</u> \$'000
	<u>Share Capital</u> \$'000	<u>Treasury Shares</u> \$'000	<u>Capital Reserves*</u> \$'000	<u>Revenue Reserves</u> \$'000	<u>Share Capital & Reserves</u> \$'000	<u>Perpetual Securities</u> \$'000	
Company							
2022							
As at 1 January 2022	1,305,668	(4,624)	224,759	8,271,057	9,796,860	401,521	10,198,381
Total comprehensive income for first half							
Profit for first half	—	—	—	1,316,677	1,316,677	5,752	1,322,429
Other comprehensive income	—	—	1,791	—	1,791	—	1,791
Total comprehensive income for first half	—	—	1,791	1,316,677	1,318,468	5,752	1,324,220
Transactions with owners, recognised directly in equity							
Dividends paid	—	—	—	(378,094)	(378,094)	—	(378,094)
Share-based payment	—	—	22,998	—	22,998	—	22,998
Purchase of treasury shares	—	(363,806)	—	—	(363,806)	—	(363,806)
Treasury shares reissued pursuant to share plans	—	48,023	(48,023)	—	—	—	—
Distribution paid to perpetual securities	—	—	—	—	—	(5,752)	(5,752)
Total transactions with owners	—	(315,783)	(25,025)	(378,094)	(718,902)	(5,752)	(724,654)
As at 30 June 2022	1,305,668	(320,407)	201,525	9,209,640	10,396,426	401,521	10,797,947
2021							
As at 1 January 2021	1,305,668	(13,690)	209,164	7,975,921	9,477,063	—	9,477,063
Total comprehensive income for first half							
Profit for first half	—	—	—	585,119	585,119	—	585,119
Other comprehensive income	—	—	1,451	—	1,451	—	1,451
Total comprehensive income for first half	—	—	1,451	585,119	586,570	—	586,570
Transactions with owners, recognised directly in equity							
Dividends paid	—	—	—	(127,402)	(127,402)	—	(127,402)
Share-based payment	—	—	13,643	—	13,643	—	13,643
Purchase of treasury shares	—	(13,048)	—	—	(13,048)	—	(13,048)
Treasury shares reissued pursuant to share plans	—	21,991	(21,991)	—	—	—	—
Total transactions with owners	—	8,943	(8,348)	(127,402)	(126,807)	—	(126,807)
As at 30 June 2021	1,305,668	(4,747)	202,267	8,433,638	9,936,826	—	9,936,826

* Includes share option and share plans reserve, fair value reserve, hedging reserve and other reserves.

KEPPEL CORPORATION LIMITED & ITS SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the half year ended 30 June 2022

		Half Year	
		30.06.2022	30.06.2021
		\$'000	\$'000
OPERATING ACTIVITIES			
Operating profit		426,691	188,021
Adjustments:			
Depreciation and amortisation		137,240	196,611
Share-based payment expenses		21,319	16,036
Gain on sale of fixed assets		(7,911)	(785)
Gain on disposal of subsidiaries		(4,984)	(14,155)
Gain on disposal of associated companies		(74,287)	(99,638)
Gain from sale of units in associated companies		(43)	—
(Write back)/Impairment/write-off of fixed assets		(200)	36,897
Impairment of joint venture and associated company		1,000	35,082
Fair value gain on investment properties		(46,763)	(117,330)
(Gain)/Loss from change in interest in associated companies		(5,140)	12,015
Fair value gain on investments		(93,978)	(20,144)
Unrealised foreign exchange differences		(51,321)	(40,063)
Operational cash flow before changes in working capital		301,623	192,547
Working capital changes:			
Stocks		309,487	142,251
Contract assets		(348,586)	(180,376)
Debtors		(135,976)	597,283
Creditors		423,976	(89,493)
Contract liabilities		(426,648)	(866,409)
Investments		1,179	74,378
Amount due to/from associated companies and joint ventures		36,657	56,418
		161,712	(73,401)
Interest received		52,583	46,037
Interest paid		(128,563)	(121,664)
Income taxes paid, net of refunds received		(220,728)	(184,317)
Net cash used in operating activities		(134,996)	(333,345)
INVESTING ACTIVITIES			
Acquisition of a subsidiary	A	(6,084)	—
Acquisition and further investment in associated companies and joint ventures		(335,529)	(89,645)
Acquisition of fixed assets and investment properties		(197,203)	(215,951)
Disposal of subsidiaries	B	1,223	730,575
Proceeds from disposal of fixed assets		22,171	1,538
Proceeds from disposal of associated companies and joint venture and return of capital		231,861	130,653
Repayment from associated companies and joint ventures		102,983	65,814
Dividends received from investments, associated companies and joint ventures		188,738	209,726
Net cash from investing activities		8,160	832,710

KEPPEL CORPORATION LIMITED & ITS SUBSIDIARIES

	Half Year	
	30.06.2022	30.06.2021
	\$'000	\$'000
FINANCING ACTIVITIES		
Acquisition of additional interest in subsidiaries	(23,984)	(15,316)
Proceeds from non-controlling shareholders of subsidiaries	2,876	—
Proceeds from term loans	2,321,191	1,438,370
Repayment of term loans	(2,766,325)	(1,819,232)
Principal element of lease payments	(39,284)	(31,586)
Purchase of treasury shares	(363,806)	(13,048)
Dividend paid to shareholders of the Company	(378,094)	(127,402)
Dividend paid to non-controlling shareholders of subsidiaries	(32,495)	(10,362)
Distribution to perpetual securities holders	(5,752)	—
Net cash used in financing activities	(1,285,673)	(578,576)
Net decrease in cash and cash equivalents	(1,412,509)	(79,211)
Cash and cash equivalents as at beginning of period	3,543,642	2,408,473
Effects of exchange rate changes on the balance of cash held in foreign currencies	(50,068)	17
Cash and cash equivalents as at end of period	2,081,065	2,329,279

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KEPPEL CORPORATION LIMITED & ITS SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

A. Acquisition of a subsidiary

During the financial period, net assets of subsidiary acquired at their fair values were as follows:

	Half Year 30.06.2022
	\$'000
Fixed assets and investment properties	3,635
Intangible assets	32
Stocks	9,174
Debtors and other assets	29,118
Bank balances and cash	13,737
Creditors and other liabilities	(11,585)
Borrowings and lease liabilities	(9,445)
Current and deferred taxation	(765)
Total identifiable net assets at fair value	33,901
Non-controlling interests measured at fair value	(16,612)
Amount previously accounted for as an associated company	(89)
Goodwill arising from acquisition	2,621
Total purchase consideration	19,821
Less: Bank balances and cash acquired	(13,737)
Cash outflow on acquisition	6,084

During the period, acquisition relates to acquisition of 51% of the total issued share capital of Glocomp Systems (M) Sdn Bhd over two tranches. Fair value of the net identifiable assets are determined on a provisional basis.

B. Disposal of Subsidiaries

During the financial period, the book values of net assets of subsidiaries disposed were as follows:

	Half Year 30.06.2022	30.06.2021
	\$'000	\$'000
Fixed assets and investment properties	(98,630)	—
Right-of-use assets	(33,480)	—
Intangible assets	(1,275)	—
Stocks	(1,013)	—
Debtors and other assets	(56,161)	(1,422)
Bank balances and cash	(6,503)	—
Assets classified as held for sale*	—	(875,971)
Creditors and other liabilities	24,372	—
Current and deferred taxation	1,066	—
Borrowings and lease liabilities	84,724	—
Liabilities directly associated with assets classified as held for sale*	—	156,412
Non-controlling interests deconsolidated	4,030	(7)
Net assets disposed of	(82,870)	(720,988)
Net gain on disposal	(4,984)	(14,155)
Realisation of foreign currency translation reserve	(572)	1,021
Sale proceeds	(88,426)	(734,122)
Less: Bank balances and cash disposed	6,503	3,547
Less: Proceeds receivable	80,700	—
Cash inflow on disposal	(1,223)	(730,575)

KEPPEL CORPORATION LIMITED & ITS SUBSIDIARIES

* Breakdown of assets classified as held for sale and liabilities directly associated with assets classified as held for sale disposed during the half year ended 30 June 2022:

	Half Year	
	30.06.2022 \$'000	30.06.2021 \$'000
Assets classified as held for sale		
Fixed assets	–	(53,358)
Investment properties	–	(648,430)
Right-of-use assets	–	(153,602)
Associated companies	–	(9,399)
Debtors	–	(7,635)
Bank balances, deposits & cash	–	(3,547)
	–	(875,971)
Liabilities directly associated with assets classified as held for sale		
Creditors	–	56,063
Term loans	–	91,327
Current and deferred taxation	–	9,022
	–	156,412

During the six months ended 30 June 2022, disposal relates to Keppel Logistics Pte. Ltd. and Indo-Trans Keppel Logistics Vietnam Co Ltd.

Disposal during the prior year relates to Keppel Bay Tower Pte. Ltd., First King Properties Limited, and Waterfront Investment Pte Ltd. Keppel Bay Tower Pte. Ltd. was disposed to an associated company of the Group.

C. Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents in the condensed consolidated statement of cash flows comprise the following balance sheet amounts:

	30.06.2022 \$'000	30.06.2021 \$'000
Bank balances, deposits and cash	1,790,878	2,399,856
Disposal group classified as held for sale - bank balances, deposits & cash (Note 13)	368,526	–
Amounts held under escrow accounts for overseas acquisition of land, payment of construction cost and other liabilities	(78,339)	(70,577)
	2,081,065	2,329,279

D. Cash flow analysis

Half year ended 30 June 2022

Net cash used in operating activities was \$135 million as compared to \$333 million in the prior period mainly due to lower working capital requirements. The working capital changes improved by \$126 million as compared to the first half of 2021.

Net cash from investing activities was \$8 million. Divestments and dividend income of \$444 million and receipts from associated companies and joint ventures of \$103 million was partly offset by acquisitions and capital expenditure of \$539 million. The acquisitions and capital expenditure comprised investments in associated companies and joint ventures as well as additions of fixed assets and investment properties.

Net cash used in financing activities was \$1,286 million. This was mainly attributable to the net repayment of term loans of \$445 million, dividend of \$411 million paid to shareholders of the Company and non-controlling shareholders of subsidiaries and purchase of treasury shares of \$364 million during the period.

KEPPEL CORPORATION LIMITED & ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the half year ended 30 June 2022

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation

This condensed consolidated interim financial statements for the half year ended 30 June 2022 have been prepared in accordance with Singapore Financial Reporting Standards (International) 34 *Interim Financial Reporting* (SFRS(I) 1-34). This condensed consolidated interim financial statements do not include all the disclosures included in the Group's financial report. Accordingly, this report should be read in conjunction with the Group's Annual Report for the financial year ended 31 December 2021 and any public announcements made by Keppel Corporation Limited during the interim reporting period.

1.2 Changes in Accounting Policies

The accounting policies adopted by the Group in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's Annual Report for the financial year ended 31 December 2021, except for the adoption of new and revised standards effective as of 1 January 2022 and those as disclosed below.

The following are the new or amended SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I)s, that are relevant to the Group:

- Amendments to SFRS(I) 1-16 *Property, Plant and Equipment - Proceeds before Intended Use* (effective for annual periods beginning on or after 1 January 2022)
- Amendments to SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts - Cost of Fulfilling a Contract* (effective for annual periods beginning on or after 1 January 2022)

The adoption of the above new or amended SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I)s did not have any significant impact on the condensed consolidated interim financial statements of the Group.

1.3 Critical Accounting Judgments and Estimates

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements as at and for the year ended 31 December 2021.

The key assumptions, applied by management as at and for the half year ended 30 June 2022, concerning the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities, are as follows:

(i) Coronavirus Disease 2019 ("COVID-19")

The COVID-19 pandemic situation remains fluid and evolving, and the volatility in oil prices could impact the assessment of the carrying amounts of the Group's assets and liabilities. In the assessment for the current period, management has exercised judgment in determining the significant assumptions used and has relied on information currently available in the assessment of the appropriateness of the carrying values of the Group's assets as at 30 June 2022.

Should the COVID-19 situation worsen and/or the recovery of the dayrates or utilisation rates take a longer period or to a lower level than expected, the assessment of the carrying amounts of the assets of the Group could be impacted, and material provisions may be made and additional liabilities may arise in the subsequent financial periods.

KEPPEL CORPORATION LIMITED & ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the half year ended 30 June 2022

(ii) Revaluation of investment properties

The Group carries its investment properties at fair value with changes in fair value being recognised in the profit and loss account, determined annually by independent professional valuers on the highest and best use basis except for significant investment properties which are revalued on a half-yearly basis.

For the purpose of this condensed consolidated interim financial statements for the half year ended 30 June 2022, valuations were obtained from the valuers for certain significant investment properties, and the resultant fair value changes were recognised in the profit and loss account.

In determining the fair values, the valuers have used valuation techniques which involve certain estimates. The key assumptions to determine the fair value of investment properties include market-corroborated capitalisation rate, price of comparable plots and properties, net initial yield and discount rate. The valuation reports obtained from independent valuers for certain properties have highlighted the uncertainty of the COVID-19 outbreak and material valuation uncertainty where a higher degree of caution should be attached to the valuation than would normally be the case. Accordingly, the valuation of these investment properties may be subjected to more fluctuation than during normal market conditions.

In relying on the valuation reports, management has exercised its judgment to ensure that the valuation methods and estimates are reflective of current market conditions.

(iii) Revenue recognition and contract cost

The Group recognises contract revenue over time for rigbuilding contracts, and shipbuilding and repair contracts by reference to the estimation of the physical proportion of the contract work completed for the contracts with reference to engineers' estimates. The Group also recognises contract revenue over time for long term engineering contracts by reference to the proportion of contract costs incurred to-date to the estimated total contract costs. The stage of completion is measured in accordance with the Group's revenue recognition accounting policy as stated in the audited financial statements for the year ended 31 December 2021. When it is probable that the total contract costs will exceed the total contract revenue, the expected loss is recognised as an expense immediately. Significant assumptions are required in determining the stage of completion and significant judgment is required in the estimation of the physical proportion of the contract work completed for the contracts; and the estimation of total costs on the contracts, including contingencies that could arise from variations to original contract terms and claims. In making the assumption, the Group evaluates by relying on past experience and the work of engineers. Revenue from construction contracts is disclosed in Note 6.

KEPPEL CORPORATION LIMITED & ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the half year ended 30 June 2022

(iv) Claims, litigations and reviews

The Group entered into various contracts with third parties in its ordinary course of business and is exposed to the risk of claims, litigations, latent defects or review from the contractual parties and/or government agencies. These can arise for various reasons, including change in scope of work, delay and disputes, defective specifications or routine checks etc. The scope, enforceability and validity of any claim, litigation or review may be highly uncertain. In making its judgment as to whether it is probable that any such claim, litigation or review will result in a liability and whether any such liability can be measured reliably, management relies on past experience and the opinion of legal and technical expertise.

There were no significant updates since the audited financial statements as at 31 December 2021, except for:

Global resolution with criminal authorities in relation to corrupt payments

As the discussions with the specified Brazilian authorities remain ongoing, the Corrupt Practices Investigation Bureau ("CPIB") has agreed to a further 3-month extension to the period for payment of the balance sum of US\$52,777,122.50 (less any penalties that KOM may pay to specified Brazilian authorities) to the CPIB, such that the period will expire on 22 September 2022, instead of 22 June 2022.

(v) Fair value measurement of unquoted investment funds

In determining the fair value of unquoted investment funds, the Group relies on the net asset values as reported in the latest available capital account statements provided by third-party fund managers.

The fund managers measure the fair value of underlying investments of the funds based on:

- a. Last quoted bid price for all quoted investments;
- b. Valuation technique for unquoted investments where there is no active market.

Valuation techniques used by the third-party fund managers include using recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, comparable company approach, discounted cash flow analyses, option pricing models, and latest round of fund raising.

The availability of observable inputs can vary from investment to investment. For certain investments classified under Level 3 of the fair value hierarchy, the valuation could be based on models or inputs that are less observable or unobservable in the market and the determination of the fair values require significant judgement. Those estimated values do not necessarily represent the amounts that may be ultimately realised due to the occurrence of future events which could not be reasonably determined as at the balance sheet date.

These unobservable inputs that require significant judgement have been disclosed in Note 11.

KEPPEL CORPORATION LIMITED & ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the half year ended 30 June 2022

2. SUBSIDIARIES

	Company	
	30.06.2022	31.12.2021
	\$'000	\$'000
Quoted shares, at cost		
Market value: \$5,992,000 (2021: \$5,750,000)	493	493
Unquoted shares, at cost	10,807,225	8,442,349
	10,807,718	8,442,842
Provision for impairment	(449,056)	(449,056)
	10,358,662	7,993,786

In 2018, Keppel FELS Limited and Keppel Shipyard Limited, both indirect wholly owned subsidiaries of the Company, issued fixed rate senior perpetual securities (the "perpetual securities") with an aggregate principal amount of \$2,000,000,000 to Kepinvest Holdings Pte Ltd, an indirect wholly owned subsidiary of the Company.

During the period, the perpetual securities have been novated from Kepinvest Holdings Pte Ltd to the Company and classified as an investment in subsidiaries by the Company. The novation was for the purposes of undertaking an internal restructuring of Keppel Offshore & Marine Ltd (the "KOM Pre-Combination Restructuring") to effect the Proposed Combination as mentioned in Note 13.

3. ASSOCIATED COMPANIES AND JOINT VENTURES

	2022
	\$'000
At 1 January	6,050,258
Share of profits for the period – continuing operations	203,148
Share of profits for the period – discontinued operations	7,875
Dividends received	(116,526)
Share of reserves	(5,145)
Provision for impairment on a joint venture	(1,000)
Additions	370,903
Advances to associated companies and joint ventures	446
Disposals	(48,514)
Gain from change in interest in associated companies	5,140
Reclassification from/(to)	
- Investments	22,671
- Disposal group and assets classified as held for sale (Note 13)	(204,484)
Others	(3,584)
At 30 June	6,281,188

Movements in the provision for impairment of associated companies and joint ventures are as follows:

	2022
	\$'000
At 1 January	144,005
Impairment loss	1,000
Disposal and liquidation	(25,055)
Exchange differences	1
At 30 June	119,951

KEPPEL CORPORATION LIMITED & ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the half year ended 30 June 2022

The carrying amount of the Group's material associated companies, all of which are equity accounted for, are as follows:

	30.06.2022 \$'000	31.12.2021 \$'000
Keppel REIT	2,051,164	1,953,614
Keppel DC REIT	481,685	470,649
Sino-Singapore Tianjin Eco-City Investment and Development Co., Limited	641,971	673,007
Floatel International Limited	246,294	262,146
Other associated companies and joint ventures	2,860,074	2,690,842
	6,281,188	6,050,258

4. BORROWINGS AND LEASE LIABILITIES

Group's borrowings, debt securities and lease liabilities

	30.06.2022		31.12.2021	
	Due within one year \$'000	Due after one year \$'000	Due within one year \$'000	Due after one year \$'000
Group				
Keppel Corporation Medium Term Notes	–	2,032,800	700,000	2,053,710
Keppel Land Medium Term Notes	149,984	559,516	199,978	709,403
Keppel Telecommunications & Transportation Medium Term Notes	100,000	–	–	100,000
Keppel Corporation Commercial Paper	35,982	–	128,000	–
Bank and other loans				
- secured	107,960	527,759	8,852	717,559
- unsecured	3,061,479	3,606,550	3,622,478	3,215,240
Lease Liabilities	41,904	171,351	89,677	472,042
	3,497,309	6,897,976	4,748,985	7,267,954

(ii) Amount repayable in one year or less, or on demand

As at 30.06.2022		As at 31.12.2021	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
149,864	3,347,445	98,529	4,650,456

(iii) Amount repayable after one year

As at 30.06.2022		As at 31.12.2021	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
699,110	6,198,866	1,189,601	6,078,353

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(iv) Details of any collateral and securities

Certain subsidiaries of the Company pledged their assets in order to obtain loans from financial institutions. The Group has mortgaged certain properties and assets of up to an aggregate amount of \$2,093,055,000 (31 December 2021: \$2,223,200,000) to banks for loan facilities. Included in secured borrowings as at 30 June 2022 are current lease liabilities of \$41,904,000 and non-current lease liabilities of \$171,351,000 which are secured over the right-of-use assets of \$255,188,000.

(v) The fair values of term loans for the Group are \$9,933,460,000 (31 December 2021: \$11,304,660,000).

5. SHARE CAPITAL

Issued share capital and treasury shares

	Number of ordinary shares	
	Issued Share Capital	Treasury Shares
As at 1 January 2022	1,820,557,767	943,259
Treasury shares transferred pursuant to share plans	–	(8,120,927)
Treasury shares purchased	–	56,839,500
As at 30 June 2022	1,820,557,767	49,661,832

Treasury shares

During the six months ended 30 June 2022, the Company transferred 8,120,927 (30 June 2021: 4,643,154) treasury shares to employees upon vesting of shares released under the KCL Share Plans. There was 56,839,500 treasury shares purchased (30 June 2021: 2,560,000) during the period. As at 30 June 2022, the number of treasury shares held by the Company represented 2.80% (30 June 2021: 0.05%) of the total number of issued shares (excluding treasury shares). Except for the transfer, there was no other sale, disposal, cancellation and/or other use of treasury shares during the six months ended 30 June 2022.

KCL Performance Share Plan (“KCL PSP”)

As at 30 June 2022, the number of contingent shares granted but not released were 2,991,880 (30 June 2021: 4,171,880) for KCL PSP. Based on the achievement factor, the actual release of the awards in ordinary shares of the Company could range from zero to a maximum of 4,487,820 under KCL PSP.

KCL Performance Share Plan – Transformation Incentive Plan (“KCL PSP-TIP”)

There are no contingent shares granted but not released as at 30 June 2022 (30 June 2021: 6,367,819).

KCL Performance Share Plan – M1 Transformation Incentive Plan (“KCL PSP-M1 TIP”)

As at 30 June 2022, the number of contingent shares granted but not released were 423,500 (30 June 2021: 423,500) for KCL PSP-M1 TIP. Based on the achievement factor, the actual release of the awards in ordinary shares of the Company could range from zero to a maximum of 635,250 under KCL PSP-M1 TIP.

KCL Performance Share Plan 2020 (“KCL PSP 2020”)

As at 30 June 2022, the number of contingent shares granted but not released were 3,265,000 (30 June 2021: 1,490,000) for KCL PSP 2020. Based on the achievement factor, the actual release of the awards in ordinary shares of the Company could range from zero to a maximum of 4,897,500 under KCL PSP 2020.

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KCL PSP 2020 Transformation Incentive Plan ("KCL PSP 2020 TIP")

As at 30 June 2022, the number of contingent shares granted but not released were 11,920,000 (30 June 2021: nil) for KCL PSP 2020 TIP. Based on the achievement factor, the actual release of the awards in ordinary shares of the Company could range from zero to a maximum of 17,880,000 under KCL PSP 2020 TIP.

KCL Restricted Share Plan ("KCL RSP")

There are no contingent shares granted but not released as at 30 June 2022 and 30 June 2021. As at 30 June 2022 and 30 June 2021, there were no awards released but not vested for KCL RSP.

KCL Restricted Share Plan – Deferred Shares ("KCL RSP-Deferred Shares")

There are no contingent shares granted but not released as at 30 June 2022 and 30 June 2021. As at 30 June 2022, the number of awards released but not vested was 1,285 (30 June 2021: 1,645,959) for KCL RSP-Deferred Shares.

KCL Restricted Share Plan 2020 – Deferred Shares ("KCL RSP 2020-Deferred Shares")

There are no contingent shares granted but not released as at 30 June 2022 and 30 June 2021. As at 30 June 2022, the number of awards released but not vested was 5,764,703 (30 June 2021: 3,383,358) for KCL RSP 2020-Deferred Shares.

Movements in the number of shares under the KCL PSP, KCL PSP-TIP, KCL PSP-M1 TIP, KCL PSP 2020, KCL PSP 2020-TIP, KCL RSP-Deferred Shares and KCL RSP 2020-Deferred Shares are as follows:

Contingent awards:

Date of Grant	Number of shares					
	At 1.1.22	Contingent awards granted	Adjustment upon release	Released	Cancelled	At 30.06.22
<u>KCL PSP</u>						
30.4.2018	1,180,000	–	(684,400)	(495,600)	–	–
30.4.2019	1,542,847	–	–	–	–	1,542,847
31.3.2020	1,449,033	–	–	–	–	1,449,033
	4,171,880	–	(684,400)	(495,600)	–	2,991,880
<u>KCL PSP-TIP</u>						
29.4.2016	3,314,617	–	(2,013,111)	(1,276,163)	(25,343)	–
28.4.2017	1,752,089	–	(1,116,867)	(635,222)	–	–
28.2.2020	1,100,000	–	(666,650)	(433,350)	–	–
	6,166,706	–	(3,796,628)	(2,344,735)	(25,343)	–
<u>KCL PSP-M1 TIP</u>						
17.2.2020	127,900	–	–	–	–	127,900
17.2.2020	295,600	–	–	–	–	295,600
	423,500	–	–	–	–	423,500

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KCL PSP 2020

30.4.2021	1,490,000	–	–	–	–	1,490,000
29.4.2022	–	1,775,000	–	–	–	1,775,000
	1,490,000	1,775,000	–	–	–	3,265,000

KCL PSP 2020-TIP

30.7.2021	11,140,000	–	–	–	(60,000)	11,080,000
29.4.2022	–	840,000	–	–	–	840,000
	11,140,000	840,000	–	–	(60,000)	11,920,000

Awards:

Awards:	Number of shares					
			Adjustment			
Date of Grant	At 1.1.22	Awards granted	upon release	Released	Cancelled	At 30.06.22
<u>KCL RSP 2020-Deferred Shares</u>						
15.2.2022	–	6,317,893	(8,862)	(6,309,031)	–	–
	–	6,317,893	(8,862)	(6,309,031)	–	–

Awards released but not vested:

Awards released but not vested:	Number of shares						
	Date of Grant	At 1.1.22	Released	Vested	Cancelled	Other adjustments	At 30.06.22
<u>KCL PSP</u>							
30.4.2018	–	495,600	(495,600)	–	–	–	–
	–	495,600	(495,600)	–	–	–	–
<u>KCL PSP-TIP</u>							
29.4.2016	–	1,276,163	(1,276,163)	–	–	–	–
28.4.2017	–	635,222	(635,222)	–	–	–	–
28.2.2020	–	433,350	(433,350)	–	–	–	–
	–	2,344,735	(2,344,735)	–	–	–	–

KCL RSP-Deferred shares

17.2.2020	1,576,649	–	(1,566,518)	(8,846)	–	1,285
	1,576,649	–	(1,566,518)	(8,846)	–	1,285

KCL RSP 2020-Deferred Shares

15.2.2021	3,231,494	–	(1,611,577)	(29,540)	–	1,590,377
15.2.2022	–	6,309,031	(2,102,497)	(32,208)	–	4,174,326
	3,231,494	6,309,031	(3,714,074)	(61,748)	–	5,764,703

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6. REVENUE

	Half Year	
	30.06.2022	30.06.2021#
	\$'000	\$'000
<u>Revenue from contracts with customers</u>		
Revenue from construction contracts	201,001	171,234
Sale of property	491,203	865,479
Sale of goods	191,499	160,898
Sale of electricity, utilities and gases	1,819,295	1,064,526
Revenue from telecommunication services	359,724	343,115
Revenue from other services rendered	260,417	245,455
	3,323,139	2,850,707
<u>Other sources of revenue</u>		
Rental income from investment properties	32,591	37,013
	3,355,730	2,887,720

7. OPERATING PROFIT

Operating profit from continuing operations is arrived at after charging/(crediting) the following:

	Half Year		
	30.06.2022	30.06.2021#	+/-
	\$'000	\$'000	%
Share-based payment expenses	21,319	16,036	+32.9
(Gain)/Loss on sale of fixed assets	(55)	92	n.m.f.
Provision for stocks	489	260	+88.1
Expected credit loss			
- Contract assets	-	23,225	n.m.f. (i)
- Debtors & receivables	2,058	105,575	-98.1 (ii)
- Financial guarantee	-	157,490	n.m.f. (iii)
Fair value (gain)/loss			
- Investments	(93,978)	(20,144)	+366.5 (iv)
- Forward contracts	(452)	(1,182)	-61.8
- Financial derivatives	292	(869)	n.m.f.
Foreign exchange gain	(2,643)	(1,165)	+126.9 (v)
Government grant income	(3,227)	(10,767)	-70.0 (vi)
Impairment of joint venture and associated company	1,000	35,082	-97.1 (vii)
Impairment/write-off of fixed assets	-	36,697	n.m.f. (viii)
Gain on disposal of subsidiaries	(4,984)	(14,155)	-64.8 (ix)
(Gain)/Loss on disposal of associated companies and joint ventures	215	(99,638)	n.m.f. (x)
Gain from sale of units in associated companies	(43)	-	n.m.f.
Fair value gain on investment properties	(46,763)	(117,330)	-60.1 (xi)
(Gain)/Loss from change in interest in associated companies	(5,140)	12,015	n.m.f. (xii)

n.m.f. - No Meaningful Figure

- (i) Expected credit loss on contract assets for prior period was attributable to the Energy & Environment and was mainly due to impairment of contract assets in relation to the construction contract for a production barge for KrisEnergy.

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- (ii) Expected credit loss on debtors and receivables for the current period was attributable to the Connectivity segment, partly offset by write-backs in Energy & Environment and Urban Development. The expected credit loss in the prior period was mainly attributable to Energy & Environment's impairment of loan receivable from KrisEnergy.
- (iii) For the prior period, the expected credit loss on a financial guarantee on a loan granted to an associated company was in relation to the revolving credit facility ("RCF") loan extended by the bank to KrisEnergy, which was assumed by the Group on 30 June 2021.
- (iv) Fair value gain (mark-to-market) on investment portfolio for the half year ended 30 June 2022 was driven largely by higher valuations of unquoted investments, in particular, Envision AESC Global Investment L.P.
- (v) Foreign exchange gain for the half year ended 30 June 2022 was mainly attributable to the revaluation of Renminbi denominated bank deposits, with the Renminbi having appreciated against the functional currency of a subsidiary in Energy & Environment.
- (vi) No government grant income under the Jobs Support Scheme ("JSS") was recognised during the half year ended 30 June 2022 (half year ended 30 June 2021: \$6,254,000).
The JSS is a temporary scheme introduced in the Singapore Budget 2020 to help enterprises retain local employees. Under the JSS, employers will receive cash grants in relation to the gross monthly wages of eligible employees
- (vii) Impairment of a joint venture for the half year ended 30 June 2022 was attributable to Connectivity. The impairment of associated company in the prior period was attributable to Energy & Environment from the impairment of KrisEnergy zero-coupon notes.
- (viii) Impairment of fixed assets for prior period was mainly attributable to Urban Development.
- (ix) Gain on disposal of subsidiaries arose from Connectivity's divestment of Indo-Trans Keppel Logistics Vietnam Co Ltd and Keppel Logistics Pte Ltd. In the prior period, gain on disposal of subsidiaries arose from the divestment of Keppel Bay Tower Pte. Ltd., First King Properties Limited, and Waterfront Investment Pte Ltd.
- (x) In the prior period, gain on disposal of associated companies and joint ventures arose from the sale of Chengdu Hilltop Development Co Ltd, Dong Nai Waterfront City LLC, ARIP Public Company Limited, and gain from divestment of interest in Keppel Logistics (Foshan) following agreement reached with local authorities on Lanshi port closure compensation.
- (xi) Fair value gain on investment properties arose from the Group's mid-year revaluation of significant investment properties.
- (xii) Gain from change in interest in associated companies was mainly due to change in interest in Keppel REIT, gain from change in interest in an associated company in Vietnam due to a private placement, partly offset by loss from change in interest in KDC REIT. For prior period, loss from change in interest in associated companies was mainly due to change in interest in Keppel REIT.

8. SIGNIFICANT COMMITMENTS

The Group had no additional significant capital expenditure/commitments entered into during the period ended 30 June 2022 that were not provided for in the audited financial statements as at 31 December 2021.

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9. SIGNIFICANT CONTINGENT LIABILITIES AND GUARANTEES

The Group had no additional significant contingent liabilities and guarantees arising from transactions during the period ended 30 June 2022.

See Note 1.3(iv) for further disclosures relating to the Group's claims and litigations.

10. SIGNIFICANT RELATED PARTY TRANSACTIONS

For the half year ended 30 June 2022, the Group had no significant related party transactions.

11. FINANCIAL RISK MANAGEMENT

The Group operates internationally and is exposed to a variety of financial risks, comprising market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. Financial risk management is carried out by the Keppel Group Treasury Department in accordance with established policies and guidelines. These policies and guidelines are established by the Group Central Finance Committee and are updated to take into account changes in the operating environment. This committee is chaired by the Chief Financial Officer of the Company and includes Chief Financial Officers of the Group's key operating companies and Head Office specialists.

There was no instance of significant updates to the Group's financial risk management since the audited financial statements as at 31 December 2021, except for the following:

(a) Cash flow and fair value interest rate risk

IBOR reform

Group's risk exposure that is directly affected by the IBOR reform remains substantially unchanged since the audited financial statements as at 31 December 2021.

Affected financial instruments that the Group and Company holds as at 30 June 2022, which have not yet transitioned to new benchmark rates, remains substantially unchanged since the audited financial statements as at 31 December 2021, except for the following:

- (i) US\$200 million (or S\$274 million equivalent) of affected USD LIBOR-linked borrowings which have effectively transitioned to SOFR during the period.

(b) Fair Value of Financial Instruments and Investment Properties

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurement. The fair value hierarchy has the following levels:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs). Fair value is determined by reference to the net tangible assets of the investments.

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The following table presents the assets and liabilities measured at fair value.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Group				
30 June 2022				
Financial assets				
Derivative financial instruments	–	513,896	–	513,896
Call option	–	–	171,520	171,520
Investments				
- Investments at fair value through other comprehensive income	523,456	1,310	187,718	712,484
- Investments at fair value through profit or loss	57,848	–	681,158	739,006
Short term investments				
- Investments at fair value through other comprehensive income	55,863	–	–	55,863
- Investments at fair value through profit or loss	251	–	–	251
	<u>637,418</u>	<u>515,206</u>	<u>1,040,396</u>	<u>2,193,020</u>
Financial liabilities				
Derivative financial instruments	–	342,937	–	342,937
	<u>–</u>	<u>342,937</u>	<u>–</u>	<u>342,937</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Non-financial assets				
Investment Properties				
- Commercial and residential, completed	–	–	1,461,366	1,461,366
- Commercial, under construction	–	–	2,812,901	2,812,901
Associates at fair value through profit or loss	–	–	195,971	195,971
	<u>–</u>	<u>–</u>	<u>195,971</u>	<u>195,971</u>
	<u>–</u>	<u>–</u>	<u>4,470,238</u>	<u>4,470,238</u>

There have been no significant transfers between Level 1, Level 2 and Level 3 for the Group in the first half ended 30 June 2022.

The fair value of financial instruments categorised under Level 1 of the fair value hierarchy is based on published market bid prices at the balance sheet date.

The fair value of financial instruments categorised under Level 2 of the fair value hierarchy are fair valued under valuation techniques with market observable inputs. These include forward pricing and swap models utilising present value calculations using inputs such as observable foreign exchange rates (forward and spot rates), interest rate curves and forward rate curves and discount rates that reflects the credit risks of various counterparties.

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The following table presents the valuation techniques and key inputs that were used to determine the fair value of financial instruments and investment properties categorised under Level 3 of the fair value hierarchy.

Description	Fair value as at 30 June 2022 \$'000	Valuation Techniques	Unobservable Inputs	Range of unobservable Inputs
Investments	868,876	Net asset value, discounted cash flow and binomial option pricing	Net asset value* Discount rate Growth rate Discount for lack of control	Not applicable 14.40% to 20.00% 4.26% 15.00% to 23.3%
Call option	171,520	Direct comparison method and investment method	Transacted price of comparable properties (psf) Capitalisation rate	\$S1,586 - \$S3,520 3.50%
Associates at fair value through profit or loss	195,971	Net asset value	Net asset value	Not applicable
Investment Properties				
- Commercial and hospitality, completed	1,461,366	Discounted cash flow method and/or direct comparison method Income capitalisation method	Discount rate Capitalisation rate Net initial yield Transacted price of comparable properties (psm) Transacted price of comparable properties (psf) Terminal capitalisation rate	9.50% to 14.50% 4.25% to 10.50% 6.45% \$4,725 to \$7,560 \$737 to \$2,986 7.75%
- Commercial, under construction	2,812,901	Discounted cash flow method, direct comparison method and/or residual value method	Transacted price of comparable land plots (psm) Gross development value (\$million) Discount rate Capitalisation rate	\$7,931 to \$11,576 \$243 to \$2,140 12.50% to 13.00% 4.00% to 10.00%

* Fair value of unquoted equity instruments is determined by reference to the underlying assets value of the investee companies, which comprise mainly investment properties stated at fair value or assets measured using valuation techniques that take into account key inputs such as revenue multiples, long term growth rate and discount rate.

The financial instruments and investment properties categorised under Level 3 of the fair value hierarchy are generally sensitive to the various unobservable inputs tabled above. A significant movement of each input would result in significant change to the fair value of the respective asset/liability.

The total fair value on investments of \$868,876,000 as at 30 June 2022 comprises \$748,996,000 which are valued based on net asset value. A reasonably possible alternative assumption is when the net asset value of investments increase/decrease by 5%, which would lead to a \$37,450,000 increase/decrease in fair valuation.

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The Group revalues its investment property portfolio on an annual basis except for significant investment properties which are revalued on a half-yearly basis. The fair value of investment properties is determined by external, independent professional valuers which have appropriate recognised professional qualifications and experience in the location and category of property being valued. Management reviews the appropriateness of the valuation methodologies and assumptions adopted, and the reliability of the inputs used in the valuations.

12. SEGMENT ANALYSIS

The Group is organised into business units based on their products and services, and has five main segments with six reportable operating segments as follows:

(i) **Energy & Environment**

The Energy & Environment segment is focused on business areas relating to the safe and efficient harvesting of energy sources, serving the offshore & marine industry with an array of vessel solutions and services, renewables, and providing cities with power, as well as solutions for waste and water & wastewater treatment. The segment comprises two reportable operating segments, being Offshore & Marine and Infrastructure & Others.

Offshore & Marine - Principal activities include offshore production facilities and drilling rig design, construction, fabrication and repair, ship conversions and repair and specialised shipbuilding. The operating segment has operations in Brazil, China, Singapore, the United States and other countries.

On 27 April 2022, Keppel Corporation Limited ("the Company") and Sembcorp Marine Ltd ("Sembcorp Marine") entered into definitive agreements for the proposed combination of Keppel Offshore & Marine Ltd ("Keppel O&M") and Sembcorp Marine. Concurrent with the proposed combination, the Company has entered into a definitive agreement with Baluran Limited and Kyanite Investment Holdings Pte Ltd, for the sale of Keppel O&M's legacy rigs and associated receivables to a new and separate entity.

In accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations*, this operating segment excluding certain out-of-scope assets, are presented as discontinued operations for the period, with comparative information re-presented accordingly. Refer to Note 13 for further details.

Infrastructure & Others - Principal activities include power generation, renewables, environmental engineering and infrastructure operation and maintenance. The operating segment has operations in China, Singapore, Switzerland, the United Kingdom, and other countries.

(ii) **Urban Development**

Principal activities include property development and investment, as well as master development. The segment has operations in China, India, Indonesia, Singapore, Vietnam and other countries.

(iii) **Connectivity**

Principal activities include the provision of telecommunications services, retail sales of telecommunications equipment and accessories, development and operation of data centres. The segment has operations in China, Singapore and other countries.

(iv) **Asset Management**

Principal activities include management of private funds and listed real estate investment and business trusts. The segment operates mainly in Singapore.

(v) **Corporate & Others**

The Corporate & Others segment consists mainly of treasury operations, research & development, investment holdings and provision of management and other support services.

Management monitors the results of each of the above main segments for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on net profit or loss. Information regarding the Group's reportable operating segments is presented in the following table.

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Half year ended 30 June 2022

	Energy & Environment \$'000	Urban Development \$'000	Connectivity \$'000	Asset Management \$'000	Corporate & Others \$'000	Elimination \$'000	Total \$'000
Revenue							
External sales	2,109,603	532,481	615,681	97,965	–	–	3,355,730
Inter-segment sales	19,957	272	4,250	1,054	42,062	(67,595)	–
Total	2,129,560	532,753	619,931	99,019	42,062	(67,595)	3,355,730
Segment Results							
Operating profit	54,626	168,229	22,652	48,438	52,439	8,430	354,814
Investment income	–	169	124	23,969	(56)	–	24,206
Interest income	31,006	18,972	392	84	180,881	(184,621)	46,714
Interest expenses	(42,977)	(21,515)	(7,283)	(17,687)	(164,842)	176,191	(78,113)
Share of results of associated companies and joint ventures	16,794	62,818	7,633	115,903	–	–	203,148
Profit before tax	59,449	228,673	23,518	170,707	68,422	–	550,769
Taxation	(14,365)	(63,811)	(11,357)	(13,464)	(7,020)	–	(110,017)
Profit from continuing operations for first half	45,084	164,862	12,161	157,243	61,402	–	440,752
Attributable to:							
Shareholders of Company	45,943	167,698	9,589	155,034	55,878	–	434,142
Perpetual securities holders	–	–	–	–	5,752	–	5,752
Non-controlling interests	(859)	(2,836)	2,572	2,209	(228)	–	858
	45,084	164,862	12,161	157,243	61,402	–	440,752
Profit from discontinued operations, net of tax and NCI							63,363
Profit for the period attributable to shareholders of the Company							497,505
External revenue from contracts with customers							
- At a point in time	9,073	429,501	189,296	24,986	–	–	652,856
- Over time	2,100,530	72,164	424,610	72,979	–	–	2,670,283
	2,109,603	501,665	613,906	97,965	–	–	3,323,139
Other sources of revenue	–	30,816	1,775	–	–	–	32,591
Total	2,109,603	532,481	615,681	97,965	–	–	3,355,730

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Other Information

Segment assets*	10,235,700	12,779,864	3,325,779	4,143,588	12,233,150	(11,089,942)	31,628,139
Segment liabilities*	10,202,319	7,004,461	2,463,070	1,689,522	8,790,422	(11,089,942)	19,059,852
Net assets*	33,381	5,775,403	862,709	2,454,066	3,442,728	–	12,568,287

* inclusive of disposal group classified as held for sale

Investment in associated companies and joint ventures	657,002	2,323,870	92,644	3,207,672	–	–	6,281,188
Additions to non-current assets	253,933	104,723	80,701	93,375	–	–	532,732
Depreciation and amortisation	15,691	13,965	63,348	1,355	7,481	–	101,840
Impairment loss on non-financial assets	6	–	1,483	–	–	–	1,489
Allowance/(write-back) for expected credit loss and bad debt written-off	(2,557)	(1,222)	5,820	–	17	–	2,058

GEOGRAPHICAL INFORMATION

	Singapore	China/ Hong Kong	Brazil	Other Far East & ASEAN Countries	Other Countries	Elimination	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
External sales	2,604,411	543,672	–	109,254	98,393	–	3,355,730
Non-current assets	7,409,254	3,695,677	–	1,706,004	453,399	–	13,264,334

Other than Singapore and China, no single country accounted for 10% or more of the Group's revenue for the half year ended 30 June 2022.

INFORMATION ABOUT A MAJOR CUSTOMER

Revenue of \$1,095,698,000 is derived from a single external customer and is attributable to the Energy & Environment segment for the half year ended 30 June 2022.

Note: Pricing of inter-segment goods and services is at fair market value.

KEPPEL CORPORATION LIMITED & ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the half year ended 30 June 2022

Half year ended 30 June 2021[#]

	<u>Energy & Environment</u> \$'000	<u>Urban Development</u> \$'000	<u>Connectivity</u> \$'000	<u>Asset Management</u> \$'000	<u>Corporate & Others</u> \$'000	<u>Elimination</u> \$'000	<u>Total</u> \$'000
Revenue							
External sales	1,314,588	909,221	585,824	78,087	–	–	2,887,720
Inter-segment sales	13,037	3,502	2,665	9,428	30,243	(58,875)	–
Total	1,327,625	912,723	588,489	87,515	30,243	(58,875)	2,887,720
Segment Results							
Operating profit	(275,112)	394,776	40,611	57,894	(11,466)	(19)	206,684
Investment income	–	301	147	22,795	57,970	–	81,213
Interest income	29,730	18,106	155	1,149	185,183	(190,282)	44,041
Interest expenses	(52,186)	(21,615)	(10,586)	(19,001)	(162,610)	190,301	(75,697)
Share of results of associated companies and joint ventures	170,230	59,687	7,315	71,657	–	–	308,889
Profit before tax	(127,338)	451,255	37,642	134,494	69,077	–	565,130
Taxation	(7,694)	(178,258)	(9,941)	(16,659)	(9,898)	–	(222,450)
Profit/(loss) from continuing operations for first half	(135,032)	272,997	27,701	117,835	59,179	–	342,680
Attributable to:							
Shareholders of Company	(135,490)	279,310	27,159	117,141	55,427	–	343,547
Non-controlling interests	458	(6,313)	542	694	3,752	–	(867)
	(135,032)	272,997	27,701	117,835	59,179	–	342,680
Loss from discontinued operations, net of tax and non-controlling interests							(43,751)
Profit for the period attributable to shareholders of the Company							299,796
External revenue from contracts with customers							
- At a point in time	4,535	799,005	175,109	12,830	–	–	991,479
- Over time	1,310,053	75,086	408,832	65,257	–	–	1,859,228
	1,314,588	874,091	583,941	78,087	–	–	2,850,707
Other sources of revenue							
	–	35,130	1,883	–	–	–	37,013
Total	1,314,588	909,221	585,824	78,087	–	–	2,887,720

KEPPEL CORPORATION LIMITED & ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the half year ended 30 June 2022

Other Information

Segment assets*	10,912,783	13,888,416	3,916,068	3,928,350	11,275,734	(12,947,526)	30,973,825
Segment liabilities*	10,818,629	7,576,393	2,855,402	1,769,608	9,372,279	(12,947,526)	19,444,785
Net assets*	94,154	6,312,023	1,060,666	2,158,742	1,903,455	—	11,529,040

* inclusive of disposal group classified as held for sale

Investment in associated companies and joint ventures	708,480	2,382,536	196,616	2,871,477	—	—	6,159,109
Additions to non-current assets	32,777	114,398	104,190	50,298	3,933	—	305,596
Depreciation and amortisation	15,436	15,908	101,005	1,366	5,530	—	139,245
Impairment loss on non-financial assets	58,313	36,697	254	—	—	—	95,264
Allowance for expected credit loss and bad debt written-off	102,822	2	2,949	—	(172)	—	105,601
Loss on a financial guarantee on a loan granted to an associated company	157,490	—	—	—	—	—	157,490

GEOGRAPHICAL INFORMATION

	<u>Singapore</u>	<u>China/ Hong Kong</u>	<u>Brazil</u>	<u>Other Far East & ASEAN Countries</u>	<u>Other Countries</u>	<u>Elimination</u>	<u>Total</u>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
External sales [#]	1,836,495	889,865	—	66,332	95,028	—	2,887,720
Non-current assets	8,477,964	3,877,122	214,509	1,821,109	568,215	—	14,958,919

Other than Singapore and China, no single country accounted for 10% or more of the Group's revenue for the half year ended 30 June 2021.

INFORMATION ABOUT A MAJOR CUSTOMER

Revenue of \$382,937,000 is derived from a single external customer and is attributable to the Energy & Environment segment for the half year ended 30 June 2021.

Note: Pricing of inter-segment goods and services is at fair market value.

KEPPEL CORPORATION LIMITED & ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the half year ended 30 June 2022

REVIEW OF SEGMENT PERFORMANCE

Revenue by Segments

Group revenue from continuing operations of \$3,356 million was \$468 million or 16% higher than that in the same period in 2021. Revenue from Energy & Environment increased by \$795 million or 60% to \$2,110 million led by higher electricity and gas sales, and higher progressive revenue recognition from the Hong Kong Integrated Waste Management Facility project and Tuas Nexus Integrated Waste Management Facility project in Singapore. Revenue from Urban Development decreased by \$377 million to \$532 million mainly due to lower revenue from property trading projects in China as a result of fewer units completed and handed over during the period. Revenue from Connectivity increased by \$30 million to \$616 million mainly due to higher service revenue as well as higher handset and equipment sales in M1. Revenue from Asset Management increased by \$20 million to \$98 million mainly due to higher acquisition fees partly offset by the absence of divestment fees recognised in 2021.

Net profit by Segments

Group net profit from continuing operations of \$434 million was \$90 million or 26% higher than that in the same period in 2021. Energy & Environment registered a net profit of \$45 million in 1H 2022, reversing the net loss of \$135 million in 1H 2021, which had included an impairment of \$318 million related to the Group's exposure to KrisEnergy, partially offset by share of Floatel's net restructuring gain of \$215 million. For the current half year, the segment recorded higher share of results from an associated company involved in the integrated power, gas and renewable energy business, lower share of losses from Floatel, as well as higher contributions from the power & renewables and environment businesses. Net profit from Urban Development decreased by \$111 million to \$168 million mainly due to lower contributions from property trading projects in China and from the Sino-Singapore Tianjin Eco-City, lower fair value gains from investment properties, as well as the absence of gain from the disposal of the remaining interests in the Dong Nai project in Vietnam in 2021. These were partly offset by the absence of an impairment provision for a hotel in Myanmar in 2021. Connectivity's net profit of \$10 million was \$17 million lower than 1H 2021. This was mainly due to the absence of gain from the divestment of interests in Keppel Logistics (Foshan) in 2021, which was partly offset by higher net profit from M1 and gains from the divestments of Keppel Logistics Pte Ltd and Indo-Trans Keppel Logistics Vietnam Ltd. Net profit from Asset Management increased by \$38 million to \$155 million mainly due to higher fee income arising from acquisitions completed during the period, as well as higher fair value gains on investment properties recorded by Keppel REIT. These were partly offset by the absence of mark-to-market gains from investments in 1H 2021. Net profit from Corporate & Others remained stable at \$56 million. Higher fair value gains on investments were partly offset by lower investment income and higher interest expense. The fair value gains were largely from investments in new technology and start-ups, in particular, Envision AESC Global Investment L.P.. Including discontinued operations, the Group's net profit attributable to shareholders was \$498 million, which was \$198 million higher year-on-year. The discontinued operations recorded a net profit of \$64 million, reversing the net loss of \$44 million in 1H 2021, underpinned by improved performance from the offshore & marine business. In addition to revenue recognition from new projects, the business recorded higher investment income, improved results from associated companies, as well as gains from the divestment of Keppel Smit Towage Pte Limited and Maju Maritime Pte Ltd. The Group has also ceased the depreciation for the relevant assets classified under disposal group held for sale.

Revenue by Geographical Segments

Revenue from Singapore of \$2,604 million was \$768 million higher than that of corresponding period, due largely to higher revenue from Energy & Environment and Asset Management, partly offset by lower revenue from Urban Development and Connectivity.

KEPPEL CORPORATION LIMITED & ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the half year ended 30 June 2022

13. DISCONTINUED OPERATIONS AND DISPOSAL GROUP AND ASSETS CLASSIFIED AS HELD FOR SALE AND LIABILITIES DIRECTLY ASSOCIATED WITH DISPOSAL GROUP AND ASSETS CLASSIFIED AS HELD FOR SALE

- (i) Discontinued operations and disposal group held for sale and liabilities directly associated with disposal group classified as held for sale

Keppel Offshore & Marine Ltd (“Keppel O&M”)

On 27 April 2022, the Company and Sembcorp Marine Ltd (“Sembcorp Marine”) entered into definitive agreements for the proposed combination of Keppel Offshore & Marine Ltd (“Keppel O&M”) and Sembcorp Marine (the “Proposed Combination”). The Proposed Combination involves the establishment of a new holding company (the “Combined Entity”) which will combine the businesses of Keppel O&M and Sembcorp Marine via separate schemes of arrangement.

Sembcorp Marine will undergo an internal restructuring exercise via a scheme of arrangement (the “Sembcorp Marine Scheme”). Upon completion, Sembcorp Marine will become a wholly-owned subsidiary of the Combined Entity.

Through a second scheme of arrangement (the “Keppel O&M Scheme”), the Combined Entity will be combined with Keppel O&M, excluding (i) Keppel O&M legacy rigs and associated receivables, which will be sold to a separate Asset Co and (ii) certain out-of-scope assets comprising mainly Keppel O&M’s interests in Floatel International Ltd and Dyna-Mac Holdings Ltd, which will be retained by the Company.

Pursuant to the Proposed Combination, and as consideration for its combination with Keppel O&M, the Combined Entity will issue new shares to the Company and its shareholders representing 56% of the shares in the Combined Entity on a post-issue basis. The Company will distribute 46% of the Combined Entity’s shares in-specie to its shareholders, upon completion of the Proposed Combination.

Concurrent with the Proposed Combination, the Company has entered into a definitive agreement with Baluran Limited (“Baluran”) and Kyanite Investment Holdings Pte Ltd (“Kyanite”), for the sale of Keppel O&M’s legacy rigs and associated receivables to a new and separate entity (“Asset Co”) (the “Asset Co Transaction”).

The two proposed transactions, which are inter-conditional and being executed concurrently, will be subject to relevant regulatory and shareholder approvals, which are expected to be completed by the end of 2022.

Accordingly, as at 30 June 2022, the assets and liabilities related to Keppel O&M, excluding the out-of-scope assets, had been presented in the balance sheet as “Disposal group classified as held for sale” and “Liabilities directly associated with disposal group classified as held for sale”, and its results were presented separately on the consolidated statement of comprehensive income as “Discontinued operations” for the first half ended 30 June 2022, with comparative information re-presented accordingly. The Group has also ceased the depreciation for the relevant assets classified under disposal group held for sale, amounting to \$17,964,000 for the period since 27 April 2022. The disposal group was previously presented under the “Energy & Environment” reportable segment of the Group (Note 12).

- (a) The results of the discontinued operations are as follows:

	Half Year	
	30.06.2022	30.06.2021
	\$'000	\$'000
Revenue	1,158,961	789,460
Expenses*	(1,093,100)	(838,960)
Profit/(Loss) before tax from discontinued operations	65,861	(49,500)
Taxation	(3,330)	3,669
Non-controlling interests	832	2,080
Profit/(Loss) from discontinued operations, net of tax and non-controlling interests	63,363	(43,751)

* In accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations*, following the classification as disposal group classified as held for sale, the Group has ceased depreciation for the relevant assets classified under disposal group held for sale, amounting to \$17,964,000 for the period since 27 April 2022.

KEPPEL CORPORATION LIMITED & ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the half year ended 30 June 2022

(b) The cash flows attributable to the discontinued operations are as follows:

	Half Year	
	30.06.2022	30.06.2021
	\$'000	\$'000
Operating cash flow	(120,091)	(268,695)
Investing cash flow	16,768	3,379
Financing cash flow	136,781	95,819
Net cash inflows / (outflows)	<u>33,458</u>	<u>(169,497)</u>

(ii) Assets classified as held for sale and liabilities directly associated with assets classified as held for sale

(a) Marina East Water Pte. Ltd. ("MEW")

On 30 June 2022, Keppel Infrastructure Holdings Limited ("Keppel Infrastructure"), a wholly-owned subsidiary of the Company, and Keppel Infrastructure Fund Management Pte Ltd ("KIFM"), as Trustee-Manager of Keppel Infrastructure Trust ("KIT"), have signed a non-binding term sheet with the intention to enter into definitive agreements with respect to the sale and purchase of the Group's interest in MEW ("Proposed Transaction"). The Proposed Transaction is subject to customary closing conditions including approvals by shareholders and PUB, as well as the receipt of applicable regulatory approvals. Post the proposed transaction, MEW will be jointly-controlled by Keppel Infrastructure and KIT, with KIT receiving 100% of the economic interest.

In accordance to SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations*, the assets and liabilities of MEW have been presented separately as "assets classified as held for sale" and "liabilities directly associated with assets classified as held for sale" in the condensed consolidated balance sheet as at 30 June 2022.

(iii) Details of the disposal group and assets classified as held for sale and liabilities directly associated with disposal group and assets classified as held for sale are as follows:

	30.06.2022	
	Disposal group	Assets classified as held for sale
	\$'000	\$'000
		Total
		\$'000
Disposal group and assets classified as held for sale		
Fixed assets	1,901,030	1,901,030
Intangibles	43,050	43,050
Right-of-use assets	285,991	285,991
Associated companies and joint ventures	204,484	204,484
Deferred tax assets	132,716	132,716
Other non-current assets	818,874	1,158,782
Investments	74,895	74,895
Contract assets	2,552,928	2,552,928
Stocks	1,486,522	1,486,522
Debtors	832,615	858,927
Bank balances, deposits & cash	368,526	368,526
	8,701,631	9,067,851
Liabilities directly associated with disposal group and assets classified as held for sale		
Creditors	2,111,944	2,119,648
Contract liabilities	216,851	216,851
Term loans	398,884	711,534
Lease liabilities	331,368	331,368
Taxation	11,058	11,691
Deferred tax liabilities	45,910	45,910
Other non-current liabilities	7,290	7,290
	3,123,305	3,444,292

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OTHER INFORMATION

For the half year ended 30 June 2022

1. AUDIT

The financial statements have not been audited nor reviewed by our auditors.

2. AUDITORS' REPORT

Not applicable.

3. REVIEW OF GROUP PERFORMANCE

Half Year ended 30 June 2022

Group net profit from continuing operations attributable to shareholders was \$434 million as compared to \$344 million for the same period in 2021. Earnings per share was 24.3 cents as compared to 18.9 cents in the same period last year. Including discontinued operations, net profit attributable to shareholders for 1H 2022 was \$498 million which was 66% higher than \$300 million in 1H 2021. Consequently, earnings per share inclusive of discontinued operations was 27.9 cents for the current half year as compared to 16.5 cents for the corresponding period in the prior year. Annualised return on equity (including discontinued operations) was 8.4%.

Group revenue from continuing operations of \$3,356 million was \$468 million or 16% higher than that in the same period in 2021. Revenue from Energy & Environment increased by \$795 million or 60% to \$2,110 million led by higher electricity and gas sales, and higher progressive revenue recognition from the Hong Kong Integrated Waste Management Facility project and Tuas Nexus Integrated Waste Management Facility project in Singapore. Revenue from Urban Development decreased by \$377 million to \$532 million mainly due to lower revenue from property trading projects in China as a result of fewer units completed and handed over during the period. Revenue from Connectivity increased by \$30 million to \$616 million mainly due to higher service revenue as well as higher handset and equipment sales in M1. Revenue from Asset Management increased by \$20 million to \$98 million mainly due to higher acquisition fees partly offset by the absence of divestment fees recognised in 2021.

Group net profit from continuing operations of \$434 million was \$90 million or 26% higher than that in the same period in 2021. Energy & Environment registered a net profit of \$45 million in 1H 2022, reversing the net loss of \$135 million in 1H 2021, which had included an impairment of \$318 million related to the Group's exposure to KrisEnergy, partially offset by share of Floatel's net restructuring gain of \$215 million. For the current half year, the segment recorded higher share of results from an associated company involved in the integrated power, gas and renewable energy business, lower share of losses from Floatel, as well as higher contributions from the power & renewables and environment businesses. Net profit from Urban Development decreased by \$111 million to \$168 million mainly due to lower contributions from property trading projects in China and from the Sino-Singapore Tianjin Eco-City, lower fair value gains from investment properties, as well as the absence of gain from the disposal of the remaining interests in the Dong Nai project in Vietnam in 2021. These were partly offset by the absence of an impairment provision for a hotel in Myanmar in 2021. Connectivity's net profit of \$10 million was \$17 million lower than 1H 2021. This was mainly due to the absence of gain from the divestment of interests in Keppel Logistics (Foshan) in 2021, which was partly offset by higher net profit from M1 and gains from the divestments of Keppel Logistics Pte Ltd and Indo-Trans Keppel Logistics Vietnam Ltd. Net profit from Asset Management increased by \$38 million to \$155 million mainly due to higher fee income arising from acquisitions completed during the period, as well as higher fair value gains on investment properties recorded by Keppel REIT. These were partly offset by the absence of mark-to-market gains from investments in 1H 2021. Net profit from Corporate & Others remained stable at \$56 million. Higher fair value gains on investments were partly offset by lower investment income and higher interest expense. The fair value gains were largely from investments in new technology and start-ups, in particular, Envision AESC Global Investment L.P.. The Group's taxation decreased year-on-year mainly due to lower taxable profit from Urban Development. Taking into account income tax expenses, non-

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For the half year ended 30 June 2022

controlling interests and profit attributable to holders of perpetual securities, the Group's net profit from continuing operations attributable to shareholders for 1H 2022 was \$434 million. All segments were profitable including Energy & Environment that had registered a loss in 1H 2021. Including discontinued operations, the Group's net profit attributable to shareholders was \$498 million, which was \$198 million higher year-on-year. The discontinued operations recorded a net profit of \$64 million, reversing the net loss of \$44 million in 1H 2021, underpinned by improved performance from the offshore & marine business. In addition to revenue recognition from new projects, the business recorded higher investment income, improved results from associated companies, as well as gains from the divestment of Keppel Smit Towage Pte Limited and Maju Maritime Pte Ltd. The Group has also ceased the depreciation for the relevant assets classified under disposal group held for sale. Major jobs delivered by the offshore & marine business in 1H 2022 include a trailing suction hopper dredger and a wind turbine installation vessel upgrading project.

4. VARIANCE FROM FORECAST STATEMENT

No forecast was previously provided.

5. PROSPECTS

Vision 2030

Keppel's Vision 2030 is a long-term roadmap, unveiled in May 2020, to guide the Group's strategy and transformation. From a conglomerate of largely unrelated parts, the Group is working towards being one integrated business, providing solutions for sustainable urbanisation. The Group is focusing on four business segments, namely Energy & Environment, Urban Development, Connectivity and Asset Management – all part of a connected value chain. To date, the Group has unveiled a series of initiatives to transform and grow, and also to simplify and better focus its business. Importantly, it is tapping third party capital to grow, in line with the Group's asset-light business model, and creating value by collaborating as OneKeppel, to harness synergies across the Group.

In September 2020, the Group announced further steps in its Vision 2030 roadmap, including a \$3-\$5 billion asset monetisation programme over three years to free up the Group's balance sheet. Since then, the Group has announced more than \$3.6 billion of asset monetisation. With the good progress to date, we are confident of exceeding the \$5 billion target by the end of 2023. The funds unlocked will allow the Group to build new capabilities, fuel its ambitious growth plans under Vision 2030, and also better reward shareholders.

In April 2022, the Group announced that it has entered into definitive agreements with Sembcorp Marine Ltd for the proposed combination of Keppel Offshore & Marine and Sembcorp Marine (the Combined Entity), setting in motion the creation of a premier global player providing offshore renewables, new energy and cleaner solutions in the offshore & marine sector. The proposed combination will unlock synergies by bringing together the strong track records and capabilities of the two companies, putting the Combined Entity in a strong position to expand and compete more effectively in its areas of focus amidst the energy transition. It is also expected to further strengthen Singapore's position as a maritime and offshore & marine hub. The Group has concurrently signed a definitive agreement with Baluran Limited (Baluran), an indirect wholly-owned subsidiary of ASM Connaught House Fund V, and Kyanite Investment Holdings Pte Ltd (Kyanite), an indirect wholly-owned subsidiary of Temasek, for the sale of Keppel O&M's legacy completed and uncompleted rigs and the receivables associated with certain legacy rigs to a separate Asset Co, which would be majority owned by Baluran and Kyanite.

The two proposed transactions, which are inter-conditional and being executed concurrently, are progressing on track towards the expected completion by the end of 2022.

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For the half year ended 30 June 2022

To deepen collaboration in its Vision 2030 focus areas, the Group has established OneKeppel data centre and infrastructure teams to take a “cradle to maturity” approach in evaluating business opportunities across the projects’ development stages, whether they are investments by the Group’s funds, operating entities, listed REITs or business trust. Other projects which the Group is working on, such as energy efficient floating data centre parks and climate resilient nearshore developments of “floating cities”, similarly harness diverse capabilities from across the Group, allowing the Group to deliver innovative solutions that differentiate Keppel from its competitors.

Segment Business

In the Energy & Environment segment, Keppel O&M’s net order book, excluding the Sete rigs, was approximately \$4.4 billion as at 30 June 2022. Keppel O&M has been focused on execution and pursuing new projects whilst delivering on its transformation objectives. Keppel O&M was successful in securing new contracts, adding approximately \$256 million worth of new orders during the six months ended 30 June 2022. In the latest Petrobras FPSO tender, Keppel O&M was selected as the only qualified bidder for the P-80 FPSO project. Keppel O&M is also in discussions with Petrobras on an option for a second FPSO project. The two Petrobras FPSO projects, if awarded, would add more than \$8 billion to Keppel O&M’s orderbook. In May 2022, reflecting the improving sentiments in the oil and gas market, Keppel O&M secured about \$255 million worth of bareboat charter contracts for four of its legacy jackup rigs, with charter periods of three to five years. Keppel O&M is currently also engaging potential buyers for some of its legacy rig assets.

With the rapid transition towards more low carbon energy systems, Keppel Infrastructure (KI) sees growing demand for clean energy generation and decarbonisation solutions, as well as a shift towards resource circularity, even as governments and customers intensify their efforts to drive energy resilience. KI will redouble its growth pursuits by leveraging its competitive advantages and operating track records in the energy and environment-related infrastructure business. Besides building robust business development pipelines in these growth areas, KI is also open to mergers & acquisitions and partnerships to fortify its power & renewables business, and scale up its environmental business as well as Energy-as-a-Service offerings in the region, including district cooling, EV charging infrastructure and green hydrogen/ammonia. KI will also commit resources to innovation and technology development to futureproof its position in the market as well as to strengthen its value propositions to customers.

Keppel Renewable Energy will continue to develop the Harlin Solar Farm in Australia and explore new markets and opportunities as a developer and operator of renewable energy assets, as it contributes to the Group’s goal of growing its renewable energy portfolio to 7GW by 2030.

In the Urban Development segment, Keppel Land continues its transformation to be an asset light provider of urban space solutions, with China, Singapore and Vietnam as its key markets, while scaling up in others such as India. In the first half of 2022, Keppel Land sold about 1,010 homes, comprising about 480 in China, 10 in Singapore, 40 in Vietnam, 430 in India and 50 in Indonesia. Keppel Land will continue to monetise its landbank to unlock value and recycle capital, as it pivots towards real estate-as-a service and grow recurring income. It is actively exploring opportunities in sustainable urban renewal and senior living solutions, and is focused on enhancing customer experience, as well as digital and sustainability investments to leapfrog the competition.

Keppel Urban Solutions continues to pursue opportunities and build a pipeline of projects in the region. As a master developer and integrator of end-to-end smart and sustainable solutions, Keppel Urban Solutions develops sustainable, climate resilient and digitally connected townships, and is working with Keppel Land to develop Saigon Sports City in Ho Chi Minh City, Vietnam. In China, the Sino-Singapore Tianjin Eco-City Investment and Development Company Ltd (SSTEC) will continue to drive the development of the Eco-City, including selling land parcels to accelerate the Eco-City’s development.

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For the half year ended 30 June 2022

In the Connectivity business, M1 complements the Group's mission as a solutions provider for sustainable urbanisation with its suite of digital connectivity solutions. Through a multi-year transformation journey, M1 is developing and implementing new strategic and operational plans to sharpen its competitive edge, increase its momentum in digital transformation and undertake growth initiatives. It will focus on strengthening its consumer business through hyper-personalisation to meet changing customer needs and expectations, and developing platforms and initiatives to support enterprise customers.

On the 5G front, M1 has achieved more than 80% outdoor coverage in its 5G standalone network rollout in Singapore, as well as launched a market trial on this new network while progressively introducing various 5G commercial solutions. M1 is also creating 5G industry solutions and future-ready offerings such as Industrial Connected Workforce solutions, Smart Glass AR-assisted Site Quality Inspection services and Smart Glass Remote Real-Time Sensorisation services in partnership with other Keppel business units and the Infocomm Media Development Authority. These 5G-powered solutions will help to boost operational gains, cost efficiencies and promote workplace safety. In addition, M1 is harnessing hybrid cloud solutions and automation using Machine Learning and Robotic Process Automation to drive operational efficiency gains for enterprise customers in support of their digital transformation journeys.

Keppel Telecommunications & Transportation (Keppel T&T) will, in collaboration with Keppel Capital, continue to actively pursue new development opportunities to grow its data centre footprint beyond its traditional areas of operation, while concurrently exploring innovative new solutions to reduce the environmental footprint of its data centres and strengthen its market position. Following a strategic review of the logistics businesses, Keppel T&T has decided to divest its logistics portfolio in South-East Asia and Australia, in line with Vision 2030 to simplify and focus on its core business, as well as, to unlock capital that can be deployed to fund its growth initiatives. The divestments of its logistics businesses in Singapore, Malaysia, Vietnam and Australia, as well as UrbanFox were completed by 1 July 2022.

In the Asset Management business, Keppel Capital continues to harness synergies across the Group to create quality investment solutions and connect investors with real assets in fast growing sectors supported by long-term macro-trends. In the first half of 2022, Keppel DC REIT announced the proposed acquisition of two data centre facilities in Guangdong, China. In addition, Keppel Infrastructure Trust (KIT) completed the acquisition of the remaining 30% interest in the SingSpring Desalination Plant and signed a non-binding term sheet with Keppel Infrastructure Holdings Limited for the proposed acquisition of its interest in the Keppel Marina East Desalination Plant. In July 2022, KIT made headway into the renewable energy market, investing alongside Keppel Corporation, in an onshore wind energy portfolio across the Nordics and United Kingdom, marking KIT's first investment in Europe. Looking ahead, Keppel Capital also plans to launch new flagship infrastructure and real estate funds. Keppel Capital, through its REITs, Trust and private funds, will continue to grow its investments in data centre, infrastructure, real estate and alternative assets with a focus on sustainability.

KEPPEL CORPORATION LIMITED & ITS SUBSIDIARIES

OTHER INFORMATION

For the half year ended 30 June 2022

6. DIVIDEND

6a. Current Financial Period Reported On

Any dividend recommended for the current financial period reported on? Yes

Name of Dividend	Interim
Dividend type Dividend per share Tax rate	Cash 15.0 cents Tax exempt

The Directors are pleased to declare a tax exempt one-tier interim cash dividend of 15.0 cents per share (2021: tax exempt one-tier interim cash dividend of 12.0 cents per share) in respect of the half year ended 30 June 2022. The interim dividend will be paid to shareholders on 19 August 2022.

6b. Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?
Yes

Name of Dividend	Interim
Dividend type Dividend per share Tax rate	Cash 12.0 cents Tax exempt

6c. Date Payable

19 August 2022.

6d. Books Closure Date

Notice is hereby given that the Share Transfer Books and the Register of Members of the Company will be closed on 10 August 2022 at 5.00 p.m. for the preparation of dividend warrants. Duly completed transfers of ordinary shares ("Shares") received by the Company's Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 1 HarbourFront Avenue Keppel Bay Tower #14-07 Singapore 098632 up to 5.00 p.m. on 10 August 2022 will be registered to determine shareholders' entitlement to the interim dividend. Shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with Shares as at 5.00 p.m. on 10 August 2022 will be entitled to the interim dividend.

KEPPEL CORPORATION LIMITED & ITS SUBSIDIARIES

OTHER INFORMATION

For the half year ended 30 June 2022

7. INTERESTED PERSON TRANSACTIONS

The Group has obtained a general mandate from shareholders of the Company for interested person transactions in the Annual General Meeting held on 22 April 2022. During the financial year, the following interested person transactions were entered into by the Group:

Name of Interested Person	Nature of Relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual (excluding transactions less than \$100,000)
		Half Year 30.6.2022 \$'000	Half Year 30.6.2022 \$'000
Transaction for the Sale of Goods and Services			
Temasek Holdings Group (other than the below)	Temasek Holdings (Private) Limited is a controlling shareholder of the Company. The other named interested persons are its associates.	397	676
CapitaLand Group		–	1,349
Clifford Capital Group		–	1,313
Keppel Infrastructure Trust Group		113	98,453
Lan Ting Holdings Group		–	12,333
PSA International Group		11	514
SembCorp Marine Group		–	1,607
Singapore Airlines Group		–	326
Singapore Power Group		–	855
Singapore Technologies Engineering Group		136	1,798
Singapore Telecommunications Group		164	7,019
StarHub Group		–	33,607
Transaction for the Purchase of Goods and Services			
Temasek Holdings Group (other than the below)	Temasek Holdings (Private) Limited is a controlling shareholder of the Company. The other named interested persons are its associates.	904	2,808
CapitaLand Group		2	693
Clifford Capital Group		–	1,211
Lan Ting Holdings Group		–	652,000
PSA International Group		84	–
SembCorp Industries Group		–	127,062
SembCorp Marine Group		–	568
Singapore Technologies Engineering Group		4	7,103
Singapore Telecommunications Group		71	31,899
SMRT Corporation Group		–	683
StarHub Group		–	35,676

KEPPEL CORPORATION LIMITED & ITS SUBSIDIARIES

OTHER INFORMATION

For the half year ended 30 June 2022

Name of Interested Person	Nature of Relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual (excluding transactions less than \$100,000)
		Half Year 30.6.2022 \$'000	Half Year 30.6.2022 \$'000
Treasury Transactions			
Clifford Capital Group	Temasek Holdings (Private) Limited is a controlling shareholder of the Company. The named interested persons are its associates.	143,783	–
Keppel Infrastructure Trust Group		942	–
SembCorp Marine Group		32	–
Singapore Tianjin Eco-City Investments Holdings Pte Ltd		20,393	–
Joint Venture			
Temasek Holdings Group (other than the below)	Temasek Holdings (Private) Limited is a controlling shareholder of the Company. The named interested person are its associate.	35,800	–
Singapore Technologies Engineering Group		625	–
Total Interested Person Transactions		203,461	1,019,553

8. CONFIRMATION THAT THE ISSUER HAS PROCURED UNDERTAKINGS FROM ALL ITS DIRECTORS AND EXECUTIVE OFFICERS (IN THE FORMAT SET OUT IN APPENDIX 7.7) UNDER RULE 720(1)

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

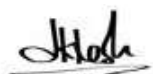
BY ORDER OF THE BOARD

CAROLINE CHANG/LEON NG
Company Secretaries
28 July 2022


CONFIRMATION BY THE BOARD

We, DANNY TEOH and LOH CHIN HUA, being two directors of Keppel Corporation Limited (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the half year ended 30 June 2022 financial statements to be false or misleading in any material respect.

On behalf of the board of directors



DANNY TEOH
Chairman



LOH CHIN HUA
Chief Executive Officer

Singapore, 28 July 2022

APPENDIX II

REPRODUCTION OF THE ISSUER'S CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022

The information set out below is a reproduction of the Issuer's condensed interim financial statements as at and for the six-month period ended 30 June 2022.

SG Issuer

Société Anonyme

**Condensed interim financial statements,
Report of the Executive Board and Corporate Governance Statement and
Report of the Réviseur d'entreprises agréé on review of the condensed interim financial statements**

As at and for the six-month period ended 30 June 2022

**16, boulevard Royal
L-2449 Luxembourg
R.C.S. Luxembourg: B121.363**

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Executive Board Members

As at 30 June 2022

EXECUTIVE BOARD MEMBERS

Chairman:

Mr Yves CACCLIN

Employee of Société Générale Luxembourg
11, avenue Emile Reuter, L-2420 Luxembourg

Members:

Mr Thierry BODSON

Employee of Société Générale Luxembourg
11, avenue Emile Reuter, L-2420 Luxembourg

Mr François CARALP (since 28 April 2022)

Employee of Société Générale
Tour Société Générale, 17, cours Valmy, F-92987 Paris-La Défense 7, France

Mr Alexandre GALLICHE

Employee of Société Générale Luxembourg
11, avenue Emile Reuter, L-2420 Luxembourg

Mr Pascal JACOB

Employee of Société Générale Luxembourg
11, avenue Emile Reuter, L-2420 Luxembourg

Mr Christian ROUSSON (until 28 April 2022)

Employee of Société Générale
Tour Société Générale, 17, cours Valmy, F-92987 Paris-La Défense 7, France

Mr Laurent SIMONET (since 28 April 2022)

Employee of Société Générale
Tour Société Générale, 17, cours Valmy, F-92987 Paris-La Défense 7, France

Mrs Estelle STEPHAN JASPARD

Employee of Société Générale
Tour Société Générale, 17, cours Valmy, F-92987 Paris-La Défense 7, France

Mr Laurent WEIL (until 28 April 2022)

Employee of Société Générale
Tour Société Générale, 17, cours Valmy, F-92987 Paris-La Défense 7, France

Supervisory Board Members

As at 30 June 2022

SUPERVISORY BOARD MEMBERS

Chairman:

Mr Pierre LESCOURRET (until 28 April 2022)

Employee of Société Générale

Tour Société Générale, 17, cours Valmy, F-92987 Paris - La Défense 7, France

Mr Laurent WEIL (member since 28 April 2022 – Chairman since 10 May 2022)

Employee of Société Générale

Tour Société Générale, 17, cours Valmy, F-92987 Paris-La Défense 7, France

Members:

Mr Olivier BLANC

Employee of Société Générale Luxembourg

11, avenue Emile Reuter, L-2420 Luxembourg

Mr Angelo BONETTI

Employee of Société Générale

Tour Société Générale, 17, cours Valmy, F-92987 Paris - La Défense 7, France

Mr Gregory CLAUDY

Independent Director

225A, rue du Burgknapp, B-6717 Heinstert, Belgium

Mr Olivier FREITAS

Employee of Société Générale Luxembourg

11, avenue Emile Reuter, L-2420 Luxembourg

Audit Committee Members

As at 30 June 2022

AUDIT COMMITTEE MEMBERS

Chairman:

Mr Gregory CLAUDY

Independent Director

225A, rue du Burgknapp, B-6717 Heinstert, Belgium

Members:

Mr Olivier BLANC

Employee of Société Générale Luxembourg

11, avenue Emile Reuter, L-2420 Luxembourg

Mr Olivier FREITAS

Employee of Société Générale Luxembourg

11, avenue Emile Reuter, L-2420 Luxembourg

Management and administration

As at 30 June 2022

MANAGEMENT AND ADMINISTRATION

Issuer

SG Issuer

16, boulevard Royal, L-2449 Luxembourg

Guarantor (if applicable, as specified in the Final Terms)

Société Générale

29, boulevard Haussmann, F-75009 Paris, France

Arranger and Dealer

Société Générale

Tour Société Générale, 17, cours Valmy, F-92987 Paris - La Défense 7, France

Security Trustee and Security Agent Trustee

The Bank of New York Mellon Corporate Trustee Services Limited

One Canada Square, London E14 5AL, United Kingdom

Collateral Custodian

The Bank of New York Mellon S.A., Luxembourg Branch

Vertigo Building, Polaris, 2-4, rue Eugène Ruppert, L-2453 Luxembourg, Luxembourg

Collateral Monitoring Agent

The Bank of New York Mellon London Branch

One Canada Square, London E14 5AL, United Kingdom

Custodian Agent, Issuing and Paying Agent, Registrar, Exchange Agent and Transfer Agent

Société Générale Luxembourg

11, avenue Emile Reuter, L-2420 Luxembourg, Luxembourg

Paying Agents

Société Générale

29, boulevard Haussmann, F-75009 Paris, France

&

Société Générale, New York Branch

1221, avenue of the Americas, New York NY 10020, United States of America

Warrant Agent

Société Générale Luxembourg

11, avenue Emile Reuter, L-2420 Luxembourg, Luxembourg

Legal advisers and Réviseur d'entreprises agréé

As at 30 June 2022

LEGAL ADVISERS AND RÉVISEUR D'ENTREPRISES AGRÉÉ

Legal advisers

To the Arranger as to English, French and U.S. laws

Allen & Overy LLP

52, avenue Hoche, CS 90005, 75379 Paris Cedex 08, France

To the Trustee as to English Law

Allen & Overy LLP

1 Bishops Square, London E1 6AD, United Kingdom

To the Arranger as to Luxembourg Law

Allen & Overy Luxembourg

5, avenue John F. Kennedy, L-1855 Luxembourg, Luxembourg

Independent Auditor (Réviseur d'entreprises agréé)

Ernst & Young S.A.

35E, avenue John F. Kennedy, L-1855 Luxembourg, Luxembourg

Report of the Executive Board and Corporate Governance Statement

As at 30 June 2022

REPORT OF THE EXECUTIVE BOARD AND CORPORATE GOVERNANCE STATEMENT

The Directors of SG Issuer (the "Company" or "SGIS") (each a « Director », collectively the « Executive Board ») present the condensed interim financial statements and the Report of the Executive Board and Corporate Governance Statement of the Company for the period from 1 January 2022 to 30 June 2022.

1. ACTIVITIES AND REVIEW OF THE DEVELOPMENT OF THE BUSINESS

The purpose of SG Issuer is to issue Notes and Warrants with all types of underlyings including, without restriction, Shares, Index, Interest Rate, Dividend, Credit Risk, Foreign Exchange, Commodities, Funds, Warrants, allowing investors to access to the full pricing capabilities of Société Générale, which proposes an extensive range of investment strategies linked to these various asset classes.

Notes and Warrants issued by the Company can be sold in either Private Placements or Public Offerings. Notes are mainly Debt Securities, Bonds, and Certificates. Issuing proceeds raised by the sale of the Notes will be transferred to Société Générale S.A. ("Société Générale") through a Fully Funded Swap ("FFS"), which perfectly hedges SGIS for the full issue size.

Warrants are financial products like Turbos, inline Warrants, daily Leverage Certificates, which aim to replicate the same financial exposure as buying (Call) or selling (Put) an asset such as a share or an index, at a predetermined price (strike price) on a predetermined date (expiry) and to offer different pay-off or exposures to investors.

Payments in respect of the Notes and Warrants issued by the Company are unconditionally and irrevocably guaranteed by Société Générale.

On request of investors, the Company can issue Collateralised Notes or Warrants (respectively "secured Notes" or "secured Warrants") in order to propose an additional layer of protection to investors in case of default of Société Générale.

Notes and Warrants issuances are governed by the programs prepared by Société Générale.

The main programs for Notes are (i) the Debt Instruments Issuance Program, the Base Prospectus of which has been updated and approved by the CSSF on 1 June 2022 and (ii) the "Programme d'Emission de Titres de Créance", the Base Prospectus of which has been updated and approved by the CSSF on 13 June 2022. Similarly, the main program for Warrants is the Warrants Issuance Program, for which the last updates have been approved by the CSSF on 27 June 2022.

In addition, (i) the German law Dual Language Debt Instruments Issuance Program has been updated and approved by the CSSF on 15 June 2022 and (ii) the Dual Language Leveraged and Tracking Products Issuance Program has been updated and approved by the CSSF on 6 July 2022.

The UK Securities Issuance Program and Swiss Securities Issuance Program were respectively approved by the CSSF on 1 June 2022 and 4 July 2022.

The newly created German Debt Instruments Issuance Program was approved by the CSSF on 8 April 2022.

The state of business of the Company at the closing of the six-month period ended 30 June 2022 is adequately presented in the interim financial statements published hereby.

Report of the Executive Board and Corporate Governance Statement (continued)

As at 30 June 2022

During the six-month period ended 30 June 2022, 7 223 new Notes were issued (among which 53 new secured Notes) and 1 214 new Warrants were issued¹. The net profit for the period from 1 January 2022 to 30 June 2022 amounts to KEUR 290.

The Company did not exercise any research and development activity, does not have any branch, and did not acquire any own shares.

2. RISKS AND UNCERTAINTIES

The risks associated with the investment in the Notes or Warrants depend on several factors. Such factors will vary depending on the characteristics of the Notes or Warrants issued, in particular depending on the underlying type, the maturity, the secured / unsecured status of the Notes or Warrants, the interest rates incurred, the volatility of the underlying.

For each Note, the Company systematically hedges its position by contracting a FFS with Société Générale, with strictly identical characteristics. Also, for each Warrant, the Company systematically hedges its position by contracting an option with Société Générale, with strictly identical characteristics.

The legal documentation and the derivative instruments have been put in place in order to make sure that the assets match the liabilities at any time. Therefore, no market risk is supported by the Company. The risk management in relation to the Notes and Warrants is also described in Note 10 hereafter.

3. CRISIS: COVID-19 AND WAR IN UKRAINE

The lifting of the Covid-19-related restrictions in several major economies supports economic activity without, however, excluding the risk of new lockdowns as it has occurred in some geographic areas during the first half-year 2022 (in Hong-Kong for example).

On the other hand, the first semester of 2022 has been strongly impacted, since 24 February, by the war in Ukraine. The conflict, with its human casualties and suffering, has significant economic costs along with considerable uncertainties.

In the euro area, the supply difficulties, the decline in purchasing power with the high inflation expected all through 2022 and the tightening of economic policies are the main bottlenecks constraining growth. If pandemic-related risks have decreased significantly in the short-term, the strong uncertainties related to the war in Ukraine jeopardise these prospects and the scenario of a more pronounced slowdown in 2022 cannot be excluded.

The Executive Board had performed an analysis toward the Company's exposure to the above. The Company, including its going concern, is not directly significantly impacted by the above and the situation will continue to be monitored, including the possible impact of changing micro and macroeconomic conditions.

4. FUTURE DEVELOPMENTS AND PERSPECTIVES

Following the acquisition by the Société Générale Group (SG Group) of the listed warrants activities from Commerzbank, Société Générale decided to centralize the new warrants issuances into another vehicle of the SG Group. The Company will however pursue its warrants issuances activity on the Asian markets to another issuer. As expected by the Executive Board, the 2022 commission income of the Company related to Warrants issuance decreased by more than half compared to previous year.

¹ The number of issued Notes and Warrants does not take into account the issuances which have been issued and cancelled during the same financial period.

Report of the Executive Board and Corporate Governance Statement (continued)

As at 30 June 2022

5. INFORMATION ON LITIGATIONS

During the year ended 31 December 2020, SG Issuer, as the Issuer of Notes linked to the credit risk of a French corporate, and Société Générale, as the Guarantor, were brought before the Courts of Paris (alongside other French financial institutions) by end investors to obtain compensation for the financial loss they suffered on their investment in these securities. The French corporate was the subject of a “safeguard procedure”, which constitutes a credit event under the terms of the Notes which had a strong impact on the value of the Notes. These investors rely on unfounded allegations according to which SG Issuer and Société Générale were aware of the difficulties of the French corporate when setting up and marketing these Notes and that in doing so, they failed to meet their regulatory obligations (to act in an honest, fair and professional manner, to provide information on the product risks and to determine the suitability of the Notes for retail investors).

For this litigation, along with any other litigation relating to securities issued by SG Issuer, SG Issuer is entitled to an indemnification by Société Générale in respect of any sum due by SG Issuer regarding potential damages or attorneys' fees.

6. SUBSEQUENT EVENTS

As at 30 June 2022, there was no subsequent event.

7. CORPORATE GOVERNANCE STATEMENT

The Executive Board of the Company is committed to maintaining the standards of corporate governance enforced at the level of the European Union and at level of the Société Générale Group. This statement describes the Company's governance principles and practices.

In compliance with its status, the Company is governed by an Executive Board and supervised by a dedicated Supervisory Board.

7.1. Executive board

The Executive Board supervises and controls the management and operations of the Company and is responsible for the Company system of risk management and internal control.

The Executive Board meetings are held on demand several times during the year.

The Board has quorum when more than half of its members are present. An opinion supported by more than half of the members present becomes a decision.

Key tasks of the Executive Board:

- Ensures that the supervision of accounting is organised and monitored appropriately;
- Reviews and approves the Company's financial statements and condensed interim financial statements;
- Supervises and controls operative management.

Report of the Executive Board and Corporate Governance Statement (continued)

As at 30 June 2022

7.2. Supervisory board

The Supervisory Board ensures permanently and by all necessary means the control of the management of the Company carried out by the Executive Board. However, this supervision has to be translated in no way by an intervention in the management of the Company. The Supervisory Board can mandate advisory committees comprised of members of the Supervisory Board and/or of other non-members to lead different missions. The Supervisory Board can confer power or mandates permanently or temporary to these advisory committees. These advisory committees cannot have the effect of restricting the powers of the Executive Board.

7.3. Audit committee

The mission of the Audit Committee is to monitor the issues related to the preparation and control of accounting and financial information, to monitor the independence of the statutory auditors, as well as to monitor the efficiency of the internal control, measurement, supervision and risk control systems related to the accounting and financial processes. If needed, it gives recommendations and its opinion to the Supervisory Board.

An Audit Committee took place on 25 April 2022, during which the financial statements for the financial period ended 31 December 2021 and the external audit results were presented. At least one member of the committee must be independent, which is the case of the Chairman of the Company's Audit Committee.

7.4. Internal audit

The Internal Audit of both Société Générale Luxembourg S.A. ("SG Luxembourg") and Société Générale Group support the Company's Executive Board in overseeing the Company's activities and securing its operations by carrying out internal audits and providing consultative assistance. The objective of Internal Audit is to add value by making recommendations designed to improve the Company's functioning. Internal Audit is an independent function and its activities are based on international professional internal audit standards and rules of ethics.

The central task of Internal Audit is to audit the functioning of SG Issuer on a regular basis and evaluate its internal controls, risk management, and administrative function. The areas to be audited are determined by the projected financial and operational risks concerned. Internal Audit can also carry out special assignments at the request of management.

Internal Audit does not have any direct authority over the activities it reviews.

7.5. Controls framework

First level of controls is related to the execution of the procedures, guidelines and instructions established to ensure the proper and efficient functioning of the Company. They are executed by the involved teams in charge of the production.

A second level of control is ensured by SG Luxembourg: Outsourced Essential Services ("OES") supervision (ensured by the Corporate department), Market Risk and Operational Risk (ensured by the Risk department), "Level 2 permanent control" activity (monitoring and assessment of the level 1 permanent control system)."

The Chief Financial Officer of the Company ensures the completeness of the procedural framework.

Report of the Executive Board and Corporate Governance Statement (continued)

As at 30 June 2022

7.6. New products committee

All the new activities and businesses of the Company are analysed and authorised by a dedicated New Products Committee (NPC). All involved departments within SG Luxembourg are represented (operations, finance, risk, accounting standards, etc...) to assess the impact for the Company.

7.7. Service level agreements

The Company and several of its service providers are subsidiaries of the Société Générale Group and therefore benefit from the Group's internal control systems.

Service Level Agreements ("SLAs") were signed by the Company with SG Luxembourg and with Société Générale. The SLAs govern the relations between the entities as well as their respective obligations. The services supplied by SG Luxembourg and Société Générale are listed in the appendices of the agreements (mainly General services, legal services, business continuity management services and financial services from SG Luxembourg and operational services – Middle Office and Back Office – from Société Générale). In particular, the calculation of the remuneration related to the issuance of the Notes is delegated to Société Générale Paris Middle office within the framework of the SLA.

Luxembourg, 30 September 2022
For the Executive Board



Yves CACCLIN
Chairman of the Executive Board



Thierry BODSON
Member of the Executive Board

Global Statement for the condensed interim financial statements

As at 30 June 2022

To the best of our knowledge, the condensed interim financial statements are prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the European Union and give a true and fair view of the financial position and performance of SG Issuer as at and for the six-month period ended 30 June 2022. The condensed interim financial statements comprise the interim statement of financial position as at 30 June 2022, the interim statement of profit and loss and other comprehensive income, the interim statement of changes in equity and the interim statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes.

To the best of our knowledge, the report of the Executive Board and Corporate Governance Statement includes a fair review of the development and performance of the Company, and a description of the principal risks and uncertainties that the Company faces.

Luxembourg, 30 September 2022

A handwritten signature in blue ink, appearing to read 'Yves CACCLIN', with a long horizontal stroke extending to the right.

Yves CACCLIN
Chairman of the Executive Board

A handwritten signature in blue ink, appearing to read 'Thierry BODSON', with a large loop at the start and a horizontal stroke at the end.

Thierry BODSON
Member of the Executive Board

Report of the Réviseur d'entreprises agréé on review of the condensed interim financial statements

To the Shareholders of
SG Issuer S.A.
16, boulevard Royal
L-2449 Luxembourg

Introduction

We have reviewed the accompanying condensed interim financial statements of SG Issuer as at and for the six-month period ended 30 June 2022, which comprise the interim statement of financial position as at 30 June 2022 and the related interim statement of profit and loss and other comprehensive income, the interim statement of changes in equity, the interim statement of cash flows for the six-month period then ended and a summary of significant accounting policies and explanatory notes. The Executive Board is responsible for the preparation and fair presentation of these condensed interim financial statements in accordance with International Accounting Standard 34 *Interim Financial Reporting* as adopted by the European Union ("IAS 34"). Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

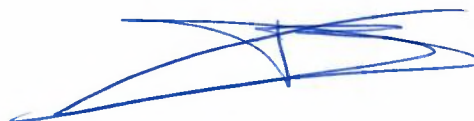
Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young
Société anonyme
Cabinet de révision agréé



Dorian Rigaud

Luxembourg, 30 September 2022

Condensed interim financial statements

As at 30 June 2022

Interim statement of financial position

		('000 EUR)	('000 EUR)
	Note	30.06.2022	31.12.2021
Cash and cash equivalents	3	23 537	36 384
Financial assets at fair value through profit or loss			
- <i>Mandatorily measured at fair value through profit or loss</i>	4.1	38 846 422	40 322 401
- <i>Trading derivatives</i>	4.1	781 375	714 838
Loans and receivables	5	50 001	50 021
Other assets		479 902	497 267
Total assets		40 181 237	41 620 911
Financial liabilities at amortised cost	4.3	58 820	76 412
Financial liabilities at fair value through profit or loss			
- <i>Designated at fair value through profit or loss</i>	4.2	38 846 530	40 323 850
- <i>Trading derivatives</i>	4.2, 10	781 301	714 854
Other liabilities		492 212	503 809
Tax liabilities	6	98	-
Total liabilities		40 178 961	41 618 925
Share capital	7.1	2 000	2 000
Share premium	7.1	-	-
Legal reserve	7.2.1	200	200
Other reserves	7.2.2	(214)	1
Profit for the financial period/year		290	(215)
Total equity		2 276	1 986
Total equity and liabilities		40 181 237	41 620 911



Condensed interim financial statements (continued)

As at 30 June 2022

Interim statement of profit and loss and other comprehensive income

	Note	('000 EUR) 1 st half of 2022	('000 EUR) 1 st half of 2021
Interest income		66	381
Commission income	8	18 456	23 539
Net gains from financial instruments at fair value through profit or loss		127	55
Total revenues		18 649	23 975
Interest expenses		(10 470)	(14 254)
Personnel expenses		(136)	(143)
Other operating expenses		(7 656)	(9 524)
Total expenses		(18 262)	(23 921)
Cost of risk	5	1	3
Profit before tax		388	57
Income tax	6	(98)	(16)
Profit for the financial period		290	41
Total comprehensive income for the period		290	41



Condensed interim financial statements (continued)

As at 30 June 2022

Interim statement of changes in equity

	('000 EUR) Share capital	('000 EUR) Share premium	('000 EUR) Legal reserve	('000 EUR) Other reserves	('000 EUR) Total reserves	('000 EUR) Profit for the financial year/period	('000 EUR) Total equity
As at 31 December 2020	2 000	-	200	0	200	199	2 399
Allocation of the result of the previous year before dividend distribution	-	-	-	199	199	(199)	-
Capital increase / Allocation to the share premium account (Note 7.1)	-	16 926	-	-	-	-	16 926
Dividend paid (Note 7.1)	-	-	-	(199)	(199)	-	(199)
Reimbursement of the share premium (Note 7.1)	-	(16 926)	-	-	-	-	(16 926)
Profit and other comprehensive income for the period from 1 January 2021 to 30 June 2021	-	-	-	-	-	41	41
As at 30 June 2021	2 000	-	200	1*	201	41	2 242
Profit and other comprehensive income for the period from 1 July 2021 to 31 December 2021	-	-	-	-	-	(256)	(256)
As at 31 December 2021	2 000	-	200	1*	201	(215)	1 986
Allocation of the result of the previous year before dividend distribution	-	-	-	-	-	215	215
Allocation to loss brought forward	-	-	-	(215)	(215)	-	(215)
Capital increase / Allocation to the share premium account (Note 7.1)	-	28 244	-	-	-	-	28 244
Dividend paid (Note 7.1)	-	-	-	-	-	-	-
Reimbursement of the share premium (Note 7.1)	-	(28 244)	-	-	-	-	(28 244)
Profit and other comprehensive income for the period from 1 January 2022 to 30 June 2022	-	-	-	-	-	290	290
As at 30 June 2022	2 000	-	200	(214)	(14)	290	2 276

* Other reserves as at 31.12.2021 amount to KEUR 1 and relate to the retained earnings which the Company was not able to distribute as a dividend as they were indivisible by the number of shares. Due to rounding in KEUR, this KEUR 1 difference between the 2020 profit and the dividend distribution does not appear in the above table.

The accompanying notes are an integral part of these condensed interim financial statements.

Condensed interim financial statements (continued)

As at 30 June 2022

Interim statement of cash flows

	Notes	('000 EUR) 1 st half of 2022	('000 EUR) 1 st half of 2021
OPERATING ACTIVITIES			
Profit for the financial period		290	41
Net (increase)/decrease in financial assets	4.1	(10 618 051)	(9 598 256)
Net increase/(decrease) in financial liabilities	4.2	10 592 495	9 412 474
(Increase)/decrease in other assets		17 365	524 939
Increase/(decrease) in tax liabilities and other liabilities		(11 499)	(531 015)
Taxes paid	7	-	-
<i>Non cash adjustments :</i>			
Net change in fair value and foreign exchange difference	4.1, 4.2	34 798	193 409
Change in cost of risk	5	(1)	(3)
NET CASH FLOWS FROM OPERATING ACTIVITIES		15 397	1 589
FINANCING ACTIVITIES			
Payment of capital surplus*	7.1	(28 244)	(16 926)
Dividend paid		-	(199)
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		(28 244)	(17 125)
Cash and cash equivalents as at the beginning of the period	3	36 384	44 293
Net increase/(decrease) in cash and cash equivalents		(12 847)	(15 536)
Cash and cash equivalents as at the end of the period		23 537	28 757
Additional information on operational cash flows from interest and dividends			
Interest paid		28 309	17 291
Interest received		66	384
Dividend received		-	-

* KEUR 28 244 for the period ended 30 June 2022 (and KEUR 16 926 for the year ended 30 June 2021) represent the share premium reimbursed by the Company to the shareholder (refer to Note 7.1).

Notes to the condensed interim financial statements
As at 30 June 2022

NOTE 1 – CORPORATE INFORMATION

SG Issuer (hereafter the "Company" or "SGIS") is a Luxembourg company incorporated on 16 November 2006 as a public limited liability company (Société Anonyme) for an unlimited period.

Since April 2013, the Company's corporate objects are to issue debt securities, bonds, certificates, warrants and any other debt securities or acknowledgements of debts or financial securities, whether or not accompanied by guarantees, with any type of underlying security, including, without limitation, company stock, any other capital security or security other than capital, index, currency, exchange rate, interest rate, dividend, credit risk, fund unit, investment company stock, term deposit, life assurance contract, loan, merchandise, term contract, option, warrant or option coupons, allocated or unallocated precious metals, unit of account, basket or any other factor or any other type of underlying securities and any combination of the latter.

To that effect, the Company may purchase, hold, dispose of, lend, loan or resell, by any means, including in particular the use of trusts, in trust or repurchase, any type of assets whatever their names and forms and whether or not accompanied by guarantees, in particular financial instruments (financial securities - stocks, fund units, bonds, certificates, warrants - or financial contracts - swaps, options or other) or any other debt securities, acknowledgements of debts or capital securities, receive or issue monetary loans (including loans convertible into shares of the Company) - within the group of companies to which the Company belongs - and to supply guarantees in any form (actual guarantees such as pledges, securities, mortgages or other - personal guarantees or any other form of guarantee) for their own account, for the account of the group of companies to which the Company belongs or on behalf of third parties.

The Company's financial year begins on 1 January and ends on 31 December each year.

The Company's capital is divided into 50 009 shares, of which 49 909 are held by SG Luxembourg and 100 are held by Société Générale.

The accounts of the Company are included in the consolidated accounts of Société Générale S.A. (hereafter "Société Générale" or the "parent Company"), which is the largest body of undertakings of which the Company forms a part as a subsidiary undertaking, and whose head-office is located at 29, boulevard Haussmann, 75009 Paris, France.

Notes to the condensed interim financial statements (continued)
As at 30 June 2022

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of preparation

2.1.1. Statement of compliance

The financial statements of the Company as at and for the year ended 31 December 2021 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and interpretations adopted by the International Accounting Standards Board ("IASB").

The financial statements as at and for the year ended 31 December 2021 were authorised for issue by the Supervisory Board on 27 April 2022.

The condensed interim financial statements as at and for the six-month period ended 30 June 2022 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the European Union and interpretations adopted by the International Accounting Standards Board ("IASB"). The condensed interim financial statements as at and for the six-month period ended 30 June 2022 were approved and authorised for issue by the Supervisory Board on 30 September 2022.

The condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual financial statements as at 31 December 2021.

2.1.2. Basis of measurement of financial assets and financial liabilities

Financial assets and financial liabilities linked to the activity of the Company are measured at fair value through profit or loss. Other financial assets and financial liabilities are measured at amortised cost.

2.1.3. Functional and presentation currency

These condensed interim financial statements are prepared in Euro ("EUR"), which is the Company's functional currency and the currency of its share capital. Unless stated otherwise, the amounts in the condensed interim financial statements are expressed in thousands of EUR (KEUR). The value "0" indicates the presence of a number, which is rounded to zero, while "-" represents the value nil.

2.1.4. Use of estimates and judgements

The preparation of the Company's condensed interim financial statements requires the Executive Board to make judgments, estimates and assumptions that affect the reported amount of figures recorded in the statement of profit and loss, on the unrealised or deferred gains and losses, on the valuation of assets and liabilities in the statement of financial position, and on information disclosed in the notes to the condensed interim financial statements.

In order to make these assumptions and estimates, the Executive Board uses information available at the date of preparation of the condensed interim financial statements and can exercise its judgment. By nature, valuations based on estimates include risks and uncertainties relating to their occurrence in the future. Consequently, actual future results may differ from these estimates and may then have a significant impact on the condensed interim financial statements.

Notes to the condensed interim financial statements (continued)

As at 30 June 2022

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. In the process of applying the Company's accounting policies, the Executive Board has made the following judgments and assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Existing circumstances and assumptions about future developments may change due to circumstances beyond Company's control and are reflected in the assumptions if and when they occur. Items with the most significant effect on the amounts recognised in the condensed interim financial statements with substantial Executive Board judgment and/or estimates are listed below with respect to judgments/estimates involved.

The use of significant estimates and judgment mainly concerns the following topics:

- Fair value in the interim statement of financial position of financial instruments not quoted in an active market which are classified as financial assets and liabilities at fair value through profit or loss (see Notes 4.1 and 4.2);
- The amount of impairment and provisions for credit risk related to financial assets measured at amortised cost (see Note 5);
- The analysis of the contractual cash flow characteristics of financial assets (see Note 2.3.3.1).

2.1.5. Segment reporting

No dedicated management reporting information is presented for SGIS to a chief decision maker; only the annual financial statements and the condensed interim financial statements are presented to the Executive Board of SGIS in analysing the performance of the Company. The Company has only one geographical area related to its revenue, which is France.

The business of the Company is not seasonal. Therefore, the additional disclosure of financial information for the twelve months up to the end of the interim period and comparative information for the prior twelve-month period, encouraged in IAS 34.21, are not necessary and not provided.

2.2. New accounting standards

2.2.1. New accounting standards applicable as at 1 January 2022

2.2.1.1. Amendments to IAS 37 "provisions, contingent liabilities and contingent assets "onerous contracts - contract execution costs "

Issued by the IASB in May 2020 and adopted by European Union on 2 July 2021

These amendments specify the costs to be used in determining the costs of fulfilling a contract when analyzing onerous contracts.

No material impact has been identified as at 30 June 2022.

2.2.1.2. Amendments to IAS 16 "tangible fixed assets - proceeds before intended use"

Issued by the IASB in May 2020 and adopted by European Union on 2 July 2021

These amendments prohibit an entity deducting from the cost of a tangible fixed assets any proceeds from selling items produced while bringing that asset to its location or condition necessary for its operating state. Instead, an entity would recognise the proceeds from selling such items, and the cost of producing those items, in profit or loss.

No material impact has been identified as at 30 June 2022.

Notes to the condensed interim financial statements (continued)

As at 30 June 2022

2.2.1.3. Annual IFRS improvements (2018 - 2020 cycle)

Issued by the IASB on 14 May 2020 and adopted by European Union on 2 July 2021

As part of the annual procedure for improving IFRS, the IASB published minor changes to IFRS 9 "Financial instruments" and IFRS 16 "Leases". The IASB also published minor changes to IFRS 1 "First time adoption of International Financial Reporting Standards" and IAS 41 "Agriculture", which is not applicable to the Group. The amendment on IFRS 9 "Financial instruments" clarifies which fees an entity includes when performing the "10 per cent" test to assess whether to derecognize a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The amendment to IFRS 16 clarifies the treatment of lease incentives related to reimbursement of leasehold improvements by the lessor. The amendment only relates to an illustrative example.

No material impact has been identified as at 30 June 2022.

2.2.1.4. IFRS interpretations committee (ifric) decision on ias 38

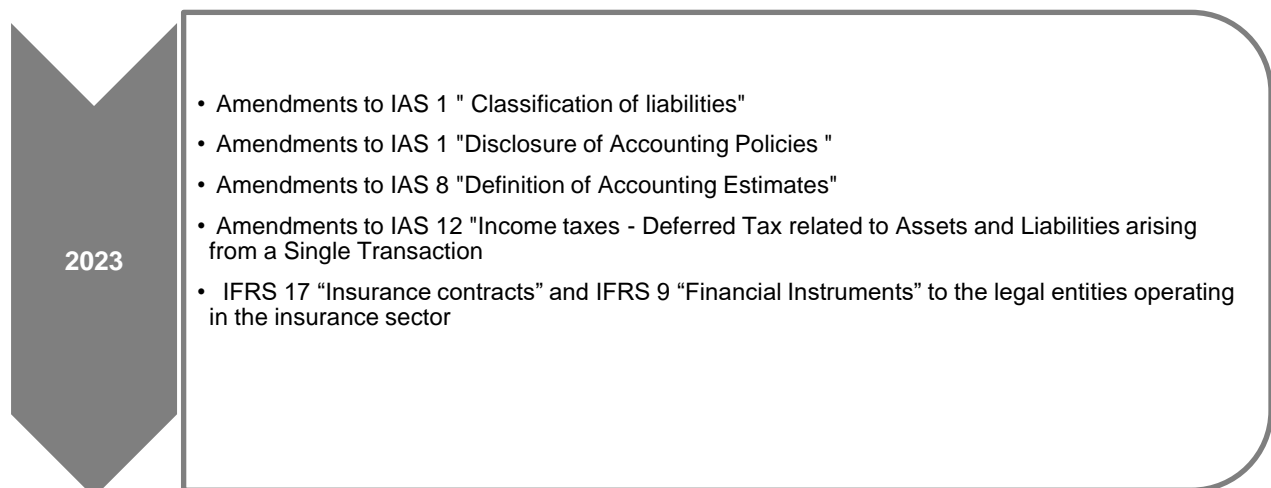
Issued by IFRIC on 27 April 2021

During its 27 April 2021 meeting, the IFRIC reiterated the accounting rules for a customer's costs of configuring or customizing the supplier's application in a 'Software as a Service' (SaaS) arrangement. The Company has not identified any material impact as at 30 June 2022.

2.2.2. Accounting standards, amendments or interpretations to be applied by the Company in the future

IASB publishes accounting standards, amendments and interpretations, some of which have not been adopted by the European Union as at 30 June 2022. They are required to be applied from annual periods beginning on 1 January 2023 at the earliest or on the date of their adoption by the European Union. They have not been applied by the Company as at 30 June 2022.

These standards are expected to be applied according to the following schedule:



Notes to the condensed interim financial statements (continued)

As at 30 June 2022

2.2.2.1. Amendments to IAS 1 "Classification of liabilities"

Issued by the IASB on 23 January 2020

On 23 January 2020, the International Accounting Standards Board (IASB) issued amendments to IAS 1 "Presentation of Financial Statements" to clarify the requirements for classifying liabilities as current or non-current. More specifically:

- The amendments specify that the conditions which exist at the end of the reporting period are those which will be used to determine if a right to defer settlement of a liability exists.
- Management expectations about events after the balance sheet date, for example on whether a covenant will be breached, or whether early settlement will take place, are not relevant.
- The amendments clarify the situations that are considered settlement of a liability.

The new guidance will be effective for annual periods starting on or after 1 January 2022.

On 15 July 2020, the IASB issued Classification of Liabilities as Current or Non-current — Deferral of Effective Date (Amendment to IAS 1) deferring the effective date of the January 2020 amendments to IAS 1 for annual reporting periods beginning on or after 1 January 2023. The Accounting Standards Board approved this amendment to IAS 1 on October 2020.

At this stage, the Company does not expect any significant impact from these amendments.

2.2.2.2. Amendments to IAS 1 "Disclosure of Accounting policies"

Adopted by the European Union on 2 March 2022

These amendments aim to help companies to improve the relevance of the information on accounting methods provided in the Notes and its usefulness for investors and users of financial statements.

At this stage, the Company does not expect any significant impact from these amendments.

2.2.2.3. Amendments to IAS 8 "Definition of an Accounting estimate"

Adopted by the European Union on 2 March 2022

These amendments aim to facilitate the distinction between changes in accounting policies and changes in accounting estimates.

At this stage, the Company does not expect any significant impact from these amendments

2.2.2.4. Amendments to IAS 12 "Income tax – Deferred tax for assets and liabilities related to the same transaction"

Issued by the IASB on 7 May 2021

These amendments clarify and narrow the scope of the exemption of not recognize deferred tax during the initial recognition of an asset and a liability, offered by IAS 12. Therefore, lease contracts and decommissioning obligations for which companies record both assets and liabilities are excluded and they will have now to book deferred taxes.

The objective of these amendments is to reduce the heterogeneity in the recognition of deferred tax relating to leases and decommissioning obligations.

Notes to the condensed interim financial statements (continued)

As at 30 June 2022

Since the implementation of IFRS 16, the Group has considered rights of use and lease debts as a single transaction. Thus, on the date of first recognition, no deferred tax is recognized, as the value of the deferred tax assets generated offsets the value of the deferred tax liability. The differences due to subsequent variations in the right of use and lease liability lead to the recognition of deferred tax. As such, this amendment has no effect on the Company accounts.

2.2.2.5. Preparation for the first-time application of IFRS 17 “insurance contracts” and of IFRS 9 “Financial instruments” to the legal entities operating in the insurance sector

Issued by the IASB on 18 May 2017, amended on 25 June 2020 and 9 December 2021

The IFRS 17 standard, will replace the IFRS 4 “Insurance contracts” standard which allows for the recognition of insurance contracts using the methods specified by the local accounting regulation.

At this stage, the Company does not expect any significant impact from this new standard as it does not have insurance activity.

2.3. Summary of significant accounting policies**2.3.1. Foreign currency transactions**

The Company maintains its books in EUR, which is the currency of the capital.

Assets and liabilities denominated in foreign currencies are translated into EUR at the exchange rates ruling at the reporting date. Foreign exchange differences arising on translation and realised exchange gains and losses are recognised in the interim statement of profit and loss and other comprehensive income in the caption Net gains on financial instruments at fair value through profit or loss and Interest Expenses.

Revenues and expenses in foreign currencies are translated into EUR at the exchange rates prevailing at the date of the transactions.

The most important foreign currency positions for the Company are USD, JPY, GBP, HKD and CHF. The following foreign exchange rates were used:

	USD	JPY	GBP	HKD	CHF
30.06.2022	1.0387	141.54	0.8582	8.1493	0.9960
31.12.2021	1.1326	130.38	0.8403	8.8333	1.0331
30.06.2021	1.1884	131.43	0.8580	9.2293	1.0980

2.3.2. Cash and Cash equivalents

Cash and cash equivalents comprise only cash repayable on demand.

Cash and cash equivalents in the Company are subject to impairment under IFRS 9 and are presented net of impairment (cf. Note 2.3.3.3).

2.3.3. Financial instruments**2.3.3.1. Classification of financial instruments***Classification of financial assets*

Financial assets are classified under IFRS 9 based on the characteristics of their contractual cash flows and on how they are managed (business models).

Notes to the condensed interim financial statements (continued)

As at 30 June 2022

For the debt instruments held, SGIS has defined its business model as “held to collect” for the FFS, for Cash and cash equivalents and for Loans and receivables. These assets are acquired in order to collect the contractual cash-flows attached to the assets. No sale has been made in the past years and no sale is anticipated in the future.

The FFS are economically assimilated to loans with embedded derivatives (the swap embedded in the FFS). These types of financial assets comply with the IFRS definition of debt instruments (fixed maturity, coupon calculated as a rate, no right nor interest/control in an entity). As these financial assets of SGIS contain embedded derivatives that modify the cash flows of the entire contract, the contract does not pass the Solely Payments of Principles and Interest (or “SPPI”) test and consequently these financial assets are mandatorily measured at Fair Value through Profit and Loss (“FVTPL”).

Cash and cash equivalents and Loans and receivables are SPPI compliant and are thus measured at amortised cost. Cash and cash equivalents and Loans and receivables are subject to impairment under IFRS 9 and are presented net of impairment.

The Options held, covering the Warrants issued, are Trading derivatives and thus measured at FVTPL.

Purchases and sales of financial assets recorded under Financial assets at fair value through profit or loss and Financial assets at fair value through other comprehensive income are recognised in the statement of financial position at the delivery-settlement date. Changes in fair value between the trade and settlement dates are recorded in the income statement or booked to shareholders’ equity depending on the accounting category of the relevant financial assets. Loans and receivables are recorded in statement of financial position on the date they are paid or at the maturity date for invoiced services. The trade date is the date on which the contractual commitment becomes binding and irrevocable for the Company.

Classification of financial liabilities

Financial liabilities are classified into one of the following two categories:

- Financial liabilities at fair value through profit or loss:

These are financial liabilities held for trading purposes, which by default include derivative financial liabilities not qualifying as hedging instruments and non-derivative financial liabilities designated by the Company upon initial recognition to be carried at fair value through profit or loss in accordance with the fair value option.

The Company has designated at fair value through profit or loss the notes issued because mirror transactions (FFS) that are used to hedge those notes are measured mandatorily at fair value through profit and loss and thus reduce the accounting mismatch.

- Financial liabilities at amortised cost:

These include the other non-derivative financial liabilities and are measured at amortised cost.

2.3.3.2. Valuation of financial instruments

Definition of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

In the absence of observable prices for identical assets or liabilities, the fair value of financial instruments is determined using another measurement technique that maximises the use of observable market input based on assumptions that market operators would use to set the price of the instrument in question.

Notes to the condensed interim financial statements (continued)

As at 30 June 2022

Fair value hierarchy

The fair values of financial instruments include accrued interest as applicable.

For information purposes, in the notes to the condensed interim financial statements, the fair value of financial instruments is classified using a fair value hierarchy that reflects the significance of the inputs used according to the following levels:

Level 1 (L1): instruments valued on the basis of quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 1 instruments carried at fair value on the statement of financial position include in particular shares listed in an active market, government or corporate bonds priced directly by external brokers/dealers, derivatives traded on organised markets (futures, options), and units of funds (including UCITS) whose net asset value is available on the statement of financial position date.

A financial instrument is considered as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and if they reflect actual and regular market transactions on an arm's length basis.

Determining whether a market is inactive requires the use of indicators such as a sharp decline in trading volume and the level of activity in the market, a sharp disparity in prices over time and among the various above-mentioned market participants, or the fact that the latest transactions conducted on an arm's length basis did not take place recently enough.

Where a financial instrument is traded in several markets to which the Company has immediate access, its fair value is represented by the market price at which volumes and activity levels are highest for the instrument in question.

Transactions resulting from involuntary liquidations or distressed sales are usually not taken into account to determine the market price.

Level 2 (L2): instruments valued using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

These are instruments measured using a financial model based on observable market inputs. Prices published by an external source derived from the valuation of similar instruments are considered as data derived from prices.

Level 2 instruments include in particular non derivative financial instruments carried at fair value on the statement of financial position that are not directly quoted or do not have a quoted price on a sufficiently active market (e.g. corporate bonds, repos transactions, mortgage-backed securities, units of funds), and firm derivatives and options traded over-the-counter: interest rate swaps, caps, floors, swaptions, equity options, index options, foreign exchange options, commodity options and credit derivatives. The maturities of these instruments are linked to ranges of terms commonly traded in the market, and the instruments themselves can be simple or offer a more complex remuneration profile (e.g. barrier options, products with multiple underlying instruments), with said complexity remaining limited however. The valuation techniques used in this category are based on common methods shared by the main market participants.

Level 3 (L3): instruments valued using inputs that are not based on observable market data (referred to as unobservable inputs)

Level 3 instruments carried at fair value on the statement of financial position are predominantly instruments for which the sales margin is not immediately recognised in profit or loss.

Notes to the condensed interim financial statements (continued)

As at 30 June 2022

Accordingly, Level 3 financial instruments include derivatives with longer maturities than those usually traded and/or with specifically tailored return profiles. Similarly, debt measured at fair value is classified as Level 3 where the valuation of the associated embedded derivatives is also based on unobservable inputs.

The main L3 complex derivatives are:

- Equity derivatives: options with long maturities and/or incorporating bespoke remuneration mechanisms. These instruments are sensitive to market inputs (volatility, dividend rates, correlations, etc.). In the absence of market depth and an objective approach made possible by regularly observed prices, their valuation is based on proprietary methods (e.g. extrapolation from observable data, historical analysis). Hybrid equity instruments (i.e. having at least one non-equity underlying instrument) are also classified as L3 insofar as correlations between the different underlyings are generally unobservable;
- Interest rate derivatives: long-term and/or exotic options, products sensitive to correlation between different interest rates, different exchange rates, or between interest rates and exchange rates, for example for quanto products (in which the instrument is settled in a currency different from the currency of the underlying); they are liable to be classified as L3 because the valuation inputs are unobservable due to the liquidity of the correlated pair and the residual maturity of the transactions (e.g. exchange rate correlations are deemed unobservable for the USD/JPY);
- Credit derivatives: L3 credit derivatives mainly include baskets of instruments exposed to time to default correlation ("N to default" products in which the buyer of the hedge is compensated as of the Nth default, which are exposed to the credit quality of the issuers comprising the basket and to their correlation, or CDO Bespoke products, which are Collateralised Debt Obligations created specifically for a group of investors and structured according to their needs), as well as products subject to credit spread volatility;
- Commodity derivatives: this category includes products involving unobservable volatility or correlation inputs (i.e. options on commodity swaps or instruments based on baskets of underlyings).

At the level of the SG Group, valuation models are determined in order to fully embed the impact of IFRS 13 as described above and use appropriate parameters and methodologies in order to determine L3 instruments valuation. Counterparty credit risk estimates relies on Credit Value Adjustments (CVA) and Debit Value Adjustments (DVA) calculations.

Different calculation methods can exist regarding the CVA-DVA / OCA (Own Credit Adjustment) impact calculation: derived from the yield discounting methodology, other from the Monte-Carlo EPE/ENE (Expected Positive / Negative Exposure). The methodology for calculation of CVA-DVA (OCA not applicable to the Company) applied to SGIS (the same as the Société Générale Group) is the yield discounting methodology.

The valuation methods used by the Company to establish the fair value of financial instruments are detailed below.

The fair values of financial instruments include accrued interest as applicable.

- For Unsecured Notes and Fully Funded Swaps

The fair value for both the unsecured Notes (liabilities) and the Fully Funded Swap (FFS) (assets) is calculated by discounting the expected future cash flows with the risk-free curve. To take the credit adjustment into account, the risk-free curve is adjusted with Société Générale Group's credit spread curve. A dedicated process has been implemented using Société Générale Group and SGIS operational teams' input. This process is fully functional, constantly monitored as of today.

Notes to the condensed interim financial statements (continued)

As at 30 June 2022

- For Secured and Repack Notes

Secured Notes are Notes which are collateralised with assets deposited on segregated or pooled accounts with external custodian (The Bank of New York Mellon S.A., Luxembourg Branch, hereafter “BNY Mellon Luxembourg”) and pledged in favor of the Note holders.

Repack Notes are Notes which allow investors to calibrate the funding yield of their structure by selecting a bond (the “Reference Bond”) issued by a third-party issuer (the “Reference Bond Issuer”).

The collateral assets are composed of eligible securities.

Should Société Générale default, the pledge on the assets is to be enforced; the Notes holders are exposed to credit risk of the collateral (external securities). Therefore, as Société Générale and SGIS are mere risk pass-through, the credit risk premium (external bonds issuers) shall not be adjusted with Société Générale credit spread. Thus, no additional credit adjustment is needed for the secured Notes.

The fair value of the Secured Notes, of the Repack Notes and of the associated FFS is computed, for each accounting period, by discounting the expected future cash flows by a composite Repo rate curve.

- For Warrants and Options

For financial instruments recognised at fair value in the interim statement of financial position, fair value is determined primarily on the basis of the prices quoted in an active market. These prices can be adjusted if none are available on the interim statement of financial position date or if the clearing value does not reflect transaction prices.

However, especially due to the varied characteristics of financial instruments traded over-the-counter on the financial markets, a large number of financial products traded by the Company does not have quoted prices in the markets.

The base models may not fully capture all factors relevant to the valuation of SGIS on these financial instruments such as credit risk (CVA), own credit (DVA) and/or funding costs (Funding Valuation Adjustment or “FVA”). Therefore, SGIS applies various techniques (from the Group) to estimate the credit risk associated with its financial instruments measured at fair value.

The reevaluation differences attributable to the Company’s credit risk are thus determined using valuation models which take into account the most recent financing terms and conditions on the markets along with the residual maturity of the related liabilities.

- For secured notes issued by the Company, as investors are not exposed to the Company’s risk, no own credit risk should impact the fair value of the instruments and as such, no adjustment has to be calculated.
- For unsecured notes, investors are not contractually exposed to the Company’s credit risk but to Société Générale Group’s own credit risk.

SGIS valuation models therefore reflect the absence of credit risk, and structured bonds are not impacted by Own Credit Adjustments within the entity.

Deferred margin related to main unobservable inputs

The Company does not apply deferred margin related to its main unobservable inputs as margin on Notes and Warrants issued are offset by a similar margin on Fully Funded Swaps and Options purchased.

Notes to the condensed interim financial statements (continued)

As at 30 June 2022

2.3.3.3. Impairments and provisions

Some financial assets involve credit risk which exposes the Company to a potential loss if the counterparties were to be unable to respect their financial commitments. The Company is remunerated for bearing this risk by a portion of the contractual interest that it receives on those assets; this is known as the credit margin.

This potential loss, or expected credit loss, is recognised in profit or loss without waiting for the occurrence of a default event on a specific counterparty.

For loans and receivables measured at amortised cost or, if any, fair value through other comprehensive income, the expected credit loss, as assessed by the Company, is recognised in profit or loss. In the interim statement of financial position, this potential loss is recognised as an impairment that reduces the carrying amount of assets measured at amortised cost. Impairments are written-back in case of a subsequent decrease of credit risk. No significant impairment is recognized on cash and cash equivalents. The Company does not have loan commitments or financial guarantees contracts.

Impairment and provisions for credit risk

To determine the amount of impairment or loss allowances to be recorded at each reporting date, these exposures are classified into one of three categories based on the increase in credit risk observed since initial recognition. An impairment or loss allowance shall be recognised for the exposures in each category as follows:

- Exposures classified in Stage 1: At the initial recognition date, the exposures are systematically classified in Stage 1, unless they are underperforming/credit-impaired on acquisition. Stage 1 exposures are impaired for the amount of credit losses that the Company expects to incur within 12 months (12-month expected credit losses), based on past data and the current situation;
- Exposures classified in Stage 2: To identify Stage 2 exposures, the significant increase in credit risk is assessed by the Company, taking into account the counterparty's credit risk rating, the magnitude of the change in the counterparty's credit rating and the existence of payments of more than 30 days;
- Exposures classified in Stage 3 (doubtful outstandings): The Company determines whether or not there is objective evidence of impairment (default event).

Stage 2 and 3 exposures are impaired for the amount of credit losses that the Company expects to incur over the life of the exposures (lifetime expected credit losses), taking into consideration past data, the present situation and reasonable forecast changes in economic conditions, and relevant macroeconomic factors through to maturity.

Impairments / Reversal of impairments

Impairments / Reversal of impairments include net reversals of impairment and loss allowances for credit risk, losses on irrecoverable loans and amounts recovered on amortised receivables.

2.3.3.4. Offsetting financial assets and financial liabilities

A financial asset and a financial liability are offset and the net amount presented on the interim statement of financial position when the Company has a legally enforceable right to set off the recognised amounts and intends either to settle the asset and liability on a net basis, or to realise the asset and settle the liability simultaneously. The legal right to set off the recognised amounts must be enforceable in all circumstances, in both the normal course of business and in the event of default of one of the counterparties.

The financial instruments issued by the Company are subscribed by the investors through Société Générale as a lead manager during the issuance period and as a market maker for a secondary market. The instruments which are unsold are held by Société Générale.

Notes to the condensed interim financial statements (continued)

As at 30 June 2022

The treatment is applied based on IAS 32 paragraph 42: "A financial asset and a financial liability shall be offset and the net amount presented in the interim statement of financial position when, and only when, an entity:

- a. Currently has a legally enforceable right to set off the recognised amounts; and
- b. Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously."

In December 2014, a cash netting clause was added in the legal framework with Société Générale Personne Morale and the Company consequently acquired a legally enforceable right to offset the recognised amount with the same counterparty (Société Générale). The assets (the Fully Funded Swaps) and the liabilities (the Notes) are settled (and intended to be settled) simultaneously.

In June 2017, the Company added a new cash netting clause in the legal framework with Société Générale Personne Morale and the Company consequently acquired a legally enforceable right to offset the recognised amount with the same counterparty (Société Générale). The assets (OTC Options) and the liabilities (the Warrants) are settled (and intended to be settled) simultaneously.

In application of IAS 32 - Offsetting a financial asset and a financial liability, the Company proceeds to the accounting netting of the non-sold amounts. The impact of the off-setting for the non-sold Notes and the corresponding Fully Funded Swaps and impact of the off-setting for the non-sold Warrants and the corresponding options are described in Note 4.1 and Note 4.2.

2.3.4. Other assets and other liabilities

Settlement accounts for trades are included in other assets or other liabilities and are presented separately in distinctive captions on assets or liabilities side.

2.3.5. Shareholders' equity

Equity are the resources contributed to the Company by external shareholders as capital, as well as the cumulative and undistributed results (retained earnings).

The statement "Changes in Shareholders' Equity" presents the various changes that affect the components of equity over the reporting period.

2.3.6. Interest income and expense

Interest is recognized as expense or income over the life of the financing service granted or received, proportionally to the principal amount outstanding.

Interest income and expense are recorded in the statement of profit and loss under Interest and similar income and Interest and similar expense for all financial instruments measured using the effective interest method (instruments at amortised cost and debt instruments at fair value through other comprehensive income).

The effective interest rate is taken to be the rate used to net discount future cash inflows and outflows over the expected life of the instrument in order to establish the net book value of the financial asset or liability. The calculation of this rate considers the future cash flows estimated on the basis of the contractual provisions of the financial instrument without taking account of possible future credit losses and also includes commissions paid or received between the parties where these may be assimilated to interest, directly linked transaction costs, and all types of premiums and discounts.

Where a financial asset is classified in Stage 3 for impairment, subsequent interest income is measured at the effective interest rate applied to the net carrying amount of the financial asset with an offsetting entry equal to the outstanding financial asset before impairment.

Notes to the condensed interim financial statements (continued)

As at 30 June 2022

2.3.7. Fee income and expense

Fee income and Fee expense combine fees on services rendered and received, as well as fees on pledge security granted that cannot be assimilated to interest. Fees that can be assimilated to interest are integrated into the effective interest rate on the associated financial instrument and are recorded under Interest income and Interest expenses.

The Company recognizes fee income or expense for an amount equivalent to the remuneration for the service provided and depending on the progress transferring control of these services:

- Fees for ongoing services, such as custody fees and administration costs are recognized as income over the life of the service;
- Fees for one-off services, such as issuance and listing fees are recognized as income when the service is provided.

The possible mismatch between the payment date of the service provided and the date of execution of the service gives assets and liabilities depending on the type of contract and mismatch which are recognized under Other Assets and Other Liabilities. For example: supplier contracts generate trade payables, accrued expenses or prepaid expenses.

Income related to the issuance of Notes and Warrants falls under the scope of IFRS 15 and as such, is considered separately as income generated by two services when the Company performs its activities:

- The issuing fee, which is recognized upfront for the initiation and the structuration of the issuance;
- Account and security servicing fee during the lifecycle of the security.

2.3.8. Other operating expenses

The Company records operating expenses according to the type of services to which they refer.

Other operating expenses mainly include lease payments, building maintenance and other costs, travel and business expenses, outsourcing and advisory fees and marketing and advertising expenses.

2.3.9. Income tax

Income tax includes current taxes and deferred taxes:

- Current taxes correspond to the amount of taxes due (or refundable) as calculated according to the taxable profit base for the reporting period;
- Deferred taxes correspond to the amount of taxes resulting from past transactions and that will be payable (or refundable) in a future reporting period.

2.3.9.1. Current tax

Current tax is based on the taxable profit and determined in accordance with the rules established by the local taxation authorities, upon which income taxes are payable. This tax expense also includes net allowances for tax adjustments pertaining to income tax.

Tax credits arising in respect of interest from loans and income from securities are recorded in the relevant interest account as they are applied in settlement of income taxes for the year. The related tax charge is included under Income tax in the statement of profit and loss

2.3.9.2. Deferred tax

Deferred taxes are recognized whenever the Company identifies a temporary difference between the accounting base and tax base for assets and liabilities that will affect future tax payments or from tax loss carried forward.

Notes to the condensed interim financial statements (continued)

As at 30 June 2022

The amount is based on the tax rate enacted or substantively enacted which is expected to apply when the asset is realized or the liability settled. These deferred taxes are adjusted in the event of changes to tax rates. This amount is not discounted to present value. The Company off-sets its deferred tax assets against liabilities as there is both legal right to offset its current tax assets and liabilities and it is the Company's intention to settle on a net basis.

2.3.9.3. Other commitments linked to secured Notes

In relation to each Serie of Secured Notes, in order to secure its obligations in respect of such Notes, the Company enters into a pledge agreement which is governed by the Luxembourg act dated 5 August 2005 on financial collateral arrangements, as amended. Under each pledge agreement, the Company grants first ranking security over the Collateral Assets contained in one or more accounts held by the Company with BNY Mellon Luxembourg (or such other custodian or account bank as is specified in the applicable Final Terms, pursuant to the terms of a custodian agreement between, inter alia, the Company and the collateral custodian).

The security granted under each pledge agreement is granted either in favour of:

- (i) in the case of English Law Notes, The Bank of New York Mellon Corporate Trustee Services Limited or such other security trustee as is specified in the applicable Final Terms as security trustee on behalf of itself and the relevant Noteholders and the other relevant Secured Parties (as defined in the Additional Terms and Conditions for Secured Notes) or,
- (ii) in the case of French Law Notes, directly in favour of the relevant Noteholders and the other relevant Secured Parties as represented by The Bank of New York Mellon Corporate Trustee Services Limited or such other security agent as is specified in the applicable Final Terms as security agent.

Following the occurrence of a Secured Note Acceleration Event (as defined in the Additional Terms and Conditions for Secured Notes), all Noteholders whose Notes have become immediately due and payable is first entitled to claim for any outstanding amounts due to them under the terms of the Guarantee. If neither the Issuer nor the Guarantor (pursuant to the terms of the Guarantee) has paid all amounts due to Noteholders within a period of 3 Collateral Business Days following the occurrence of a Secured Note Acceleration Event, Noteholders may send a notice in writing to the Security Trustee (in the case of English Law Notes) or the Security Agent (in the case of French Law Notes) requesting that the relevant Pledge Agreement be enforced in accordance with the terms of the Base Prospectus.

The Company borrows the securities to be pledged from Société Générale Group. In accordance with IFRS 9, the borrowing of the securities to be pledged by the Company is not assimilated to the transfer of assets and thus does not result in recognition in the interim statement of financial position. The risks and rewards associated to the securities remain in Société Générale Group and as such are not presented in the Company's interim statement of financial position.

The pledged securities are accounted as an off balance-sheet commitment "Securities pledged". The committed amount is re-measured at each closing to reflect the value of the securities pledged.

Notes to the condensed interim financial statements (continued)

As at 30 June 2022

2.4. CRISIS: COVID-19 AND WAR IN UKRAINE

The lifting of the Covid-19-related restrictions in several major economies supports economic activity without, however, excluding the risk of new lockdowns as it has occurred in some geographic areas during the first half-year 2022 (in Hong-Kong for example).

On the other hand, the first semester of 2022 has been strongly impacted, since 24 February, by the war in Ukraine. The conflict, with its human casualties and suffering, has significant economic costs along with considerable uncertainties.

In the euro area, the supply difficulties, the decline in purchasing power with the high inflation expected all through 2022 and the tightening of economic policies are the main bottlenecks constraining growth. If pandemic-related risks have decreased significantly in the short-term, the strong uncertainties related to the war in Ukraine jeopardise these prospects and the scenario of a more pronounced slowdown in 2022 cannot be excluded.

NOTE 3 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents amount to KEUR 23 537 as at 30 June 2022 (31 December 2021: KEUR 36 384) and are mainly composed of cash held with SG Luxembourg and Société Générale.

As at 30 June 2022 and 31 December 2021, this caption only contains cash that is repayable on demand.

NOTE 4 – FINANCIAL INSTRUMENTS**4.1. Financial assets at fair value through profit or loss**

	30.06.2022	31.12.2021
	('000 EUR)	('000 EUR)
Financial assets at fair value through profit or loss		
- Mandatorily at fair value through profit or loss (Fully Funded Swaps)	38 846 422	40 322 401
- Trading derivatives (Options)	781 375	714 838
Total	39 627 797	41 037 239

As at 30 June 2022, financial assets mandatorily at fair value through profit or loss (Fully Funded Swaps) amount to KEUR 38 846 422 (31 December 2021: KEUR 40 322 401) and replicate all the Notes issued by the Company (see Note 4.2). Differences between Fully Funded Swaps and Notes arise due to late settlements.

As at 30 June 2022, Trading derivatives (Options) amount to KEUR 781 375 (31 December 2021: KEUR 714 838) and replicate all the Warrants issued by the Company (see Note 4.2). Differences between Options and Warrants arise due to late settlements.

As at 30 June 2022, the impact of the offsetting of financial assets and financial liabilities (decrease in the balance sheet) is KEUR 39 639 830 for the non-sold Notes and the corresponding Fully Funded Swaps (31 December 2021: KEUR 34 911 227) and KEUR 3 930 937 for the non-sold Warrants and the corresponding Options (31 December 2021: KEUR 4 573 937) (see Note 4.2).

Notes to the condensed interim financial statements (continued)
As at 30 June 2022

The movements in financial assets at fair value through profit or loss were as follows:

	('000 EUR)	('000 EUR)	('000 EUR)
	Mandatorily at fair value through profit or loss	Trading derivatives	Total
As at 1 January 2022	40 322 401	714 838	41 037 239
Acquisition	41 825 691	16 941 666	58 767 357
Maturity/Disposal/Liquidation/Cancellation	(29 441 261)	(18 708 024)	(48 149 285)
Change in fair value and foreign exchange difference	(9 131 806)	1 189 895	(7 941 911)
Offsetting of Assets and Liabilities (Change)	(4 728 603)	643 000	(4 085 603)
As at 30 June 2022	38 846 422	781 375	39 627 797

	('000 EUR)	('000 EUR)	('000 EUR)
	Mandatorily at fair value through profit or loss	Trading derivatives	Total
As at 1 January 2021	43 135 651	674 352	43 810 003
Acquisition	58 001 584	37 797 100	97 798 684
Maturity/Disposal/Liquidation/Cancellation	(61 564 451)	(43 346 069)	(104 910 520)
Change in fair value and foreign exchange difference	(7 379 336)	(1 161 153)	(8 540 489)
Offsetting of Assets and Liabilities (Change)	8 128 953	4 750 608	12 879 561
As at 31 December 2021	40 322 401	714 838	41 037 239

4.2. Financial liabilities at fair value through profit or loss

	30.06.2022	31.12.2021
	('000 EUR)	('000 EUR)
Financial liabilities at fair value through profit or loss		
- Designated at fair value through profit or loss (Notes)	38 846 530	40 323 850
- Trading derivatives (Warrants)	781 301	714 854
Total	39 627 831	41 038 704

As at 30 June 2022, the Company has issued secured and unsecured Notes for a total amount of KEUR 38 846 530 (31 December 2021: KEUR 40 323 850):

- 21 742 unsecured Notes were issued (stock) for a total amount of KEUR 31 034 524 (31 December 2021: 21 230 unsecured Notes were issued (stock) for a total amount of KEUR 33 959 581);
- 577 secured Notes were issued (stock) for a total amount of KEUR 7 812 006 (31 December 2021: 592 secured Notes were issued (stock) for a total amount of KEUR 6 364 269).

In addition to the guarantee on first demand granted by Société Générale on unsecured and secured Notes, subscribers of the secured Notes issued by the Company benefit from additional collateral assets securing the payment due under the Notes terms, structured in form of a pledge governed by Luxembourg Law. This pledge may only be enforced following a default of the Company or Société Générale in its role of Guarantor.

Notes to the condensed interim financial statements (continued)

As at 30 June 2022

Pledged collateral assets are deposited on an account held in the name of the Company with an authorised custodian not belonging to the Société Générale Group and are pledged in favour of the Notes holders.

As at 30 June 2022, securities deposited at BNY Mellon Luxembourg as collateral for secured issuances amount to KEUR 5 349 370 (31 December 2021: KEUR 4 836 039).

As at 30 June 2022, the Company also issued Warrants for a total amount of KEUR 781 301 (31 December 2021: KEUR 714 854). Refer to Note 9 for further details on Off-balance sheet items related to the Warrants activity.

As at 30 June 2022, the impact of the offsetting (decrease in the balance sheet) is KEUR 39 639 830 for the non-sold Notes and the corresponding Fully Funded Swaps (31 December 2021: KEUR 34 911 227) and KEUR 3 930 937 for the non-sold Warrants and the corresponding Options (31 December 2021: KEUR 4 573 937) (see Note 4.1).

The movements in financial liabilities at fair value through profit or loss were as follows:

	(‘000 EUR) Designated at fair value through profit or loss	(‘000 EUR) Trading derivatives	(‘000 EUR) Total
As at 1 January 2022	40 323 850	714 854	41 038 704
Acquisition	41 842 971	16 997 129	58 840 100
Cancelled/Liquidation/Maturity Disposal	(29 504 186)	(18 754 071)	(48 258 257)
Change in fair value and foreign exchange difference	(9 087 502)	1 180 389	(7 907 113)
Offsetting of Assets and Liabilities (Change)	(4 728 603)	643 000	(4 085 603)
As at 30 June 2022	38 846 530	781 301	39 627 831
	(‘000 EUR) Designated at fair value through profit or loss	(‘000 EUR) Trading derivatives	(‘000 EUR) Total
As at 1 January 2021	43 146 652	676 965	43 823 617
Acquisition	58 009 740	38 802 115	97 811 855
Cancelled/Liquidation/Maturity Disposal	(61 547 326)	(43 355 236)	(104 902 562)
Change in fair value and foreign exchange difference	(7 414 169)	(1 159 598)	(8 573 767)
Offsetting of Assets and Liabilities (Change)	8 128 953	4 750 608	12 879 561
As at 31 December 2021	40 323 850	714 854	41 038 704

4.3. Financial liabilities at amortised cost

As at 30 June 2022 and 31 December 2021, financial liabilities at amortised cost are mainly composed of a convertible bond of KEUR 48 000 issued by the Company and fully subscribed by SG Luxembourg, with maturity in 2023. Conversion may occur each year.

On this convertible bond, the Company pays to SG Luxembourg both variable interests calculated on Euribor 3M plus a margin of 0.065% (total rate of (0.41)% as at 30 June 2022) and activity related interests. Activity related interests mean an amount equal to 100% of the activity related profit generated by the Company.

Notes to the condensed interim financial statements (continued)

As at 30 June 2022

The convertible bond maturity shall be automatically extended by successive periods of one year, unless either the Issuer or the Holder has exercised its right to terminate the bond on the scheduled maturity date. The conversion option belongs to the Holder.

NOTE 5 – LOANS AND RECEIVABLES

As at 30 June 2022 and 31 December 2021, loans and receivables only consist in term deposits with SG Luxembourg, which represent the reinvestment of the Company's share capital, reserves and other available funds.

As at 31 December 2021, expected credit losses calculated on loans and receivables in accordance with IFRS 9 amounted to KEUR (1). As at 30 June 2022, the diminution of the expected credit losses resulted in a reversal of the IFRS9 impairment amounting to KEUR 1, as presented in the Caption reversal of Cost of Risk in the Statements of Profit and Loss.

NOTE 6 – TAXATION

The Company is liable for all taxes applicable to Luxembourg commercial companies.

Since 2007, the Company has been part of a tax integration group led by SG Luxembourg with regard to Net Worth Tax and Income Tax, as authorised by the article 164 bis LIR and has concluded a Tax Sharing Agreement (the "Agreement") with SG Luxembourg. Under the Agreement, the Company pays to SG Luxembourg, with respect to each financial year, an amount equal to the tax which would be levied on the profits of the Company in the absence of any tax consolidation with the Parent.

The rate of current tax applied as of 30 June 2022 is 24.94% (30 June 2021: 24.94%). The current tax rate includes the corporate tax and the municipal tax.

For the period ended 30 June 2022, tax expenses amount to KEUR 98 (30 June 2021: KEUR 16).

NOTE 7 – SHAREHOLDERS' EQUITY

7.1. Share capital and Share premium

On 30 November 2020, 100 shares were sold by SG Luxembourg to Société Générale for a total amount of EUR 4 000. SG Luxembourg still held 49 907 shares amounting to EUR 1 996 280 for which it waived its entire voting rights. As at 31 December 2021, the subscribed and fully paid share capital amounted to EUR 2 000 320, divided into 50 008 shares with nominal value of EUR 40 each.

By resolution adopted on 14 January 2022, the Executive Board decided to increase the capital of the Company from EUR 2 000 320 to EUR 2 000 360 by the issue of a new share with a nominal value of EUR 40, subscribed by SG Luxembourg. In the context of the capital increase, the 2021 activity related interests amounting to KEUR 28 244 have been allocated to the Share premium. It was then paid to the shareholders in June 2022.

As at 30 June 2022, the subscribed and fully paid share capital is EUR 2 000 360, divided into 50 009 shares with nominal value of EUR 40 each.

The Company manages its capital to ensure it will be able to continue as a going concern. The capital amount may be increased, subject to the approval of the Shareholders, if the Company's activity evolves, incurring specific additional risks.

Notes to the condensed interim financial statements (continued)

As at 30 June 2022

7.2. Reserves**7.2.1. Legal reserve**

In accordance with the Luxembourg law, the Company is required to allocate a minimum of 5% of its annual net profit to a Legal reserve until this reserve equals 10% of the subscribed share capital. This reserve may not be distributed.

As at 30 June 2022, the legal reserve amounts to KEUR 200 (31 December 2021: KEUR 200).

7.2.2. Other reserves

Since 2013, the Company is fiscally integrated in its parent company SG Luxembourg. SG Luxembourg constitutes the Net Wealth Tax reserve for the Company. As a consequence, no Net Wealth Tax reserve has been constituted by the Company since 2013.

As at 30 June 2022, the amount of other reserves amounts to KEUR (214) (31 December 2021: KEUR 1) and is mainly composed of the loss brought forward of KEUR (215) generated during the year ending as at 31 December 2021.

NOTE 8 – COMMISSION INCOME

Commission income can be broken down as follows:

	30.06.2022 (‘000 EUR)	30.06.2021 (‘000 EUR)
Issuing upfront fees on Notes	14 367	17 601
Servicing fees on Notes	3 484	4 468
Commission on Warrants	605	1 470
Total	18 456	23 539

As at 30 June 2022, KEUR 3 956 are retained as deferred income under the caption “other liabilities” (30 June 2021 : KEUR 5 836).

NOTE 9 – OFF-BALANCE SHEET

As at 30 June 2022, financial instruments to be issued (commitment taken before 30 June 2022 with value date after 30 June 2022) amount to KEUR 4 810 392 (31 December 2021: KEUR 3 302 045).

Notes to the condensed interim financial statements (continued)

As at 30 June 2022

Warrants issuance summary

The Warrants issued as at 30 June 2022 and 31 December 2021 break down as follows:

Warrant Type	Category of Underlying	Type of Underlying	Option Type	30 June 2022			31 December 2021		
				Quantity	Notional ('000 EUR)	Fair Value ('000 EUR)	Quantity	Notional ('000 EUR)	Fair Value ('000 EUR)
Basket Warrant	Basket	Index	Call	-	-	-	1	12 361	14 230
Commodity Future Warrant	Future	Mutual Fund	Put	-	-	-	-	-	-
		Commodity Future	Call	-	-	-	4	10 118	15
			Put	1	1 860	7 520	12	19 243	6 755
Commodity Warrant	Commodity	Bruts	Call	6	515 683	0	6	472 930	0
		Commodity Future	Call	-	-	-	-	-	-
		Index	Call	-	-	-	-	-	-
		Mutual Fund	Call	3	7 112	0	11	19 085	2
			Put	12	25 642	0	15	27 211	0
		Precious metals	Call	-	-	-	-	-	-
			Put	10	27 061	0	10	24 817	0
Currency Warrant	Currency	Currency	Call	-	-	-	42	0	0
			Put	-	-	-	48	117 867	0
Equity Warrant	Equity	American Depositary Receipt	Call	3	30 134	1	3	27 636	51
			Put	-	-	-	-	-	-
		Mutual fund	Call	3	95 787	63	4	119 231	25
		Ordinary Share	Call	1 055	13 215 186	43 775	1 247	20 296 419	147 944
			Put	350	3 438 645	5 568	411	4 902 718	27 245
		Own Share	Call	4	22 850	35	4	22 850	322
			Put	1	750	0	1	750	0
		Preference	Call	-	-	-	-	-	-
			Put	1	1 500	0	1	1 500	0

Notes to the condensed interim financial statements (continued)

As at 30 June 2022

				30 June 2022			31 December 2021			
Warrant Type	Category of Underlying	Type of Underlying	Option Type	Quantity	Notional ('000 EUR)	Fair Value ('000 EUR)	Quantity	Notional ('000 EUR)	Fair Value ('000 EUR)	
Real Estate Investment Trust	Real Estate Investment Trust	Real Estate Investment Trust	Call	4	89 083	30	5	124 066	48	
			Put	2	1 381	11	2	1 309	9	
Index Warrant	Index	Index	Call	392	13 618 599	705 234	301	11 226 503	458 857	
			Put	199	8 549 746	13 440	200	11 032 836	44 857	
Fund Warrant	Fund	Mutual Fund	Call	71	408 287	3 153	121	492 810	11 653	
			Put	-	-	-	-	-	-	
		Fund	Call	1	10 000	2 471	1	10 000	2 841	
Total Call			Call	1 542	28 012 721	754 762	1 750	32 834 009	635 988	
Total Put			Put	576	12 046 585	26 539	700	16 128 251	78 866	
Total Warrants					2 118	40 059 306		2 450	48 962 260	714 854

Notes to the condensed interim financial statements (continued)

As at 30 June 2022

NOTE 10 – RISK MANAGEMENT

The Company and several of its service providers are subsidiaries of the Société Générale Group and therefore benefit from Société Générale's internal control systems.

For any further information on the risks relating to the Group, investors and/or Noteholders should refer to the "Risk and Capital Adequacy" section of the Registration Document (<https://www.societegenerale.com>).

10.1. Market risk

Market risk is the risk that changes in market prices, such as interest rates, securities prices, and foreign exchange rates will affect the Company's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

The Company issues Notes and Warrants. The Notes are systematically hedged with Fully Funded Swaps concluded with Société Générale, with strictly identical characteristics. In the same way, the Warrants issued are hedged with Options concluded with Société Générale, with strictly identical characteristics.

The risks associated with the investment in the Notes and Warrants depend on several factors. Such factors vary depending on the characteristics of the Notes and Warrants issued, in particular depending on the underlying, the maturity of the Notes, the secured / unsecured status of the Notes, the interest rates incurred, the volatility of the underlying, etc. The main risks in relation to investments in Notes and Warrants issued by the Company are described in the Base Prospectus under the section "Risk Factor".

Because of its structure (perfect match between the assets and the liabilities), the impact of an immediate change of a market parameter would have no consequence on the net profit of the Company.

The Company is also exposed to structural interest rate risk, namely through the following transactions: reinvestment of available equity by participating interests or loans to the Company's treasury (SG Luxembourg) with hedged interest rate risk (fixed rate contracted with SG Luxembourg). The structural interest rate risk is monitored via the sensitivity of the economic value of the positions measured through modified duration.

Modified duration is calculated based on the change in the net present value of positions subsequent to a 1% change in the rate curve. Exposure monitoring is based on the determination of modified duration over the short (up to one year), medium (one to five years) and long (more than five years) term.

10.2. Credit risk

Credit risk is the risk that a third party will not be able to meet its contractual obligation.

The Company only contracts financial instruments with its parent companies, SG Luxembourg and Société Générale. Therefore, the credit risk of the Company is limited to the credit risk on SG Luxembourg and Société Générale. Should this situation evolve, specific limits would be proposed to limit the credit risk incurred.

As at 30 June 2022 and 31 December 2021, no financial assets were past due. An Expected Credit Loss is calculated on deposits, amounting to KEUR 2 as of 30 June 2022 following a reversal of impairment of KEUR 1 on the period (see note 5).

All the Notes and Warrants issued by the Company benefit from a guarantee provided by Société Générale, meaning that payments in respect of the instruments issued by the Company are unconditionally and irrevocably guaranteed by Société Générale (the Guarantor).

As at 30 June 2022, the rating of Société Générale is A from Standard & Poor's and A1 from Moody's.

Notes to the condensed interim financial statements (continued)

As at 30 June 2022

10.3. Interest rate risk

Interest rate risk is the risk that changes in market interest rates may adversely affect the value of the assets and liabilities of the Company. Due to the financial instruments contracted by the Company with Société Générale to hedge the financial instruments issued, the Company is not significantly exposed to interest rate risk.

10.4. Liquidity risk

Liquidity risk is the risk that the Company may be unable to meet the payment obligations associated with its financial liabilities when they fall due.

The Company does not face any liquidity risk thanks to the perfect replication between the contractual obligations of:

- i) The financial instruments issued by the Company; and
- ii) The financial assets held for hedging by the Company.

As at 30 June 2022, analysis per remaining maturities is as follows:

30.06.2022 - EUR' 000	< 3 months	From 3 months to 1 year	From 1 to 5 years	> 5 years	Total
Cash and cash equivalents	23 537	-	-	-	23 537
Financial assets at fair value through profit or loss					
- Mandatorily at fair value through profit or loss	2 792 188	6 187 806	14 216 849	15 649 579	38 846 422
- Trading derivatives	666 289	48 327	66 759	0	781 375
Loans and receivables	-	48 201	800	1 000	50 001
Other assets	479 902	-	-	-	479 902
Total assets	3 961 916	6 284 334	14 284 408	15 650 579	40 181 237
Financial liabilities at amortised cost	582	58 238	-	-	58 820
Financial liabilities at fair value through profit or loss					
- Designated at fair value through profit or loss	2 791 132	6 188 549	14 217 423	15 649 426	38 846 530
- Trading derivatives	666 305	48 270	66 726	0	781 301
Other liabilities	492 212	-	-	-	492 212
Tax liabilities	-	98	-	-	98
Total liabilities	3 950 231	6 295 155	14 284 149	15 649 426	40 178 961

Notes to the condensed interim financial statements (continued)

As at 30 June 2022

As at 31 December 2021, analysis per remaining maturities is as follows:

31.12.2021 - EUR' 000	< 3 months	From 3 months to 1 year	From 1 to 5 years	> 5 years	Total
Cash and cash equivalents	36 384	-	-	-	36 384
Financial assets at fair value through profit or loss					
- <i>Mandatorily at fair value through profit or loss</i>	4 962 258	5 330 466	14 553 618	15 476 059	40 322 401
- <i>Trading derivatives</i>	446 656	137 616	129 885	681	714 838
Loans and receivables	48 021	200	800	1 000	50 021
Other assets	497 267	-	-	-	497 267
Total assets	5 990 586	5 468 282	14 684 303	15 477 740	41 620 911
Financial liabilities at amortised cost	48 152	28 260	-	-	76 412
Financial liabilities at fair value through profit or loss					
- <i>Designated at fair value through profit or loss</i>	4 960 778	5 330 013	14 557 368	15 475 691	40 323 850
- <i>Trading derivatives</i>	446 143	137 603	130 427	681	714 854
Other liabilities	503 809	-	-	-	503 809
Tax liabilities	-	-	-	-	-
Total liabilities	5 958 882	5 495 876	14 687 795	15 476 372	41 618 925

10.5. Fair Value measurement

According to the fair value hierarchy established by IFRS 13, Level 3 (L3) comprises products valued using inputs that are not based on observable market data (referred to as unobservable inputs).

For these products, fair value is determined using models based on valuation techniques commonly used by market participants to measure financial instruments, such as discounted future cash flows for Notes or the Black & Scholes formula for certain options and using valuation parameters that reflect current market conditions as at the interim statement of financial position date. These valuation models are validated independently by the experts from the Market Risk Department of the Group's Risk Division.

Furthermore, the parameters used in the valuation models, whether derived from observable market data or not, are checked by the Finance Division of Société Générale, in accordance with the methodologies defined by the Market Risk Department.

The Notes and the related Fully Funded Swaps are classified as Level 3 when the valuation of the associated embedded derivatives (underlyings of the Notes) is also based on unobservable market data.

On each element of an identified list of unobservable parameters, it comes to determining the uncertainty of marking, and cross sensitivities with this uncertainty for a confidence interval of the value of the positions.

In parallel, marking the levels of each of these parameters is collected and reported in the Note.

The methods for determining the level of uncertainty, as well as calculating the confidence interval from sensitivities depend on each parameter.

Transfers from Level 2 to Level 3 are determined at the end of each month and occur in case of a modification within a parameter (e.g. no longer linked to the deal, modification of the observability rule of the parameter).

Notes to the condensed interim financial statements (continued)

As at 30 June 2022

10.5.1. Estimates of Level 3 instruments and other most significant unobservable inputs as at 30 June 2022 (by type of underlyings)

Type of underlyings	Assets In KEUR	Liabilities In KEUR	Main products	Valuation techniques used	Significant unobservable inputs	Range of inputs Min & Max
Equity / Funds	19 022	19 021	Derivatives on funds, equities or baskets of stocks derivatives on funds, equities or baskets of stocks	Various option models on funds, equities or baskets on stocks	Equity volatilities	[3.2% ; 196.2%]
					Equity dividends	[0.0% ; 20.1%]
					Unobservable correlations	[-80% ; 99.6%]
					Hedge funds volatilities	[7.6% ; 20.0%]
					Mutual fund volatilities	[1.7% ; 34.6%]
Rates, Forex and others	3 666	3 666	Hybrid forex / interest rate or credit / interest rate derivatives	Hybrid forex interest rate or credit interest rate option pricing models	Correlations	[-33.55% ; 90%]
			Forex derivatives	Forex option pricing models	Forex volatilities	[0.0% ; 51.0%]
			Interest rate derivatives whose notional is indexed on the prepayment behaviour on European collateral pools	Prepayment modeling	Constant prepayment rates	[0.0% ; 20.0%]
			Inflation instruments and derivatives	Inflation pricing models	Inflation correlations	[55.0% ; 88.90%]
			Collateralised Debt Obligations and index tranches	Recovery and base correlation projection models	Time to default correlations Recovery rate variance for single name underlyings	[0% ; 100%] [0% ; 100%]
Credit	3 116	3 116	Other credit derivatives	Credit default models	Time to default correlations	[0% ; 100%]
					Quanto correlations	[-50% ; 40%]
					Unobservable credit spreads	[0 bps ; 1 000 bps]
Commodity	-	-	Derivatives on commodities baskets	Option models on commodities	Commodities correlations	NA NA
Total	25 804	25 803				

Unobservable inputs add a degree of uncertainty in the valuation of Level 3 instruments. However, by its very nature, and considering mirror transactions are concluded with Société Générale to hedge the financial liabilities issued by the Company, the Company has no market risk exposure. The impact of an immediate change in an unobservable parameter would have no consequence on the net profit or net equity of the Company.

Moreover, changes in an unobservable parameter would have by underlying a mirror effect on both assets and liabilities.

Notes to the condensed interim financial statements (continued)

As at 30 June 2022

10.5.2. Carrying amounts and fair values of assets and liabilities not measured at fair value in the interim statement of financial position

	Carrying amount	Fair value
30.06.2022 - EUR' 000		
Cash and cash equivalents	23 537	23 537
Financial assets at fair value through profit or loss		
- <i>Mandatorily at fair value through profit or loss</i>	38 846 422	38 846 422
- <i>Trading derivatives</i>	781 375	781 375
Loans and receivables *	50 001	49 852
Other assets	479 902	479 902
Total	40 181 237	40 181 088
Financial liabilities at amortised cost *	58 820	58 837
Financial liabilities at fair value through profit or loss		
- <i>Designated at fair value through profit or loss</i>	38 846 530	38 846 530
- <i>Trading derivatives</i>	781 301	781 301
Other liabilities	492 212	492 212
Tax liabilities	98	98
Total	40 178 961	40 178 978
31.12.2021 - EUR' 000		
Cash and cash equivalents	36 384	36 384
Financial assets at fair value through profit or loss		
- <i>Mandatorily at fair value through profit or loss</i>	40 322 401	40 322 401
- <i>Trading derivatives</i>	714 838	714 838
Loans and receivables *	50 021	50 141
Other assets	497 267	497 267
Total assets	41 620 911	41 621 031
Financial liabilities at amortised cost *	76 412	76 456
Financial liabilities at fair value through profit or loss		
- <i>Designated at fair value through profit or loss</i>	40 323 850	40 323 850
- <i>Trading derivatives</i>	714 854	714 854
Other liabilities	503 809	503 809
Tax liabilities	-	-
Total	41 618 925	41 618 969

* For Loans and receivables and Financial liabilities at amortised cost, the fair values are calculated by discounting the expected future cash flows under a EUR risk free curve adjusted with Société Générale Group credit spread curve (EUR swap curve from Bloomberg and Société Générale credit spread curve provided by Risk department Paris).

Determining fair value is dependent on many factors and can be an estimate of what value may be obtained in the open market at any point in time.

Notes to the condensed interim financial statements (continued)

As at 30 June 2022

10.5.3. The fair value hierarchy of IFRS 13

As at 30 June 2022, the Company determined the fair values of its financial instruments on the basis of the following hierarchy:

30.06.2022 - EUR' 000	Level 1	Level 2	Level 3	Total
<i>Financial assets at fair value through profit or loss</i>				
- <i>Mandatorily at fair value through profit or loss</i>	-	13 710 494	25 135 928	38 846 422
<i>Commodities instruments</i>	-	39 689	-	39 689
<i>Credit derivatives/securities</i>	-	675 722	2 868 765	3 544 487
<i>Equity and index securities</i>	-	10 407 738	18 368 228	28 775 966
<i>Foreign exchange instruments/securities</i>	-	568 094	267 158	835 252
<i>Interest rate instruments/securities</i>	-	1 811 160	3 399 126	5 210 286
<i>Other financial instruments</i>	-	208 091	232 651	440 742
- <i>Trading derivatives</i>	-	112 666	668 709	781 375
<i>Equity and Index instruments</i>	-	112 398	654 211	766 609
<i>Foreign exchange instruments / securities</i>	-	-	-	-
<i>Other financial instruments</i>	-	268	14 498	14 766
<i>Financial liabilities at fair value through profit or loss</i>				
- <i>Designated at fair value through profit or loss</i>	-	13 712 116	25 134 414	38 846 530
<i>Commodities instruments</i>	-	39 689	-	39 689
<i>Credit derivatives/securities</i>	-	675 178	2 868 743	3 543 921
<i>Equity and index securities</i>	-	10 409 760	18 366 684	28 776 444
<i>Foreign exchange instruments / securities</i>	-	568 392	267 211	835 603
<i>Interest rate instruments/securities</i>	-	1 811 219	3 399 126	5 210 345
<i>Other financial instruments</i>	-	207 878	232 650	440 528
- <i>Trading derivatives</i>	-	112 592	668 709	781 301
<i>Equity and Index instruments</i>	-	112 325	654 211	766 536
<i>Foreign exchange instruments / securities</i>	-	-	-	-
<i>Other financial instruments</i>	-	267	14 498	14 765

Notes to the condensed interim financial statements (continued)

As at 30 June 2022

As at 31 December 2021, the Company determined the fair values of its financial instruments on the basis of the following hierarchy:

31.12.2021 - EUR' 000	Level 1	Level 2	Level 3	Total
<i>Financial assets at fair value through profit or loss</i>				
- <i>Mandatorily at fair value through profit or loss</i>	-	16 020 681	24 301 720	40 322 401
<i>Commodities instruments</i>	-	26 454	217	26 671
<i>Credit derivatives/securities</i>	-	697 098	3 251 872	3 948 970
<i>Equity and index securities</i>	-	12 016 561	16 759 072	28 775 633
<i>Foreign exchange instruments/securities</i>	-	1 834 388	278 068	2 112 456
<i>Interest rate instruments/securities</i>	-	1 240 393	3 739 272	4 975 665
<i>Other financial instruments</i>	-	205 787	273 219	479 006
- <i>Trading derivatives</i>	-	288 790	426 048	714 838
<i>Equity and Index instruments</i>	-	273 342	404 530	677 872
<i>Foreign exchange instruments / securities</i>	-	-	-	-
<i>Other financial instruments</i>	-	15 448	21 518	36 966
<i>Financial liabilities at fair value through profit or loss</i>				
- <i>Designated at fair value through profit or loss</i>	-	16 021 886	24 301 964	40 323 850
<i>Commodities instruments</i>	-	26 454	217	26 671
<i>Credit derivatives/securities</i>	-	697 094	3 251 908	3 949 002
<i>Equity and index securities</i>	-	12 016 515	16 759 108	28 775 623
<i>Foreign exchange instruments/securities</i>	-	1 834 393	278 240	2 112 633
<i>Interest rate instruments/securities</i>	-	1 241 541	3 739 272	4 980 813
<i>Other financial instrument</i>	-	205 889	273 219	479 108
- <i>Trading derivatives</i>	-	290 305	424 549	714 854
<i>Equity and Index instruments</i>	-	274 869	403 031	677 900
<i>Foreign exchange instruments / securities</i>	-	-	-	-
<i>Other financial instruments</i>	-	15 436	21 518	36 954

Notes to the condensed interim financial statements (continued)

As at 30 June 2022

The following table describes the variation in Level 3 by financial instruments (in KEUR):

Financial liabilities at fair value through profit or loss	Balance at 01.01.2022	Acquisitions	Change in fair value	Reimbursements	Transfers from L2 to L3	Transfers from L3 to L2	Offsetting of the assets and liabilities	Balance at 30.06.2022
<i>Designated at fair value through profit or loss</i>	24 301 964	18 366 145	(7 271 016)	(6 481 751)	1 784 710	(3 973 570)	(1 610 262)	25 134 414
Equity and index instruments	16 759 108	16 350 339	(5 956 395)	(5 113 947)	1 635 520	(3 211 882)	(2 096 059)	18 366 684
Commodities securities	217	-	-	(700)	-	-	483	-
Credit derivatives	3 251 908	578 129	(578 088)	(547 870)	143 657	(339 509)	360 516	2 868 743
Foreign exchange instruments	278 240	36 890	(11 881)	(23 937)	3 935	(21 538)	5 502	267 211
Interest rate instruments	3 739 272	1 287 372	(664 074)	(648 617)	944	(399 961)	84 190	3 399 126
Other financial instruments	273 219	113 415	(60 578)	(128 486)	654	(680)	35 106	232 650
<i>Trading derivatives</i>	424 549	-	235 563	(22 947)	-	-	31 544	668 709
Equity and index instruments	403 031	-	240 508	(15 713)	-	-	26 385	654 211
Other financial instruments	21 518	-	(4 945)	(7 234)	-	-	5 159	14 498

The variations in Level 3 financial assets are similar.

Transfers from Level 3 to Level 2

The consensus data provided by external counterparties are considered observable if the underlying market is liquid and if the prices provided are confirmed by actual transactions. For high maturities, these consensus data are not observable. This is the case for the implied volatility used for the valuation of options with maturities of more than five years. However, when the residual maturity of the instrument falls below five years, its fair value becomes sensitive to observable parameters.

Transfers from Level 2 to Level 3

Transfers from Level 2 to Level 3 can occur in case of a modification within a parameter (no longer linked to the deal, modification of the observability rule of the parameter, etc...).

Notes to the condensed interim financial statements (continued)

As at 30 June 2022

10.5.4. The fair value hierarchy of notes issued in RUB

As at 30 June 2022, the Company has issued 206 Notes in ruble (RUB) for a total amount of KEUR 63 715 (as at 31 December 2021, 230 notes for a total amount of KEUR 89 734),

The following table describes the variation of the notes issued in RUB by financial instruments (in KEUR):

Financial liabilities at fair value through profit or loss	Balance at 01.01.2022	Acquisitions	Change in fair value	Reimbursements	Offsetting of the assets and liabilities	Balance at 30.06.2022
<i>Designated at fair value through profit or loss</i>	89 734	8 607	(14 352)	(29 820)	9 546	63 715
Equity and index instruments	74 625	8 607	(14 574)	(14 572)	7 081	61 167
Credit derivatives	12 707	-	-	(15 248)	2 541	-
Foreign exchange instruments	324	-	206	-	(50)	480
Interest rate instruments	864	-	18	-	-	882
Other financial instruments	1 214	-	(2)	-	(26)	1 186

Notes to the condensed interim financial statements (continued)

As at 30 June 2022

10.6. Operational risk

Operational risk is the risk of loss or fraud caused by defects or failures in internal procedures or systems, human error or external events, including IT risk and management risk. Particular attention is paid to compliance risk, which receives enhanced monitoring.

The Company participates in the effort to strengthen the management and monitoring of operational risk led by the Société Générale Group. This effort is guided by the Operational Risk Department, which reports to the Société Générale Group Risk Department, and is relayed by different Group operational risk monitoring units responsible for implementing the policies and directives issued by the Société Générale Group and monitoring and controlling operational risks.

The monitoring arrangement mainly relies on four processes supervised by the operational risk departments: periodic risk and control self-assessment (RCSA), collecting internal data on losses due to operational errors with exhaustive real-time reporting of incidents, pattern analyses, and permanent control system.

These procedures are supplemented by a crisis management unit and a business continuity plan.

NOTE 11 – INFORMATION ON LITIGATIONS

During the year ended 31 December 2020, SG Issuer, as the Issuer of Notes linked to the credit risk of a French corporate, and Société Générale, as the Guarantor, were brought before the Courts of Paris (alongside other French financial institutions) by end investors to obtain compensation for the financial loss they suffered on their investment in these securities. The French corporate was the subject of a “safeguard procedure”, which constitutes a credit event under the terms of the Notes which had a strong impact on the value of the Notes. These investors rely on unfounded allegations according to which SG Issuer and Société Générale were aware of the difficulties of the French corporate when setting up and marketing these Notes and that in doing so, they failed to meet their regulatory obligations (to act in an honest, fair and professional manner, to provide information on the product risks and to determine the suitability of the Notes for retail investors).

For this litigation, along with any other litigation relating to securities issued by SG Issuer, SG Issuer is entitled to an indemnification by Société Générale in respect of any sum due by SG Issuer regarding potential damages or attorneys' fees.

NOTE 12 – SUBSEQUENT EVENTS

There was no subsequent event which could have a significant impact on the condensed interim financial information as at 30 June 2022.

APPENDIX III

REPRODUCTION OF THE PRESS RELEASE DATED 4 NOVEMBER 2022 CONTAINING THE GUARANTOR'S CONSOLIDATED FINANCIAL RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

The information set out below is a reproduction of the press release dated 4 November 2022 containing the Guarantor's consolidated financial results for the third quarter ended 30 September 2022.

RESULTS AT SEPTEMBER 30TH, 2022

Press release

Paris, November 4th, 2022

STRONG RESULTS IN Q3 22

Good business performance with revenues up +2.3% vs. Q3 21 driven by the resilience of French Retail Banking, strong growth in International Retail Banking and in Financial Services, and a robust performance from Global Markets and Financing & Advisory

Good cost control, limited increase in operating expenses (+1.5% vs. Q3 21 published, +2.0% underlying)

Improvement in the underlying cost to income ratio, excluding contribution to the Single Resolution Fund, **at 60.7%⁽¹⁾** (vs. 61.8%⁽¹⁾ in Q3 21)

Cost of risk contained at 31 basis points, with around two-thirds consisting of prudent provisioning on performing loans, the level of defaults remaining low at ~10 basis points

Underlying Group net income of EUR 1.4 billion⁽¹⁾ (EUR 1.5 billion on a reported basis)

Underlying profitability (ROTE) of 10.5%⁽¹⁾ (11.2% on a reported basis)

EXCELLENT UNDERLYING PERFORMANCE IN 9M 22

Underlying Group net income of EUR 4.5 billion⁽¹⁾ (EUR 858 million on a reported basis), up +11.2% vs. 9M 21

Underlying cost to income ratio, excluding contribution to the Single Resolution Fund, **of 59.6%⁽¹⁾ at end-September, now expected below 64% for 2022**

Underlying profitability (ROTE) of 10.4%⁽¹⁾ (1.3% on a reported basis)

STRENGTHENED CAPITAL POSITION AND ROBUST BALANCE SHEET

CET 1 ratio of 13.1%⁽²⁾ at end-September 2022, up 13 basis points vs. end-June 2022⁽³⁾ and around 380 basis points above the regulatory requirement

CONTINUED ORDERLY EXECUTION OF STRATEGIC INITIATIVES

Merger of retail banking networks in France: all regulatory approvals obtained and legal merger date confirmed at January 1st, 2023

Successful finalisation of the partnership between Boursorama and ING in France: onboarding of around two-thirds of eligible customers to the partnership, i.e. 315,000 customers, and transfer of nearly EUR 8.5 billion of outstandings

Acquisition of Leaseplan by ALD: approval process on track, rights issue expected before the end of the year and closing of the acquisition expected during the first quarter of 2023

ESG ambition: acceleration of the decarbonisation of our loan portfolios

Frédéric Oudéa, the Group's Chief Executive Officer, commented:

"In an increasingly complex geopolitical and economic environment, Société Générale posts, once again, excellent results, with both a very solid commercial performance and profitability. The third quarter is marked by increasing revenues, continued control of operating expenses and a contained cost of risk, while maintaining a prudent provisioning policy. We continue to make good progress on the execution of our strategic initiatives, with several major milestones achieved, notably on the merger of the retail banking networks in France and the finalisation of the partnership between Boursorama and ING. Furthermore, on September 30th, the Board of Directors decided that at the next General Meeting it would propose Slawomir Krupa as Board member to be my successor as Chief Executive Officer of the Group in May 2023. The coming months will enable us to continue to implement the strategic initiatives underway, which would ensure sustainable growth and profitability, while together ensuring an effective and orderly transition."

(1) Underlying data (see methodology note No. 5 for the transition from accounting data to underlying data)

(2) Phased-in ratio (fully-loaded ratio of 12.9%) (3) Excluding IFRS 9 phasing effect

The footnote * corresponds to data adjusted for changes in Group Structure and at constant exchange rates

1. GROUP CONSOLIDATED RESULTS

In EURm	Q3 22	Q3 21	Change		9M 22	9M 21	Change	
Net banking income	6,828	6,672	+2.3%	+3.7%*	21,174	19,178	+10.4%	+10.9%*
Operating expenses	(4,233)	(4,170)	+1.5%	+4.3%*	(14,020)	(13,025)	+7.6%	+8.9%*
<i>Underlying operating expenses⁽¹⁾</i>	<i>(4,358)</i>	<i>(4,272)</i>	+2.0%	+4.8%*	<i>(13,273)</i>	<i>(12,594)</i>	+5.4%	+6.7%*
Gross operating income	2,595	2,502	+3.7%	+2.8%*	7,154	6,153	+16.3%	+14.9%*
<i>Underlying gross operating income⁽¹⁾</i>	<i>2,470</i>	<i>2,400</i>	+2.9%	+1.9%*	<i>7,901</i>	<i>6,584</i>	+20.0%	+18.7%*
Net cost of risk	(456)	(196)	x 2.3	x 2.3*	(1,234)	(614)	x 2.0	+52.2%*
Operating income	2,139	2,306	-7.2%	-8.1%*	5,920	5,539	+6.9%	+9.3%*
<i>Underlying operating income⁽¹⁾</i>	<i>2,014</i>	<i>2,204</i>	-8.6%	-9.5%*	<i>6,667</i>	<i>5,970</i>	+11.7%	+14.1%*
Net profits or losses from other assets	4	175	-97.7%	-97.7%*	(3,286)	186	n/s	n/s
Income tax	(396)	(699)	-43.4%	-43.4%*	(1,076)	(1,386)	-22.4%	-19.6%*
Net income	1,751	1,781	-1.7%	-2.8%*	1,566	4,343	-63.9%	-63.9%*
O.w. non-controlling interests	253	180	+40.6%	+37.3%*	708	489	+44.8%	+42.9%*
Reported Group net income	1,498	1,601	-6.4%	-7.3%*	858	3,854	-77.7%	-77.7%*
<i>Underlying Group net income⁽¹⁾</i>	<i>1,410</i>	<i>1,391</i>	+1.4%	+0.3%*	<i>4,489</i>	<i>4,038</i>	+11.2%	+12.2%*
ROE	9.9%	11.1%			1.1%	8.7%		
ROTE	11.2%	12.7%			1.3%	10.0%		
<i>Underlying ROTE⁽¹⁾</i>	<i>10.5%</i>	<i>10.9%</i>			<i>10.4%</i>	<i>10.4%</i>		

(1) Adjusted for exceptional items and linearisation of IFRIC 21

Societe Generale's Board of Directors, which met on November 3rd, 2022 under the chairmanship of Lorenzo Bini Smaghi, examined the Societe Generale Group's results for Q3 and 9M 2022.

The various restatements enabling the transition from underlying data to published data are presented in the methodology notes (section 10.5).

Net banking income

Net banking income continued to enjoy good momentum despite a more uncertain economic environment, with growth of +2.3% (+3.7%*) in Q3 22 vs. Q3 21.

French Retail Banking was resilient (+0.5% vs. Q3 21). Net banking income showed a healthy momentum on service fees and in private banking.

International Retail Banking & Financial Services' revenues rose +5.6% (+13.5%*) vs. Q3 21, driven by a very good quarter for ALD and International Retail Banking. The latter saw its activities grow +13.0%* vs. Q3 21. Financial Services' net banking income was substantially higher (+19.0%* vs. Q3 21) while Insurance net banking income increased by +2.1%* vs. Q3 21.

Global Banking & Investor Solutions continued to enjoy dynamic growth, with revenues up +6.4% (+3.9%*) vs. Q3 21. Global Markets & Investor Services was higher (+11.2%, 5.2%*) than in Q3 21 while Financing & Advisory activities increased by +7.0% (+1.5%*) vs. Q3 21.

In 9M 22, the Group posted robust revenue growth of +10.4% (+10.9%*) vs. 9M 21, with growth in all the businesses.

Operating expenses

In Q3 22, operating expenses totalled EUR 4,233 million on a reported basis and EUR 4,358 million on an underlying basis (restated for transformation costs and the linearisation of IFRIC 21), an increase of +2.0% vs. Q3 21.

In 9M 22, underlying operating expenses were up +5.4% vs. 9M 21 at EUR 13,273 million (EUR 14,020 million on a reported basis). This rise can be explained primarily by the higher contribution to the Single Resolution Fund (EUR +208 million), the increase in the variable elements of employee remuneration including the Global Employee Share Ownership Plan (EUR +142 million) and currency effects (EUR +165 million). Excluding these variable elements, the increase in other expenses was limited at EUR 164 million vs. 9M 21 (+1.3%).

Overall, underlying gross operating income increased by 2.9% in Q3 22 to EUR 2,470 million and the underlying cost to income ratio, excluding the Single Resolution Fund, decreased to 60.7%.

In 9M 22, underlying gross operating income was substantially higher (+20.0% vs. 9M 21) at EUR 7,901 million.

Cost of risk

The cost of risk remained contained at 31 basis points in Q3 22, or EUR 456 million. It breaks down into a provision on non-performing loans which remains limited at EUR 154 million (~10 basis points), and an additional provision on performing loans of EUR 302 million (21 basis points).

In 9M 2022, the cost of risk amounted to 29 basis points.

Offshore exposure to Russia was reduced to EUR 2.3 billion of EAD (Exposure At Default) at September 30th, 2022. Exposure at risk on this portfolio is estimated at less than EUR 1 billion. The total associated provisions were EUR 452 million at end-September 2022.

Moreover, at end-September 2022, the Group's residual exposure in relation to Rosbank amounted to around EUR 0.1 billion, corresponding mainly to guarantees and letters of credit that were recognised under intra-group exposure before the disposal of Rosbank.

The Group's provisions on performing loans amounted to EUR 3,754 million at end-September, an increase of EUR 399 million in 2022.

The non-performing loans ratio amounted to 2.7%⁽¹⁾ at September 30th, 2022, down ~10 basis points vs. June 30th, 2022. The Group's gross coverage ratio for doubtful outstandings was stable at 50%⁽²⁾ at September 30th, 2022.

The cost of risk is still expected to be between 30 and 35 basis points in 2022.

⁽¹⁾ NPL ratio calculated according to the EBA methodology published on July 16th, 2019

⁽²⁾ Ratio between S3 provisions and the gross book value of non-performing loans before offsetting of guarantees and collateral

Group net income

In EURm	Q3 22	Q3 21	9M 22	9M 21
Reported Group net income	1,498	1,601	858	3,854
Underlying Group net income ⁽¹⁾	1,410	1,391	4,489	4,038

In EURm	Q3 22	Q3 21	9M 22	9M 21
ROTE	11.2%	12.7%	1.3%	10.0%
Underlying ROTE ⁽¹⁾	10.5%	10.9%	10.4%	10.4%

(1) Adjusted for exceptional items and linearisation of IFRIC 21

Earnings per share amounts to EUR 0.55 in 9M 22 (EUR 4.02 in 9M 21). Underlying earnings per share amounts to EUR 4.68 over the same period (EUR 4.06 in 9M 21).

2. THE GROUP'S FINANCIAL STRUCTURE

Group **shareholders' equity** totalled EUR 66.3 billion at September 30th, 2022 (EUR 65.1 billion at December 31st, 2021). Net asset value per share was EUR 69.4 and tangible net asset value per share was EUR 61.5.

The consolidated balance sheet totalled EUR 1,594 billion at September 30th, 2022 (EUR 1,464 billion at December 31st, 2021). The net amount of customer loan outstandings at September 30th, 2022, including lease financing, was EUR 503 billion (EUR 488 billion at December 31st, 2021) – excluding assets and securities purchased under resale agreements. At the same time, customer deposits amounted to EUR 527 billion, vs. EUR 502 billion at December 31st, 2021 (excluding assets and securities sold under repurchase agreements).

At October 18th, 2022, the parent company had issued EUR 41.1 billion of medium/long-term debt, having an average maturity of 5.1 years and an average spread of 56 basis points (vs. the 6-month midswap, excluding subordinated debt). The subsidiaries had issued EUR 2.7 billion. In total, the Group had issued EUR 43.8 billion of medium/long-term debt.

The LCR (Liquidity Coverage Ratio) was well above regulatory requirements at 143% at end-September 2022 (143% on average in Q3), vs. 129% at end-December 2021. At the same time, the NSFR (Net Stable Funding Ratio) was at a level of 112% at end-September 2022.

The Group's **risk-weighted assets** (RWA) amounted to EUR 371.6 billion at September 30th, 2022 (vs. EUR 363.4 billion at end-December 2021) according to CRR2/CRD5 rules. Risk-weighted assets in respect of credit risk represent 83.6% of the total, at EUR 310.7 billion, up 1.9% vs. December 31st, 2021.

At September 30th, 2022, the Group's **Common Equity Tier 1** ratio stood at 13.1%, or around 380 basis points above the regulatory requirement. The CET1 ratio at September 30th, 2022 includes an effect of +15 basis points for phasing of the IFRS 9 impact. Excluding this effect, the fully-loaded ratio amounts to 12.9%. The Tier 1 ratio stood at 15.6% at end-September 2022 (15.9% at end-December 2021) and the total capital ratio amounted to 19.0% (18.8% at end-December 2021).

The **leverage ratio** stood at 4.2% at September 30th, 2022.

With a level of 32.4% of RWA and 8.6% of leverage exposure at end-September 2022, the Group's TLAC ratio is above the Financial Stability Board's requirements for 2022. At September 30th, 2022, the Group was also above its 2022 MREL requirements of 25.2% of RWA and 5.91% of leverage exposure.

The Group is rated by four rating agencies: (i) Fitch Ratings - long-term rating "A-", stable rating, senior preferred debt rating "A", short-term rating "F1" (ii) Moody's - long-term rating (senior preferred debt) "A1", stable outlook, short-term rating "P-1" (iii) R&I - long-term rating (senior preferred debt) "A", stable outlook; and (iv) S&P Global Ratings - long-term rating (senior preferred debt) "A", stable outlook, short-term rating "A-1".

3. FRENCH RETAIL BANKING

In EURm	Q3 22	Q3 21	Change	9M 22	9M 21	Change
Net banking income	2,176	2,165	+0.5%	6,620	6,268	+5.6%
<i>Net banking income excl. PEL/CEL</i>	2,123	2,152	-1.3%	6,473	6,250	+3.6%
Operating expenses	(1,523)	(1,502)	+1.4%	(4,756)	(4,560)	+4.3%
<i>Underlying operating expenses⁽¹⁾</i>	(1,579)	(1,545)	+2.2%	(4,700)	(4,517)	+4.0%
Gross operating income	653	663	-1.5%	1,864	1,708	+9.1%
<i>Underlying gross operating income⁽¹⁾</i>	597	620	-3.7%	1,920	1,751	+9.7%
Net cost of risk	(196)	(8)	x 24.5	(264)	(145)	+82.1%
Operating income	457	655	-30.2%	1,600	1,563	+2.4%
Net profits or losses from other assets	3	(2)	n/s	6	2	x 3.0
Reported Group net income	343	470	-27.0%	1,195	1,136	+5.2%
<i>Underlying Group net income⁽¹⁾</i>	301	439	-31.3%	1,237	1,167	+5.9%
RONE	10.7%	15.8%		12.9%	12.6%	
<i>Underlying RONE⁽¹⁾</i>	9.4%	14.8%		13.4%	12.9%	

(1) Including PEL/CEL provision and adjusted for the linearisation of IFRIC 21

NB: including Private Banking activities as per Q1 22 restatement (France and international), includes other businesses transferred following the disposal of Lyxor

Societe Generale and Cr dit du Nord networks

Average loan outstandings were 3.7% higher than in Q3 21 at EUR 215 billion.

Home loan outstandings rose +3.5% vs. Q3 21. Outstanding loans to corporate and professional customers were 4% higher than in Q3 21.

Average outstanding balance sheet deposits including BMTN (negotiable medium-term notes) continued to rise (+1.5% vs. Q3 21) to EUR 243 billion.

As a result, the average loan/deposit ratio stood at 88% in Q3 22 vs. 87% in Q3 21.

Life insurance assets under management totalled EUR 109 billion at end-September 2022, unchanged year-on-year (with the unit-linked share accounting for 32%). Gross life insurance inflow amounted to EUR 1.8 billion in Q3 22.

Personal protection insurance premiums were up +8% vs. Q3 21 and property/casualty insurance premiums were up +4% vs. Q3 21.

Boursorama

The bank consolidated its position as the leading online bank in France, with more than 4.3 million clients at end-September 2022 (+40% vs. Q3 21), thanks to the onboarding of 365,000 new clients in Q3 22 (x2.2 vs. Q3 21).

Average outstanding loans rose +21% vs. Q3 21 to EUR 15 billion. Home loan outstandings were up +20% vs. Q3 21, while consumer loan outstandings climbed +28% vs. Q3 21.

Average outstanding savings including deposits and financial savings were 32% higher than in Q3 21 at EUR 46 billion, with deposits increasing by +37% vs. Q3 21. Brokerage recorded more than 1.5 million transactions in Q3 22.

The exclusive offering reserved for ING customers ended successfully on September 30th. The customer acquisition rate was 63% or around 315,000 ING customers out of the 500,000 eligible customers. They consist mainly of affluent customers. The outstandings collected total around EUR 8.5 billion and consist mainly of life insurance outstandings.

Private Banking

Private Banking activities, which were transferred to French Retail Banking at the beginning of 2022, cover the activities in France and internationally. Assets under management totalled EUR 146 billion at end-September. Net inflow totalled EUR 1.3 billion in Q3 22. Net banking income amounted to EUR 325 million in Q3 22 (+11.5% vs. Q3 21).

Net banking income

Q3 22: revenues totalled EUR 2,176 million, up +0.5% vs. Q3 21 including PEL/CEL, due to good commercial activity. Net interest income and other revenues, including PEL/CEL, was down -4.5% vs. Q3 21, impacted primarily by the higher rate on regulated savings accounts and a time lag effect in the rise in rates on new home loans due to the usury rate. Fees increased by +6.5% vs. Q3 21, driven by the sharp rise in service fees and the performance of financial fees.

9M 22: revenues totalled EUR 6,620 million, up +5.6% vs. 9M 21, including PEL/CEL. Net interest income and other revenues, including PEL/CEL, was up +4.6% vs. 9M 21. Fees were 6.8% higher than in 9M 21, benefiting from the strong growth in service fees.

Operating expenses

Q3 22: operating expenses totalled EUR 1,523 million (+1.4% vs. Q3 21) and EUR 1,579 million on an underlying basis (+2.2% vs. Q3 21). The cost to income ratio stood at 70%, an increase of 0.6 points vs. Q3 21.

9M 22: operating expenses totalled EUR 4,756 million (+4.3% vs. 9M 21). The cost to income ratio stood at 72%, down 1 point vs. 9M 21.

Cost of risk

Q3 22: the commercial cost of risk amounted to EUR 196 million or 32 basis points, including in particular EUR 123 million on performing loans (20 basis points). It was higher than in Q3 21 (1 basis point).

9M 22: the commercial cost of risk amounted to EUR 264 million or 14 basis points, higher than in 9M 21 (8 basis points).

Contribution to Group net income

Q3 22: the contribution to Group net income was EUR 343 million in Q3 22, down 27.0% vs. Q3 21 (EUR 470 million in Q3 21). RONE (after linearisation of the IFRIC 21 charge) stood at 9.4% in Q3 22 (10.9% excluding Boursorama).

9M 22: the contribution to Group net income was EUR 1,195 million, up +5.2% vs. 9M 21. RONE (after linearisation of the IFRIC 21 charge) stood at 13.4% in 9M 22.

4. INTERNATIONAL RETAIL BANKING & FINANCIAL SERVICES

In EURm	Q3 22	Q3 21	Change		9M 22	9M 21	Change	
Net banking income	2,226	2,107	+5.6%	+13.5%*	6,753	5,958	+13.3%	+17.9%*
Operating expenses	(1,006)	(1,015)	-0.9%	+10.6%*	(3,234)	(3,115)	+3.8%	+9.5%*
<i>Underlying operating expenses⁽¹⁾</i>	<i>(1,037)</i>	<i>(1,039)</i>	<i>-0.2%</i>	<i>+11.1%*</i>	<i>(3,203)</i>	<i>(3,091)</i>	<i>+3.6%</i>	<i>+9.3%*</i>
Gross operating income	1,220	1,092	+11.7%	+16.1%*	3,519	2,843	+23.8%	+26.8%*
<i>Underlying gross operating income⁽¹⁾</i>	<i>1,189</i>	<i>1,068</i>	<i>+11.3%</i>	<i>+15.8%*</i>	<i>3,550</i>	<i>2,867</i>	<i>+23.8%</i>	<i>+26.8%*</i>
Net cost of risk	(150)	(145)	+3.4%	+7.3%*	(572)	(408)	+40.2%	-4.6%*
Operating income	1,070	947	+13.0%	+17.4%*	2,947	2,435	+21.0%	+35.5%*
Net profits or losses from other assets	2	4	-50.0%	-50.0%*	12	10	+20.0%	+19.3%*
Reported Group net income	624	584	+6.8%	+13.2%*	1,718	1,498	+14.7%	+29.4%*
<i>Underlying Group net income⁽¹⁾</i>	<i>606</i>	<i>570</i>	<i>+6.3%</i>	<i>+12.8%*</i>	<i>1,736</i>	<i>1,512</i>	<i>+14.8%</i>	<i>+29.4%*</i>
RONE	23.8%	22.6%			21.4%	19.7%		
<i>Underlying RONE⁽¹⁾</i>	<i>23.1%</i>	<i>22.1%</i>			<i>21.7%</i>	<i>19.9%</i>		

(1) Adjusted for the linearisation of IFRIC 21

International Retail Banking's outstanding loans totalled EUR 86.7 billion, up +6.2%* vs. Q3 21. Outstanding deposits were slightly higher (+0.8%*) than in Q3 21, at EUR 80.9 billion.

For the Europe scope, outstanding loans were up +5.9%* vs. end-September 2021 at EUR 62.7 billion, driven by a positive momentum in the Czech Republic (+9.1%*) and in Romania (+8.6%*). Outstanding deposits declined -1.7%* to EUR 54.3 billion. The good momentum in Romania and Western Europe was offset by a slowdown in the Czech Republic notably due to a shift towards financial savings.

In Africa, Mediterranean Basin and French Overseas Territories, outstanding loans confirmed their rebound, with an increase of +7.0%*. Outstanding deposits continued to enjoy a good momentum, up +6.2%*.

In the Insurance business, life insurance outstandings totalled EUR 130 billion at end-September 2022. The share of unit-linked products in outstandings was still high at 35%, stable vs. September 2021. Gross life insurance savings inflow amounted to EUR 2,573 million in Q3 22 in a highly volatile market. The share of unit-linked products remained high at 39% in Q3 22. Protection insurance saw an increase of +2.8%* vs. Q3 21, with a good momentum for property/casualty insurance premiums.

Financial Services also enjoyed a very good momentum. Operational Vehicle Leasing and Fleet Management posted growth of +5.2% vs. end-September 2021 and the number of contracts totalled 1.8 million. Equipment Finance outstanding loans were slightly higher (+0.5%) than at end-September 2021, at EUR 14.5 billion (excluding factoring).

Net banking income

Net banking income amounted to EUR 2,226 million in Q3 22, up +13.5%* vs. Q3 21. Revenues amounted to EUR 6,753 million in 9M 22, up +17.9%* vs. 9M 21.

International Retail Banking's net banking income totalled EUR 1,260 million in Q3 22, up +13.0%*. International Retail Banking's net banking income totalled EUR 3,873 million in 9M 22, up +12.6%* vs. 9M 21.

Revenues in Europe climbed +14.5%* vs. Q3 21, due primarily to substantial growth in net interest income (+16.2%* vs. Q3 21), driven by the Czech Republic (+41.1%* vs. Q3 21) and Romania (+20.1%* vs. Q3 21).

The Africa, Mediterranean Basin and French Overseas Territories scope posted revenues up +10.5%* vs. Q3 21 at EUR 485 million, driven by all the entities.

The Insurance business posted net banking income up +2.1%* vs. Q3 21, at EUR 247 million. The Insurance business' net banking income was 5.1%* higher in 9M 22 than in 9M 21 at EUR 749 million.

Financial Services' net banking income was substantially higher (+19.0%*) than in Q3 21, at EUR 719 million. This performance is due primarily at ALD level to a good commercial momentum, a strong used car sale result (EUR 3,149 per vehicle in 9M 22), a depreciation adjustment and, to a lesser extent, the transfer to hyperinflation accounting for activities in Turkey. Financial Services' net banking income totalled EUR 2,131 million in 9M 22, up +35.0%* vs. 9M 21.

Operating expenses

Operating expenses increased by +11.1%^{*(1)} vs. Q3 21 to EUR 1,037 million⁽¹⁾, resulting in a positive jaws effect. The cost to income ratio (after linearisation of the IFRIC 21 charge) stood at 46.6%⁽¹⁾ in Q3 22, lower than in Q3 21 (49.3%⁽¹⁾). Operating expenses totalled EUR 3,203 million⁽¹⁾ in 9M 22, up +9.3%^{*(1)} vs. 9M 21.

In International Retail Banking, operating expenses were up +6.2%^{*(1)} vs. Q3 21.

In the **Insurance** business, operating expenses rose +5.7%^{*(1)} vs. Q3 21, with a cost to income ratio (after linearisation of the IFRIC 21 charge) of 38.7%⁽¹⁾.

In **Financial Services**, operating expenses increased by +26.9%^{*(1)} vs. Q3 21. This rise is due in particular to the recognition in Q3 22 of charges related to the preparation of the acquisition of Leaseplan.

Cost of risk

In Q3 22, the cost of risk was higher at 47 basis points (EUR 150 million), vs. 43 basis points in Q3 21.

On 9M 22, the cost of risk amounted to 56 basis points (EUR 572 million). It was 41 basis points in 9M 21.

Contribution to Group net income

The contribution to Group net income totalled EUR 606 million⁽¹⁾ in Q3 22, up +12.8%^{*(1)} vs. Q3 21. The contribution to Group net income totalled EUR 1,736 million⁽¹⁾ in 9M 22 (+29.4%^{*(1)} vs. 9M 21).

Underlying RONE stood at 23.1% in Q3 22 and 21.7% in 9M 22. Underlying RONE was 18.4% in International Retail Banking and 28.0% in Financial Services and Insurance in Q3 22.

5. GLOBAL BANKING & INVESTOR SOLUTIONS

In EURm	Q3 22	Q3 21	Variation		9M 22	9M 21	Variation	
Net banking income	2,312	2,172	+6.4%	+3.9%*	7,630	6,671	+14.4%	+12.4%*
Operating expenses	(1,428)	(1,457)	-2.0%	-2.7%*	(5,165)	(4,848)	+6.5%	+6.4%*
Underlying operating expenses ⁽¹⁾	(1,613)	(1,578)	+2.2%	+1.6%*	(4,980)	(4,727)	+5.3%	+5.2%*
Gross operating income	884	715	+23.6%	+16.6%*	2,465	1,823	+35.2%	+27.4%*
Underlying gross operating income ⁽¹⁾	699	594	+17.6%	+9.6%*	2,650	1,944	+36.3%	+28.9%*
Net cost of risk	(80)	(44)	+81.8%	+58.6%*	(343)	(62)	x 5.5	x 5.1*
Operating income	804	671	+19.8%	+13.6%*	2,122	1,761	+20.5%	+13.7%*
Reported Group net income	629	544	+15.6%	+10.1%*	1,673	1,397	+19.8%	+13.2%*
Underlying Group net income ⁽¹⁾	486	451	+7.8%	+1.6%*	1,816	1,490	+21.9%	+15.6%*
RONE	16.7%	15.0%			15.3%	13.5%		
Underlying RONE ⁽¹⁾	12.9%	12.5%			16.6%	14.4%		

(1) Adjusted for the linearisation of IFRIC 21

NB: excluding Private Banking activities as per Q1 22 restatement (France and International). Excludes businesses transferred following the disposal of Lyxor

Net banking income

Global Banking & Investor Solutions delivered a very solid performance in Q3, with revenues of EUR 2,312 million, up +6.4% vs. Q3 21.

Revenues increased substantially in 9M 22, +14.4% vs. 9M 21 (EUR 7,630 million vs. EUR 6,671 million).

In Global Markets & Investor Services, net banking income totalled EUR 1,505 million in Q3 22 (+11.2% vs. Q3 21). It amounted to EUR 5,212 million in 9M 22, +18.6% vs. 9M 21.

Global Markets turned in a strong performance in Q3 22 (EUR 1,344 million), up +12.1% vs. Q3 21, benefiting from dynamic commercial activity in a still volatile environment. Revenues were higher in 9M 22 (+18.8%) than in 9M 21 at EUR 4,637 million.

The Equity activity delivered a solid performance in Q3 (EUR 806 million, +1.0% vs. Q3 21), driven by a sustained high client demand in both flow activities and investment solutions. Revenues were up +9.6% in 9M 22 vs. 9M 21 at EUR 2,649 million.

Fixed Income & Currency activities posted substantially higher revenues (+34.2% vs. Q3 21) at EUR 538 million in a volatile rate environment. Revenues increased to EUR 1,988 million in 9M 22 (+33.8% vs. 9M 21).

Securities Services saw its revenues increase +3.9% vs. Q3 21, to EUR 161 million. Revenues were up +17.3% in 9M 22 vs. 9M 21 at EUR 575 million. Securities Services' assets under custody and assets under administration amounted to EUR 4,275 billion and EUR 598 billion respectively.

Financing & Advisory posted revenues of EUR 807 million, up +7.0% vs. Q3 21. They amounted to EUR 2,418 million in 9M 22, significantly higher (+14.7%) than in 9M 21.

The Global Banking & Advisory business, slightly lower (-1.4% vs. Q3 21), continued to capitalise on the good market momentum in Asset Finance and activities related to Natural Resources. These performances were also driven by the strategy focused on Environmental, Social and Governance criteria. The Asset-Backed Products platform also showed good resilience in Q3. In contrast, Investment Banking was negatively impacted by current market conditions and the decline in volumes.

Global Transaction and Payment Services continued to experience very high growth, up +50.0% vs. Q3 21. It was a record quarter as a result of a very good performance in all activities, particularly Cash Management and Correspondent Banking.

Operating expenses

Operating expenses totalled EUR 1,428 million in Q3 22, -2.0% lower than in Q3 21 on a reported basis, and slightly higher (+2.2%) on an underlying basis. The increase on an underlying basis can be explained primarily by the rise of EUR 64 million in linearised IFRIC 21 charges in Q3.

With a positive jaws effect, the underlying cost to income ratio excluding the contribution to the Single Resolution Fund improved to 63.0%.

Operating expenses were up +6.5% on a reported basis and +5.3% on an underlying basis in 9M 22.

Cost of risk

The cost of risk amounted to 17 basis points (or EUR 80 million) in Q3 22, with cost of risk amounting to EUR 43 million on the Russian offshore portfolio.

It stood at 26 basis points (or EUR 343 million) in 9M 22 given the provisioning on the Russian offshore portfolio (EUR 303 million).

Contribution to Group net income

The contribution to Group net income was EUR 629 million on a reported basis (+15.6% vs. Q3 21) and EUR 486 million on an underlying basis in Q3 22. It was EUR 1,673 million on a reported basis and EUR 1,816 million on an underlying basis in 9M 22.

Global Banking & Investor Solutions posted an underlying RONE of 12.9% in Q3 22 and 16.1% excluding the contribution to the Single Resolution Fund (vs. 14.6% in Q3 21). The underlying RONE was 16.6% in 9M 22 vs. 14.4% in 9M 21.

6. CORPORATE CENTRE

In EURm	Q3 22	Q3 21	9M 22	9M 21
Net banking income	114	228	171	281
Operating expenses	(276)	(196)	(865)	(502)
<i>Underlying operating expenses⁽¹⁾</i>	<i>(129)</i>	<i>(110)</i>	<i>(390)</i>	<i>(259)</i>
Gross operating income	(162)	32	(694)	(221)
<i>Underlying gross operating income⁽¹⁾</i>	<i>(15)</i>	<i>118</i>	<i>(219)</i>	<i>22</i>
Net cost of risk	(30)	1	(55)	1
Net profits or losses from other assets	(1)	173	(3,304)	174
Income tax	152	(166)	485	(6)
Reported Group net income	(98)	3	(3,728)	(177)
<i>Underlying Group net income⁽¹⁾</i>	<i>16</i>	<i>(69)</i>	<i>(299)</i>	<i>(132)</i>

(1) Adjusted for the linearisation of IFRIC 21

The Corporate Centre includes:

- the property management of the Group's head office,
- the Group's equity portfolio,
- the Treasury function for the Group,
- certain costs related to cross-functional projects as well as certain costs incurred by the Group not re-invoiced to the businesses.

The Corporate Centre's net banking income totalled EUR 114 million in Q3 22 vs. EUR +228 million in Q3 21, and EUR +171 million in 9M 22 vs. EUR +281 million in 9M 21.

Operating expenses totalled EUR 276 million in Q3 22 vs. EUR 196 million in Q3 21. They include the Group's transformation costs for a total amount of EUR 160 million relating to the activities of French Retail Banking (EUR 100 million), Global Banking & Investor Solutions (EUR 24 million) and the Corporate Centre (EUR 36 million). Underlying costs came to EUR 129 million in Q3 22 compared to EUR 110 million in Q3 21.

In 9M 22, operating expenses totalled EUR 865 million vs. EUR 502 million in 9M 21. Transformation costs totalled EUR 462 million (EUR 301 million for the activities of French Retail Banking, EUR 63 million for Global Banking & Investor Solutions and EUR 98 million for the Corporate Centre). Underlying costs came to EUR 390 million in 9M 22 compared to EUR 259 million in 9M 21.

Gross operating income totalled EUR -162 million in Q3 22 vs. EUR 32 million in Q3 21. Underlying gross operating income came to EUR -15 million in Q3 22 vs. EUR 118 million in Q3 21. In 9M 22, gross operating income was EUR -694 million on a reported basis (vs. EUR -221 million in 9M 21) and EUR -219 million on an underlying basis (vs. EUR 22 million in 9M 21).

The Corporate Centre's contribution to Group net income was EUR -98 million in Q3 22 vs. EUR 3 million in Q3 21. The Corporate Centre's contribution to Group net income on an underlying basis was EUR 16 million. In 9M 22, the contribution to Group net income was EUR -3,728 million on a reported basis and EUR -299 million on an underlying basis.

7. 2022 AND 2023 FINANCIAL CALENDAR

2022 and 2023 Financial communication calendar

February 8 th , 2023	Fourth quarter and FY 2022 results
May 12 th , 2023	First quarter 2023 results
May 23 rd , 2023	2023 General Meeting
August 3 rd , 2023	Second quarter 2023 results

The Alternative Performance Measures, notably the notions of net banking income for the pillars, operating expenses, IFRIC 21 adjustment, cost of risk in basis points, ROE, ROTE, RONE, net assets, tangible net assets, and the amounts serving as a basis for the different restatements carried out (in particular the transition from published data to underlying data) are presented in the methodology notes, as are the principles for the presentation of prudential ratios.

This document contains forward-looking statements relating to the targets and strategies of the Societe Generale Group.

These forward-looking statements are based on a series of assumptions, both general and specific, in particular the application of accounting principles and methods in accordance with IFRS (International Financial Reporting Standards) as adopted in the European Union, as well as the application of existing prudential regulations.

These forward-looking statements have also been developed from scenarios based on a number of economic assumptions in the context of a given competitive and regulatory environment. The Group may be unable to:

- anticipate all the risks, uncertainties or other factors likely to affect its business and to appraise their potential consequences;
- evaluate the extent to which the occurrence of a risk or a combination of risks could cause actual results to differ materially from those provided in this document and the related presentation.

Therefore, although Societe Generale believes that these statements are based on reasonable assumptions, these forward-looking statements are subject to numerous risks and uncertainties, including matters not yet known to it or its management or not currently considered material, and there can be no assurance that anticipated events will occur or that the objectives set out will actually be achieved. Important factors that could cause actual results to differ materially from the results anticipated in the forward-looking statements include, among others, overall trends in general economic activity and in Societe Generale's markets in particular, regulatory and prudential changes, and the success of Societe Generale's strategic, operating and financial initiatives.

More detailed information on the potential risks that could affect Societe Generale's financial results can be found in the section "Risk Factors" in our Universal Registration Document filed with the French Autorité des Marchés Financiers (which is available on <https://investors.societegenerale.com/en>).

Investors are advised to take into account factors of uncertainty and risk likely to impact the operations of the Group when considering the information contained in such forward-looking statements. Other than as required by applicable law, Societe Generale does not undertake any obligation to update or revise any forward-looking information or statements. Unless otherwise specified, the sources for the business rankings and market positions are internal.

8. APPENDIX 1: FINANCIAL DATA

GROUP NET INCOME BY CORE BUSINESS

In EURm	Q3 22	Q3 21	Variation	9M 22	9M 21	Variation
French Retail Banking	343	470	-27.0%	1,195	1,136	+5.2%
International Retail Banking and Financial Services	624	584	+6.8%	1,718	1,498	+14.7%
Global Banking and Investor Solutions	629	544	+15.6%	1,673	1,397	+19.8%
Core Businesses	1,596	1,598	-0.1%	4,586	4,031	+13.8%
Corporate Centre	(98)	3	n/s	(3,728)	(177)	n/s
Group	1,498	1,601	-6.4%	858	3,854	-77.7%

CONSOLIDATED BALANCE SHEET

In EUR m	30.09.2022	31.12.2021
Cash, due from central banks	200,834	179,969
Financial assets at fair value through profit or loss	396,846	342,714
Hedging derivatives	30,998	13,239
Financial assets at fair value through other comprehensive income	41,337	43,450
Securities at amortised cost	20,281	19,371
Due from banks at amortised cost	77,736	55,972
Customer loans at amortised cost	513,138	497,164
Revaluation differences on portfolios hedged against interest rate risk	(1,514)	131
Investments of insurance companies	158,923	178,898
Tax assets	4,500	4,812
Other assets	112,517	92,898
Non-current assets held for sale	6	27
Deferred profit-sharing	982	-
Investments accounted for using the equity method	115	95
Tangible and intangible fixed assets	33,048	31,968
Goodwill	3,794	3,741
Total	1,593,541	1,464,449

In EUR m	30.09.2022	31.12.2021
Due to central banks	9,392	5,152
Financial liabilities at fair value through profit or loss	367,483	307,563
Hedging derivatives	44,641	10,425
Debt securities issued	125,189	135,324
Due to banks	149,785	139,177
Customer deposits	534,732	509,133
Revaluation differences on portfolios hedged against interest rate risk	(8,984)	2,832
Tax liabilities	1,735	1,577
Other liabilities	134,535	106,305
Non-current liabilities held for sale	-	1
Insurance contracts related liabilities	140,452	155,288
Provisions	4,907	4,850
Subordinated debts	17,601	15,959
Total liabilities	1,521,468	1,393,586
Shareholder's equity	-	-
Shareholders' equity, Group share	-	-
Issued common stocks and capital reserves	21,497	21,913
Other equity instruments	7,676	7,534
Retained earnings	34,622	30,631
Net income	858	5,641
Sub-total	64,653	65,719
Unrealised or deferred capital gains and losses	1,658	(652)
Sub-total equity, Group share	66,311	65,067
Non-controlling interests	5,762	5,796
Total equity	72,073	70,863
Total	1,593,541	1,464,449

9. APPENDIX 2: METHODOLOGY

1 – The financial information presented for the third quarter and the first nine months of 2022 was examined by the Board of Directors on November 3rd, 2022 and has been prepared in accordance with IFRS as adopted in the European Union and applicable at that date. This information has not been audited.

2 - Net banking income

The pillars' net banking income is defined on page 41 of Societe Generale's 2022 Universal Registration Document. The terms "Revenues" or "Net Banking Income" are used interchangeably. They provide a normalised measure of each pillar's net banking income taking into account the normative capital mobilised for its activity.

3 - Operating expenses

Operating expenses correspond to the "Operating Expenses" as presented in note 8.1 to the Group's consolidated financial statements as at December 31st, 2021 (pages 482 et seq. of Societe Generale's 2022 Universal Registration Document). The term "costs" is also used to refer to Operating Expenses. The Cost/Income Ratio is defined on page 41 of Societe Generale's 2022 Universal Registration Document.

4 - IFRIC 21 adjustment

The IFRIC 21 adjustment corrects the result of the charges recognised in the accounts in their entirety when they are due (generating event) so as to recognise only the portion relating to the current quarter, i.e. a quarter of the total. It consists in smoothing the charge recognised accordingly over the financial year in order to provide a more economic idea of the costs actually attributable to the activity over the period analysed.

The contributions to **Single Resolution Fund (« SRF »)** are part of IFRIC21 adjusted charges, they include contributions to national resolution funds within the EU.

5 – Exceptional items – Transition from accounting data to underlying data

It may be necessary for the Group to present underlying indicators in order to facilitate the understanding of its actual performance. The transition from published data to underlying data is obtained by restating published data for exceptional items and the IFRIC 21 adjustment.

Moreover, the Group restates the revenues and earnings of the French Retail Banking pillar for PEL/CEL provision allocations or write-backs. This adjustment makes it easier to identify the revenues and earnings relating to the pillar's activity, by excluding the volatile component related to commitments specific to regulated savings.

The reconciliation enabling the transition from published accounting data to underlying data is set out in the table below:

in EUR m	Q3 22	Q3 21	9M 22	9M 21
Exceptional operating expenses (-)	(125)	(102)	747	431
IFRIC linearisation	(285)	(199)	285	199
Transformation costs ⁽¹⁾	160	97	462	232
<i>Of which related to French Retail Banking</i>	100	46	301	106
<i>Of which related to Global Banking & Investor Solutions</i>	24	23	63	66
<i>Of which related to Corporate Centre</i>	36	28	98	60
Exceptional Net profit or losses from other assets (+/-)	0	(185)	3,303	(185)
Net losses from the disposal of Russian activities ⁽¹⁾	0		3,300	
Lyxor disposal ⁽¹⁾	0		3	
Total exceptional items (pre-tax)	(125)	(287)	4,050	246
Reported Net income - Group Share	1,498	1,601	858	3,854
Total exceptional items - Group share (post-tax)	(88)	(211)	3,631	184
Underlying Net income - Group Share	1,410	1,391	4,489	4,038
<i>(1) Allocated to Corporate Centre</i>				

6 - Cost of risk in basis points, coverage ratio for doubtful outstandings

The cost of risk is defined on pages 43 and 663 of Societe Generale's 2022 Universal Registration Document. This indicator makes it possible to assess the level of risk of each of the pillars as a percentage of balance sheet loan commitments, including operating leases.

In EURm		Q3 22	Q3 21	9M 22	9M 21
French Retail Banking	Net Cost Of Risk	196	8	264	145
	Gross loan Outstandings	246,467	234,980	244,941	234,525
	Cost of Risk in bp	32	1	14	8
International Retail Banking and Financial Services	Net Cost Of Risk	150	145	572	408
	Gross loan Outstandings	127,594	134,725	136,405	132,088
	Cost of Risk in bp	47	43	56	41
Global Banking and Investor Solutions	Net Cost Of Risk	80	44	343	62
	Gross loan Outstandings	190,678	149,761	179,454	144,456
	Cost of Risk in bp	17	12	26	7
Corporate Centre	Net Cost Of Risk	30	(1)	55	(1)
	Gross loan Outstandings	15,924	14,244	15,093	13,589
	Cost of Risk in bp	75	(1)	49	(1)
Societe Generale Group	Net Cost Of Risk	456	196	1,234	614
	Gross loan Outstandings	580,663	533,711	575,893	524,659
	Cost of Risk in bp	31	15	29	16

The **gross coverage ratio for doubtful outstandings** is calculated as the ratio of provisions recognised in respect of the credit risk to gross outstandings identified as in default within the meaning of the regulations, without taking account of any guarantees provided. This coverage ratio measures the maximum residual risk associated with outstandings in default ("doubtful").

7 - ROE, ROTE, RONE

The notions of ROE (Return on Equity) and ROTE (Return on Tangible Equity), as well as their calculation methodology, are specified on page 43 and 44 of Societe Generale's 2022 Universal Registration Document. This measure makes it possible to assess Societe Generale's return on equity and return on tangible equity.

RONE (Return on Normative Equity) determines the return on average normative equity allocated to the Group's businesses, according to the principles presented on page 44 of Societe Generale's 2022 Universal Registration Document.

Group net income used for the ratio numerator is book Group net income adjusted for "interest net of tax payable on deeply subordinated notes and undated subordinated notes, interest paid to holders of deeply subordinated notes and undated subordinated notes, issue premium amortisations" and "unrealised gains/losses booked under shareholders' equity, excluding conversion reserves". For ROTE, income is also restated for goodwill impairment.

Details of the corrections made to book equity in order to calculate ROE and ROTE for the period are given in the table below:

ROTE calculation: calculation methodology

End of period (in EURm)	Q3 22	Q3 21	9M 22	9M 21
Shareholders' equity Group share	66,311	63,638	66,311	63,638
Deeply subordinated notes	(9,350)	(7,820)	(9,350)	(7,820)
Undated subordinated notes	-	-	-	-
Interest of deeply & undated subordinated notes, issue premium amortisations ⁽¹⁾	(80)	(34)	(80)	(34)
OCI excluding conversion reserves	1,259	(613)	1,259	(613)
Distribution provision ⁽²⁾	(1,916)	(1,726)	(1,916)	(1,726)
Distribution N-1 to be paid	(334)	-	(334)	-
ROE equity end-of-period	55,891	53,445	55,891	53,445
Average ROE equity⁽³⁾	55,264	52,947	54,922	52,219
Average Goodwill	(3,667)	(3,927)	(3,646)	(3,927)
Average Intangible Assets	(2,730)	(2,599)	(2,735)	(2,549)
Average ROTE equity⁽³⁾	48,867	46,421	48,541	45,743
Group net Income	1,498	1,601	858	3,854
Interest on deeply subordinated notes and undated subordinated notes	(126)	(130)	(404)	(439)
Cancellation of goodwill impairment	1	-	3	-
Ajusted Group net Income	1,373	1,471	457	3,415
Average ROTE equity ⁽³⁾	48,867	46,421	48,541	45,743
ROTE	11.2%	12.7%	1.3%	10.0%
Underlying Group net income	1,410	1,391	4,489	4,038
Interest on deeply subordinated notes and undated subordinated notes	(126)	(130)	(404)	(439)
Cancellation of goodwill impairment	1	-	3	-
Ajusted Underlying Group net Income	1,285	1,261	4,088	3,599
Average ROTE equity (underlying) ⁽³⁾	48,779	46,210	52,172	45,927
Underlying ROTE	10.5%	10.9%	10.4%	10.4%

(1) Interest payable to holders of deeply subordinated notes & undated subordinated notes, issue premium amortisations

(2) The distribution to be paid is calculated based on a pay-out ratio of 50% of the underlying Group net income, after deduction of deeply subordinated notes and on undated subordinated notes

(3) Amounts restated compared with the financial statements published in 2021 (See Note 1.7 of the financial statements)

RONE calculation: Average capital allocated to Core Businesses (in EURm)

In EURm	Q3 22	Q3 21	Change	9M 22	9M 21	Change
French Retail Banking	12,876	11,867	+8.5%	12,331	12,065	+2.2%
International Retail Banking and Financial Services	10,505	10,340	+1.6%	10,681	10,154	+5.2%
Global Banking and Investor Solutions	15,072	14,486	+4.0%	14,619	13,824	+5.8%
Core Businesses	38,453	36,693	+4.8%	37,631	36,042	+4.4%
Corporate Center	16,811	16,254	+3.4%	17,291	16,177	+6.9%
Group	55,264	52,947	+4.4%	54,922	52,219	+5.2%

NB: Amounts restated in Q1 22 to take into account the transfer of Private Banking activities (French and international) to the French Retail Banking. Includes activities transferred after the disposal of Lyxor

8 - Net assets and tangible net assets

Net assets and tangible net assets are defined in the methodology, page 46 of the Group's 2022 Universal Registration Document. The items used to calculate them are presented below:

End of period (in EURm)	9M 22	H1 22	2021
Shareholders' equity Group share	66,311	64,583	65,067
Deeply subordinated notes	(9,350)	(8,683)	(8,003)
Undated subordinated notes			
Interest of deeply & undated subordinated notes, issue premium amortisations ⁽¹⁾	(80)	(8)	20
Bookvalue of own shares in trading portfolio	(125)	(222)	37
Net Asset Value	56,756	55,669	57,121
Goodwill	(3,667)	(3,667)	(3,624)
Intangible Assets	(2,788)	(2,672)	(2,733)
Net Tangible Asset Value	50,301	49,330	50,764
Number of shares used to calculate NAPS ⁽²⁾	817,789	831,045	831,162
Net Asset Value per Share	69.4	67.0	68.7
Net Tangible Asset Value per Share	61.5	59.4	61.1

(1) Interest payable to holders of deeply subordinated notes & undated subordinated notes, issue premium amortisations

(2) The number of shares considered is the number of ordinary shares outstanding as at end of period, excluding treasury shares and buybacks, but including the trading shares held by the Group.

In accordance with IAS 33, historical data per share prior to the date of detachment of a preferential subscription right are restated by the adjustment coefficient for the transaction.

9 - Calculation of Earnings Per Share (EPS)

The EPS published by Societe Generale is calculated according to the rules defined by the IAS 33 standard (see page 45 of Societe Generale's 2022 Universal Registration Document). The corrections made to Group net income in order to calculate EPS correspond to the restatements carried out for the calculation of ROE and ROTE. As specified on page 45 of Societe Generale's 2022 Universal Registration Document, the Group also publishes EPS adjusted for the impact of non-economic and exceptional items presented in methodology note No. 5.

The calculation of Earnings Per Share is described in the following table:

Average number of shares (thousands)	9M 22	H1 22	2021
Existing shares	844,376	842,540	853,371
Deductions			
Shares allocated to cover stock option plans and free shares awarded to staff	6,050	6,041	3,861
Other own shares and treasury shares	10,566	5,416	3,249
Number of shares used to calculate EPS ⁽¹⁾	827,760	831,084	846,261
Group net Income	858	(640)	5,641
Interest on deeply subordinated notes and undated subordinated notes	(404)	(278)	(590)
Adjusted Group net income (in EURm)	454	(918)	5,051
EPS (in EUR)	0.55	(1.10)	5.97
Underlying EPS ⁽²⁾ (in EUR)	4.68	2.87	5.52

(1) The number of shares considered is the average number of ordinary shares outstanding during the period, excluding treasury shares and buybacks, but including the trading shares held by the Group.

(2) Calculated on the basis of underlying Group net income (excluding linearisation of IFRIC 21).

10 - The Societe Generale Group's Common Equity Tier 1 capital is calculated in accordance with applicable CRR2/CRD5 rules. The fully loaded solvency ratios are presented pro forma for current earnings, net of dividends, for the current financial year, unless specified otherwise. When there is reference to phased-in ratios, these do not include the earnings for the current financial year, unless specified otherwise. The leverage ratio is also calculated according to applicable CRR2/CRD5 rules including the phased-in following the same rationale as solvency ratios.

NB (1) The sum of values contained in the tables and analyses may differ slightly from the total reported due to rounding rules.

(2) All the information on the results for the period (notably: press release, downloadable data, presentation slides and supplement) is available on Societe Generale's website www.societegenerale.com in the "Investor" section.

Societe Generale

Societe Generale is one of the leading European financial services groups. Based on a diversified and integrated banking model, the Group combines financial strength and proven expertise in innovation with a strategy of sustainable growth. Committed to the positive transformations of the world's societies and economies, Societe Generale and its teams seek to build, day after day, together with its clients, a better and sustainable future through responsible and innovative financial solutions.

Active in the real economy for over 150 years, with a solid position in Europe and connected to the rest of the world, Societe Generale has over 117,000 members of staff in 66 countries and supports on a daily basis 25 million individual clients, businesses and institutional investors around the world by offering a wide range of advisory services and tailored financial solutions. The Group is built on three complementary core businesses:

- **French Retail Banking** which encompasses the Societe Generale, Credit du Nord and Boursorama brands. Each offers a full range of financial services with omnichannel products at the cutting edge of digital innovation;
- **International Retail Banking, Insurance and Financial Services**, with networks in Africa, Central and Eastern Europe and specialised businesses that are leaders in their markets;
- **Global Banking and Investor Solutions**, which offers recognised expertise, key international locations and integrated solutions.

Societe Generale is included in the principal socially responsible investment indices: DJSI (Europe), FTSE4Good (Global and Europe), Bloomberg Gender-Equality Index, Refinitiv Diversity and Inclusion Index, Euronext Vigeo (Europe and Eurozone), STOXX Global ESG Leaders indexes, and the MSCI Low Carbon Leaders Index (World and Europe).

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Key figures as of 30 June 2022.

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