Annual Report 2017

Amsterdam Commodities N.V.

ACOMO

Cover - Brazil nuts are fast gaining in popularity. However, availability was limited in 2017 due to disappointing harvests. Because of their extensive market knowledge our nut traders were able to make smart purchasing decisions, thereby enabling our nuts business to provide a solution for our customers' need for consistent quality and supply.

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ACOMO

CONTENTS

HISTORY

The history of Acomo's listing

The foundation of international stock trading was laid in Amsterdam in the early 1600s. As sea voyages were very expensive, the (United) Dutch East India Company (VOC) gave private individuals the opportunity to invest money in the company by buying a share. Stock trading started to develop before the first ship had departed for Asia and led to the foundation of the stock exchange in Amsterdam in 1611. This revolution in commercial financing gave the VOC an enormous competitive advantage.

The history of Rubber Cultuur Maatschappij Amsterdam (RCMA) goes back to 1907 with the acquisition of rubber company Zeelandia on Java, Dutch Indies. In 1908 the company obtained a listing at the Amsterdam Stock Exchange. The year after, RCMA expanded its activities to Deli (east coast of Sumatra) and started to focus on other natural products such as coffee and palm oil.

The Indonesian republic nationalized Dutch companies in 1957. The RCMA continued its agricultural activities in Africa and Latin America, with limited success. In 1982, the successful reverse take-over of RCMA by Rotterdam-based Catz International resulted in the start of an international listed commodity trading house.

In 2000 the company changed its name from RCMA to Acomo (short for Amsterdam Commodities N.V.), reflecting the diversification of its activities from mostly rubber to the sourcing, processing and distribution of food products. In 2010 Acomo officially divested its minority shareholding in rubber to fully focus on the trading and distributing of niche food products.

Since the name change to Acomo, the Company has further expanded its business by acquiring a number of companies active in natural food products and ingredients for the food and beverage industry, resulting in a solid organization that builds on a centuries old history in worldwide trade. Using the latest in technology, we are always alert to new opportunities to bridge the needs of our customers and suppliers.

The Amsterdam stock exchange in 1611 and a historical VOC share

One of the first issue of RCMA shares, effectively also one of the first Acomo shares

(images: National Archives)

2017
Delinuts joins the Group

2016
Container Tea & Commodities joins the Group as a subsidiary of Van Rees Group

Catz International celebrates 160 years of trading business

2015
Snick EuroIngredients and Tefco EuroIngredients integrated into a single EuroIngredients proposition

2014
SIGCO Warenhandel welcomed to the Group

2011
Acomo shares included in the AScX index

2010
Full focus on trading and distributing niche food products by divesting the minority shareholding in rubber

Red River Commodities, Red River-van Eck, Van Rees Group and King Nuts & Raaphorst added to the Group

2009
Snick EuroIngredients added to the Group

2006
Tefco EuroIngredients joins the Group

2000
New name: Acomo, short for Amsterdam Commodities N.V.

Tovano welcomed to the Group

1982
RCMA is subject to a reverse take-over by Catz International resulting in a fresh start as an international commodity trading house

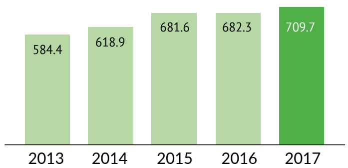
1908
Acomo's predecessor, N.V. Rubber Cultuur Maatschappij Amsterdam (RCMA), listed on the Amsterdam stock exchange

1908 - late fifties
RCMA operates mainly in rubber and palm oil plantations in Indonesia

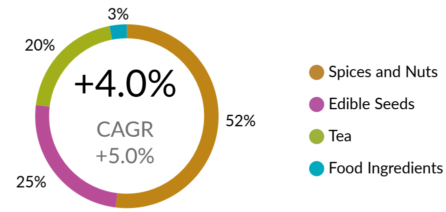
KEY DATA

Sales

Per year (in € millions)

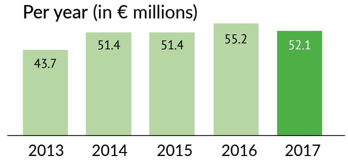


Per segment

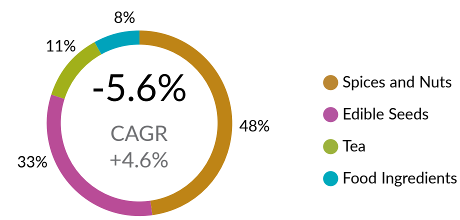


EBITDA

Per year (in € millions)

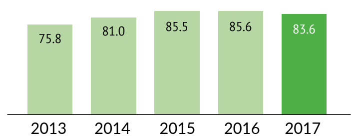


Per segment

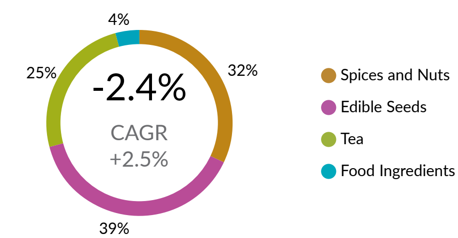


Net operating assets

Per year (in € millions)

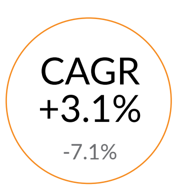


Per segment

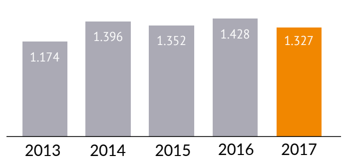


Share information

Earnings per share

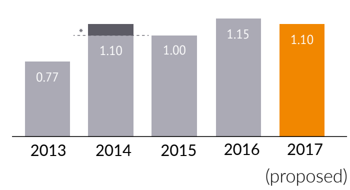


Per year (in €)



Dividend per share

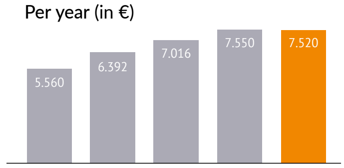
Per year (in €)



Special dividend of €0.10 per share

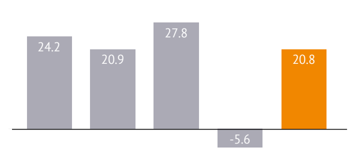
Equity per share

Per year (in €)



TSR

Per year (in %)



	2017	2016	2015	2014	2013
Consolidated figures (in € millions)					
Sales	**709.7**	682.3	681.6	618.9	584.4
Gross margin	**116.9**	114.6	110.0	101.8	91.9
EBITDA	**52.1**	55.2	51.4	51.4	43.7
EBIT	**46.4**	50.4	47.1	47.4	40.2
Financial result	**(3.0)**	(3.1)	(3.0)	(2.8)	(2.6)
Corporate income tax	**(10.9)**	(12.9)	(11.8)	(11.5)	(10.2)
Net profit	**32.5**	**34.4**	**32.3**	**33.1**	**27.4**
Impact of specific one-off items on net profit	**0.7**	-	0.9	0.3	(1.7)
Net working capital (at year-end)	**100.2**	94.1	87.4	81.9	69.8
Net operating assets (annual average)	**83.6**	85.6	85.5	81.0	75.8
Shareholders' equity (before final dividend)	**185.1**	182.9	168.3	151.9	130.8
Total assets	**346.0**	353.6	348.9	337.2	277.2
Ratios					
Solvency	**53.5%**	51.7%	48.2%	45.1%	47.2%
Return on equity (ROE)	**17.6%**	19.6%	20.1%	23.4%	21.7%
Return on net capital employed (RONCE)	**17.4%**	18.4%	18.1%	20.9%	19.9%
RONCE operating companies (excluding goodwill)	**22.7%**	23.6%	23.3%	27.1%	25.9%
Dividend pay-out ratio	**83.4%**	80.8%	74.2%	78.8%	65.6%
Net debt/total equity	**0.42**	0.49	0.64	0.61	0.58
Net debt/EBITDA	**1.5**	1.7	2.1	1.8	1.8
Key performance indicators (in €)					
Earnings per share	**1.33**	1.43	1.35	1.40	1.17
Dividend per share (2017: proposed)	**1.10**	1.15	1.00	1.10	0.77
Equity per share at year-end	**7.52**	7.55	7.02	6.39	5.56
Share price at year-end	**24.11**	20.90	23.20	19.01	16.55
Share price high	**29.36**	24.64	25.83	19.01	16.95
Share price low	**20.25**	19.00	18.85	16.19	13.90
Price/earnings ratio at year-end	**18.2**	14.6	17.2	13.6	14.1
Market capitalization per 31 December (in millions)	**593.6**	506.3	556.6	451.8	389.4
Net cash flow from operating activities (in millions)	**50.1**	47.0	20.7	22.3	19.1
Number of shares outstanding (in thousands)					
Weighted average	**24,475**	24,069	23,858	23,679	23,333
At year-end	**24,624**	24,225	23,991	23,767	23,532
Fully diluted at year-end	**24,650**	24,273	24,187	24,044	23,911
Exchange rates (against €1)					
US dollar at year-end	**1.200**	1.052	1.086	1.210	1.379
% change	**14.1%**	-3.1%	-10.2%	-12.3%	4.5%
Average US dollar	**1.130**	1.107	1.110	1.329	1.328
% change	**2.1%**	-0.3%	-16.5%	0.1%	3.3%


PEANUT
FREE
Butter

LETTER FROM THE BOARD

A solution-driven Acomo bridges the needs of our stakeholders

Dear shareholders,

We are pleased to present to you, on behalf of the Board of Acomo, this integrated report on our financial year 2017. Making use of the principles of the integrated reporting framework and the GRI recommendations on sustainability reporting we have been able to review our traditional annual reporting method. Effectively, integrated reporting allows us to disclose more information while achieving greater clarity.

Our group companies bridge the needs of stakeholders such as our customers and suppliers in many different markets, while also striving to uphold high standards in responsible entrepreneurship. Integrated reporting allows us to reflect this complexity in a structured manner.

The current report is also the first to have been put together under the auspices of Acomo's one-tier Board of Directors. During its first eight months, the Board in its new composition has experienced the expected benefits of this constitutional change: swifter response to business opportunities with the greatest chance of success, while keeping a firm grip on risk management. The one-tier structure suits Acomo: a group of empowered businesses in a decentralized organization, responding efficiently to the needs of a dynamic market.

We can look back on a solid year. The arrival of Delinuts has diversified the market reach of our robust nuts business. Across our product segments, the continued success of Acomo's group companies is due to a focus on solutions for niche markets where they have extensive knowledge of products and market developments. This allows them to find the place in the chain where they can add the most value.

To highlight some examples of how Acomo solutions bridge specific needs, let's first look at SunButter®, the allergen-free peanut butter substitute. The integrated supply chain and a targeted marketing campaign further improved consumer recognition and appreciation in 2017. This innovative sunflower seed product has earned itself a firm place in the US market for healthy and above all tasty food products. This even led US retailer Walmart to elect SunButter® as the America at Work product representing the state of North Dakota in November 2017.

Another example is our project in Vietnam, where pesticide-compliant tea is providing a financially healthy alternative to suppliers and customers alike. Good yields of premium product are finding their way to discerning customers in a commercially viable model.

Looking ahead to 2018, we are optimistic that the global food sector will continue to grow. The dedicated and knowledgeable teams of our group companies can look forward to more opportunities to add value through their smart solutions. As their holding company, Acomo will continue to support their work at the strategic and operational level. The infrastructure within the Group will be further strengthened through the continued rollout of the ERP systems to further improve flexibility, operational efficiency, commercial decisiveness and risk management.

For now, on behalf of all of us, we would like to thank everyone on our teams for their continued efforts in 2017. We would also like to thank our shareholders, our customers and our suppliers, as well as our partners for their continued trust in Acomo and its group companies.

Our fellow Board members and we look forward to meeting you, our shareholders, at the annual general meeting in Rotterdam on 26 April 2018.

Rotterdam, 8 March 2018

Bernard Stuivinga	Allard Goldschmeding
Chairman	Group Managing Director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VAN REES
REES

THE ACOMO GROUP

The Group

Overview Group and activities

Amsterdam Commodities N.V. ('Acomo' or 'the Company') is the holding company of an international group of companies active in the worldwide sourcing, processing, trading, packaging and distribution of natural food products and ingredients for the food and beverage industry (together 'Acomo Group' or 'the Group'). The Group operates in more than 90 countries and employs more than 600 people. The product range comprises more than 500 main products including spices, nuts, dried fruits, tea, seeds (especially sunflower seeds) and natural food ingredients. Since most of our products are high-quality versions of products that are otherwise interchangeable we refer to them with the general term 'soft commodity'. Contrary to commodities such as oil, corn, wheat or coffee, our commodities are not traded on commodity exchanges or spot markets. Our companies contract and purchase the products at the source for physical delivery.

Structure

Acomo is a public limited liability company listed on the Amsterdam stock exchange (AEX: ACOMO). The activities of the Group are carried out by Acomo's subsidiaries in four segments.

The subsidiaries are the operating companies of the Group. They perform trading and processing activities in their own name and for their own account. In 2017 the Group strengthened its position in the Spices and Nuts segment through the acquisition of Delinuts B.V., a Dutch-based trader in nuts and dried fruits.

ACOMO GROUP

SPICES AND NUTS

Catz International B.V.
Rotterdam, the Netherlands
Ho Chi Min, Vietnam

Tovano B.V.
Maasdijk, the Netherlands

King Nuts B.V.
Bodegraven, the Netherlands

Delinuts B.V.
Ede, the Netherlands

EDIBLE SEEDS

Red River Commodities Inc.
Fargo, USA

Red River Global Ingredients Ltd.
Winkler, Canada

Red River-van Eck B.V.
Zevenbergen, the Netherlands

Red River Bulgaria EOOD
Varna, Bulgaria

SIGCO Warenhandelsgesellschaft mbH
Hamburg, Germany

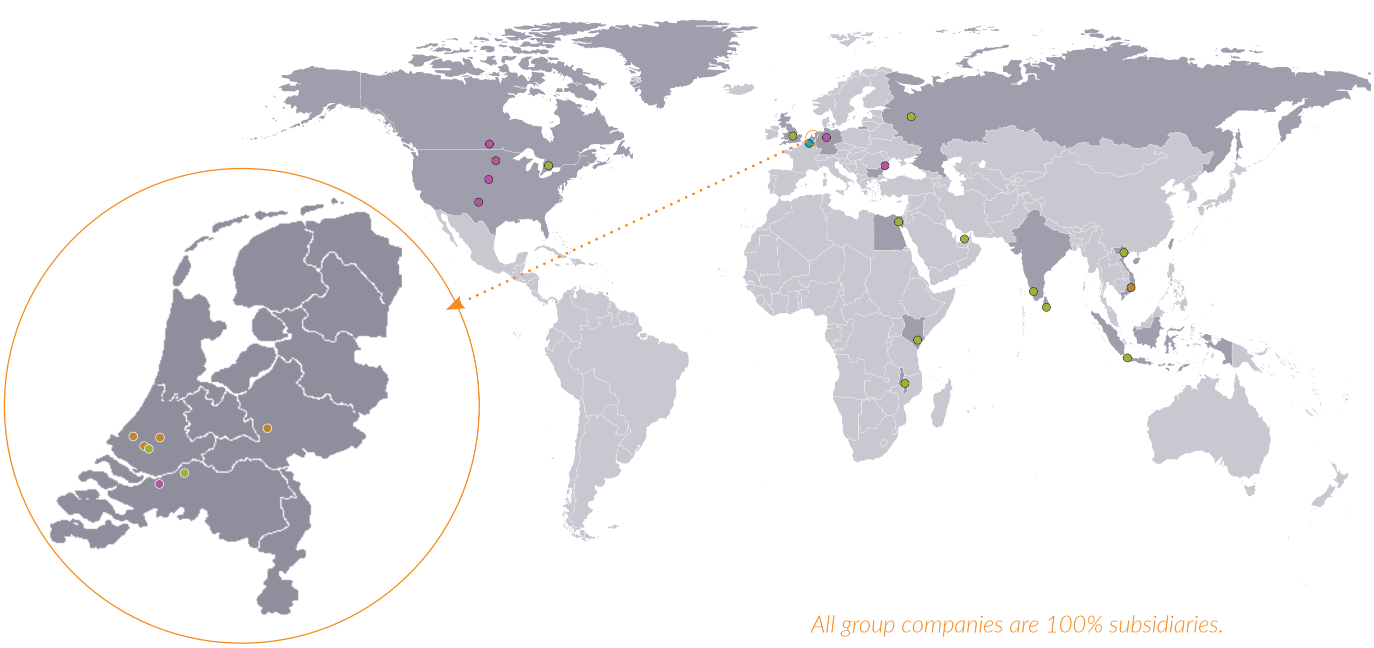
TEA

Van Rees Group B.V.
Rotterdam, the Netherlands

with offices in:
Blantyre, Malawi; Cairo, Egypt;
Colombo, Sri Lanka;
Coonoor, India;
Dubai, UAE; Hanoi, Vietnam;
Jakarta, Indonesia; London, UK;
Mombasa, Kenya;
Moscow, Russia;
Rotterdam, the Netherlands;
Toronto, Canada

FOOD INGREDIENTS

Snick EuroIngredients N.V.
Ruddervoorde, Belgium



All group companies are 100% subsidiaries.

>> De Wer
Noten, Gedroogd Fruit &
Proeven >>
Seizoen
Rijstcrackers
Verwennen
Heerlijk

Group strategy

Mission

Acomo's mission is to achieve long-term sustainable growth of shareholders' value through consistent growth of earnings per share, allowing for continued high dividend pay-outs representing above-market dividend returns.

Strategy

Acomo pursues growth of the earnings per share by maximizing opportunities in the international sourcing, trading, processing, packaging and distribution of niche food commodities, ingredients and semi-finished products for the food and beverage industry.

Acomo actively pursues a three-tier policy to achieve long-term sustainable growth:

- Autonomous value creation within and through our subsidiaries by diversification of the product assortment, geographies and channels. Here, security of supply and food safety requirements motivate the active quest for expansion in the value chain;
- Bolt-on acquisitions of companies active in one of our existing segments whereby we can strengthen our market position and/or geographical presence;
- Acquisitions of leading companies in agri-commodities or ingredients for the food and beverage industry which will add new, growing segments to our segment portfolio, preferably in non-listed products.

Acomo's operational and financial selection criteria are strict as we do not want to compromise our existing activities and other achievements and values of the Group.

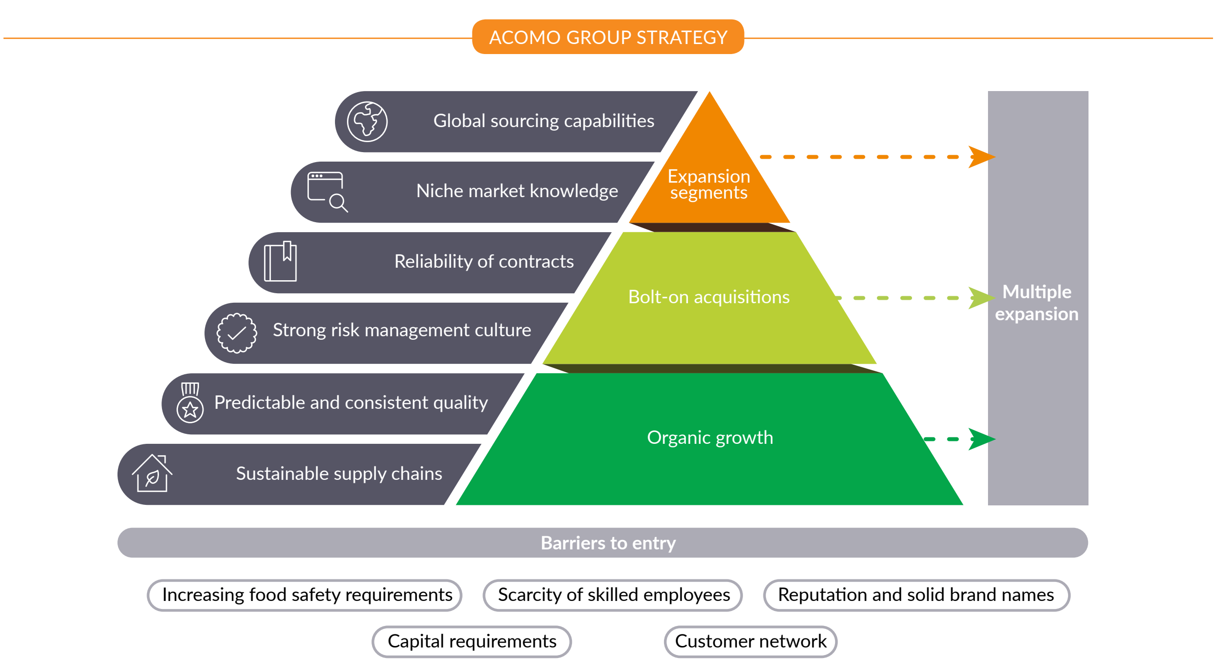
Developments 2017

In 2017 Acomo made the following contributions to long-term value creation. In May, we acquired the Dutch nuts trader Delinuts, which will further strengthen our market position in our Spices and Nuts segment. Further, several investments to modernize and upgrade the IT backbone throughout the Group were made. A new ERP is being implemented at the US operations of our Edible Seeds segment, which will improve operational efficiency in all aspects of the business. A short-term development was the increase in marketing effort in the SunButter® brand in the Edible Seeds segment, which led to double-digit growth in SunButter® sales in 2017. In the Tea segment, the global ERP roll-out was almost completed, with the benefits to the tea business already notable.

Financial objectives

Among the financial objectives of the Company and its subsidiaries are:

- Maintaining the Group's traditionally strong dividend policy. This policy means that we pay out a substantial share of the annual net profit to our shareholders in cash every year. The pay-out ratio is subject to the free cash flow and solvency position and also depends on investment opportunities of the Group;



- Achieving an annual net profit of more than 15% of shareholders' equity in the long term;
- Safeguarding and strengthening our capability to generate future profits by maintaining a strong balance sheet and healthy financial ratios. We aim to maintain a consolidated solvency of around 40%, with a minimum of 30%;
- Maintaining adequate credit lines to ensure the financing of our subsidiaries' (trading) activities at all times, regardless of price volatility in the international commodities markets.

Business model

Acomo's group companies source, process, trade, package and distribute natural food products and ingredients. In these activities the companies strive to add value in each part of their respective value chain. We supply peace of mind by bridging the specific needs of multiple stakeholders.

Our role in the value chain is to bridge the specific needs of our customers and allow them to fully focus on their core activities. We support our trading activities with specific value-adding services such as storage, blending, cleaning, processing, packaging and distribution. In order to optimize our sourcing we have regular contacts with growers and farmers and collect various type of information relevant to crops, such as weather data. This enables us to maintain high quality standards and also to keep buyers fully informed of market developments and product availability. In collaboration with our suppliers, we make use of innovative techniques to develop new products. In sunflower seeds, for instance, we supply growers with innovative hybrids of confectionary seeds. We give growers peace of mind by contracting to buy all harvested raw sunflower seeds that meet our quality standards. We also bridge the entry to the market for small producers by opening our sales and marketing network for them. We help our customers reduce volatility in their end products by providing future and longer-term pricing, thereby bridging the need for price certainty.

At multiple destinations we store our customers' products and provide vendor-managed inventory solutions. This allows us to ensure the quality of our products, to secure the proper and timely execution of contracts under all circumstances, to reduce price volatility and to reduce the working capital needs of our customers. In collaboration with our customers we also develop new products and customized (functional) blends that are tailor-made according to their specifications. To ensure the high quality and safety of our products we not only maintain extensive communication with farmers and other suppliers, but we also apply quality control programmes, work with certified partners and continuously invest in our facilities and highly qualified staff. By bridging the distance between origin and destination of our products we always supply high-quality products, on time and according to specifications.

We are committed to supplying peace of mind to all our partners. Entrepreneurship, modesty, long-term growth, reliability and passion for our products are important values within the companies of the Acomo Group and in their relationships with shareholders, customers, suppliers and other partners. These values are important corner-

stones in the way we conduct our business. Together with our partners we are continuously exploring new opportunities for improvement and growth. The leading factors are reliability and contract security.

Acomo's keys to success are its worldwide sourcing capabilities, absolute reliability of contracts, effective risk management, operational excellence and socially responsible entrepreneurship.

Governance structure
The parent company, Amsterdam Commodities N.V., is the holding company of the Group. It holds the shares in and has legal control over the Group's subsidiaries. The subsidiaries operate to a great extent autonomously under the responsibility and financial control of their own management. Specific trading and financial guidelines and risk limits are in place per operating company, per product and per activity. The large subsidiaries are supervised by their own supervisory boards, which may include members of the Board of Directors.

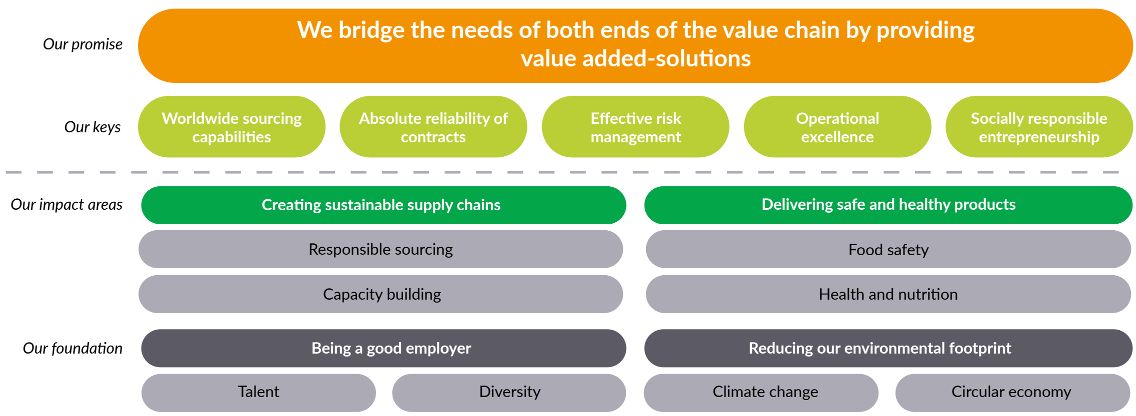
The holding company is intentionally kept small, flexible and cost-efficient. The main tasks of the holding are to manage the investments of the Group and assisting the Group's subsidiaries in the areas of CSR, finance, treasury, legal, tax, business development, mergers and acquisitions and other matters. Furthermore, the holding company is responsible for arranging and coordinating the Group financing. All obligations and legal responsibilities that apply to a listed company, including the preparation of annual and semi-annual reports, maintaining contacts with shareholders, potential investors, AFM, Euronext and other stakeholders, are part of the tasks of the holding company.

In 2017 the Group implemented a one-tier Board, currently consisting of a Board of Directors with four non-executive directors and one executive director. The Company chose the one-tier structure to be more effective in relation to the autonomous position of its subsidiaries and its strategic growth ambitions. More information on corporate governance can be found in the chapter Governance on page 43 and following.

Sustainability

Our road to sustainable growth
Trading has the capacity to accelerate economic and social development. As traders we play a connecting role in the supply chain, which enables us to build bridges between customers and suppliers by providing value-added solutions. We understand that a balance between people, planet and profit is the only way to achieve sustainable development and long-term growth. Together with our partners we aim for business innovation and more sustainable value chains.

Our stakeholder dialogue
We recognize the limitations of a single company in the face of social and environmental challenges and opportunities and seek collaboration with our stake-holders towards practical solutions. As an international group of companies in various supply chains we have many different stakeholders who have an impact on or are impacted by our business.



We liaise with them regularly to engage them in key areas, which we defined with the help of a survey among our main stakeholders: employees, shareholders, suppliers, customers, banking companies and NGOs. Their prioritizations together with those of the Acomo Board and subsidiary management teams have resulted in a materiality matrix.

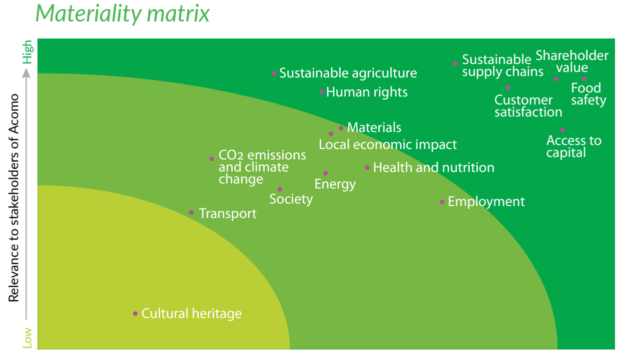
Our CSR framework

Acomo's CSR framework is based on the materiality matrix. It distinguishes between our foundation themes, which are related to our own operations and therefore within our sphere of control, and our impact areas: themes over which we have no direct control, but which are vital to sustainable value chains.

Reporting as per GRI G4

Acomo reports its impacts and performances based on the internationally recognized standard, the GRI (Global Reporting Initiative) G4 Guidelines. Acomo complies with the 'In accordance with' - Core option. The GRI content table is available on our website, in the section 'Responsibility'. Acomo has started with the new reporting structure in 2017. Over the coming years it will be further developed, among other things an assessment of the effectiveness of the Code of Conduct.

Materiality matrix



Being a good employer

Talent: People and their talents determine our business success. Therefore we seek to attract, develop, reward and retain highly competent and motivated individuals. We give employees the opportunity and freedom to develop and grow.

Diversity: We promote a culture of mutual respect without discrimination and harassment. The organization and its people share a responsibility for a work environment that is healthy, safe, challenging and inspiring. Diversity in the workforce is crucial in such an environment.

Reducing our environmental footprint

Climate change: While the direct environmental footprint of Acomo companies is relatively small, we still try to reduce it. We measure the energy consumption in our own processing facilities and have created baselines to understand our impact on the environment, to identify saving opportunities and to improve communication about improvements.

Circular economy: Resource scarcity and environmental pollution drive us to improve material efficiency. We aim to reduce spillage at the source, often in partnerships within the supply chain. We continuously search new uses for residual products that would otherwise be considered as waste. We are reducing the total volume of waste as well as improving the separation of waste in order to enhance recyclability.

Creating sustainable supply chains

Responsible sourcing: We source our products from all over the world, with different challenges and opportunities regarding social and environmental issues in different areas. It is our responsibility to consider ethics, labour and social and environmental aspects when purchasing products and services. The Acomo Code of Conduct outlines our shared ethical standards for conducting business. In several of our segments we work with certification programmes.

Capacity building: As a bridge between suppliers and customers we have a unique position that enables us to recognize and understand sustainability challenges and opportunities. We work together with suppliers, customers, NGOs, governments and other partners towards value-adding solutions and sustainable supply chains. Technology is at the top of our agenda, as we firmly believe it will play a transformative role in agriculture.

Delivering safe and healthy products

Food safety: With strict control policies in all our facilities we minimize food safety risks for our customers. However, food safety begins at the farms that grow the products we trade and distribute. We work closely with our suppliers to ensure that the products we buy are safe and compliant with relevant regulations.

Health and nutrition: Food products have an undeniable impact on society, both positively and negatively (e.g. obesity and diet-related diseases). Providing healthy and nutritious food is a social responsibility but also a business consideration, as consumers worldwide are increasingly demanding healthier foods. As we trade natural raw agricultural materials, many of our products are innately healthy. We aim to increase transparency regarding the nutritional values of our products. Together with suppliers and customers we develop product innovations that lead to healthier alternatives and products that are safe for people with allergies.

KPIs – Being a good employer	
Indicator	2017
Talent	
Occupational health and safety [1]	
% of lost time injuries per FTE	0.7%
Employee training [2]	
# of trainings	127
# of trainings per FTE	2
Performance and career development reviews	
% of employees	59%
Diversity	
Male to female ratio	
% male	74%
% female	26%
Age structure of employees	
% <30 year	20%
% 30 - 40 year	26%
% 40 - 50 year	29%
% 50+ year	25%
Nationalities of employees	
# of nationalities	18

KPIs – Reducing our environmental footprint	
Indicator	2017
Climate change	
Energy consumption	
GJ	81,103
% of which renewable energy	1.3%
Energy intensity	
MJ/kg product	0.35
Greenhouse gas (GHG) emissions (scope 1 + scope 2)	
MT CO_2	8,615
Greenhouse gas (GHG) emissions intensity	
Kg CO_2/MT product	37.65
Circular economy	
Total waste	
MT	2,085
Waste intensity	
Kg/MT product	9.12
Waste separation	
% of separation	13%

KPIs – Creating sustainable supply chains	
Indicator	2017
Responsible sourcing	
Compliance suppliers with Code of Conduct	
% of suppliers	20%
Sourcing of sustainable products	
% of tea certified (RA, UTZ or FT) [3]	35%
% of palm oil certified (RSPO) [4]	91%
% of fish certified (MSC) [4]	19%
Capacity building	
No Group-wide KPIs yet	

KPIs – Delivering safe and healthy products	
Indicator	2017
Food safety	
Food safety own operations	
% of operations GFSI certified	81%
Food safety third party operations	
% of operations GFSI certified	69%
Health and nutrition	
Plant-based products	
% of total volume	96%

[1] Only production facilities covered
[2] Both external and internal trainings, most trainings have multiple attendees
[3] Raw material level
[4] Ingredient level

Our performance

Talent and diversity

Training and development: Over the reporting year, employees of our subsidiaries have followed a range of programmes on topics ranging from food safety, good manufacturing practices and language courses to user training for new software systems. Besides formal training, both Van Rees and Catz deploy a young trainee programme through which young traders hone their skills through learning by doing.

Diversity and inclusiveness: Acomo's principles for a responsible work environment are laid down in the Acomo Code of Conduct. Misconducts can be reported through the Acomo whistleblower procedure, which was implemented in 2016.

Climate change and circularity

Continuation of energy-saving initiatives: LED lighting was installed in various Red River Commodities locations and planned for Van Rees Dongen and Delinuts. Apart from Red River-van Eck in Zevenbergen all Acomo facilities will have LED lighting by 2018.

In 2017 we submitted our Energy Efficiency Directive (EED) reports for our EU companies to the relevant government agencies.

Several of our companies purchase guaranteed renewable energy. For the Dutch locations we investigated the feasibility and economic viability of installing solar panels. This has resulted in the request of SDE+ subsidy for three locations.

Waste reduction and circularity: We continued our overall efforts and improved waste separation in the facilities of Red River Commodities and Tovano. Red River Commodities supplied millet hulls as bedding material to the Beef Cattle Research Complex of the North Dakota State University in Fargo. Van Rees Dongen introduced slipsheet in its packaging for specific customers in 2017, resulting in lower environmental impact and costs. Tovano improved its main packaging method, resulting in significantly lower food miles and better shelf presentation.

Responsible sourcing and capacity building

Supplier codes of conduct: Acomo encourages its suppliers to use codes of conduct and introduced a Global Supplier Code in 2016, in which we stated our expectations regarding business integrity, labour practices, associate health and safety, and environmental management.

Partner capacity: Beyond certification according to mainstream industry standards in some of our product groups, we aim to build partners' capacity to cultivate and produce sustainably.

In Malawi, Van Rees and its local partner realized the installation of tea factory equipment for the production of green tea, resulting in the first volumes of high-quality product. This is part of Van Rees's continued contribution to the Malawi Tea 2020 Revitalization Programme, which aims to achieve a competitive and profitable Malawian tea industry. In Vietnam, Van Rees further grew its project to produce pesticide-compliant tea (compliant with EU MRL standards) despite adverse weather endangering levels of quality.

In the US and Bulgaria, Red River Commodities and Red River-van Eck continued the promotion of more efficient farming methods (higher yields and better quality at lower input). In the southern US, we scaled up the use of soil moisture sensors and initiated soil compression tests. In the north we tested a new predictive disease model of white mould, with promising results for a combination of these predictions and treatment with a biological spray.

Food safety, health and nutrition

Quality management: All Red River Commodities factories were SQF certified in 2017, resulting in the GFSI certification of almost all Acomo locations. In addition, we seek to reduce the microbiological, physical and chemical contamination risks of our products within the supply chain and our own operations.

Nutritional value: Acomo sources, trades and distributes over 500 agricultural commodities to and from more than 90 countries. Regardless of their ultimate application these raw materials have many positive health and nutritional benefits, as is demonstrated in global recommendations to eat nuts and seeds as part of a healthy diet.

Allergen-free alternative: Acomo's US market brand SunButter® offers consumers a tasty product that is not only free of the top eight allergens but also a healthy alternative to peanut butter through its nutritional composition.

Catz Charity Foundation

The Catz Charity Foundation (CCF) was founded after the deadly tsunami in 2004 with the objective to channel individual initiatives of Catz International employees and other partners. The foundation focuses on small-scale projects with reliable partners and minimal overhead costs to ensure that as much as possible of what is donated reaches those who need it.

CATZ CHARITY FOUNDATION

The Catz Charity Foundation supports several local organizations with financial and material donations. The foundation aims to help vulnerable people in their most basic living conditions, like shelter, food and education. For more information please visit www.catzcharityfoundation.nl. For donations please transfer your funds to: IBAN NL68ABNA0439501385, ABN AMRO Bank.

In 2017 the Catz Charity Foundation supported the following organizations:

Blessed Generation, with whom the Catz Charity Foundation has a long-standing relationship. This foundation helps nearly 800 children and young adults. Blessed Generation works with the local population as much as possible, providing food, medicine and education.

In partnership with the **Mirjam in Malawi** foundation and **The Art of Charity** the CCF funded the Food for life project, in which farmers are trained to grow maize in a way that gives a much larger yield than the traditional method.

The **Leprazending** foundation, which provides care to leprosy patients in the medical, social and mental fields. With the help of the CCF 12 young people receive access to education so that they will have the knowledge and skills to provide for themselves in the future.

The **Beautiful Kidz Namibia** foundation, which commits itself to the poorest children in Namibia. Education is central to this. The CCF contributed to emergency aid for the Beautiful Kidz centre in Ovitoto. A bakery has been set up that provides daily fresh bread.

The **Madalief** foundation, an organization that aims to offer the poorest children in Madagascar a better future. With the help of CCF a project was set up on school canteens in public schools. Around 300 children are provided with healthy meals on a daily basis.

Hands of Mercy, a foundation that provides assistance through support with relief supplies to adults and children in difficult circumstances. The CCF funded one of the transports to Romania.

ALS
Stichting ALS Nederland

In memoriam Ariël Maarleveld

In November 2017, the highly esteemed co-founder and board member of the Catz Charity Foundation, Ariël Maarleveld, died after a short and severe illness. For almost ten years, Ariël was the driving force behind the Foundation's generation of income, the strict selection of fundable projects and the distribution of funds.

In honour of Ariël, who suffered from ALS, the CCF has decided to make a donation to Stichting ALS Nederland, a foundation that raises funds for medical research and promotes general awareness of this disease. ALS (amyotrophic lateral sclerosis) is – as yet – an incurable disease of the nervous system.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42 BALEN

SPICES AND NUTS

CATZ INTERNATIONAL

Established 1856

Founded in 1856, Catz International is a leading trading house and supplier of a wide range of tropical products, such as spices, nuts, coconut products, dehydrated vegetables, dried fruits and herbs. Active in over 80 countries in the world, Catz International makes an important contribution to the Acomo Group in terms of sales and profit.

Key characteristics

Catz International sources from selected and audited partners around the globe and plays a pivotal role in the supply chain from suppliers to customers. The company provides peace of mind for suppliers and customers alike, and has a long history in effectively managing supply chain risks.

Solutions

Catz International provides solutions using its experience and in-depth market knowledge. Catz's expert traders are in daily contact with all major growing areas and suppliers, including regular visits to origins. These contacts enable Catz to stay on top of product and market developments and to secure anticipated customer needs.

Key customer groups

- International consumer packaged goods companies
- Local packaged goods companies
- Food processing industry
- Wholesalers

SPICES AND NUTS

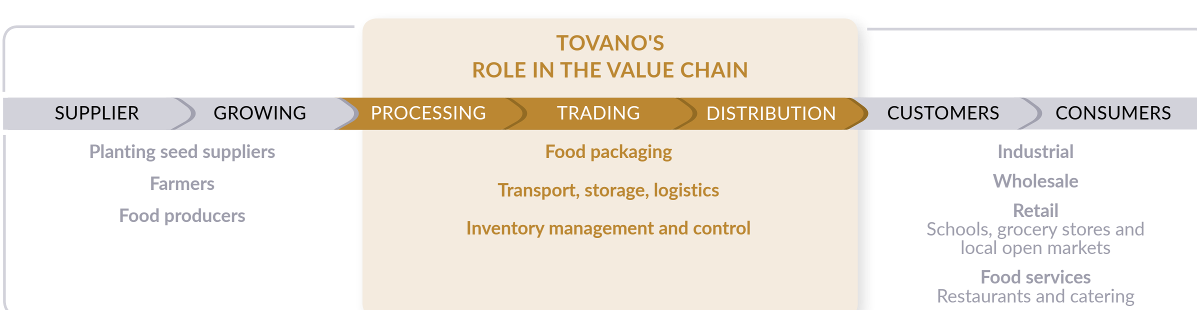
NUTS & DRIED FRUITS
TOVANO

Tovano specializes in shelled and unshelled nuts, dried fruits, dates, seeds, chocolate, rice crackers and snack products. Quality, food safety and flexibility in packaging and presentation are key factors of its business proposition.

Key characteristics
Tovano's history covers more than six decades. It has earned the company a worldwide network of trusted suppliers and a good reputation for being a reliable partner that imposes high standards in all respects.

Solutions
Through its extensive experience with products and packaging, Tovano provides tailored solutions to meet customers' demands. The flexibility of the organization allows Tovano to add value for a wide range of customers.

Key customer groups
- Fruit and vegetable exporters
- Wholesalers
- Retail organizations
- Food processing industry



SPICES AND NUTS

KING NUTS & RAAPHORST

King Nuts & Raaphorst is an established name in the world of nuts, dried fruit, rice crackers and superfoods. Since 1981 the company has been importing its products from around the world to supply customers in Europe and beyond. Customers are offered short-term availability of products.

Key characteristics

King Nuts & Raaphorst imports its products in bulk and focuses on delivering consistently high quality for its customers. With a storage capacity of 5,000 pallets the company can assure short-term availability for its customers. The company supplies products in bulk packaging.

Solutions

King Nuts & Raaphorst has extensive, relevant and up-to-date market information and access to the latest developments in its various product groups. This enables King Nuts & Raaphorst to help customers improving their decision-making process and creates opportunities for growth and profitability improvement. Customer requirements are met on demand through in-house nut processing capabilities.

Key customer groups

- Open market shops
- Specialty shops
- Wholesalers
- Export customers

SPICES AND NUTS

Despite the name, Delinuts specializes in more than nuts. Traditionally, its expertise has also included dried fruit and rice crackers. More recently the product line was extended with related items such as chocolate products, fruit and vegetable chips and seeds.

Key characteristics

Delinuts's wide portfolio of products is thoughtfully developed and maintained. Besides the general product line, the company offers customer-specific products. A strong focus on quality has earned Delinuts FSSC 22000, BRC, IFS and Skal certifications. Customers are served in the Netherlands and throughout Europe.

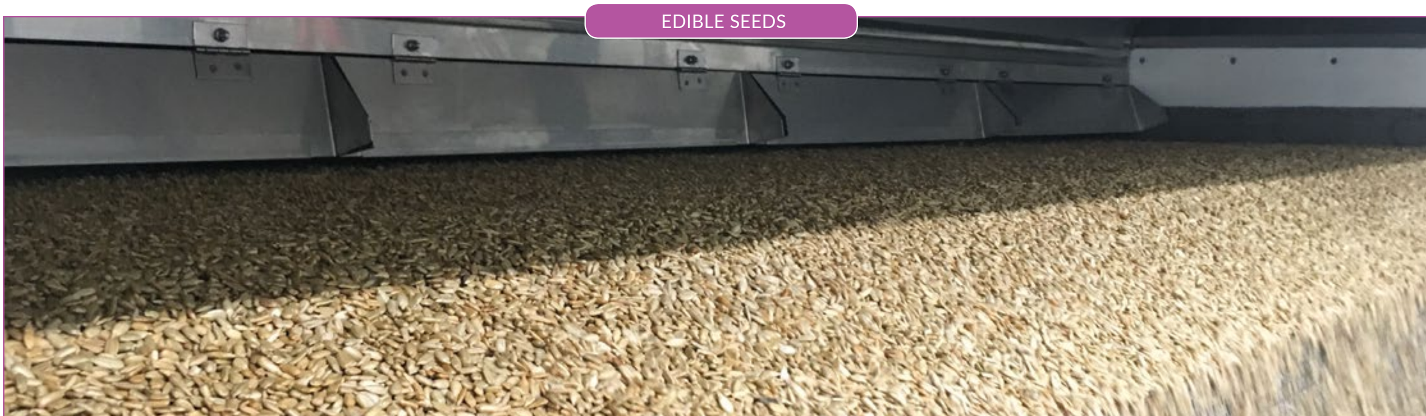
Solutions

Delinuts provides a tailored assortment to customers that covers a wide range of products beyond its more traditional nuts and dried fruit products. This provides customers with distinctive product offerings that fit their needs. Through continuous product innovation Delinuts helps its customers to further develop their business.

Key customer groups

- Food service
- Specialty shops
- Wholesalers
- Export customers

EDIBLE SEEDS



Red River COMMODITIES

Red River Commodities transforms confectionary sunflower seeds and selects other crops into tasty, high-quality food ingredients and food products. The company offers products (both in-shells and kernels) for further processing as well as consumer-ready packaged goods.

Key characteristics

Red River Commodities operates in four distinctive units: Processing, Roasting and Packaging, SunButter® and Wildlife food. The company has a leadership position in these areas in North America and sources crops directly from trusted growers.

Solutions

With production and buying facilities in a variety of latitudes in the Midwest of the USA, Red River Commodities is less dependent on growing conditions of any single location. This enables the company to secure supply to its customers. The processing and packaging capabilities of the company offer customers unique product opportunities for a wide variety of markets. The SunButter® proposition offers healthy products to consumers, free of the top eight allergens.

Key customer groups

- Consumer packaged goods companies
- Retail (including online)
- Food processing industry
- Wholesalers
- Export customers

RED RIVER COMMODITIES'
ROLE IN THE VALUE CHAIN

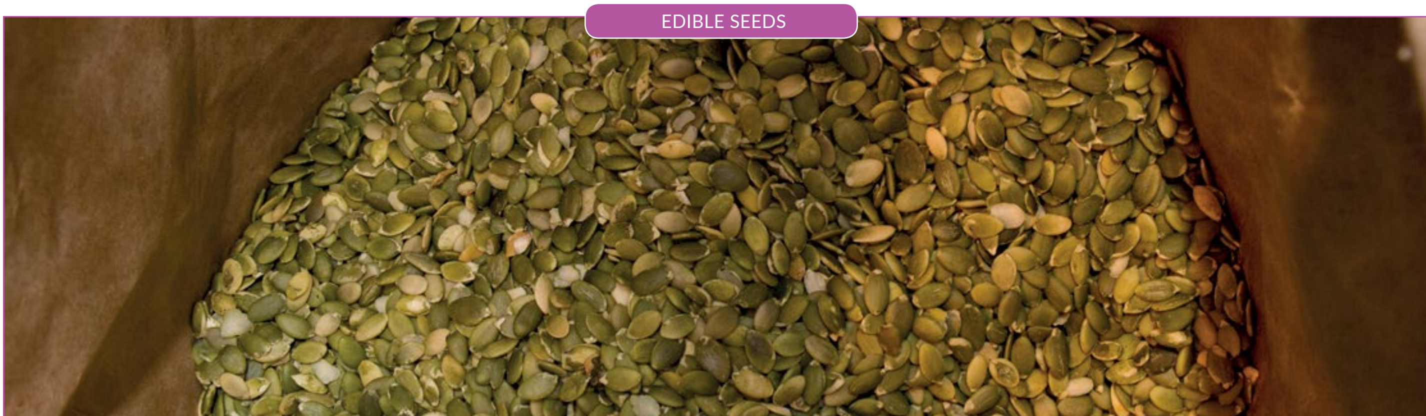
SUPPLIER | GROWING | PROCESSING | TRADING | DISTRIBUTION | CUSTOMERS | CONSUMERS

Contract farming
Planting seed suppliers
Farmers
Food producers

Food processing
(including cleaning and blending)
Food packaging
Transport, storage, logistics
Inventory management and control

Industrial
Wholesale
Retail
Schools, grocery stores and local open markets
Food services
Restaurants and catering

EDIBLE SEEDS



Red River Global Ingredients serves as a trading company with expertise in specialty products within the grain, seed and pulse industries. The company sources products from around the globe for customers on the North American continent.

Key characteristics

The very experienced trading team of Red River Global Ingredients has extensive knowledge of overseas buying of specialty crop products. The company gives customers peace of mind by arranging all steps from sourcing, shipping, importing and (when requested) processing, including all applicable quality controls and certifications.

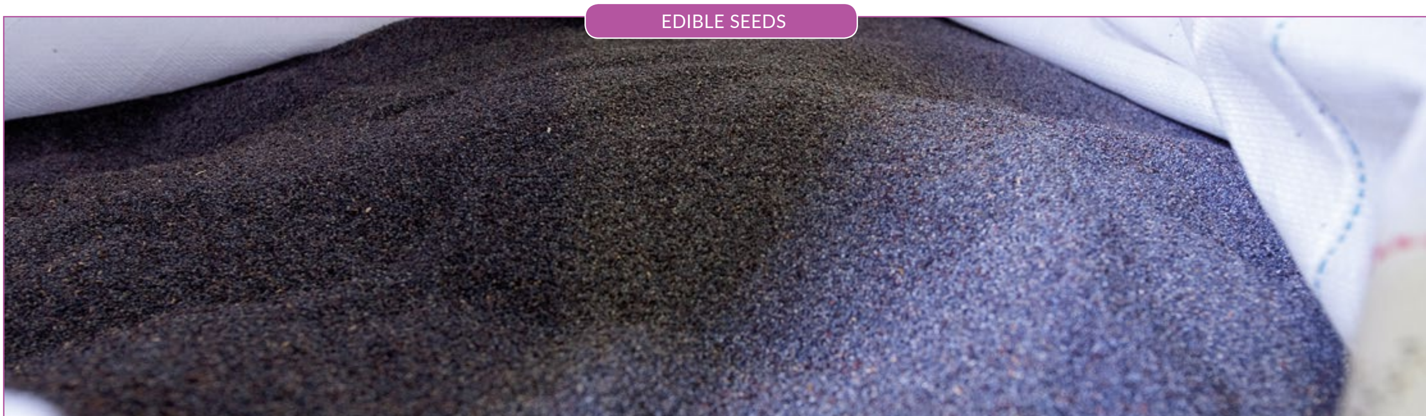
Solutions

Through sister company Red River Commodities in Fargo (ND), Red River Global Ingredients offers processing capabilities for overseas sourced products. This provides substantial benefits to customers as the processing is done on the North American continent in a trusted environment close to the customer.

Key customer groups

- Consumer packaged goods companies
- Food processing industry
- Bakery industry
- Birdfood ingredient buyers

EDIBLE SEEDS



Red River VAN ECK

Red River-van Eck specializes in the processing and distribution of seeds (mainly poppy seeds) to the confectionary, spice and bakery industry. Through entrepreneurship, reliability, in-depth market knowledge and commitment to its customers, Red River-van Eck has achieved a leading position in the industry.

Key characteristics

The facilities of Red River-van Eck are strategically located between the port of Rotterdam and Antwerp. Its products are of high and consistent quality and are sourced from around the globe. The sunflower organization is based in Bulgaria and serves several customers throughout Europe and the Mediterranean region. Sourcing from reliable partners is a key element of the company's strategy.

Solutions

Through its in-depth and up-to-date market knowledge and expertise, Red River-van Eck provides relevant information and high-quality products to customers. Flexibility in execution and timely response further add value and have strengthened its market position.

Key customer groups

- Food processing industry
- Bakery industry
- Wholesalers
- Export customers

RED RIVER VAN ECK'S
ROLE IN THE VALUE CHAIN

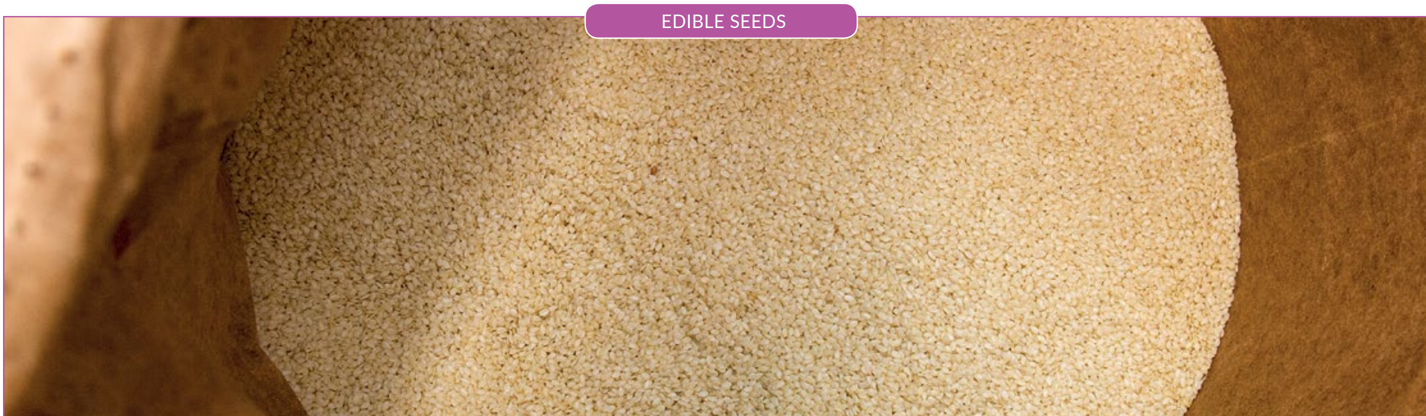
SUPPLIER | GROWING | PROCESSING | TRADING | DISTRIBUTION | CUSTOMERS | CONSUMERS

Planting seed suppliers
Farmers
Food producers

Food processing
(including cleaning, calibration and blending)
Food packaging
Transport, storage, logistics
Inventory management and control

Industrial
Wholesale
Retail
Schools, grocery stores and local open markets
Food services
Restaurants and catering

EDIBLE SEEDS



SIGCO
Warenhandelsgesellschaft mbH

SIGCO Warenhandel provides a broad range of edible seeds such as sesame seeds, pumpkin seeds, poppy seeds and sunflower kernels. The company sources from around the globe and is partner to major companies in the food and bakery industry.

Key characteristics

Guaranteed quality and contract performance have contributed to SIGCO Warenhandel's reputation as a reliable business partner. Through cleaning and sorting facilities in origin as well as in Europe, the company ensures that products meet customer specifications.

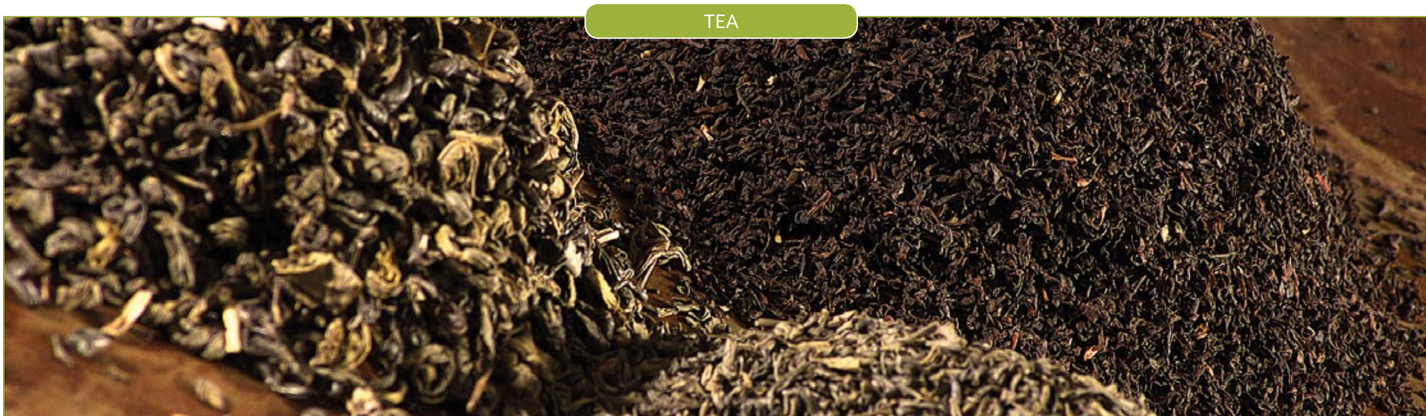
Solutions

Specific knowledge of products and the supply chain has made SIGCO Warenhandel a trusted partner to its customers. The company secures product supply through warehousing and excellent supplier relations. Further value is added through customized solutions and customer intimacy.

Key customer groups

- Bakery industry
- Food processing industry
- Wholesalers
- Export customers

TEA



VAN REES

Founded in 1819, Rotterdam-based Van Rees Group has an uninterrupted presence in the tea industry of almost 200 years. It has an unrivalled position as a dedicated tea supply chain manager, fulfilling customers' requirements of black, green or specialty tea in either bulk or packaged form.

Key characteristics

Van Rees is represented in all the main tea-exporting and consuming countries, from Kenya and Sri Lanka to Russia and Canada. Van Rees uses its blending and packaging capabilities to create stability in both pricing and quality for its customers, whilst providing flexible options in stock management. Clients rely on the company's expertise and certified warehousing for timely deliveries from all corners of the world.

Solutions

As a market leader, Van Rees is able to support its customers' decision-taking by sharing market knowledge on a weekly basis. In addition, it provides individual customers with tailored solutions such as multi-origin blends exactly to clients' strict requirements. Van Rees supplies consistent quality from conventional bulk to specialty teas and herbals, and provides worldwide stock-keeping, forward contracts and pricing beyond cropping seasons. Moreover it offers supply chain financing for both customers and producers.

Key customer groups

- Consumer packaged goods companies
- Packagers
- Extraction companies
- Wholesalers
- Beverage industry

FOOD INGREDIENTS

SNICK EUROINGREDIENTS

Snick EuroIngredients supplies single ingredients and in-house developed blends to food processors, with a focus on clean label ingredients, natural raw materials, taste and texture ingredients and wet or dry blends.

Key characteristics

Snick EuroIngredients offers a wide range of products and solutions. The ingredients Snick EuroIngredients supplies can be found in a broad range of daily food products such as sauces, soups, ready meals, meat, fish cakes, mayonnaise, desserts, ice cream, bakery products, sweets and many more. The state-of-the-art facilities enable the company to produce high-quality solutions in a controlled and food-safe environment.

Solutions

By being very close to its customers, providing in-depth products and applying knowledge and expertise, Snick offers custom-made solutions that fit the individual customer's needs. Its staff of experienced culinary food technologists operates in a modern facility, including a professional kitchen and pilot plant. They are able to actively involve their customers in the creation of unique and innovative concepts and solutions.

Key customer groups

- Food processing industry
- Meat industry
- Sweet and savoury industry
- Dairy industry
- Beverage industry

SNICK EUROINGREDIENTS' ROLE IN THE VALUE CHAIN

SUPPLIER | GROWING | PROCESSING | TRADING | DISTRIBUTION | CUSTOMERS | CONSUMERS

Planting seed suppliers
Farmers
Food producers

Food processing (including blending)
Food packaging
Transport, storage, logistics
Inventory management and control

Industrial
Wholesale
Retail
Schools, grocery stores and local open markets
Food services
Restaurants and catering

Risk management

Risk management is one of the key responsibilities of the Board. The Group's principal risks and uncertainties – whether under our control or not – are highly dynamic and Acomo's assessment of and responses to them are critical to the Group's future business and prospects. Acomo's approach towards risk management is framed by the ongoing challenge of understanding the risks that the Company is exposed to, how these risks change over time and what the Company's risk appetite is. The Board assesses and approves Acomo's overall risk appetite, monitors the Group's risk exposure, assesses the Company's ability to continue as a going concern and sets Group-wide limits, which are reviewed on an ongoing basis.

Risk management within the Group is carried out on the basis of procedures that have been approved by the Board. The Group's overall risk management focuses primarily on the unpredictability of commodity and financial markets and is aimed at minimizing the potential impact of negative market developments on Acomo's financial position and results. Identifying, evaluating and hedging risks are primarily the responsibility of the operating companies. The Board and the operating companies' management apply procedures that cover specific risk areas including exchange rate risks related to foreign currency, interest rate and credit risk exposure, and the use of financial instruments such as derivatives and liquidity management.

The most important risks arising from the Group's trading activities and the Group's risk management and control systems are described in this annual report. However, this description is not exhaustive and risk management and control systems do not offer an absolute guarantee against future losses or mistakes. The current assessment of Acomo's risks, according to exposure and mitigating factors, is detailed on the following pages.

To the extent that any of these risks materialize they may affect, among other matters, the Group's current and future business and prospects, financial position, liquidity, asset values, growth potential, reputation and sustainable development (including the impact on food safety, the environment and aspects of social responsibility).
The diversification of Acomo's soft commodity portfolio, geographies, currencies, assets and liabilities is a source of mitigation for many of the risks the Company faces.
In addition, through Acomo's governance processes and its proactive management approach, the Company seeks to mitigate where possible the impact of certain risks should they materialize. In particular:

- The Group's finance policy requires Acomo to maintain sufficient cash and cash equivalents and other sources of committed funding available to meet anticipated and unanticipated funding needs.
- Acomo makes use of credit enhancement products, such as letters of credit, insurance policies and bank guarantees, and imposes limits on open accounts extended.

Risk appetite

Acomo's willingness to assume risks and uncertainties (the risk appetite) are different for each risk category. The level of the Company's risk appetite gives guidance as to whether Acomo should take measures to control such uncertainties. The risk overview table shows the risk appetite and the expected impact on the Group's achievement of its strategic, financial and operational objectives if one or more of the main risks and uncertainties were to materialize.

Risk category	Category description	Risk appetite
Strategic risk	Risk relating to prospective earnings and capital arising from strategic changes in the business environment and from adverse strategic business decisions	Moderate
Operational risk	Risk relating to current operational and financial performance and capital arising from inadequate or failed internal processes, people and systems or external events	Low to moderate
Financial risk	Risk relating to financial loss due to the financial structure, cash flows and financial instruments of the business, which may impair its ability to provide an adequate return	Low
Compliance risk	Risk of non-compliance with relevant laws and regulations (including food safety), internal policies and procedures	Low

Group risk profile

Below is an overview of the risks that Acomo believes are most relevant to the achievement of its strategy. The sequence of risks does not reflect an order of importance, vulnerability or materiality. This overview is not exhaustive and should be considered in connection with forward-looking statements. There may be risks not yet known to the Group or which are currently not deemed to be material. Nor can it be guaranteed that the activities will not be (materially) affected by one or more of the risk factors described on the following pages.

Strategic risks	Mitigating factors
Sustainability of our strategy	
Strong shifts in the success and credibility of our products in the niche segments we operate in, and Acomo's ability to respond to these adequately. In case there are external or internal developments negatively affecting the credibility of our products and/or segments, Acomo's strategy and reputation could be adversely affected, leading to a poorer overall financial position.	• Diversification of the product range and of the industries which are being supplied • Periodic assessment of our strategy by the Board with the management of our operating companies • Investigating market developments in order to identify opportunities for acquisitions
Increased competition and vertical integration	
Competition and vertical integration of Acomo's customers may put pressure on market share, volumes and prices, which could have an adverse effect. Operating in interesting markets may attract new entrants to the market. On the one hand this means more attention for the area we work in, on the other hand it could result in increased pressure on our market share, and potentially affect our revenue and profitability.	• Selective acquisitions • In 2017 we acquired Delinuts B.V., a trader in nuts and dried fruits, located in Ede, the Netherlands

Operational risks	Mitigating factors
Agricultural developments	
Agricultural developments, including weather conditions, harvests, long-term planting cycles and so on, may affect the availability, quantity and quality of the products.	• Up-to-date and complete market information • Diversification of the purchases across many countries of origin and reliable suppliers • Diversification of the product range
Fluctuations in commodity prices	
Price volatility, both long-term and short-term, of the various food products, depending on supply and demand. Long-term or short-term price volatility, in terms of both scale and speed, has a direct impact on the value of the subsidiaries' product positions (long or short).	• Diversification of the purchases across many countries of origin and reliable suppliers • Diversification of the product range • Diversification of the industries which are being supplied
Counterparty risk and price fluctuations also affect the behaviour of contract counterparties, particularly with regard to the correct execution of signed, but not yet delivered contracts.	• Research of the solvency and/or the credit risk of customers • Credit limit management
Fluctuations in the supply of, or demand for, the commodities in which we operate	
We are dependent on the expected volumes of supply or demand for commodities in which we are active, which may vary for many reasons, such as competitor supply policies, changes in resource availability, government policies and regulation, costs of production, global and regional economic conditions and natural events.	• Long-term relations with suppliers and customers
Fluctuations in currency exchange rates	
Particularly fluctuations of the US dollar, in which most of the world's commodities are traded. The vast majority of our purchase transactions are denominated in US dollars, while operating costs are mainly in euro, the currency of which fluctuates against the US dollar.	• Hedging contracts, such as currency exchange contracts
Geopolitical risks	
Political and economic developments in producing countries, usually tropical countries, which can affect both the availability of products and the reliability of supply. We operate in a number of geographic regions and countries, some of which are categorized as developing, complex or having unstable political or social climates. As a result, we are exposed to a wide range of political, economic, regulatory and tax environments. Policies or laws in these countries may change in a manner that may be adverse for us. Also, some countries with more stable political environments may nevertheless change policies and laws in a manner adverse to us. We have no control over changes in policies, laws and taxes.	• Maintaining a dialogue with authorities • Group-wide Code of Conduct

Sourcing, freight, storage, infrastructure and logistics	
Logistical factors relating to the availability and cost of transport and storage capacity. Increases in the costs of freight, storage, infrastructure and logistics support, or limitations or interruptions in the supply chain (including any disruptions, refusals or inabilities to supply), may adversely affect our business.	• Long-term contracts with suppliers, customers and logistic service providers • Supplier Code
Food safety and recall risks	
Food safety aspects and recall risks with regard to imported and delivered products. Our operations are subject to food safety and environmental laws along with compliance with our corporate sustainability framework. Food safety laws may result in increased costs or, in the event of non-compliance or incidents, in significant losses, including arising from (1) litigation and imposition of penalties and sanctions and (2) having licenses and permits withdrawn or suspended.	• Following strict food and product safety procedures • Insurance contracts to manage potential financial consequences • Traceability of the products and extensive, state-of-the-art laboratory testing (internal and external) in order to ensure food safety (all our subsidiaries are HACCP certified, and also have various other certifications related to their specific activities) • Supplier Code
Human rights, corruption and bribery risks	
It's our responsibility as a company to respect human rights. We have to prevent and address any negative impacts we may have on the rights of those whom we employ, do business with or interact with along our supply chain. Labour rights – including child labour, excessive hours with low wages, and human trafficking - are often the leading human rights concerns for agriculture companies. Bribery is illegal in most places where we do business, and it can cripple Acomo's long-standing reputation of conducting business with integrity.	• The Acomo Code of Conduct outlines our shared ethical standards for conducting business throughout the world. The standards and principles apply to all employees of the Acomo Group worldwide • Acomo has developed a Global Supplier Code of Conduct to clarify our global expectations in the areas of business integrity, labour practices, associate health and safety, and environmental management. Acomo's Supplier Code is intended to complement Acomo's Global Code of Conduct
Inability to attract, develop and retain trading staff	
Availability of experienced and professional traders and other staff. If we are unable to attract, develop and retain the right people, our ability to operate our business successfully may be significantly impaired.	• Human resources and remuneration policies aimed at rewarding talent, responsibility and success • Trading guidelines for each company and daily internal control on these, aimed at limiting risks with regard to position taking (overall and per product) and with regard to countries, suppliers and customers

Financial risks	Mitigating factors
Liquidity risks	
Availability of financing and interest rate developments. Failure to access funds (liquidity) would severely limit our ability to engage in desired activities. Liquidity risk is the risk that we are unable to meet our payment obligations when due, or are unable, on an ongoing basis, to borrow funds in the market on an unsecured or secured basis at an acceptable price to fund actual or proposed commitments. While we adjust our minimum internal liquidity threshold from time to time in response to changes in market conditions, this minimum internal liquidity target may be breached due to circumstances we are unable to control, such as general market disruptions, sharp movements in commodity prices or an operational problem that affects our suppliers, customers or ourselves.	• Maintaining headroom under committed revolving credit facilities • As at 31 December 2017, the Group had available undrawn committed credit facilities and cash amounting to €164 million (31 December 2016: €151 million)

Compliance risks	Mitigating factors
Government – laws and regulations	
New government measures, including increased regulations on food safety, may have a major impact on our business and financial position, and can present a threat to activities within a relatively short time frame.	• Monitoring and adapting to relevant (changes in) rules and regulations • Maintaining a dialogue with authorities • Supplier Code


MECALUX

BUSINESS PERFORMANCE

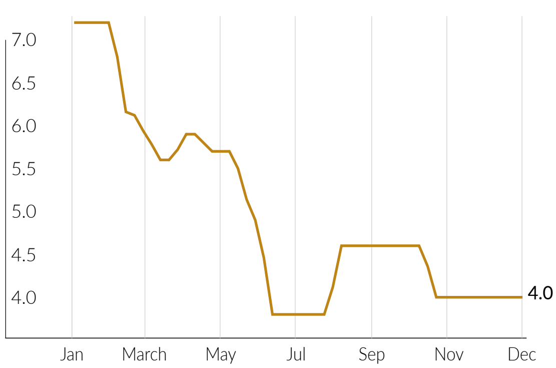
Group

General economic environment

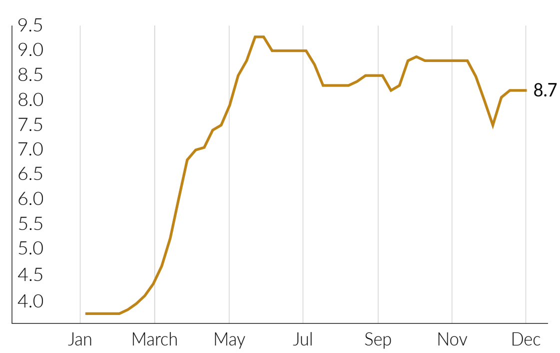
Global economic activity continued to firm up over 2017. The pickup in growth has been broad based, with growth increasing in more than half of the world's economies and notable upside surprises in Europe and Asia. The growth reflected a rebound in investment, manufacturing activity and trade and was supported by favourable financing costs, rising profits and improved business sentiment. The weakening of the euro/US dollar exchange rate in the second half of 2017 significantly impacted trade positions. The European market is still hampered by the uncertainties of the upcoming Brexit, as no less than 30% of the Benelux export of food products is to the UK.

Food commodity prices remained very volatile throughout the year with major price swings upward in nuts, and downward in spices. Cashews saw a price increase over the first half of the year, while slightly lowering over the second half. A big shortage, due to the diminished crop, has driven up prices of Brazil nuts. While desiccated coconut saw increased prices, due to the disappointing crop, the decline in pepper prices, which started in 2016, continued in 2017 with a further drop of 40%. Edible sunflower seed and cumin seed prices were under pressure, while other seed prices were stable and poppy seed prices increased substantially. Tea prices were high due to droughts in several regions.

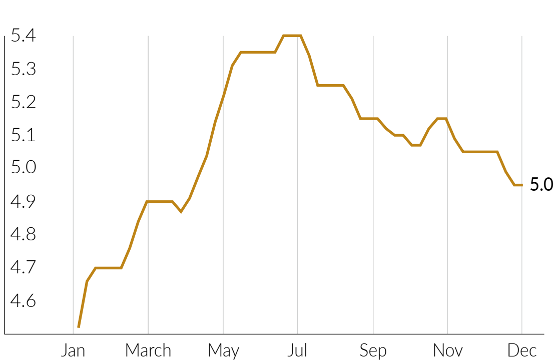
The graphs below do illustrate the volatility of the prices of some of our major products in 2017.



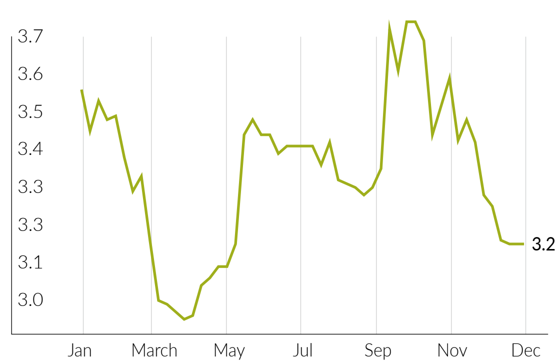
Pepper (black) Vietnam (USD/kg)



Brazils Bolivian medium (USD/lb)



Cashew kernels Vietnam 320s (USD/lb)



Tea Mombasa BP1 (USD/kg)

Source: IEG VU

Financial performance

(€ millions)	2017	2016	% change
Sales	709.7	682.3	4.0%
Gross margin	116.9	114.6	2.0%
EBITDA	52.1	55.2	-5.6%
Depreciation and amortization	5.7	4.8	18.8%
Operating income (EBIT)	46.4	50.4	-7.9%
Net finance costs	(3.0)	(3.1)	-3.3%
Corporate income tax	(10.9)	(12.9)	-16.2%
Net profit	32.5	34.4	-5.5%

In 2017, Acomo achieved consolidated sales of €709.7 million, an increase of 4.0% compared to 2016 (€682.3 million). The increase in sales was mainly realized in Spices and Nuts, due to the Delinuts acquisition. Gross margin increased by 2.0% to €116.9 million. When adjusted for the impact of the negative swing in unrealized FX hedge results (due to not applying hedge accounting) of €1.4 million, the total gross margin increased by 4.0% to €118.3 million. Total costs increased, mainly due to the Delinuts acquisition and investments in the organization. Production costs in the US operations of Edible Seeds were impacted by volatility in volumes.

Net profit for 2017 decreased by €1.9 million to €32.5 million versus 2016 (€34.4 million, - 5.5%). Adjusted for non-recurring items and unrealized FX results, net profit for 2017 decreased by €0.8 million (- 2.4%) compared to the adjusted 2016 net profit.

Non-recurring items

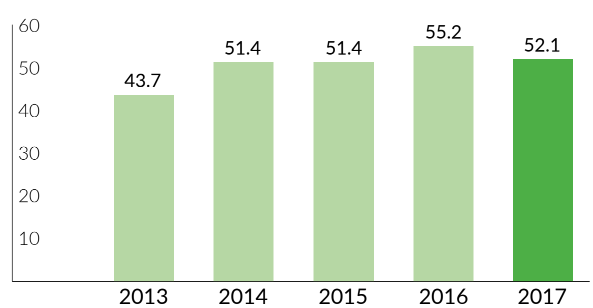
(€ millions)	2017 reported	Non-recurring items	Unrealized FX hedge results	2017 adjusted
Gross margin	116.9	-	1.4	118.3
EBIT	46.4	0.6	1.4	48.4
Net profit	32.5	(0.7)	1.1	32.9

(€ millions)	2016 reported	Non-recurring items	Unrealized FX hedge results	2016 adjusted
Gross margin	114.6	-	(0.9)	113.7
EBIT	50.4	-	(0.9)	49.5
Net profit	34.4	-	(0.7)	33.7

The 2017 net results were impacted by non-recurring items of in total €0.7 million (2016: €0 million). The non-recurring items comprise the restructuring costs of - €0.2 million and - €0.2 million amortization costs of acquired intangibles, both related to Delinuts. These costs are offset by the new US corporate income tax structure, which resulted in a positive effect of €1.1 million on the 2017 net results, due to a revaluation of US deferred tax positions.

EBITDA decreased by 5.6% to €52.1 million, mainly by a lower contribution of Spices and Nuts and Edible Seeds, partly offset by higher contributions of Tea and Food Ingredients.

EBITDA (€ millions)



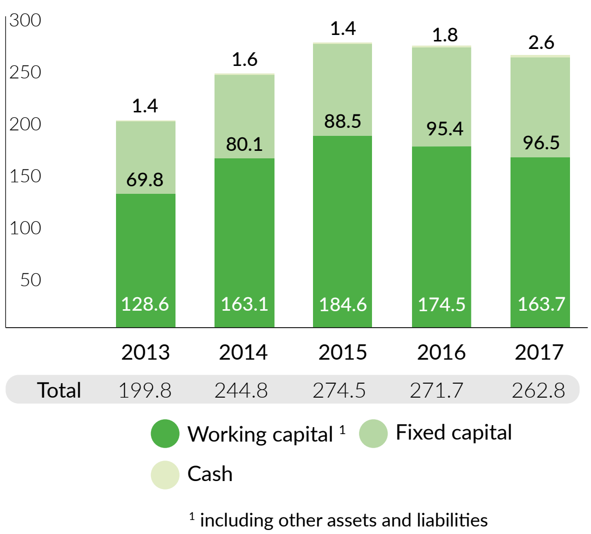
Balance sheet analysis

In 2017, total capital amounted to €262.8 million, consisting of €96.5 million of fixed capital (intangible assets, property, plant and equipment and other non-current receivables, less provisions), €163.7 million of working capital and other working capital related assets and liabilities, and €2.6 million cash and cash equivalents.

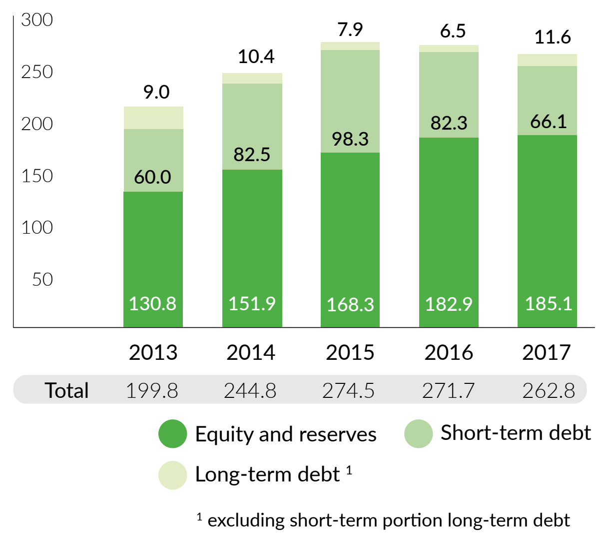
Fixed capital increased by €1.1 million, mainly due to the acquisition of Delinuts in the Spices and Nuts segment, partly offset by the weaker year-end US dollar that affected the fixed capital denominated in US dollar (mainly in the Edible Seeds and Tea segments).

Working capital and other working capital related assets and liabilities decreased by €10.8 million, mainly due to a weaker dollar rate and lower commodity prices, partly offset by the Delinuts acquisition.

Use of funds (€ millions)



Source of funds (€ millions)



Shareholders' equity increased by €2.2 million to €185.1 million on 31 December 2017 (year-end 2016: €182.9 million). The main movements were: 2017 net profit of €32.5 million and €9.4 million of issued new shares relating to the acquisition of Delinuts and the Acomo share option plan, partly offset by dividend payments to shareholders of €28.0 million (in 2016: €24.0 million, + 16.7%) and a negative currency translation effect of €11.0 million.

Total debt outstanding at the end of 2017 amounted to €79.8 million (2016: €91.8 million). Long-term debt of €11.6 million (2016: €6.5 million) is repayable in three years on average. The short-term part of the long-term borrowings of €2.1 million, repayable in 2018, is included in other working capital related assets and liabilities. Total short-term debt consists of the short-term bank overdrafts of €66.1 million (2016: €82.3 million).

Solvency as per 31 December 2017 was 53.5% (year-end 2016: 51.7%), which significantly exceeded the minimum solvency levels required by Acomo's financial policy.

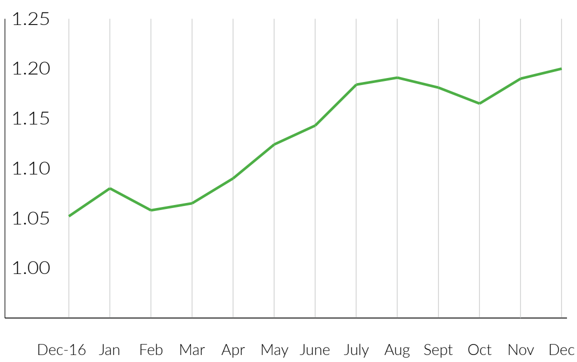
Foreign exchange position

All operating companies are required to hedge foreign exchange risks related to transactions against their functional currency. The consolidated accounts of Acomo are prepared in euros. The Group comprises several operating companies (Red River Commodities and Van Rees Group) that use the US dollar as their functional currency. The results of these subsidiaries are consolidated in the Group's 2017 results against the average euro/US dollar rate of the year. The euro/ US dollar exchange rate was comparable to 2016 during the first four months of 2017, but weakened over the later months. The average annual euro/US dollar exchange rate in 2017 was 1.130 (2016: 1.107). The FX rates contributed negatively to sales (- €5.9 million) and net profit (- €0.2 million).

The future development of the euro/US dollar rate can have a positive or negative impact on the consolidated results reported in euro. The assets and liabilities of Red River Commodities and Van Rees Group are translated in euro at year-end rate for consolidation purposes. The 2017 year-end exchange rate of 1.200 reflects the weaker US dollar against the euro when compared to the 2016 year-end rate of 1.052. As per 31 December 2017, this resulted in a decrease in total assets of €19.0 million.

Variations in the year-end rates on the net investment values of US dollar subsidiaries, after taking into account related long-term borrowings in US dollar, are accounted for directly in equity through the currency translation reserve and will impact total consolidated assets and net shareholders' equity.

Euro/US dollar rate 2017



Cash flow summary

€ millions	2017	2016	% change
Operating cash flow (before tax)	54.5	55.3	-1.4%
Changes in working capital	12.3	4.8	155.9%
Payments of interest and tax	(16.7)	(13.1)	27.7%
Net cash provided by operating activities	**50.1**	**47.0**	6.7%
Capital expenditures	(5.7)	(3.6)	60.6%
Acquisitions / investments	(8.0)	(1.5)	441.8%
Interest received	0.1	0.1	0.0%
Cash used in investing activities	**(13.6)**	**(5.0)**	174.9%
Capital increases	0.5	2.0	-77.3%
Changes in financial liabilities	(8.2)	(19.6)	-58.2%
Dividends	(28.0)	(24.0)	16.7%
Cash used in financing activities	**(35.7)**	**(41.6)**	-14.2%

Net cash generated from operations increased by €3.1 million, due to a lower working capital (total net cash effect of €7.5 million), mainly caused by lower inventories at year-end, partly offset by €0.8 million lower operating cash flow and higher interest and tax payments of €3.6 million.

Capital expenditures increased by €2.1 million, mainly due to investments in upgrading of plant equipment in the US operations of Edible Seeds and IT-Related investments (ERP) in Spices and Nuts, Edible Seeds and Tea. The acquisition of Delinuts resulted in a cash outflow of €8 million (Note 28).

The changes in financial liabilities of €8.2 million were mainly due to less cash drawn from our working capital bank facilities as a result of the decrease in working capital (€12.3 million) and repayments of long-term bank borrowings (€3.5 million), partly offset by a new acquisition drawing related to Delinuts (€8 million).

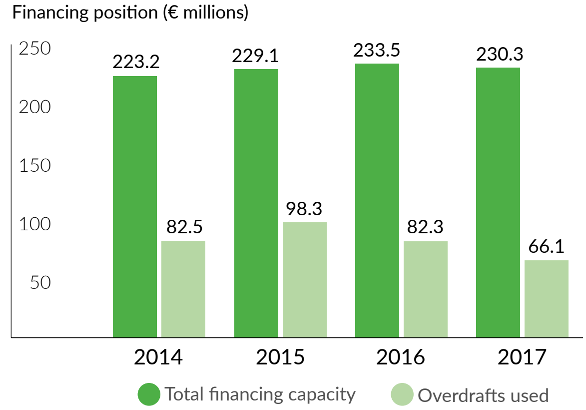
Dividends paid to the shareholders amounted to €28.0 million (2016: €24.0 million), which included the final 2016 dividend of €0.75 per share and the 2017 interim dividend of €0.40 per share.

Treasury position

On 7 February 2014 Acomo signed bank facilities for a total of €250.0 million, to be utilized for working capital financing including acquisitions. On 24 January 2017 the working capital facilities were extended with a three-year term with an option for an additional two years. Acomo has a further option to increase this facility with 30%. The Group's working capital credit facilities including cash positions amounted to in total €230.3 million (2016: €233.5 million). Short-term financing available to the Company on 31 December 2017 amounted to €164.2 million compared to €151.2 million one year earlier.

Working capital credit facilities are managed by treasury at Group level and/or at subsidiary level. These facilities are mostly borrowing based and are secured by either positive or negative pledges on stocks and trade receivables. Financial covenants are linked to a minimum solvency of the Group (30% or 25% minimum on various semi-annual reporting dates) and an interest coverage ratio of 4 to 1. At 31 December 2017 the Company and its subsidiaries were in full compliance with all bank covenants. Acomo pools cash from subsidiaries to the extent that is legally and economically feasible. Cash not pooled remains available for local operational needs.

Financing position (€ millions)

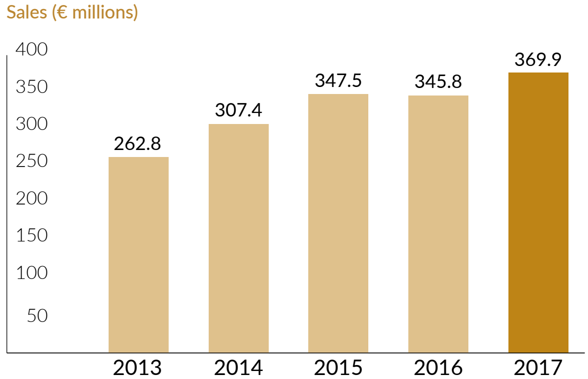


Operating segments

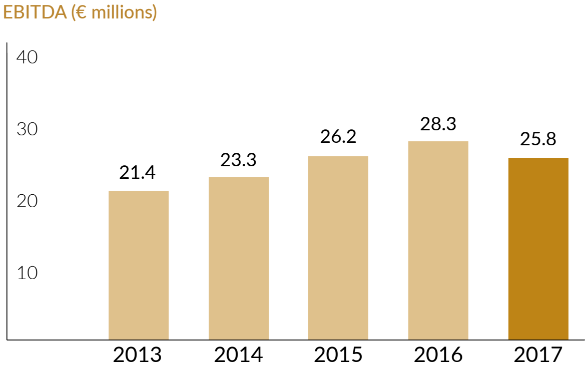
Spices and Nuts

Our Spices and Nuts segment was confronted with very challenging market circumstances. El Niño was described as the most important fundamental in 2016. As expected, this event did not only influence the 2016 crop, but the 2017 crop as well. The various origins for desiccated coconut experienced lower than normal precipitation levels during 2017. In combination with specific local supply issues, crop outputs have been disappointing throughout the year. Prices of desiccated coconut increased on average by 25% due to weather circumstances. At the end of the year, pepper prices were at their lowest level in eight years, putting pressure on the earnings potential. Dehydrated vegetables and dried fruits did not provide the same market opportunities as in 2016 and achieved lower results. Nuts on the other hand performed very well with, in general, increased price levels and good demand. Despite the market circumstances we managed to maintain the overall gross margin percentage at the same level as 2016, yet at somewhat lower volumes.

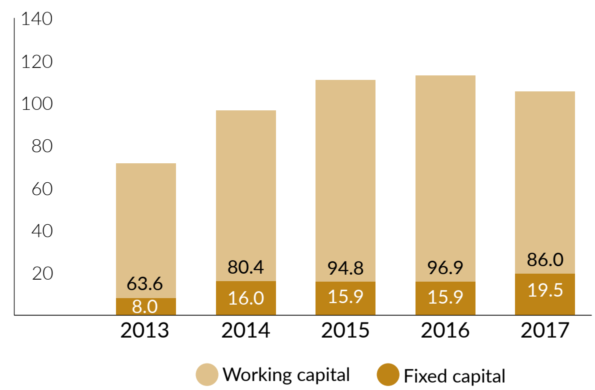
Sales (€ millions)



EBITDA (€ millions)



Invested capital (€ millions)



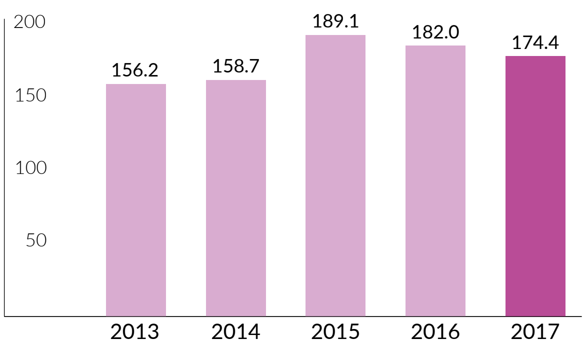
EBITDA decreased by €2.5 million (- 8.7%) compared to 2016. The 2017 EBITDA was negatively impacted by €1.4 million of unrealized FX hedge results (2016: + €0.9 million) and €0.4 million of non-recurring items. Excluding these items EBITDA increased by €0.2 million compared to last year. Invested capital decreased by €7.3 million compared to 2016, mainly due to a decrease in working capital of €10.9 million, as a result of lower inventories and accounts receivable positions, partly offset by an increase in fixed capital of €3.6 million, mainly due to the acquisition of Delinuts.

Edible Seeds

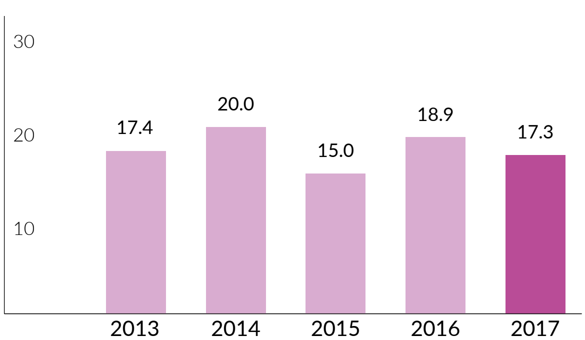
Our Edible Seeds segment showed a mixed performance. Sunflower grower prices remained stable during the year, and despite a relatively severe drought production volumes were equal to the previous year. A very strong US dollar in the first half of the year continued to limit the export demand for US products and only partially recovered by the end of the year. The strong US dollar encouraged foreign competition in the US marketplace, which was negative for the US operations but opened up opportunities for the recently started trading operations in Canada. Wild birdfood was impacted early in the year by a mild winter and the late arrival of orders for the opening of the spring garden centres. Despite the slow start it delivered an overall solid performance. SunButter® continues to gain momentum in the spread category, enhanced by the healthy attributes of its peanut- and tree nut-free product. A focussed marketing campaign (including an online campaign) helped to achieve another milestone and a double-digit growth in 2017. The poppy seed market was saturated at the beginning of the year, which gradually resulted in a decreased acreage in Europe. Partly failing crops and the decreased availability resulted in increased prices by 50%. Higher prices resulted in a fall in demand.

EBITDA decreased by €1.6 million (- 8.3%). The decrease was mainly due to higher production costs in the US as a result of volatility in volumes. Working capital decreased by €8.8 million, mainly due to lower inventories in the US.

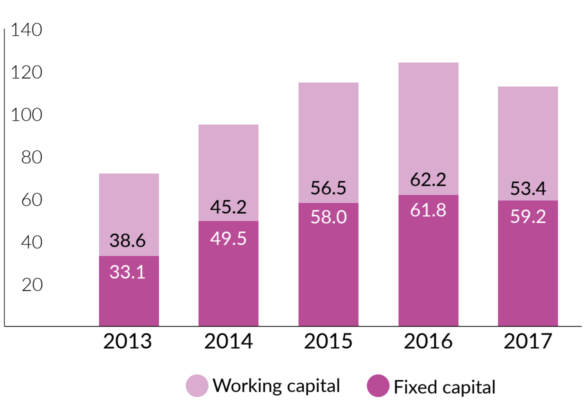
Sales (€ millions)



EBITDA (€ millions)



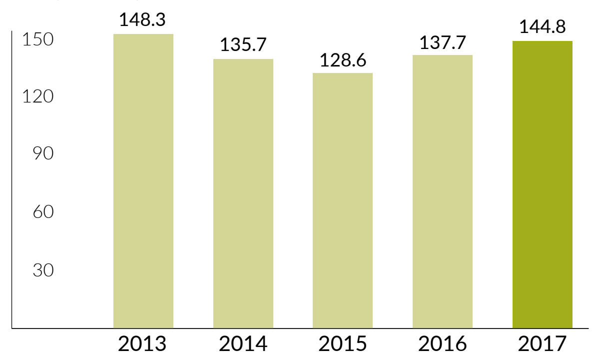
Invested capital (€ millions)



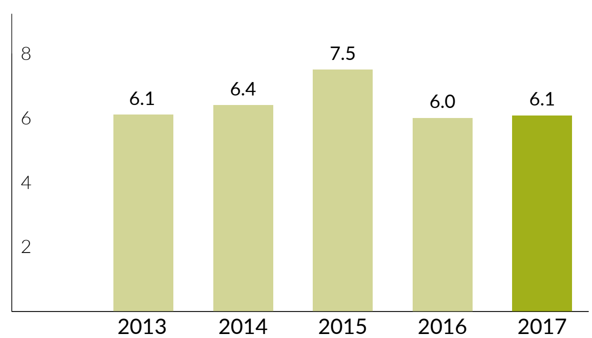
Tea

Our Tea segment experienced a challenging year in a turbulent market environment. Crops in the main tea-producing countries, such as Kenya and Sri Lanka, were affected by long-term drought resulting in lower availability and higher price levels during most of 2017. In the last quarter market conditions improved significantly. Blend volumes were hard to maintain due to changing sourcing strategies and increasing quality requirements of the global packers. Traceability is becoming increasingly important, with the need to get

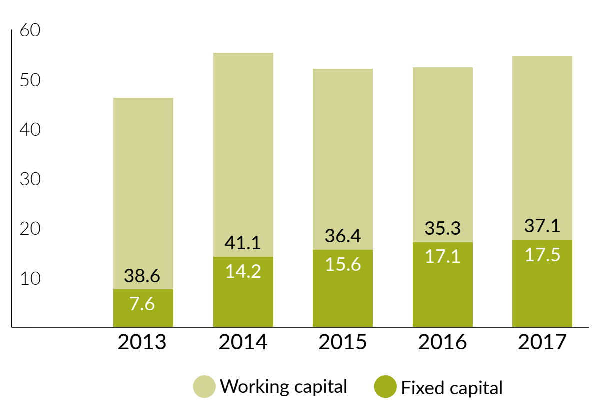
Sales (€ millions)



EBITDA (€ millions)



Invested capital (€ millions)



more grip on the supply chain. The demand for organic teas, although still a niche market, grew over the last year. The North American market for conventional teas is dropping, while demand for specialty teas is growing. Margins in the UK were under pressure due to a declined UK pound as a result of the upcoming Brexit and the price competition amongst supermarkets. At the same time there were positive developments in Indonesia and the Middle East. Overall volumes were slightly below last year at higher prices, leading to a small increase of the gross margin.

EBITDA increased by €0.1 million (+ 1.3%) compared to last year. Invested capital increased by €2.2 million, mainly due to a higher working capital.

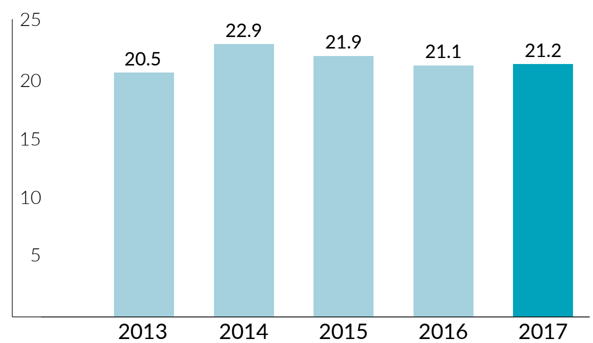
Food Ingredients

In our Food Ingredients segment volumes of almost all categories grew, resulting in higher gross margins in those same categories. Dry blends volumes continued to grow, resulting in an increased utilization of our plant. The demand for vegetarian products, as an alternative to meat products, is still increasing. In 2017 further savings were realized in operating costs and efficiencies. The combined effects of increased blend volumes and cost control resulted in a double-digit increase of the EBITDA versus 2016.

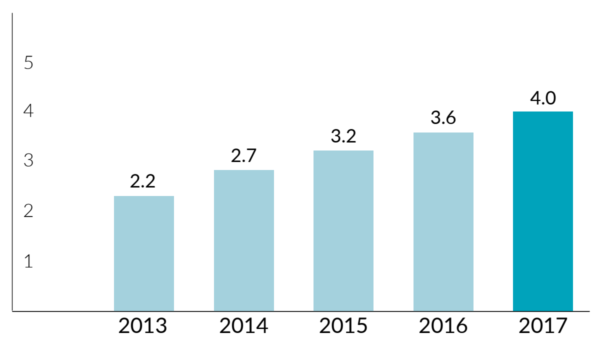
The food ingredients market saw a further concentration of suppliers, competitors and customers through several acquisitions, resulting in pressure on prices. In that respect it remains very important to search and develop value-adding products for new niche markets.

EBITDA increased by €0.4 million (+ 10.3%) compared to last year. Invested capital decreased by €0.8 million compared to 2016, mainly as a result of a decrease in working capital.

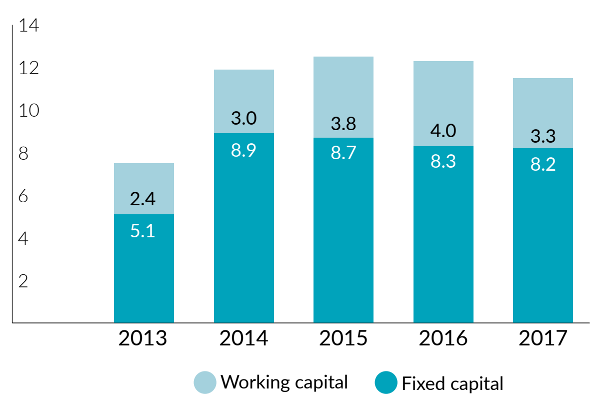
Sales (€ millions)



EBITDA (€ millions)



Invested capital (€ millions)




BLUE POPPY SEED
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BLUE POPPY SEED

GOVERNANCE

Corporate governance

Introduction

Acomo is incorporated and based in the Netherlands. Consequently, its governance structure is based on the requirements of Dutch legislation and the Company's Articles of Association, complemented by internal policies and procedures. Given the worldwide exposure of Acomo's businesses, the international context is of vital importance, and international developments are closely monitored. Acomo has always sought to enhance its governance in line with the Dutch Corporate Governance Code ('the Code', see www.mccg.nl) and international best practices. Any substantial changes in Acomo's corporate governance structure will be submitted for approval to the Annual General Meeting of Shareholders ('the AGM').

On 8 December 2016 the Corporate Governance Monitoring Committee published an update to the Code, replacing the previous version (2008). Acomo supports the new Code while maintaining some of its departures from the Code (see page 44).

On 25 April 2017 the AGM approved the switch to a one-tier board governance system. The Articles of Association of Acomo were amended on 28 April 2017 to effectuate the new system. The former Supervisory Board members were appointed as non-executive directors of the Board of Directors ('the Board').

Board of Directors

The task of the Board is to manage the Company, which includes the responsibility for the performance of the Group, the implementation of the Company's role, objectives and long-term strategy within the risk profile relating to the strategy, and taking into account corporate social responsibility aspects that are relevant to the Company. The Board is a one-tier board and the responsibility of the directors is collective, taking into account their respective roles as executive directors and non-executive directors. The majority of directors are non-executive directors, who essentially have a supervisory role. The non-executive director profile can be found on our website. The Company currently has one executive director, the Group Managing Director.

A list of our current directors, with their dates of appointment and their other major appointments, is set out in the chapter The Board of Directors on page 48.

The current Non-Executive Directors of the Board have delegated the operational running of the Group to the Group Managing Director with the exception of the following matters, which are joint Board responsibilities: structural and constitutional matters, corporate governance, approval of dividends, approval of overall strategy for the Company, approval of significant transactions or arrangements in relation to mergers, acquisitions, joint ventures and disposals, capital expenditure, contracts, litigation, financing and pensions. The Group Managing Director reports to the Board and is able to delegate any of his powers and discretions.

Executive director appointments are for a maximum period of four years with the possibility of re-appointment for consecutive four-year terms.

The role of non-executive directors is to supervise the Group activities of executive directors and the general course of affairs of Acomo. Non-executive directors support executive directors with solicited and unsolicited advice. In the fulfilment of their task, non-executive directors look in the first place to the interests of the Group, taking into consideration the fair interests of all parties concerned.

The supervision of non-executive directors includes the following aspects:

- The realization of the Company's objectives and strategy – with attention for the risks related to the Company's activities, strategy and consideration for its corporate social responsibility;
- The process of financial reporting;
- The observance of laws and regulations;
- A sound corporate governance;
- The relations with shareholders.

The rules regarding meetings, decision-making and working procedures of the Board of Directors can be found in the Articles of Association and the Board's Rules of Procedure. Both documents are published on the Company's website: www.acomo.nl/corporate-governance.

According to the Dutch Act on Management and Supervision ('Wet bestuur en toezicht'), a proper composition of the Board means that at least 30% of the seats are held by women and at least 30% by men. Currently one out of five directors of the Board is female (20%). With regard to the same act, no non-executive director of the Board can hold more than five supervisory positions at Dutch 'large companies'. Acomo pays close attention to diversity including gender diversity in the profiles of new directors of the Board in accordance with section 2:166, subsection 2 of the Dutch Civil Code. It currently does not strictly follow the recommendation for an explicit target on gender diversity and has not formulated concrete targets in this respect. Since Acomo is a small company, with four non-executive directors, it is not feasible to set concrete gender targets, also taking into account the other criteria described in the non-executive director profile.

Non-executive directors are appointed for a term of six years with the possibility of re-appointment for consecutive six-year, or shorter, terms.

The Board is the authorized body to adopt resolutions to issue common shares and/or grant rights to acquire common shares up to a maximum 10% of the issued share capital. The Board is the authorized body to adopt resolutions to restrict or exclude pre-emptive rights in relation to the issue of common shares and/or the granting of rights to acquire common shares.

Information following the takeover directive decree is included on page 111.

Annual General Meeting of Shareholders
Acomo's shareholders meet at least once a year in a general meeting, which generally takes place in Rotterdam, the Netherlands. Important matters that require the approval of the General Meeting of Shareholders are:

- Adoption of the annual accounts;
- Adoption of profit appropriation and additions to reserves;
- Adoption of the proposed dividends;
- Remuneration policy of the executive directors of the Board on a proposal by the non-executive directors of the Board;
- Remuneration of the non-executive directors of the Board;
- Discharge from liability of the executive directors of the Board for their management;
- Discharge from liability of the non-executive directors of the Board for their supervision;
- Appointment of the external auditor;
- Appointment, suspension or dismissal of the members of the Board;
- Adoption of amendments to the Articles of Association on a proposal by the Board.

Voting rights
Each of Acomo's ordinary shares is entitled to one vote. There are no voting restrictions and there is no certification of shares. Shareholders may vote by proxy. The voting rights attached to any company shares held by the Company are suspended as long as they are held in treasury. Resolutions of the General Meeting are adopted by an absolute majority of votes cast, except where Dutch law or Acomo's Articles of Association provide for a special majority.

Departures from the Code
Principle 2.2.2 Appointment and reappointment periods – non-executive directors: Considering the requirement for experience and in-depth expertise in the sourcing, trading, processing, packaging and distribution of food commodities, non-executive directors of the Board are appointed for a term of six years and no maximum number of terms has been determined. A non-executive director can be reappointed at the end of each term after careful consideration of his past performance and the adequacy of his profile with the desired profile of the Board.

Principle 3.1.2 Remuneration policy: According to the Code, the remuneration policy should include objectives for the strategy towards long-term value creation. The remuneration structure of Acomo is fairly common in international commodity trading firms and has been consistently applied by Acomo over the past years. The absence of explicit long-term remuneration criteria is explained by the fast and very short-term cycle of the trading activities. Although long-term objectives are not specifically determined in the remuneration policy (see page 46), in practice they play an important role given the long-term relations and the high degree of loyalty of both management and employees towards the Group.

Statement by the Group Managing Director

In accordance with best practice 1.4.3 of the Code of December 2016 the Group Managing Director confirms that:

- This report provides sufficient insights into any failings in the effectiveness of the internal risk management and control systems;

- The aforementioned systems provide reasonable assurance that the financial reporting does not contain any material inaccuracies;
- Based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern basis;
- This report states those material risks and uncertainties that are relevant to the expectation of the Company's continuity for the period of twelve months after the preparation of the report.

Report of the Non-Executive Directors

This report provides further information on the way the Non-Executive Directors performed their duties in 2017.

Board meetings
Meetings of the Board are scheduled one year in advance. Besides the regular agenda, the Board receives briefings and updates from key executives and senior management on developments and issues concerning the Group's business or which have an impact on the business of the Group. Regular presentations and updates by managing directors of Acomo's operating companies are provided to the Board to ensure an understanding of the Group's business. Further recurring agenda items for Board meetings are updates on business, financials and treasury topics. In its meetings, the Board additionally discusses the further development of the Group's business activities through acquisitions and investment projects in line with Acomo's long-term strategy.

In addition to the scheduled meetings each year, the Board meets as and when warranted by particular circumstances and engages in informal discussions.

To ensure that the Board has an in-depth understanding of the Group's business and activities, one Board site visit is organized annually. In 2017 the Board visited Red River Commodities in the USA. Besides visits to the several facilities of Red River Commodities in the USA, the Board met with the local management team and discussed in depth the development of the business activities of Red River Commodities.

Personal information
Personal information about each Non-Executive Director, as required in principle 2.1.2 of the Code, can be found in chapter The Board of Directors on page 48.

Independence
The Board currently considers all Non-Executive Directors to be independent of Acomo as defined in the Code, except for Mr Niessen, since he indirectly owns more than 10% of Acomo shares. However, the Board has ascertained that Mr Niessen in fact acts critically and independently. Trading experience and expertise of the members of the Board are crucial for the effective functioning of the Board. The Company believes that maintaining continuity in its Board is fundamental for delivering long-term shareholder value.

Evaluation accountability
Every year, the Board evaluates its functioning as a whole as well as that of its individual members and the functioning of the auditor. This review is held outside the presence of executive directors and is held through collective and individual discussions between the Chairman and non-executive directors. In the opinion of the Board, the functioning of the Board as a whole and of its individual members as well as the functioning of the auditor were satisfactory in the light of the current structure, size and strategy of the Company. Following the evaluation, the Board proposes to the Annual Meeting of Shareholders to reappoint the auditor and one of the Non-Executive Directors.

Committees
Considering the size of the Group no separate Board Committees are installed. Hence, the tasks of an audit committee, as prescribed in the Dutch Securities Supervision Act ('Wet toezicht effectenverkeer') are currently performed by the Non-Executive Directors of the Board.

Attendance
All Non-Executive Directors and the Executive Director were present at the eight formal meetings held in 2017 (100%). The Board also convened in the absence of the Executive Director, which happened either before or after each meeting.

Absence internal audit department
Considering the size of the Group and based on a cost benefit analysis, Acomo has not established an internal audit department. The Company has taken the following alternative measures to mitigate the absence of an internal audit department:

- For our international subsidiaries in the Tea segment, site visits by the Finance Director of the Van Rees Group are carried out. In 2017 site visits were organized at our offices in Indonesia, Sri Lanka, Vietnam and Kenya. The site visit to Kenya was also attended by our external Group auditor.
- In addition to these site visits, local audit firms are hired to perform audit procedures with a broader scope on top of their statutory and Group audit procedures.
- All our subsidiaries are regularly visited by the Group Managing Director and by members of our Group Finance department. Topics that are addressed during those visits are financial performance, Group reporting and IFRS accounting, compliance to laws and regulations and internal control matters.

The Board has assessed the alternative measures performed together with any resulting findings and recommendations and concluded that the findings did not result in any material deficiencies to Acomo's internal control system. Hence the Board considers the alternative measures performed sufficient for not establishing an internal audit department.

Remuneration report

The information relative to the remuneration of executive and non-executive directors of the Board is disclosed in Note 1.7 of the Company financial statements.

Non-executive directors of the Board are responsible for appointing the Company's statutory directors (subject to the General Meeting's approval) and setting their remuneration. The Company currently has one executive director and therefore the Company has not had the need to develop a general remuneration policy. Also, the Board's annual remuneration report is relatively brief in the absence of material changes year on year.

Remuneration policy
The level and structure of remunerations within the Group are such that people with the required expertise and qualifications can be recruited and retained. In determining the individual remunerations, the effect on the remuneration levels within the Group is taken into account. The total remuneration consists generally of a fixed element and a variable element linked to the annual profit before taxes of the respective entity. Fixed salaries are in line with market salaries. Managers, traders and other personnel of the subsidiaries can earn, in general, an annual profit-sharing compensation based on a fixed percentage of 10% to 15% of the profit before taxes of the (trading) company in which they are employed. This remuneration structure is fairly common in international commodity trading firms. The absence of explicit long-term remuneration criteria is explained by the fast and very short-term cycle of the trading activities. This clear and simple remuneration structure has significantly contributed to the success of the Group because it strongly focuses on profitability and the management of the risks and costs related to the activities. All employees are therefore highly committed to the success of the Group. In practice, the absence of any form of subjective profit-sharing calculation has proved to contribute to maintaining the familial culture of Acomo.

Over the past 20 years we have had very low personnel rotation. In return, Acomo expects 100% loyalty, honesty, dedication and a high degree of professionalism from all its employees. The management has always been very loyal and the Group's track record in terms of retaining key employees is excellent.

Adjustments to the remuneration policy for executive directors
There were no adjustments to Acomo's remuneration policy in 2017.

Remuneration of the Executive Director
The remuneration of the Executive Director consists of a fixed and a variable element based on objective targets, which are evaluated each year by the non-executive directors of the Board. Evaluation criteria include the performance of the Group and the achievement of the Group strategy.

Scenario analyses

The Code requires that the non-executive directors of the Board shall analyse possible outcomes of the variable income components on executive directors' remuneration. A high-level scenario analysis is included in the annual determination of the variable element of executive directors' remuneration by the non-executive directors of the Board.

Declaration by the Board of Directors

In accordance with the Dutch Financial Supervision Act, section 5.25c, the Board of Directors declares that, to the best of its knowledge:

- The financial statements for 2017 provide, in accordance with IFRS as endorsed by the EU, a true and fair view of the consolidated assets, liabilities and financial position as at 31 December 2017, and of the 2017 consolidated statement of income of Amsterdam Commodities N.V.;
- The annual report provides a true and fair view of the situation as at 31 December 2017 and the state of affairs during the financial year 2017, together with a description of the principal risks faced by the Group.

Rotterdam, 8 March 2018

The Board of Directors,

A.W. Goldschmeding, Executive Director

B.H. Stuivinga, Chairman
M.E. Groothuis, Non-Executive Director
Y. Gottesman, Non-Executive Director
J.G.H.M. Niessen, Non-Executive Director

THE BOARD OF DIRECTORS

Machtelt Groothuis
(1970, f)

Non-Executive Director

Non-Executive Director since April 2017. Prior to this she served as member of the Supervisory Board from 2013. End of current term: 2019.
Nationality: Dutch.

Entrepreneurial (impact) investor at Social Impact Ventures in Amsterdam and boardroom advisor.

Allard Goldschmeding
(1964, m)

Group Managing Director / Chief Financial Officer

Executive Director since appointment at the AGM of 26 April 2016. End of current term: 2020.
Nationality: Dutch.

Supervisory directorships/ other positions held: none.

Bernard Stuivinga
(1956, m)

Non-Executive Chairman

Non-Executive Chairman since April 2017. Prior to this he served as Chairman of the Supervisory Board from 2002. End of current term: 2022.
Nationality: Dutch.

Attorney-at-law and tax advisor with Roorda Advocaten in Amsterdam.

Yoav Gottesman
(1952, m)

Non-Executive Director

Non-Executive Director since April 2017. Prior to this he served as member of the Supervisory Board from 2002. End of current term: 2018.
Nationality: British.

Former director of various companies predominantly in the commodity and food industry. Private investor in technology and private equity ventures.

Jan Niessen
(1963, m)

Non-Executive Director

Non-Executive Director since April 2017. Prior to this he served as member of the Supervisory Board from 2011. End of current term: 2023.
Nationality: Dutch.

Managing director of Mont Cervin Sarl in Luxembourg and member of the Supervisory Board of Ordina N.V.

THE ACOMO SHARE

Shares and listings
Shares in Amsterdam Commodities N.V. are listed on Euronext stock exchange in Amsterdam (ISIN code NL0000313286). The shares were included in the Amsterdam Small Cap Index (AScX) on 21 March 2011.

The average number of shares outstanding in 2017 was 24,475,469. On 31 December 2017 Acomo had 24,624,060 shares outstanding.

Distribution of shares
Under the Dutch Financial Markets Supervision Act, shareholdings of 3% or more in any Dutch company must be disclosed to the Dutch Authority for the Financial Markets (AFM). According to the register kept by the AFM the following shareholders had disclosed that they have a direct or indirect (potential) interest in Acomo's total share capital on 31 December 2017:

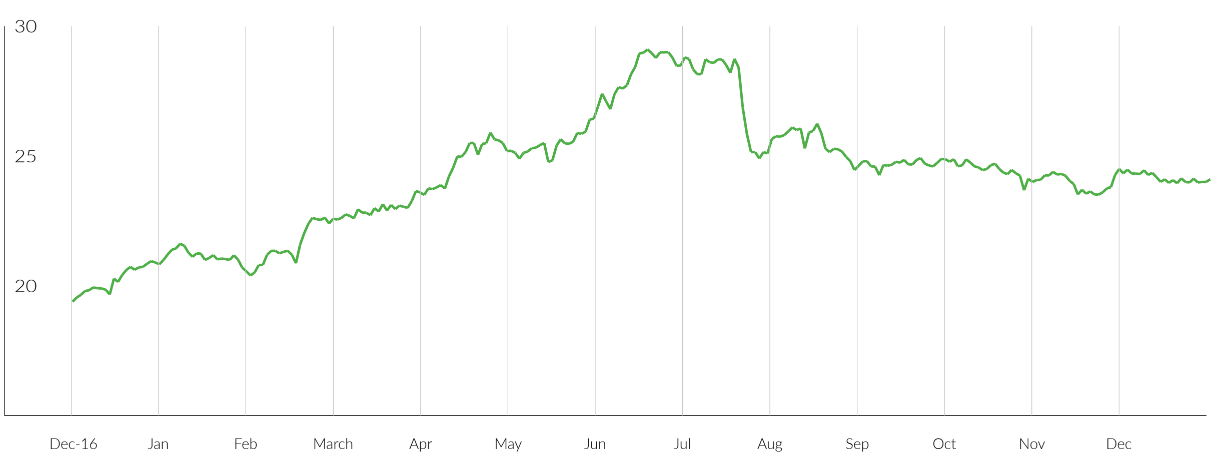
- Mont Cervin Sarl (14.9%)
- Mawer Investment Management (13.3%)
- Red Wood Trust (9.1%)
- Todlin N.V. (5.1%)
- Monolith Investments Management B.V. (4.2%)

Dividend
Acomo aims to maintain the Group's traditionally strong dividend policy. This policy implies that a substantial share of the annual net profit is paid out to the shareholders in cash every year. The pay-out ratio is subject to the realized free available cash flow and solvency and also depends on investment opportunities of the Group.

Key Acomo share data

		2017	2016	2015	2014	2013
Year-end price	€	**24.11**	20.90	23.20	19.01	16.55
Year high	€	**29.36**	24.64	25.83	19.01	16.95
Year low	€	**20.25**	19.00	18.85	16.19	13.90
Number of shares 31 December	(thousands)	**24,624**	24,225	23,991	23,767	23,532
Market capatalization 31 December	€ millions	**593.6**	506.3	556.6	451.8	389.4
Earnings per share	€	**1.33**	1.43	1.35	1.40	1.17
Dividend per share	€	**1.10**	1.15	1.00	1.10	0.77
Equity per share	€	**7.52**	7.55	7.02	6.39	5.56
Price/earnings ratio (P/E ratio)		**18.2**	14.6	17.2	13.6	14.1

Share performance 2017



Source: Euronext

Consolidated financial statements

All amounts are in thousands of euros, unless otherwise stated.

Consolidated balance sheet as at 31 December

(in € thousands, before profit appropriation)	Note	31 December 2017	2016
Assets			
Non-current assets			
Intangible assets	6	**66,242**	62,919
Property, plant and equipment	7	**36,574**	42,138
Other non-current receivables	8	**1,257**	1,356
Deferred tax assets	19	**1,846**	173
Total non-current assets		**105,919**	106,586
Current assets			
Inventories	10	**149,570**	158,396
Trade receivables	11	**83,493**	81,401
Other receivables	12	**4,131**	2,649
Derivative financial instruments	13	**261**	2,735
Cash and cash equivalents	14	**2,590**	1,805
Total current assets		**240,045**	246,986
Total assets		**345,964**	**353,572**
Equity and liabilities			
Shareholders' equity			
Share capital	15	**11,081**	10,901
Share premium reserve	15	**61,658**	52,447
Other reserves	16	**3,801**	15,499
Retained earnings		**76,039**	69,684
Net profit for the year		**32,472**	34,377
Total shareholders' equity		**185,051**	182,908
Non-current liabilities and provisions			
Bank borrowings	18	**11,571**	6,519
Deferred tax liabilities	19	**6,895**	8,894
Retirement benefit obligations	20	**2,453**	2,062
Other provisions	21	**100**	279
Total non-current liabilities		**21,019**	17,754
Current liabilities			
Bank borrowings	18	**68,214**	85,233
Trade creditors		**45,593**	44,050
Tax liabilities		**6,135**	5,113
Derivative financial instruments	13	**1,271**	503
Other current liabilities and accrued expenses		**18,681**	18,011
Total current liabilities		**139,894**	152,910
Total liabilities		**160,913**	170,664
Total equity and liabilities		**345,964**	**353,572**

The notes on pages 57 to 89 are an integral part of these consolidated financial statements.

Consolidated statement of income

(in € thousands)	Note	2017	2016
Sales	5	**709,679**	682,320
Cost of goods sold		**(592,758)**	(567,743)
Gross margin		**116,921**	**114,577**
Personnel costs	22	**(42,303)**	(39,299)
General costs	23	**(22,533)**	(20,087)
Depreciation and amortization		**(5,643)**	(4,751)
Total costs		**(70,479)**	(64,137)
Operating income		**46,442**	**50,440**
Interest income	24	**68**	73
Interest expense	24	**(3,114)**	(3,222)
Other financial income and expenses	24	**(60)**	53
Profit before income tax		**43,336**	**47,344**
Corporate income tax	25	**(10,864)**	(12,967)
Net profit		**32,472**	**34,377**
Profit attributable to shareholders of the Company		**32,472**	**34,377**
Earnings per share			
Basic	26	**1.327**	1.428
Diluted	26	**1.325**	1.419

The notes on pages 57 to 89 are an integral part of these consolidated financial statements.

Consolidated Statement of comprehensive income

(in € thousands)	2017	2016
Net profit	**32,472**	34,377
Other comprehensive income (OCI)		
OCI to be reclassified to profit or loss in subsequent periods		
Movement currency translation reserves	**(11,178)**	2,649
Movement on cash flow hedges	**(148)**	(405)
OCI to be reclassified to profit or loss in subsequent periods	**(11,326)**	2,244
OCI not to be reclassified to profit or loss in subsequent periods		
Remeasurement gains/(losses) on defined benefit plans	**(418)**	(79)
OCI not to be reclassified to profit or loss in subsequent periods	**(418)**	(79)
Total other comprehensive income	**(11,744)**	**2,165**
Total comprehensive income	**20,728**	**36,542**
Total comprehensive income attributable to shareholders of the parent	**20,728**	**36,542**

Items in the statement above are disclosed net of income tax. The income tax relating to each component of other comprehensive income is disclosed in Note 25.

The notes on pages 57 to 89 are an integral part of these consolidated financial statements.

Consolidated statement of cash flows

(in € thousands)	Note	2017	2016
Cash flow from operating activities			
Profit before income tax		43,336	47,344
Adjustments for:			
• Discontinuation hedge accounting in Spices and Nuts segment		-	(949)
• Depreciation and amortization	6, 7	5,643	4,751
• Net increase/(decrease) in provisions		2,082	567
• Interest income	24	(68)	(73)
• Interest expense	24	3,114	3,222
• Cost share option plan and other		413	414
Cash flow from operating activities excluding working capital		**54,520**	**55,276**
Changes in working capital			
• Inventories		9,297	5,059
• Trade and other receivables		6,024	(4,188)
• Derivatives		2,878	(1,355)
• Trade and other payables		(5,871)	5,301
Total (increase)/decrease in working capital, net		12,328	4,817
Cash generated from operations		**66,848**	**60,093**
Interest paid		(3,180)	(2,840)
Income tax paid		(13,545)	(10,262)
Net cash generated from operating activities		**50,123**	**46,991**
Cash flow from investing activities			
Investments in property, plant and equipment and intangible assets	6, 7	(5,736)	(3,571)
Acquisitions	28	(7,980)	(1,473)
Interest received		57	76
Net cash used for investing activities		**(13,659)**	**(4,968)**
Cash flow from financing activities			
Issued loans		-	(1,349)
Proceeds from new shares issued	15	450	1,980
Proceeds from new long-term borrowings	18	8,039	1,516
Repayments of long-term borrowings	18	(3,457)	(2,535)
Borrowings short-term	18	(12,713)	(17,192)
Dividends paid to shareholders		(28,013)	(24,001)
Net cash used for financing activities		**(35,694)**	**(41,581)**
Net increase/(decrease) in cash and cash equivalents		**770**	**442**
Cash and cash equivalents at the beginning of the year		1,805	1,384
Exchange gains/(losses) on cash and cash equivalents		15	(21)
Cash and cash equivalents at the end of the year		**2,590**	**1,805**

The notes on pages 57 to 89 are an integral part of these consolidated financial statements.

Consolidated Statement of changes in equity

(in € thousands)	Note	Share capital	Share premium reserve	Other reserves	Retained earnings	Net profit for the year	Total equity
		Attributable to owners of the Company					
Balance at 1 January 2016		**10,796**	**50,572**	**13,267**	**61,434**	**32,251**	**168,320**
Net profit 2016		-	-	-	-	34,377	34,377
Other comprehensive income 2016		-	-	2,165	-	-	2,165
Total comprehensive income 2016		**-**	**-**	**2,165**	**-**	**34,377**	**36,542**
Appropriation of net profit		-	-	-	32,251	(32,251)	-
New shares issued	15	105	1,875	-	-	-	1,980
Employee share option scheme:							
• Value of employee services	16	-	-	90	-	-	90
• Tax credit share option scheme	16	-	-	(23)	-	-	(23)
Dividends relating to 2015, final		-		-	(14,400)	-	(14,400)
Dividends relating to 2016, interim		-	-	-	(9,601)	-	(9,601)
Transactions with shareholders		**105**	**1,875**	**67**	**8,250**	**(32,251)**	**(21,954)**
Balance at 31 December 2016		**10,901**	**52,447**	**15,499**	**69,684**	**34,377**	**182,908**
Net profit 2017		-	-	-	-	32,472	32,472
Other comprehensive income 2017		-	-	(11,744)	-	-	(11,744)
Total comprehensive income 2017		-	-	(11,744)	-	32,472	20,728
Appropriation of net profit		-	-	-	34,377	(34,377)	-
New shares issued	15	180	9,211	-	-	-	9,391
Employee share option scheme:							
• Value of employee services	16	-	-	60	-	-	60
• Tax credit share option scheme	16	-	-	(14)	-	-	(14)
Dividends relating to 2016, final		-	-		(18,180)	-	(18,180)
Dividends relating to 2017, interim		-	-		(9,842)	-	(9,842)
Transactions with shareholders		**180**	**9,211**	**46**	**6,355**	**(34,377)**	**(18,585)**
Balance at 31 December 2017		**11,081**	**61,658**	**3,801**	**76,039**	**32,472**	**185,051**

The notes on pages 57 to 89 are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

1 General information

Amsterdam Commodities N.V. ('Acomo' or 'the Company') and its subsidiaries (together 'the Group') are an international group of companies active in the sourcing, processing, trading, packaging and distribution of natural food products and ingredients for the food and beverage industry. The Group's product portfolio broadly encompasses spices, dried fruits, nuts, tea, edible seeds and food ingredients. Acomo is a public limited liability company listed at the Amsterdam stock exchange (Euronext Amsterdam, AEX: ACOMO). The address of its registered office is Beursplein 37, 3011 AA Rotterdam, the Netherlands, Chamber of Commerce number: 24191858. These financial statements were approved by the Board of Directors on 8 March 2018.

The management board report within the meaning of Article 391 of Book 2 of the Dutch Civil Code consists of the following parts of the annual report: Key data, Letter from the Board, The Acomo Group, Business performance, Governance, The Board of Directors and The Acomo Share.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of Acomo have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. They also comply with the financial reporting included in Title 9 of Book 2 of the Dutch Civil Code when applicable. The consolidated financial statements are presented in thousands of euros unless stated otherwise and have been prepared under the historical cost convention and on a going concern basis except for derivative financial instruments and the plan assets related to the defined benefit pension plans, which are stated at their fair value. The areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

2.2 Adoption of new and revised standards

(a) First-time applied new standards, amendments and interpretations
In 2017, a number of amendments to existing IFRS standards became effective. These new standards, amendments, and interpretations, as far as they are relevant to the Group, have no material impact on the valuation and classification of assets and liabilities of the Group, nor on its income statement or cash flows.

(b) New standards, amendments and interpretations not yet adopted
In 2017 and before, various other new standards, as well as amendments to and interpretations of existing IFRS standards were published and/or enacted for application in accounting periods beginning on or after 1 January 2018. As far as these standards, amendments, and interpretations are applicable to the Group, the Group has decided not to opt for early adoption. Of these new standards, amendments and interpretations, IFRS 9 'Financial instruments' and IFRS 15 'Revenue from contracts with customers' will not have a material impact on the valuation and classification of the assets and liabilities of the Group, nor on its statement of income or cash flows. Acomo will apply the standards IFRS 9 and IFRS 15 as from 1 January 2018 going forward.

The new standard IFRS 16 'Leases', replacing 'IAS 17 Leases' and taking effect on 1 January 2019 will result in the recognition of almost all our leases on the balance sheet. The current distinction between operating and financing leases has been removed from IFRS 16. The standard requires us to recognize a 'right of use' asset, representing our right to use the underlying asset and a liability, representing our obligation to make lease payments for almost all lease contracts. Short-term leases and low-value leases are exempted. The Group has made a preliminary decision to make use of these exemptions. The impact on the statement of income is that current operating expenses will be replaced by depreciation and interest; as a result, key metrics such as operating income and EBITDA will change. In comparison with current accounting for operating leases, total expenses (depreciation for 'right of use' assets and interest on lease liabilities) are higher in the earlier years of a typical lease and lower in the later years.

The main impact on the statement of cash flows is higher cash flows from operating activities, since cash payments for the principal part of the lease liability are classified in the net cash flow from financing activities. Acomo will apply IFRS 16 as of 1 January 2019. Preliminary calculations indicate that as of 1 January 2019, IFRS 16 will lead to the recognition of 'Right of use' assets and other assets of approximately €7.1 million and of financial liabilities of €7.1 million.

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

2.3 Consolidation

(a) Subsidiaries

Subsidiaries are all those entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date that control is transferred to the Company until the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are expensed as incurred.

Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(b) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Currently the Group has no associates.

In the 2017 consolidated financial statements, the Company and the following subsidiaries are included:

		Percentage of ownership	
Subsidiaries	Country of incorporation	2017	2016
Catz International B.V.	The Netherlands	100%	100%
Catz International Dried Fruit B.V.	The Netherlands	100%	-
Tovano B.V.	The Netherlands	100%	100%
Snick EuroIngredients N.V.	Belgium	100%	100%
Red River Commodities Inc.	USA	100%	100%
Red River Commodities International Inc.	USA	100%	100%
SunGold Foods Inc.	USA	100%	100%
SunButter LLC	USA	100%	100%
Red River Global Ingredients Ltd.	Canada	100%	100%
Red River-van Eck B.V.	The Netherlands	100%	100%
Red River Bulgaria EOOD	Bulgaria	100%	100%
Van Rees Group B.V.	The Netherlands	100%	100%
Van Rees B.V.	The Netherlands	100%	100%
Van Rees India B.V.	The Netherlands	100%	100%
Van Rees North America Inc.	Canada	100%	100%
Van Rees UK Ltd.	United Kingdom	100%	100%
Van Rees Kenya Ltd.	Kenya	100%	100%
Van Rees Middle East Ltd.	United Arab Emirates	100%	100%
Van Rees Ceylon B.V.	The Netherlands	100%	100%
Van Rees Ceylon Ltd.	Sri Lanka	100%	100%
P.T. Van Rees Indonesia	Indonesia	100%	100%
Van Rees LLC	Russia	100%	100%
Container Tea Van Rees Trading Private Ltd.	India	100%	100%
King Nuts B.V.	The Netherlands	100%	100%
Delinuts B.V.	The Netherlands	100%	-
SIGCO Warenhandelsgesellschaft mbH	Germany	100%	100%
Acomo Investments B.V.	The Netherlands	100%	100%
Acomo North American Commodities B.V.	The Netherlands	100%	-
Acomo European Nuts Holding B.V.	The Netherlands	100%	100%
Acomo Food Ingredients Holding B.V.	The Netherlands	100%	100%
Acomo Seeds Holding B.V.	The Netherlands	100%	100%

2.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Acomo Board of Directors (‘The Board’). The Board is responsible for the allocation of the available resources, the assessment of the operational results and strategic decisions. The Board assesses the performance of the reporting segments based on a measure of adjusted profit before tax. This measurement basis excludes the effects of non-recurring expenditures from the operating segments such as restructuring costs, legal expenses and goodwill impairments when the impairment is the result of an isolated, non-recurring event. The Company has determined that Spices and Nuts, Edible Seeds, Tea and Food Ingredients represent the reportable segments for the Group. These reportable segments have been determined by aggregation of a number of operating segments, that meet the aggregation criteria as described in IFRS 8, into reportable segments. The segment information is disclosed in Note 5.

2.5 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in euros, the Company's functional and presentation currency. All financial information presented in euros has been rounded to the nearest thousand unless stated otherwise.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of income. Translation differences on non-monetary financial assets are included in Other comprehensive income (OCI). Foreign exchange gains and losses that relate to borrowings are presented in the statement of income, within finance costs. All other foreign exchange gains and losses are presented in the statement of income on a net basis within other income or other expenses.

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- Income and expenses for each income statement are translated at average exchange rates unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions; and
- All resulting exchange differences are recognized in OCI.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings designated as hedges of such investments, are taken to OCI. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognized in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. The resulting changes are recognized in OCI.

2.6 Intangible assets

Goodwill

Goodwill represents the excess of the consideration transferred of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired business at the date of acquisition. For the purpose of impairment testing, goodwill is allocated to cash-generating units (CGUs), being the parts of the operating segments benefiting from the business combination in which the goodwill arose. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill is not amortized, but goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstance indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and fair value less costs of disposal. Any impairment is recognized immediately as an expense and is not subsequently reversed.

Software
Costs related to the development and installation of software are capitalized at historical cost and amortized, using the straight-line method over the estimated useful life (3-5 years).

Other intangible assets
Other intangible assets include acquired trading contracts. Intangible assets that are acquired through business aquisitions are initially valued at fair value. This fair value is subsequently treated as deemed cost. These identifiable intangibles are then amortized using the straight-line method over the estimated useful life (1-2 years).

2.7 Property, plant and equipment

Property, plant and equipment are valued at historical cost using a component approach less depreciation and impairment losses. In addition to the costs of acquisition, the Company also includes costs of bringing the asset to its working condition, handling and installation costs and the non-refundable purchase taxes. Under the component approach, each component of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

Depreciation is calculated using the straight-line method based on the estimated useful life, taking into account any residual value. The asset's residual value and useful life are reviewed and adjusted, if appropriate, at each balance sheet date. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset as appropriate, only if and when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Land is not depreciated.

The useful lives of the following categories are used for depreciation purposes:

Buildings	20-30 years
Building improvements	5-10 years
Machinery and equipment	5-15 years
Vehicles	3-5 years
Furniture, fittings and equipment	3-8 years

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount exceeds its estimated recoverable amount (Note 2.8). Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the income statement.

2.8 Impairment of non-financial assets

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). An impairment loss will be reversed if there is a change in the estimates used to determine the recoverable amount of the assets since the last impairment loss was recognized. The net book amount of the asset will be increased to its recoverable amount. Goodwill is never subject to reversion of impairment losses recognized.

2.9 Derivative financial instruments including hedging accounting

The Group uses derivative financial instruments such as forward currency contracts to hedge its risks associated with foreign currency risk. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognized in OCI and later reclassified to profit or loss when the hedged item affects profit or loss.

All operating companies are required to hedge their foreign exchange exposure related to transactions against their functional currency. Based on a cost/benefit analysis the Group decided to discontinue applying hedge accounting for all operating segments except for the Tea segment as of 2016. The impact on the 2017 net profit is - €1.1 million (2016: + €0.7 million).

For the purpose of hedge accounting, hedges are classified as cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment transaction (cash flow hedge).

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. Hedges that are expected to be highly effective in achieving offsetting changes in cash flows are assessed on an ongoing basis to determine if they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges which meet the strict criteria for hedge accounting are accounted for as follows:

- The effective portion of the gain or loss on the hedging instrument is recognized in OCI in the cash flow hedge reserve, while any ineffective portion is recognized immediately in the statement of income within Cost of goods sold.
- Amounts recognized as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when a forecast sale occurs.
- When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognized in OCI remains separately in equity until the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

2.10 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and semi-finished products comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity), but excludes borrowing costs. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.11 Trade and other receivables and trade and other payables

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. Trade receivables and other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables and other short-term monetary liabilities are initially recognized at fair value and subsequently carried at amortized cost using the effective interest method. If payment is due within one year or less, they are classified as current liabilities. If not, they are presented as non-current liabilities.

2.12 Cash and cash equivalents

Cash and cash equivalents include cash at banks and on hand and short-term highly liquid investments with an original maturity of three months or less. Bank overdrafts are shown within Borrowings in current liabilities in the consolidated balance sheet.

2.13 Share capital

Ordinary issued shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are charged to the share premium reserve as a deduction, net of tax, from the proceeds.

2.14 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method. Fees paid in connection to new loan facilities are recognized as transaction costs of the loan. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2.15 Current and deferred corporate income tax

Income tax comprises current and deferred tax. Income tax is recognized in the statement of income except to the extent that it relates to items recognized directly within equity or in OCI. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income, and any adjustment to tax payable in respect of previous years.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax liabilities for withholding taxes are recognized for subsidiaries in situations where the income is to be paid out as dividend in the foreseeable future to the extent that these withholding taxes are not expected to be refundable or deductible. Changes in tax rates are reflected in the period when the change has been enacted or substantially enacted by the reporting date.

2.16 Employee benefits

Group companies operate various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. The Group has two defined benefit plans and various defined contribution plans.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognized as personnel expenses when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

A defined benefit plan typically defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding net interest (not applicable to the Group) and the return on plan assets (excluding net interest), are recognized immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in income on the earlier of the date of the plan amendment or curtailment, and the date that the Group recognizes restructuring-related costs. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. The Group recognizes a liability and an expense for bonuses and profit sharing, based on a percentage (generally 10% - 15%) of the profit before tax of the respective subsidiary. The Group recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2.17 Share-based payments

On 1 September 2010, the Group introduced an equity-settled share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the Company.

The fair value of the employee services received in exchange for the grant of the options is recognized as an expense in the income statement, with a corresponding adjustment to equity. The total amount to be expensed is determined by reference to the fair value of the options granted as measured at the date of grant.

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognizes the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

2.18 Provisions

Provisions are recognized when the Group has a legal or constructive obligation as result of a past event, when it is probable that an outflow of economic benefits will be required to settle the obligation and when a reliable estimate can be made of the amount of the obligation. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense (when the time value of money is material).

An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. Present obligations arising under onerous contracts are recognised and measured as provisions.

2.19 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group. The Group recognizes revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities as described below.

(a) Sales of goods
Sales of goods are recognized when a Group entity has delivered products to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery normally does not occur until the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed or the Group has objective evidence that all criteria for acceptance have been satisfied. Sales are recorded based on the prices specified in the sales contracts.

(b) Interest income
Interest income is recognized using the effective interest method. When a loan or receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans and receivables is recognized using the original effective interest rate.

(c) Dividend income
Dividend income is recognized when the right to receive payment has been established, which is generally when shareholders approve the dividend.

2.20 Cost of goods sold

Cost of goods sold is recorded in the same period in which the sales are recognized and includes the cost of the products sold, changes in the provision for obsolete inventories and direct purchase expenses. It excludes production costs.

2.21 Gross margin

Gross margin represents the difference between sales and cost of goods sold excluding production costs.

2.22 General costs

General costs represent the indirect sales costs, other production costs which are not directly linked to sales and transactions, and other general costs. General costs are allocated to the periods to which they relate.

2.23 Operational leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of income on a straight-line basis over the period of the lease.

2.24 Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

2.25 Cash flow statement

The statement of cash flows is prepared using the indirect method. Cash flows in foreign currencies are translated into euros using the weighted average rates of exchange for the periods involved.

3 Risk management

3.1 Risk factors

The Group operates in international commodity trading and is exposed to a variety of market and financial risks (including foreign exchange risk, interest rate risk and price risk), credit risks and liquidity risks. The Group's overall risk management focuses on the unpredictability of commodity and financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain foreign currency risk exposures. Risk management is carried out under policies approved by the Board of Directors. Risks are identified, evaluated and hedged in close cooperation with the Group's operating units. The Board and the management of the operating companies apply policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and investment of excess liquidity. The commodities in which the Group trades are not traded on commodity exchanges or spot markets. The group companies contract and purchase the products in general at the source for physical delivery. We refer to the chapter Risk management on page 31 for a further explanation on risk management.

3.1.1 Market risks

Foreign exchange risk
The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from current and future commercial transactions, current and future costs, recognized assets and liabilities and net investments in foreign operations. The Board has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The group companies are required to hedge their foreign exchange risk exposure arising from sales and purchase transactions within the respective company in accordance with Group policies. To manage their foreign exchange risk

arising from future commercial transactions and recognized assets and liabilities, entities in the Group use forward contracts, transacted with external banks and net borrowings in foreign currencies. Foreign exchange risk arises when future commercial transactions or recognized assets or liabilities are denominated in a currency that is not the entity's functional currency.

The Group has certain investments in foreign operations whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.
For the year 2017, if the average US dollar currency applied had weakened/strengthened by 5% against the euro with all other variables held constant, net profit for the year would have been approximately €0.6 million higher/lower (2016: €0.6 million), mainly as a result of foreign exchange results on translation of US-dollar-denominated income from the Van Rees Group tea business and Red River Commodities seeds business. On 31 December 2017, the total impact on shareholders' equity of a 5% US dollar increase/decrease relating to equity of subsidiaries with a US dollar functional currency would have been approximately €2.5 million (2016: €2.7 million). Similarly, total assets would have increased/decreased by approximately €6.5 million (2016: €7.4 million) in case of the euro/US dollar rate being 5% higher/lower than the rate at 31 December 2017 that has been used. The Group's exposure to foreign currency changes for all other currencies is not material.

Price risk
The Company's results are sensitive to commodity market price movements. In order to manage the effects of price movements of commodities, the group companies apply trading guidelines internally determined and maximum positions per product group and overall positions. From a financing point of view, headroom available within bank facilities is closely monitored in order to be able to finance increased working capital requirements when commodity prices increase.

Interest rate risk
The Group's interest rate risk arises from long-term borrowings and working capital financing. Borrowings and working capital financing contracted at variable interest rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable interest rates. Borrowings issued at fixed interest rates expose the Group to fair value interest rate risk.

During 2017 and 2016, the Group's borrowings at variable interest rates were denominated in euro and US dollar. The Group analyzes its interest rate exposure on a dynamic basis. Scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the Group calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies. The scenarios are run only for liabilities that represent the major interest-bearing positions.

A sensitivity analysis has been made based on the exposure to interest rates for the bank borrowings and current financial bank liabilities at the balance sheet date. If interest rates had been 0.5% (50 basis points) higher/lower and all other variables were held constant, the Group's result before tax for the year ended 31 December 2017 would have been approximately €0.5 million (2016: €0.5 million) lower/higher respectively.

3.1.2 Credit risk
Credit risk is managed at the subsidiary level. Each local subsidiary is responsible for managing and analyzing the credit risk for each of their customers before standard payment and delivery terms and conditions are offered. Credit risk arises from derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. As part of risk control the credit quality of the customer, taking into account its financial position, past experience and other factors, are assessed. Individual risk limits are set based on internal or external ratings in accordance with limits set by management of the operating companies. The utilization of credit limits is regularly monitored. See Note 11 for further disclosure on credit risk. Management does not expect any undisclosed material losses from non-performance by these counterparties.

3.1.3 Liquidity risk

Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements and calculates ratios to ensure it has sufficient funds to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times, so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities (Note 18). Such forecasting takes into consideration the Group's debt financing plans, planned capital expenditures, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable, external regulatory or legal requirements – for example, currency restrictions. Surplus cash held by the operating entities over and above balances required for working capital purposes are transferred to Group treasury. Group treasury invests surplus cash in interest bearing current accounts at first class banks.

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to ensure the continued financing of the trading activities, to provide adequate long-term returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors capital on the basis of the solvency ratio. This ratio is calculated as total equity plus subordinated debt divided by total assets. During 2017, the Company's objective, which was unchanged from the previous year, was to maintain the solvency ratio at a minimum of 30% and preferably around 40%. The solvency ratios at 31 December 2017 and 2016 were as follows:

	31 December	
Solvency	**2017**	2016
Total shareholders' equity	**185,051**	182,908
Total assets	**345,964**	353,572
Solvency ratio	**53.5%**	51.7%

The solvency ratio as at 31 December 2017 indicates that the Group is able to continue as a going concern.

4 Critical accounting estimates and judgments

The Group makes estimates and assumptions. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2.8. The recoverable amounts of CGUs have been determined based on value-in-use calculations. These calculations require the use of estimates (Note 6).

(b) Income taxes
The Group is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is inherently uncertain. The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made. Additional information is disclosed in Note 19 and Note 25.

(c) Pension benefits
The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate, future salary increases, mortality rates and future pension increases. The mortality rate is based on publicly available mortality tables for the specific countries. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation. Additional information is disclosed in Note 20.

(d) Inventories
Provisions are made for write-down of inventories to net realizable value based on management's estimates using available market information. Where management has determined that the net realizable value is lower than the initial value, inventories are written down. Additional information is disclosed in Note 10.

(e) Trade receivables
Provisions are made for doubtful debts based on management's estimates of the prospects of recovering the debt. Where management has determined that recovering is doubtful, the amount is provided for. Additional information is disclosed in Note 11.

(f) Litigation and claims
The Group is party to various legal proceedings, generally incidental, to its business. In connection with these proceedings and claims, management evaluated, based on the relevant facts and legal principles, the likelihood of an unfavourable outcome and whether the amount of the loss could be reasonably estimated. Subjective judgments were required in these evaluations, including judgments regarding the validity of asserted claims and the likely outcome of legal and administrative proceedings. The outcome of these proceedings, however, is subject to a number of factors beyond the Group's control, most notably the uncertainty associated with predicting decisions by courts and administrative agencies.

5 Segment information

The Board of Directors, consisting of the Non-Executive Directors and the Executive Director, examines the Group's performance both from a product and geographic perspective and has identified four reportable segments of its business:
- Spices and Nuts
- Edible Seeds
- Tea
- Food Ingredients.

The segment information for the reportable segments for the years ended 31 December 2017 and 31 December 2016 is as follows:

2017	Spices and Nuts	Edible Seeds	Tea	Food Ingredients	Holding and intra-group	Total
Sales	369,854	174,371	144,806	21,194	(546)	709,679
Operating expenses	(342,622)	(157,060)	(138,729)	(17,186)	(604)	(656,201)
Effect discontinuation hedge accounting	(1,393)					(1,393)
EBITDA	25,839	17,311	6,077	4,008	(1,150)	52,085
Depreciation and amortization	(773)	(3,781)	(731)	(348)	(10)	(5,643)
Operating income (EBIT)	25,066	13,530	5,346	3,660	(1,160)	46,442
Interest income/(expense), net						(3,106)
Income tax expense						(10,864)
Net result						32,472
Additions intangibles[1] and PPE	798	4,389	151	284	114	5,736
Total intangibles and PPE	1,552	28,861	4,734	4,079	118	39,344
Total assets	129,039	98,322	51,925	12,190	54,488	345,964
Total liabilities	100,104	64,700	29,774	7,854	(41,519)	160,913

2016	Spices and Nuts	Edible Seeds	Tea	Food Ingredients	Holding and intra-group	Total
Sales	345,790	182,023	137,728	21,095	(4,316)	682,320
Operating expenses	(318,427)	(163,150)	(131,727)	(17,460)	2,686	(628,078)
Effect discontinuation hedge accounting	949	-	-	-	-	949
EBITDA	28,312	18,873	6,001	3,635	(1,630)	55,191
Depreciation and amortization	(247)	(3,661)	(469)	(351)	(23)	(4,751)
Operating income (EBIT)	28,065	15,212	5,532	3,284	(1,653)	50,440
Interest income/(expense), net						(3,096)
Income tax expense						(12,967)
Net result						34,377
Additions intangibles[1] and PPE	266	3,053	203	91	7	3,620
Total intangibles and PPE	677	32,323	6,057	4,143	14	43,214
Total assets	119,345	112,618	55,204	12,834	53,571	353,572
Total liabilities	87,946	74,872	33,521	8,035	(33,710)	170,664

[1] Excluding goodwill

The amounts with respect to total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset. Inter-segment sales are eliminated upon consolidation and reflected in the Holding and intra-group column.

Sales per geography are as follows:

Sales (in € millions)	NL	EU other	US	Other	Total
2017	**142.6**	**304.1**	**147.3**	**115.7**	**709.7**
2016	114.8	324.5	161.2	81.8	682.3

6 Intangible assets

Intangible assets	Goodwill	Software	Other	Total
At 1 January 2016				
Cost or valuation	59,405	2,082	-	61,487
Accumulated amortization	-	(1,051)	-	(1,051)
Net book amount	59,405	1,031	-	60,436
2016				
Opening net book amount	59,405	1,031	-	60,436
Additions	1,335	50	-	1,385
Amortization	-	(55)	-	(55)
Exchange differences	1,103	50	-	1,153
Closing net book amount	61,843	1,076	-	62,919
At 31 December 2016				
Cost or valuation	61,843	2,182	-	64,025
Accumulated amortization	-	(1,106)	-	(1,106)
Net book amount	61,843	1,076	-	62,919
2017				
Opening net book amount	61,843	1,076	-	62,919
Acquisition of subsidiaries	-	157	300	457
Additions	6,168	1,940	-	8,108
Amortization	-	(208)	(279)	(487)
Exchange differences	(4,539)	(216)	-	(4,755)
Closing net book amount	63,472	2,749	21	66,242
At 31 December 2017				
Cost or valuation	63,472	3,985	300	67,757
Accumulated amortization	-	(1,236)	(279)	(1,515)
Net book amount	63,472	2,749	21	66,242

Goodwill

An operating segment-level summary of the goodwill allocation is presented below.

	31 December	
Goodwill	**2017**	2016
Spices and Nuts	**21,474**	15,305
Edible Seeds	**27,086**	30,105
Tea	**10,807**	12,328
Food Ingredients	**4,105**	4,105
Total goodwill	**63,472**	61,843

Impairment tests for goodwill

For the purpose of the annual impairment testing, goodwill is allocated to cash-generating units ('CGUs') or groups of CGUs, identified at the level of operating segments. The goodwill impairment test is based on the management judgment that the possible net realizable value of the acquired businesses will not be less than the sum of the goodwill amount plus the net assets of the acquired company. Given the nature of Acomo being a group of trading companies, the recoverable amounts of all CGUs have been determined as follows, based on the discounted cash flow (DCF) method:

- The DCF method uses cash flow projections based on financial budgets approved by management for 2018. The weighted average cost of capital (WACC) is based on the capital asset pricing model using a levered beta of 0.95.
  The WACC varies at different CGUs. Based on the local tax rates, the applied WACC pre-tax varies between 9.6% and 10.4%.
- A five-year forecast period is used (including approved 2018 budgets when applicable) followed by a terminal value based on perpetual 1.5% to 2.5% growth of revenues. Cash flows beyond 2018 are extrapolated using estimated growth rates. Cash flows beyond the five-year period are extrapolated taking into account a long-term average growth rate. The discount rates used are pre-tax and reflect specific risks relating to the relevant parts of the business.

The key assumptions used for value-in-use calculations in 2017 and 2016 are as follows:

Assumptions 2017	Spices and Nuts	Edible Seeds	Tea	Food Ingredients
Average future growth rates 2018 - 2022	2.3%	2.5%	2.3%	2.0%
Long-term average growth rate (after 5 years)	2.0%	2.0%	1.5%	1.5%
Discount rate, pre-tax, average	9.6%	10.2%	10.4%	10.3%
Assumptions 2016				
Average future growth rates 2017 - 2021	2.3%	2.5%	2.3%	5.0%
Long-term average growth rate (after 5 years)	2.0%	2.0%	1.5%	2.5%
Discount rate, pre-tax, average	9.0%	9.7%	9.8%	8.7%

After conducting impairment tests on all CGUs within the Group, no impairment was deemed necessary since the discounted future cash flows from the CGUs exceeded the carrying value including goodwill for each CGU.

It is inherent in the method of computation used that a change in the assumptions may lead to a different conclusion on the impairment required. If the discount rate is assumed to be one percentage point higher than assumed in the individual impairment tests, no impairment would have been required. The impairment tests performed separately would also not indicate any impairment if the future cash flows were set 10% lower than assumed.

7 Property, plant and equipment

The movements in property, plant and equipment are as follows:

Property, plant and equipment	Land and buildings	Vehicles and machinery	Furniture fittings and equipment	Assets under construction	Total
At 1 January 2016					
Cost or valuation	30,326	31,264	2,042	12	63,644
Accumulated depreciation	(7,026)	(13,441)	(1,086)	-	(21,553)
Net book amount	23,300	17,823	956	12	42,091
2016					
Opening net book amount	23,300	17,823	956	12	42,091
Investments	312	2,162	398	649	3,521
Disposals	-	(28)	-	-	(28)
Depreciation charge	(1,124)	(3,253)	(319)	-	(4,696)
Assets taken into operation	-	12	-	(12)	-
Exchange differences	666	535	16	33	1,250
Closing net book amount	23,154	17,251	1,051	682	42,138
At 31 December 2016					
Cost or valuation	31,776	34,707	2,147	682	69,312
Accumulated depreciation	(8,622)	(17,456)	(1,096)	-	(27,174)
Net book amount	23,154	17,251	1,051	682	42,138
2017					
Opening net book amount	23,154	17,251	1,051	682	42,138
Acquisition of subsidiaries	-	188	276	-	464
Investments	101	3,428	141	126	3,796
Disposals	-	(580)	(20)	-	(600)
Depreciation charge	(1,361)	(3,454)	(341)	-	(5,156)
Assets taken into operation	-	635	-	(635)	-
Exchange differences	(2,376)	(1,579)	(66)	(47)	(4,068)
Closing net book amount	19,518	15,889	1,041	126	36,574
At 31 December 2017					
Cost or valuation	27,490	32,706	2,333	126	62,655
Accumulated depreciation	(7,972)	(16,817)	(1,292)	-	(26,081)
Net book amount	19,518	15,889	1,041	126	36,574

The 2017 depreciation charge of €5.2 million (2016: €4.7 million) has been included in depreciation and amortization.

8 Other non-current receivables

	31 December	
Other non-current receivables	**2017**	2016
Issued loan	**1,200**	1,200
Other	**57**	156
Total	**1,257**	1,356

The issued loan is ultimately due on 31 July 2026 and bears an interest percentage of 3-month Euribor + 250 basis points. The loan is secured by a mortgage on commercial real estate.

9 Financial instruments by category

Assets	Loans and receivables	Derivatives	Total
31 December 2017			
Other non-current receivables	1,257	-	1,257
Derivative financial instruments	-	261	261
Trade and other receivables excluding prepayments	86,081	-	86,081
Cash and cash equivalents	2,590	-	2,590
Total	**89,928**	**261**	**90,189**

Liabilities	Other financial liabilities at amortized cost	Derivatives	Total
31 December 2017			
Bank borrowings non-current	11,571	-	11,571
Bank borrowings current	68,214	-	68,214
Derivative financial instruments	-	1,271	1,271
Trade and other payables	69,796	-	69,796
Total	**149,581**	**1,271**	**150,852**

Assets	Loans and receivables	Derivatives	Total
31 December 2016			
Other non-current receivables	1,356	-	1,356
Derivative financial instruments	-	2,735	2,735
Trade and other receivables excluding prepayments	83,586	-	83,586
Cash and cash equivalents	1,805	-	1,805
Total	86,747	2,735	89,482

Liabilities	Other financial liabilities at amortized cost	Derivatives	Total
31 December 2016			
Bank borrowings non-current	6,519	-	6,519
Bank borrowings current	85,233	-	85,233
Derivative financial instruments	-	503	503
Trade and other payables	62,060	-	62,060
Total	153,812	503	154,315

The fair values of the financial assets and liabilities do not materially differ from the book value due to either the short-term nature of the instruments used, the absence of long-term fixed interest rates or the accounting policies used.

10 Inventories

	31 December	
Inventories	**2017**	2016
Raw materials	**28,633**	33,299
Semi-finished products	**1,211**	642
Finished goods	**119,726**	124,455
Total inventories	**149,570**	158,396

The cost of inventories recognized as expense and included in cost of goods sold amounted to €560.8 million (2016: €537.9 million). As at 31 December 2017, the provision for write-down of inventories to net realizable value amounts to €5.7 million (2016: €5.7 million).

As at 31 December 2017, inventories with a book value of €115.6 million have been pledged as a security for certain bank overdrafts.

11 Trade receivables

	31 December	
Trade receivables	**2017**	2016
Trade receivables	**84,328**	82,582
Less: provision for impairment	**(835)**	(1,181)
Total trade receivables, net	**83,493**	81,401

As at 31 December 2017, trade receivables were impaired for the total amount of €0.8 million (2016: €1.2 million). The individually (partly or fully) impaired receivables mainly relate to customers in the ordinary line of business which are in unexpectedly difficult economic and financial situations. As at 31 December 2017, trade receivables of approximately €3.0 million were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default.

The ageing analysis of these trade receivables is as follows:

	31 December	
Ageing receivables	**2017**	2016
Up to 1 month	**80,517**	78,232
1-2 months	**1,811**	1,864
2-3 months	**714**	243
Over 3 months	**1,286**	2,243
Total trade receivables, gross	**84,328**	82,582

The carrying amounts of the Group's trade receivables are denominated in the following currencies:

	31 December	
Trade receivables — currency	**2017**	2016
Denominated in euros	**35,257**	36,231
Denominated in US dollars	**48,017**	44,076
Denominated in UK pounds	**650**	966
Denominated in other currencies	**404**	1,309
Total trade receivables, gross	**84,328**	82,582

Movements in the provisions for impairment of trade receivables are as follows:

Provision trade receivables	2017	2016
At 1 January	**1,181**	1,599
Acquisition	**322**	-
Write-offs	**(578)**	(243)
Unused reversed to the income statement	**(257)**	(436)
Charged to the income statement	**215**	248
Exchange differences	**(48)**	13
At 31 December	**835**	1,181

The recognition and release of provisions for impaired receivables have been included in Cost of goods sold in the income statement. Overdue receivables are generally fully written off when there is no expectation of recovering additional cash. The other classes within trade and other receivables do not contain material impaired assets.
The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above. The Group does not hold any collateral as security. In general, delivery terms dictate that full title of ownership can be withdrawn for unpaid deliveries. As at 31 December 2017, trade receivables with a book value of €46.0 million have been pledged as a security for certain bank overdrafts.

12 Other receivables

	31 December	
Other receivables	**2017**	2016
Prepayments	**2,020**	464
Tax and social securities	**1,471**	1,617
Other receivables	**640**	568
Total other receivables	**4,131**	2,649

All other receivables are due within one year from the end of the reporting period.

13 Derivative financial instruments

	31 December 2017		31 December 2016	
Derivatives	**Assets**	**Liabilities**	Assets	Liabilities
Cash flow hedges – foreign exchange contracts	**261**	**1,271**	2,735	503
Total derivatives	**261**	**1,271**	2,735	503

Foreign exchange contracts relate for more than 95% to forward US dollar sales and purchases with a term of less than 12 months and relate to hedged items with a maturity of less than 12 months. Consequently, the net value of these derivatives is classified as a current asset or liability. The forex contracts are so-called Level-2 derivatives with banks which values are derived directly from foreign exchange rates and interest rate levels. The maximum exposure to credit risk at the reporting date is the fair value of the derivative assets in the consolidated balance sheet. The Group has no commodity-based derivatives (under the definition of IAS 39.5).

Forward foreign exchange contracts
The total notional principal amounts of the outstanding forward foreign exchange contracts on 31 December 2017 were $56.3 million bought and $49.2 million sold resulting in a total net amount of $7.1 million (2016: $5.2 million). Gains and losses recognized in the hedge reserve in equity (Note 16) on forward foreign exchange contracts as at 31 December 2017 are recognized in the income statement in the period or periods during which the hedged forecast transaction affects the income statement.

14 Cash and cash equivalents

Cash and cash equivalents consist almost entirely of cash held at bank accounts.

15 Share capital and share premium reserve

The total authorized number of ordinary shares is 66.7 million shares (2016: 66.7 million shares) with a par value of €0.45 per share (2016: €0.45 per share). All 25 million issued shares (31 December 2016: 24 million) are fully paid. The movements during 2017 and 2016 were as follows:

Share capital and share premium reserve	Number of shares	Share capital	Share premium reserve	Total
At 1 January 2016	23,990,826	10,796	50,572	61,368
New shares issued	234,500	105	1,875	1,980
At 31 December 2016	24,225,326	10,901	52,447	63,348
New shares issued	398,734	180	9,211	9,391
At 31 December 2017	24,624,060	11,081	61,658	72,739

During the year, the issued share capital was increased by €180 due to issuance of 41,000 new ordinary shares of €0.45 each, as part of the exercise of share options (Note 17) and 357,734 new ordinary shares of €0.45 each, as part of the acquisition of Delinuts B.V. (Note 28). The shares issued have the same rights as existing shares issued.

16 Other reserves

Other reserves	Currency translation reserve	Share option plan	Hedge reserve	Other reserves	Total
At 1 January 2016	12,811	559	313	(416)	13,267
Cash flow hedges	-	-	(405)	-	(405)
Employee share option scheme:					
• Value of employee services	-	90	-	-	90
• Tax credit, 25%	-	(23)	-	-	(23)
Currency translation adjustments (CTA)	2,649	-	-	-	2,649
Remeasurement gains/(losses) on defined benefit plans	-	-	-	(79)	(79)
At 31 December 2016	15,460	626	(92)	(495)	15,499
Cash flow hedges	-	-	(148)	-	(148)
Employee share option scheme:					
• Transfer to other reserves	-	(589)	-	589	-
• Value of employee services	-	60	-	-	60
• Tax credit, 25%	-	(14)	-	-	(14)
Currency translation adjustments (CTA)	(11,178)	-	-	-	(11,178)
Remeasurement gains/(losses) on defined benefit plans	-	-	-	(418)	(418)
At 31 December 2017	4,282	83	(240)	(324)	3,801

The currency translation reserve comprises all translation differences arising from the translation of the net investment in group companies, including goodwill, in currencies other than the euro. The share option plan reserve comprises the value of vested rights in respect of the share option plan (Note 17) as far as stock options have not been exercised. The hedge reserve comprises the unrealized gains related to cash flow hedges.

Pursuant to Dutch law, limitations exist relating to the distribution of shareholders' equity of €15.4 million (2016: €26.3 million). Such limitations relate to share capital as well as to legal reserves required by Dutch law included under Other reserves.

17 Share-based payment

Share options are granted to management and to selected employees. The establishment of Acomo's share option plan was approved by shareholders at the annual general meeting of 27 May 2010. The share option plan is aimed at retaining key managers and employees of the Company and its subsidiaries, including executive directors of the Board. Under the plan, participants are granted options which only vest and can be exercised on the continued employment of the participant in the Group. Participation in the plan is at the Board of Directors' discretion.

The options have a contractual option term of seven years. All options vest in a six-year period with the first vesting three years after granting of the options. Options are granted under the plan for no consideration and carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

Total 2017 share-based payment expenses charged to the consolidated statement of income amounted to €60 (2016: €90).

The table below shows the movement of share options outstanding at the end of the year with their respective vesting dates, expiry dates and exercise prices.

Movement of share options

Year of grant	Vesting date	Expiry date	Outstanding 1 January 2017	Exercised 2017	Cancelled 2017	Outstanding 31 December 2017	Exercise price per option (€)
2010	1 September 2014	1 September 2017	3,000	(3,000)	-	-	7.39/8.27
	1 September 2015	1 September 2017	5,000	(5,000)	-	-	7.39/8.27
	1 September 2016	1 September 2017	18,000	(18,000)	-	-	7.39/8.27
2013	8 May 2017	8 May 2020	15,000	(15,000)	-	-	13.90
	8 May 2018	8 May 2020	25,000	-	-	25,000	13.90
	8 May 2019	8 May 2020	30,000	-	(27,500)	2,500	13.90
2014	1 December 2017	1 December 2021	12,000	-	-	12,000	17.00
	1 December 2018	1 December 2021	6,000	-	-	6,000	17.00
	1 December 2019	1 December 2021	10,000	-	-	10,000	17.00
	1 December 2020	1 December 2021	12,000	-	-	12,000	17.00
2015	1 September 2018	1 December 2022	15,000	-	-	15,000	22.46
	1 September 2019	1 December 2022	7,500	-	-	7,500	22.46
	1 September 2020	1 December 2022	12,500	-	-	12,500	22.46
	1 September 2021	1 December 2022	15,000	-	-	15,000	22.46
	Total		**186,000**	**(41,000)**	**(27,500)**	**117,500**	

The fair value at grant date is independently determined using the Black-Scholes model that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the Acomo share, the expected dividend yield and the risk-free interest rate for the term of the option. The volatility measured at the standard deviation of continuously compound share returns is based on statistical analysis of the Acomo share, measured over a historic period equal to the expected life.

The model inputs are set out below:

Year of grant	Fair value per option at grant date (€)	Share price at grant date (€)	Volatility	Dividend yield	Annual risk-free rate
2010	0.58	8.25	19.0%	8.20%	2.63%
2013	2.31	16.34	18.0%	4.40%	1.90%
2014	1.96	18.64	22.5%	5.00%	0.30%
2015	1.87	22.46	22.5%	5.10%	-0.10%

18 Bank borrowings

	31 December	
Bank borrowings	**2017**	2016
Non-current		
Bank borrowings	**11,571**	6,519
Total non-current	**11,571**	6,519
Current		
Bank overdrafts	**66,101**	82,272
Bank borrowings short-term part	**2,113**	2,961
Total current	**68,214**	85,233
Total bank borrowings	**79,785**	91,752

The carrying amounts of bank borrowings approximate their fair value due to the interest rates being variable. The working capital financing lines are secured through a mix of positive pledges and negative pledges on inventories and trade receivables.

The movements in bank borrowings were as follows:

	Non-current	Current
At 1 January 2017	**9,481**	**82,272**
Acquisition of subsidiaries	-	4,103
Repayments	(3,457)	(12,872)
Proceeds	8,039	159
Translation and currency differences	(379)	(7,498)
Other non-cash adjustments	-	(63)
At 31 December 2017	**13,684**	**66,101**

Bank borrowings

On 31 December 2017, the Group had three long-term bank borrowings:

- A €5 million and a €8 million drawing under the €50 million acquisition facility, repayable in five years with repayments of 15% per year with a final payment of the remaining borrowing on 31 January 2019;
- A €3 million term loan, repayable in 19 years started at 1 January 2014.

Non-current bank borrowings are secured by pledges on fixed assets of the relating group companies up to €2.8 million.

The carrying amounts of the Group's bank borrowings are denominated in the following currencies:

	31 December	
Non-current bank borrowings	**2017**	2016
Denominated in euros	**10,291**	5,004
Denominated in US dollars	**1,280**	1,515
Total non-current bank borrowings	**11,571**	6,519

The maturity of bank borrowings is as follows:

	31 December	
Contractual repayments	**2017**	2016
2017	**-**	3,000
2018	**2,113**	913
2019	**9,455**	3,490
2020	**163**	163
After 2020	**1,953**	1,953
Total contractual repayments	**13,684**	9,519

Total interest liabilities based on current interest rates, contractual terms and average 2017 working capital financial levels are approximately €2.7 million for 2018 and approximately €10.9 million in total for the years 2019-2022.

Bank overdrafts

On 31 December 2017, the Group had the following bank overdrafts:

- A €200 million revolving credit facility (RCF) with a borrowing base character; this facility has been extended on 24 January 2017 with a three-year term with options to be extended for an additional two years. Interest is variable;
- Local lines in operating companies, secured by corporate guarantees of the Acomo parent or intermediate group companies within the Group, in total amounting to €1.6 million and $31.4 million; these lines mature on an annual basis and are rolled over annually. Interest is variable.

For these bank overdrafts, financial covenants were agreed being an interest cover ratio that must exceed 4.0 and a minimum solvency that must exceed 25% or 30% at various measurement dates in the periods up until 31 December 2017. The interest cover ratio 2017 exceeded eighteen times and total solvency as calculated in line with the bank agreement exceeded 53%.

The used and undrawn part of bank overdrafts at 31 December 2017 is as follows:

	In local currencies			
Working capital overdraft facilities	Total lines	Outstanding	Undrawn	Available in €
€200,000,000 RCF	200,000	54,687	145,313	145,313
Local US dollar lines	$31,360	$12,716	$18,644	15,530
Local euro lines	1,552	821	730	730
Total in euro equivalent				
Total	227,674	66,101	161,573	161,573

19 Deferred tax liabilities and assets

	31 December	
Deferred income tax position	**2017**	2016
Deferred tax assets	**1,846**	173
Deferred tax liabilities	**(6,895)**	(8,894)
Deferred tax liabilities, net	**(5,049)**	(8,721)

The movement in the total deferred income tax position is as follows:

Total deferred income tax position	2017	2016
At 1 January	**(8,721)**	(10,590)
Recognized in OCI	**(2)**	189
Recognized in income	**3,168**	1,847
Currency translation effects	**642**	(177)
Acquisition subsidiaries	**(75)**	-
Other movements	**(61)**	10
At 31 December	**(5,049)**	(8,721)

The movement in deferred income tax assets and liabilities during the year, without taken into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Movements 2017	1 January 2017	Recognized in OCI	Recognized in income	Currency translation effects	Other movements	31 December 2017
Intangible assets	337	37	51	10	(75)	360
Property, plant and equipment	(7,036)	7	1,465	723	-	(4,841)
Inventories	(1,850)	8	1,059	(59)	-	(842)
Current assets and liabilities, net	659	21	(163)	(70)	-	447
Pension provisions	696	(75)	145	(91)	-	675
Other provisions	(1,456)	-	609	54	35	(758)
Long-term debt	(71)	-	2	-	(21)	(90)
Total	**(8,721)**	**(2)**	**3,168**	**567**	**(61)**	**(5,049)**

Movements 2016	1 January 2016	Recognized in OCI	Recognized in income	Currency translation effects	Other movements	31 December 2016
Intangible assets	488	-	(146)	(5)	-	337
Property, plant and equipment	(6,987)	-	196	(254)	9	(7,036)
Inventories	(3,892)	128	1,885	22	7	(1,850)
Current assets and liabilities, net	633	20	(104)	23	87	659
Pension provisions	653	41	(51)	53	-	696
Other provisions	(1,369)	-	22	(16)	(93)	(1,456)
Long-term debt	(116)	-	45	-	-	(71)
Total	(10,590)	189	1,847	(177)	10	(8,721)

An amount of €1.1 million (2016: €5.7 million) is expected to be recovered within 12 months.

Deferred tax assets and liabilities relate to the balance sheet captions as follows:

	31 December 2017			31 December 2016		
	Assets	**Liabilities**	**Net**	Assets	Liabilities	Net
Intangible assets	**416**	**(56)**	**360**	435	(98)	337
Property, plant and equipment		**(4,841)**	**(4,841)**	-	(7,036)	(7,036)
Inventories	**217**	**(1,059)**	**(842)**	666	(2,516)	(1,850)
Current assets and liabilities, net	**467**	**(20)**	**447**	682	(23)	659
Pension provisions	**675**	**-**	**675**	696	-	696
Other provisions	**12**	**(770)**	**(758)**	-	(1,456)	(1,456)
Long-term debt	**-**	**(90)**	**(90)**	-	(71)	(71)
Total	**1,787**	**(6,836)**	**(5,049)**	2,479	(11,200)	(8,721)
Set-off	**59**	**(59)**	**-**	(2,306)	2,306	-
Net position	**1,846**	**(6,895)**	**(5,049)**	173	(8,894)	(8,721)

As at 31 December 2017 deferred income tax liabilities of €1.1 million (2016: €0.6 million) have not been recognized for withholding tax and other taxes that would be payable on the unremitted earnings of certain subsidiaries. Such amounts are permanently reinvested. Unremitted earnings totalled €12.4 million at 31 December 2017 (2016: €5.3 million).

20 Retirement benefit obligations

The retirement benefit obligations are as follows:

		31 December	
Balance sheet obligations	Note	**2017**	2016
Pension benefits – defined benefit plans		**2,355**	1,974
Pension benefits – defined contribution plans		**98**	88
Liability in the balance sheet		**2,453**	2,062

		31 December	
Income statement charges		**2017**	2016
Pension costs – defined benefit plans	22	**109**	77
Pension costs – defined contribution plans	22	**1,629**	1,390
Pension cost in the income statement		**1,738**	1,467

Pension benefits - defined benefit plans

Since the acquisition of Van Rees Group, Red River Commodities Group and Delinuts, the Group has operated defined benefit pension plans in the Netherlands and the US, based on employee pensionable remuneration and length of service. The Van Rees Group plan was changed in 2014 into a defined contribution plan. The pension plan in the US was closed in 2008, both for changes in salaries and for new entrants, and therefore serves as a pension fund for existing and former employees of Red River Commodities Group that were eligible up to mid-2008. The remaining defined benefit plan in the US is externally funded. The Delinuts pension plan is part of an industry-wide pension fund for the wholesale food industry in the Netherlands. Plan assets are held in trusts and at the insurance company, governed by local regulations and practice in each country. In addition, some relatively limited selected pension agreements have been arranged within the Group.

The Group also operates defined contribution plans which receive fixed contributions from group companies. The Group's legal or constructive obligation for these plans is limited to the contributions.

The amounts recognized in the balance sheet are determined as follows:

	31 December	
Net pension liability	2017	2016
Present value of funded obligations	5,857	5,501
Fair value of plan assets	(3,502)	(3,527)
Deficit of funded plans	2,355	1,974
Other pension liabilities	98	88
Total net pension liability	**2,453**	2,062

The movement in the defined benefit obligations over the year is as follows:

Actuarial pension obligations	Note	2017	2016
At 1 January		5,501	4,938
Acquired in business combinations	28	627	-
Current service cost		33	-
Interest cost		217	208
Benefit payments		(639)	(23)
Contributions plan participants		8	-
Remeasurements		814	197
Exchange differences		(704)	181
At 31 December		**5,857**	5,501

Actuarial results mainly consist of changes in financial assumptions.

The movement in the fair value of plan assets of the year is as follows:

Value plan assets	Note	2017	2016
At 1 January		3,527	3,102
Acquired in business combinations	28	490	-
Expected return on plan assets		141	131
Remeasurements		244	78
Employer contributions		163	122
Contributions plan participants		8	-
Benefit payments		(639)	(23)
Exchange differences		(432)	117
At 31 December		**3,502**	3,527

The amounts recognized in the income statement are as follows:

Pension costs	Note	2017	2016
Current service cost		33	-
Interest cost		217	208
Return on plan assets		(141)	(131)
Total pension costs, included in personnel costs	22	**109**	77

The principal actuarial assumptions were as follows:

Actuarial assumptions		31 December 2017	31 December 2016
Discount rate	US plan	**3.6%**	4.1%
	NL plan	**2.1%**	-

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory. Average remaining life expectancy applicable for the US pension plan is 35 years. Actuarial calculations indicate that a 0.5% decrease in the discount rate used would affect the total liability by approximately 6.5%.

Total employer contributions expected to be paid during 2018 are estimated at €180.

	31 December			
Historical data	**2017**	2016	2015	2014
Defined benefit obligations	**5,857**	5,501	4,938	4,716
Fair values of plan assets	**(3,502)**	(3,527)	(3,102)	(2,900)
Deficit of funded plans	**2,355**	1,974	1,836	1,816

Other pension liabilities mainly refer to provisions for retirement benefits by law (gratuity) in various countries including Kenya and Sri Lanka.

21 Other provisions

Other provisions	Legal	Other	Total
At 1 January 2017	163	116	279
Charged/(released) to the income statement	137	81	218
Exchange differences	(15)	(4)	(19)
At 31 December 2017	285	193	478
Analysis of total other provisions			
Non-current	75	25	100
Current[1]	210	168	378
Total other provisions	285	193	478

[1] Included in current liabilities

Legal claims

The amounts represent a provision for certain claims brought against the Group by third parties, the outcome of which is uncertain. The provision charge is recognized in profit or loss within General cost. In management's opinion, taken into account all known facts and circumstances on 31 December 2017 and after taking appropriate legal advice, the outcome of these legal claims will not give rise to any significant loss beyond the amounts provided at 31 December 2017.

Other

Other provisions mainly relate to short positions outstanding at year-end of which contract prices of goods to be delivered were lower than the market price of the goods at year-end and to other onerous trading contracts.

22 Personnel costs

Personnel costs	Note	2017	2016
Wages and salaries including profit sharing		**35,338**	33,414
Social security costs		**3,674**	3,218
Pension costs – defined contribution plans	20	**1,629**	1,390
Pension costs – defined benefit plans	20	**109**	77
Share options – charge for the year	17	**60**	90
Other		**1,493**	1,110
Total personnel costs		**42,303**	39,299

On a full-time equivalent basis the total number of employees was:

Number of employees	2017	2016
Average number	**612**	592
Number at 31 December	**615**	593

The breakdown per function at 31 December is as follows:

	2017	2016
Production	**224**	216
General	**391**	377
Total	**615**	593

23 General costs

General costs	2017	2016
Indirect sales costs	**3,051**	2,252
Other production costs	**6,290**	8,686
Other general costs	**13,192**	9,149
Total general costs	**22,533**	20,087

Indirect sales costs and other production costs are costs which are not directly linked to sales transactions.

24 Net finance costs

Net finance costs	2017	2016
Interest income on short-term bank deposits	**68**	73
Interest expense on bank borrowings	**(2,938)**	(2,798)
Amortization arrangement fees	**(176)**	(424)
Net interest expense	**(3,046)**	(3,149)
Other financial income and expense	**(60)**	53
Total net finance costs	**(3,106)**	(3,096)

25 Corporate income tax

Current income tax expense	Note	2017	2016
Current income tax on profits for the year		**14,131**	14,810
Provisions (releases, net)		**(380)**	(97)
Adjustments in respect of prior years		**281**	101
Total current income tax expense		**14,032**	14,814
Deferred income tax expense/(income)	19	**(3,168)**	(1,847)
Total corporate income tax expense		**10,864**	12,967

The effective tax rate on the Group's profit differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

Corporate income tax expense	2017	2016
Tax calculated at domestic tax rates applicable to profits in the respective countries	**12,121**	13,319
Tax effect of:		
• Non-taxable amounts and tax allowances	**(430)**	(388)
• Non-deductible expenses	**405**	223
• Adjustments previous years	**281**	101
• Provisions (releases, net)	**(380)**	(97)
• Effect of changes in tax rates	**(919)**	-
• Other items	**(214)**	(191)
Total corporate income tax expense	**10,864**	12,967
Average effective tax rate	**25.1%**	27.4%

The average effective tax rate decreased from 27.4% to 25.1% mainly due to a different country mix in combination with the effect of the new US corporate income tax structure, which resulted in a reduction of the Group's US deferred tax positions. The weighted average applicable theoretical corporate income tax rate was 28.0% (2016: 28.1%).

The tax (charge)/credit relating to components of OCI is as follows:

	2017			2016		
Tax components OCI	**Before tax**	**Tax credit**	**After tax**	Before tax	Tax credit	After tax
Cash flow hedges	**(197)**	**49**	**(148)**	(540)	135	(405)
Currency translation adjustments (CTA)	**(11,178)**	**-**	**(11,178)**	2,649	-	2,649
Remeasurement gains/(losses) on defined benefit plans	**(570)**	**152**	**(418)**	(105)	26	(79)
Total	**(11,945)**	**201**	**(11,744)**	2,004	161	2,165

26 Earnings and dividends per share

Basic earnings per share are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the share options, a calculation is made to determine the number of shares that could have been issued at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that will be issued assuming the exercise of all issued share options. The excess number of shares is used for calculating diluted earnings per share.

Earnings used to calculate (diluted) earnings per share	2017	2016
Net profit	32,472	34,377
Share option plan cost, net	46	67
Basis for diluted profit	**32,518**	34,444

Number of shares, weighted and dilutive	2017	2016
Weighted average number of ordinary shares issued		
Issued at 1 January	24,225,326	23,990,826
Add: new shares issued, weighted part	250,143	78,063
Total number of shares issued, weighted at 31 December	**24,475,469**	24,068,889
Add: new shares issued, unweighted part	148,591	156,437
Total number of shares issued at 31 December	**24,624,060**	24,225,326
Share options deferred dilution effect	26,396	47,629
Total number of shares, dilutive at 31 December	**24,650,456**	24,272,955

It is proposed to distribute a final dividend of €0.70 per share. Together with the 2017 interim dividend of €0.40 per share paid in August 2017, this brings the total 2017 dividend to €1.10 per share. The total number of issued shares is 24,624,060. The 2017 interim dividend amounted to €9,842, implying that the proposed dividend would lead to a total dividend 2017 of €27,079 (total 2016: €27,769). These financial statements do not reflect a liability for this final dividend payable of €17,237.

27 Contingencies and commitments

The Group has contingent liabilities in respect of legal claims arising in the ordinary course of business. Beside the contingent liabilities provided for (Note 21), the Company is from time to time involved in liability disputes. Under certain circumstances, we or our customers may be required to recall or withdraw products. This could result in significant losses. We maintain product recall and general liability insurance levels that we believe to be adequate. However, we cannot assure the Group will not incur liability claims which are not covered by insurance policies. These claims could potentially have a material adverse effect on the financial position of the Company. Beside the legal provision (Note 21), the Company cannot reasonably predict potential financial losses to the Company arising from other disputes and/or claims.

Capital commitments

Capital expenditures contracted for at the end of the reporting period were not material.

Operating lease commitments – group company as lessee

The Group leases various offices and warehouses under non-cancelable operating lease agreements. The lease terms generally are between five and ten years, and the majority of lease agreements are renewable at the end of the lease period at market rate. The Group is required to give a six-month notice for the termination of these agreements. Operational lease expenses included in the 2017 consolidated income statement amounted to €2.9 million (2016: €2.1 million). The future aggregate minimum lease payments under non-cancelable operating leases are as follows:

	31 December	
Lease payment commitments	**2017**	2016
Within 1 year	**2,777**	2,663
Later than 1 year and no later than 5 years	**5,762**	5,409
Later than 5 years	**1,929**	1,904
Total	**10,468**	9,976

28 Business combinations

Summary of acquisition

On 5 May 2017, the Company acquired 100% of the shares of Delinuts B.V. based in Ede, the Netherlands, active in the trade and distribution of nuts, dried fruit and rice crackers. The results of Delinuts B.V. are consolidated as from 1 May 2017.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

Cash	8,000
Ordinary shares of Amsterdam Commodities N.V.	8,986
Total purchase consideration	**16,986**

The fair value of the 357,734 shares issued as part of the consideration paid for Delinuts B.V. (€8,986) was based on the published share price on 5 May 2017 of €25.12 per share.

The assets and liabilities recognized as a result of the acquisition are as follows:

Intangible assets	457
Property, plant and equipment	464
Net deferred tax assets	24
Inventories	10,985
Receivables and other current assets	6,910
Cash and current borrowings	(4,083)
Pension liability	(137)
Payables and other current liabilities	(3,802)
Net identifiable assets acquired	10,818
Add: goodwill	6,168
Net assets acquired	**16,986**

The goodwill connected with the acquired business mainly consists of knowhow, staff and anticipated potential synergies. It will not be deductible for tax purposes.

Sales contribution

The acquired business contributed sales of €44.1 million to the Group for the period from 1 May to 31 December 2017. If the acquisition had occurred on 1 January 2017, consolidated pro-forma sales for the year ended 31 December 2017 for the Group would have been €731.7 million.

Purchase consideration – cash outflow

Outflow of cash to acquire subsidiary, net of cash acquired:	
Cash consideration	8,000
Less: cash acquired	(20)
Net outflow of cash - investing activities	**7,980**

Acquisition-related costs

The Group incurred acquisition-related costs such as external legal fees and due diligence costs for an amount of €0.4 million (2016: €0.1 million). These costs have been included in general costs in the statement of income and in operating cash flows in the statement of cash flows.

29 Related party transactions

Key management personnel disclosures are included in Note 1.7 of the Company financial statements.

30 Subsequent events

The Group has no subsequent events that require disclosure in the financial statements.

Company financial statements

Chamber of Commerce No. 24.191.858

All amounts are in thousands of euros, unless otherwise stated.

COMPANY BALANCE SHEET AS AT 31 DECEMBER

		31 December	
(in € thousands, before profit appropriation)	Note	**2017**	2016
Assets			
Non-current assets			
Other intangibles		**109**	-
Property, plant and equipment		**10**	14
Investment in subsidiaries and affiliates	1.1	**174,110**	184,664
Total non-current assets		**174,229**	184,678
Current assets			
Other receivables and prepayments	1.2	**19,558**	4,746
Total current assets		**19,558**	4,746
Total assets		**193,787**	189,424
Equity and liabilities			
Shareholders' equity			
Share capital		**11,081**	10,901
Share premium reserve		**61,658**	52,447
Legal reserves		**4,365**	16,086
Other reserves		**75,475**	69,097
Net profit for the year		**32,472**	34,377
Total shareholders' equity	1.3	**185,051**	182,908
Provisions			
Provisions for deferred income tax liabilities	1.2	**1,674**	3,392
Total provisions		**1,674**	3,392
Current liabilities			
Bank borrowings		**357**	162
Amounts owed to Group subsidiaries		**5,047**	1,000
Other liabilities and accrued expenses		**1,658**	1,962
Total current liabilities		**7,062**	3,124
Total equity and liabilities		**193,787**	189,424

The notes on pages 94 to 98 are an integral part of these company financial statements.

COMPANY INCOME STATEMENT

(in € thousands)	Note	2017	2016
Other revenues		2,437	2,424
Total revenues		2,437	2,424
Personnel expenses		(1,907)	(2,319)
Depreciation		(10)	(23)
General and administrative expenses		(1,634)	(1,736)
Total costs		(3,551)	(4,078)
Operating income		(1,114)	(1,654)
Interest expenses		(326)	(541)
Result before income tax		(1,440)	(2,195)
Corporate income tax Acomo		589	443
Result subsidiaries and affiliates	1.1	33,323	36,129
Net profit		32,472	34,377

The notes on pages 94 to 98 are an integral part of these company financial statements.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

Basis of preparation

The Company financial statements of Amsterdam Commodities N.V. ('Acomo') are prepared in accordance with generally accepted accounting principles in the Netherlands (Dutch GAAP) and compliant with the requirements included in Part 9 of Book 2 of the Dutch Civil Code.

The Company prepares its consolidated financial statements according to International Financial Reporting Standards (IFRS) as adopted by the European Union. The Company has made use of the possibility based on Article 362, paragraph 8, Part 9, Book 2 of the Dutch Civil Code to prepare the Company financial statements based on the accounting policies used for the consolidated financial statements. The accounting policies as described in the notes to the consolidated financial statements also apply to the Company financial statements unless indicated otherwise.

Significant accounting policies

Investments in subsidiaries

In accordance with section 2:362, subsection 8 of the Dutch Civil Code, all subsidiaries are presented using the equity method as identified by the Dutch Accounting Standards Board in accordance with the accounting principles applied in the consolidated accounts. The goodwill as identified in the consolidated financial statements is subsumed in the carrying value of the investments in subsidiaries.

1.1 Financial fixed assets

Investments in subsidiaries and affiliates	2017	2016
At 1 January	**184,664**	167,382
Net profit for the year	**33,323**	36,129
Dividends paid out	**(32,137)**	(21,012)
Currency translation differences	**(11,178)**	2,649
Pension movements through OCI	**(418)**	(79)
Other equity movements	**(144)**	(405)
At 31 December	**174,110**	184,664

Acomo and its Dutch subsidiaries form a fiscal unity for corporate income tax purposes. In accordance with standard conditions, the Company, along with the respective subsidiaries that are part of the fiscal unity, are wholly and severally liable for the tax liabilities of the fiscal unity. Corporate income tax expense on results of subsidiaries is reported as part of Results subsidiaries and affiliates.

For an overview of the subsidiaries of the Company, see Note 2.3 of the consolidated financial statements.

1.2 Other receivables and prepayments – Deferred tax liabilities

Other receivables and prepayments consist of a receivable on a Group company and prepaid income taxes 2017, which will be charged to the related subsidiaries in 2018. The deferred tax liabilities are primarily related to temporary differences of assets in Dutch subsidiaries that are part of the fiscal unity of which the Company is the head.

The income taxes are settled through the intercompany current accounts.

1.3 Shareholders' equity

	Attributable to owners of the parent					
	Share capital	Share premium reserve	Legal reserves	Other reserves	Net profit for the year	Total equity
Balance at 1 January 2016	**10,796**	**50,572**	**13,370**	**61,331**	**32,251**	**168,320**
Net profit 2016	-	-	-	-	34,377	34,377
Dividends relating to 2015, final	-	-	-	(14,400)	-	(14,400)
Dividends relating to 2016, interim	-	-	-	(9,601)	-	(9,601)
Currency translation adjustments (CTA)	-	-	2,649	-	-	2,649
Appropriation of net profit	-	-	-	32,251	(32,251)	-
New shares issued	105	1,875	-	-	-	1,980
Employee share option scheme effects	-	-	67	-	-	67
Change in cash flow hedges	-	-	-	(405)	-	(405)
Remeasurement gains/(losses) on defined benefit plans	-	-	-	(79)	-	(79)
Balance at 31 December 2016	**10,901**	**52,447**	**16,086**	**69,097**	**34,377**	**182,908**
Net profit 2017	-	-	-	-	32,472	32,472
Dividends relating to 2016, final	-	-	-	(18,180)	-	(18,180)
Dividends relating to 2017, interim	-	-	-	(9,842)	-	(9,842)
Currency translation adjustments (CTA)	-	-	(11,178)	-	-	(11,178)
Appropriation of net profit	-	-	-	34,377	(34,377)	-
Transfer to other reserves	-	-	(589)	589	-	-
New shares issued	180	9,211	-	-	-	9,391
Employee share option scheme effects	-	-	46	-	-	46
Change in cash flow hedges	-	-	-	(148)	-	(148)
Remeasurement gains/(losses) on defined benefit plans	-	-	-	(418)	-	(418)
Balance at 31 December 2017	**11,081**	**61,658**	**4,365**	**75,475**	**32,472**	**185,051**

The total authorized number of ordinary shares is 66.7 million shares with a par value of €0.45 per share. As at 31 December 2017, 24.6 million (2016: 24.2 million) shares were issued and fully paid. The issued share capital increased in 2017 by 398,734 shares (2016: 234,500) as a result of new shares relating to the acquisition of Delinuts and employees exercising their vested options under the employee share option scheme.

Included in the legal reserves are the currency translation reserve, which comprises all translation differences arising from the translation of the net investment in group companies, including goodwill, in currencies other than the euro, and the share option plan reserve which comprises the value of the vested rights in respect of the share option plan as far as stock options have not been exercised.

1.4 Employee information

During 2017, the average number of employees employed by the Company was eight full-time equivalents (2016: eight), at year-end seven (2016: eight). All employees are based in the Netherlands.

1.5 Audit fees

The following amounts were paid to the Group auditor PwC as audit fees and included in other operating expenses:

	2017			2016		
Fees PwC	In the Netherlands	Network outside the Netherlands	Total	In the Netherlands	Network outside the Netherlands	Total
Audit	290	173	463	299	165	464
Audit-related [1]	4	-	4	4	-	4
Tax [2]	-	4	4	-	4	4
Total fees PwC	294	177	471	303	169	472

[1] Agreed-upon procedures regarding compliance bank covenants

[2] Relates to tax filing in Kenya

The fees are included in the general costs of the consolidated accounts and relate to the procedures applied to the Company and its consolidated group entities by accounting firms and external auditors as referred to in Article 1 (1) of the Dutch Accounting Firms Oversight Act (Dutch acronym: Wta) as well as by Dutch and foreign based accounting firms, including their tax services and advisory groups. The audit fees relate to the audit of the 2017 financial statements, regardless of whether the work was performed during the financial year.

1.6 Contingent liabilities

Contingent liabilities are not expected to give rise to any material loss and include guarantees given for group companies. The Company has issued joint and several liability undertakings, some as defined in Article 403, Book 2 of the Dutch Civil Code, for almost all Dutch group companies in the Netherlands. These written undertakings have been filed with the Trade Register of the Chamber of Commerce in the respective seat the group company concerned has its registered office. The Company is the head of a fiscal unity that includes the Dutch wholly-owned group companies. The Company is therefore jointly and severally liable for the tax liabilities of the fiscal unity as a whole.

1.7 Remuneration of the Board of Directors

The remuneration of the Executive and Non-Executive Directors of the Board is determined in accordance with the remuneration policy as disclosed in the chapter Governance on page 43 and following. Key management includes the Executive Director, Mr Goldschmeding, who is the statutory director of the Company, and the Non-Executive Directors, Mr Stuivinga, Mrs Groothuis, Mr Gottesman and Mr Niessen.

The 2016 and 2017 remuneration to Executive Directors is shown below:

Remuneration Executive Directors	Salary	Short-term Profit share	Bonus	Post employment benefits	Share based expenses
2017					
Goldschmeding	275	-	430	25	24
Total current Executive Director	**275**	**-**	**430**	**25**	**24**
Rietkerk (resigned on 17 May 2017)	118	171	-	22	18
Total former Director	**118**	**171**	**-**	**22**	**18**
2016					
Rietkerk	311	446	-	47	35
Goldschmeding	275	-	275	25	24
Ten Kate (resigned on 31 January 2016)	20	-	-	10	1
Total Management Board	**606**	**446**	**275**	**82**	**60**

Mr Goldschmeding can earn a bonus when achieving specific targets in his role as Group Managing Director. The bonus shown is related to the performance in 2017 and will be paid out in 2018.

Executive Director	Year of grant	Outstanding 1 Jan 2017	Exercised 2017	Outstanding 31 Dec 2017	Exercise price (€)	Expiry date
Goldschmeding	2015	50,000	-	50,000	22.46	01-12-22

Remuneration Non-Executive Directors	**2017**	2016
Stuivinga[1]	**89**	56
Groothuis	**68**	35
Gottesman[1]	**78**	45
Niessen	**68**	35
Total	**303**	171

[1] Including €10 remuneration for being a member of the Supervisory Board of Catz International.

On 31 December 2017, the following Board members directly or indirectly owned Acomo shares: Mr Stuivinga (40,595) and Mr Niessen (3,665,008). No loans, advances or guarantees were granted to the Board. No share options were granted to the Non-Executive Directors of the Board.

1.8 Profit appropriation

In accordance with the resolution of the Annual General Meeting held on 25 April 2017, the profit for 2016 has been appropriated in conformity with the proposed appropriation of profit stated in the 2016 financial statements.

The net profit for 2017 attributable to the shareholders amounting to €34,472 shall be available in accordance with Article 24 of the Company's Articles of Association.

The Board of Directors proposes to distribute a final dividend of €0.70 per share. Together with the 2017 interim dividend of €0.40 per share paid in August 2017, this brings the total 2017 dividend to €1.10 per share.

The residual profit is proposed to be added to reserves.

Rotterdam, 8 March 2018

The Board of Directors,

A.W. Goldschmeding, Executive Director

B.H. Stuivinga, Chairman
M.E. Groothuis, Non-Executive Director
Y. Gottesman, Non-Executive Director
J.G.H.M. Niessen, Non-Executive Director

OTHER INFORMATION

Appropriation of profit according to the Articles of Association

Article 24 paragraph 1 of the Articles of Association stipulates:

From the net profit as disclosed in the adopted income statement, such amounts are transferred to reserves as may be determined by the General Meeting of Shareholders and proposed by the Board of Directors. The remaining amount is at the disposal of the General Meeting of Shareholders.

INDEPENDENT AUDITOR'S REPORT

To: the General Meeting and Board of Directors of Amsterdam Commodities N.V.

Report on the financial statements 2017

Our opinion

In our opinion:
- the accompanying consolidated financial statements give a true and fair view of the financial position of Amsterdam Commodities N.V. as at 31 December 2017, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code; and
- the accompanying company financial statements give a true and fair view of the financial position of Amsterdam Commodities N.V. as at 31 December 2017, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2017 of Amsterdam Commodities N.V., Rotterdam ('the Company' or 'Acomo'). The financial statements include the consolidated financial statements of Amsterdam Commodities N.V. and its subsidiaries (together: 'the Group') and the company financial statements.

The consolidated financial statements comprise:
- the consolidated balance sheet as at 31 December 2017;
- the following statements for 2017: the consolidated statement of income, the consolidated statements of comprehensive income, changes in equity and cash flows; and
- the notes, comprising a summary of the significant accounting policies and other explanatory information.

The company financial statements comprise:
- the company balance sheet as at 31 December 2017;
- the company income statement for the year then ended;
- the notes, comprising a summary of the significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is EU-IFRS and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code for the consolidated financial statements and Part 9 of Book 2 of the Dutch Civil Code for the company financial statements.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the section 'Our responsibilities for the audit of the financial statements' of our report.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of Amsterdam Commodities N.V. in accordance with the European Regulation on specific requirements regarding statutory audit of public interest entities, the 'Wet toezicht accountantsorganisaties'(Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO – Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence requirements in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA – Code of Ethics for Professional Accountants, a regulation with respect to rules of professional conduct).

Our audit approach

Overview and context

Amsterdam Commodities N.V. is active in the sourcing, processing, trading, packaging and distribution of (non-quoted) natural food products and ingredients for the food and beverage industry. The group is comprised of several components and therefore we considered our group audit scope and approach as set out in the section 'The scope of our group audit'. We paid specific attention to the areas of focus driven by the operations of the Group, as set out below.

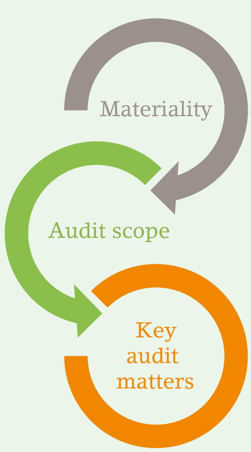
As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the board of directors made important judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

In note 4 of the financial statements the company describes the areas of judgment in applying accounting policies and the key sources of estimation uncertainty. Given the volatility in the (non-quoted) commodity prices and exchange rates, the uncertainty in the timing of the delivery of the products and the credit risk of the debtors, we considered valuation of the inventories and commodity trading positions and foreign exchange contracts, as well as the collectability of trade receivables and recognition of revenue to be key audit matters. In addition, we consider the correct application of the purchase price allocation of the acquisition of Delinuts B.V. to be a key audit matter as set out in the key audit matter section of this report.

Besides the key audit matters, other areas of focus were uncertain tax positions and goodwill impairment testing. As part of goodwill impairment testing, we evaluated the inclusion of Delinuts in the Nuts operating segment (which is the level of goodwill impairment testing). As in all of our audits, we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the board of directors that may represent a risk of material misstatement due to fraud.

We ensured that the audit teams both at group and at component levels included the appropriate skills and competences which are needed for the audit of a commodity trading company. We included specialists in the areas of IT, financial instruments and valuations in our team.

The outline of our audit approach was as follows:



Materiality

- Overall materiality: €2.1 million

Audit scope

- We have identified four significant components. For these significant components as well as two other components, we have audited their financial information. For one other component we performed specified audit procedures.
- Site visits were conducted by the Group audit team to ten locations in all reporting segments.
- Audit coverage: 90% of consolidated profit before tax, 86% of consolidated revenue and 92% of consolidated total assets.

Key audit matters

- Valuation of inventories, commodity trading positions and foreign exchange contracts
- Collectability of trade receivables and recognition of revenue
- Correct application of the of the purchase price allocation of Delinuts B.V.

Materiality

The scope of our audit is influenced by the application of materiality which is further explained in the section 'Our responsibilities for the audit of the financial statements'.

Based on our professional judgment, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and to evaluate the effect of identified misstatements, both individually and in aggregate, on the financial statements as a whole and on our opinion.

Overall group materiality	€2.1 million (2016: €2.4 million).
Basis for determining materiality	We used our professional judgment to determine overall materiality. As a basis for our judgment we used 5% of profit before tax.
Rationale for benchmark applied	We have applied this benchmark, a generally accepted auditing practice, based on our analysis of the common information needs of users of the financial statements. On this basis we believe that profit before tax is an important metric for the financial performance of the company.
Component materiality	To each component in our audit scope, we, based on our judgement, allocate materiality that is less than our overall group materiality. The range of materiality allocated across components was between €340,000 and €2.1 million.

We also take misstatements and/or possible misstatements into account that, in our judgement, are material for qualitative reasons.

We agreed with the board of directors that we would report to them income statement misstatements identified during our audit above €120,000 (2016: €120,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

The scope of our Group audit

Amsterdam Commodities N.V. is the parent company of a group of entities. The financial information of this group is included in the consolidated financial statements of Amsterdam Commodities N.V.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole, taking into account the management structure of the Group, the nature of operations of its components, the accounting processes and controls, and the markets in which the components of the Group operate. In establishing the overall group audit strategy and plan, we determined the type of work required to be performed at the component level by the group engagement team and by each component auditor.

Our group audit primarily focussed on the significant components. In determining our scoping we considered both financial and the following qualitative factors as well as Acomo's decentralized structure to be relevant:

- Amsterdam Commodities N.V. is the holding company which role includes monitoring financial performance, financing, assessing and monitoring effective risk management, compliance and control systems with regard to the subsidiaries' activities (as described on page 15 of the annual report) and we therefore determined this to be a significant component.
- The Group consists of a number of subsidiaries active in trading, international sourcing, processing and selling of niche food commodities and ingredients in the food industry. The subsidiaries operate to a great extent autonomously under the responsibility of their own management and financial control. We therefore included a relatively large number of components in our audit scope.
- Acomo's subsidiary Van Rees Group B.V. manages 12 subsidiaries located across the globe with an oversight role by Van Rees Group B.V. head office. For four components (Van Rees Group B.V., Van Rees B.V., Van Rees Kenya Ltd. and Van Rees Ceylon Ltd.) we performed an audit of the financial information, for one component we performed specified audit procedures(Van Rees North America Inc.).

Our group audit scoping, the components visited by the group audit team, and if we performed an audit of the financial information (full scope audit) or specified procedures, is included in the below table. Specified audit procedures have been performed to achieve the appropriate coverage.

Entity	Significant component	Visited by Group audit team	Scoping
Catz International B.V.	✓	✓	Full scope audit
Red River Commodities Inc.	✓	✓	Full scope audit
Amsterdam Commodities N.V.	✓	✓	Full scope audit
Van Rees Group B.V. (consolidated)	✓	✓	Full scope audit
Delinuts B.V.		✓	Full scope audit
Snick EuroIngredients N.V.			Full scope audit
King Nuts B.V.		✓	Specified audit procedures
SIGCO Warenhandelsgeselschaft mbH		✓	Not significant
Red River van Eck B.V.		✓	Not significant

In total, in performing these procedures, we achieved the following coverage on the financial line items:

Revenue	86%
Total assets	92%
Profit before tax	90%

None of the remaining components for which no audit of financial information or specified audit procedures have been performed represented more than 3% of total Group profit before tax, total Group revenue or total Group assets. For those remaining components we performed, amongst others, analytical procedures to corroborate our assessment that there were no significant risks of material misstatements within those components.

In the Netherlands, the audits of all components are performed by the Group audit team and we have visited all significant and certain smaller components in 2017, as set out in the scoping paragraph. For the audits of all components outside the Netherlands, we used component auditors who are familiar with the local laws and regulations in each of the locations to perform this audit work. Where the work was performed by component auditors, we determined the level of involvement we needed to have in their audit work to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the consolidated financial statements as a whole.

We issued specific instructions to these component auditors. These instructions included the Group audit team's risk analysis, materiality and audit approach on similar processes. During the year, we had regular calls with all component auditors in which we discussed, amongst others, recent developments at the respective component, the scope of our audit, the reports of the component auditor, the findings following their procedures, the need for any support or information from Group level and other matters which could be of relevance for our audit of the consolidated financial statements. Furthermore, we attended all the closing meetings of the component audits (partly through calls).

The Group consolidation, financial statement disclosures and a number of items are audited by the Group audit team. These items include, but are not limited to goodwill impairment testing, derivative financial instruments, tax accounting, segmentation and share based payments.

By performing the procedures above at the components, combined with additional procedures at Group level, we have obtained sufficient and appropriate audit evidence regarding the financial information of the Group as a whole to provide a basis for our opinion on the consolidated financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements. We have communicated the key audit matters to the board of directors. The key audit matters are not a comprehensive reflection of all matters that were identified by our audit and that we discussed. In this section, we described the key audit matters and included a summary of the audit procedures we performed on those matters.

The key audit matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon. We do not provide separate opinions on these matters or on specific elements of the financial statements. Any comments or observations we make on the results of our procedures should be read in this context. The key audit matter on the purchase price allocation is new this year as the acquisition was made in 2017. The other two key audit matters are similar as in prior year as they are directly linked to Acomo's long term nature business activities.

Key audit matter	How our audit addressed the matter
Valuation of inventories, (non-quoted) commodity trading positions and foreign exchange contracts (note 2.9 — 2.11, note 10 and 13) It is the core business of Acomo to accept managed risks, by taking positions in different types of (non-quoted) commodities and contracts in different currencies. This is to a great extent done autonomously under the responsibility of local management with separate financial and operational systems. The Group has issued specific trading and financial guidelines and risk limits per operating company, per product and per category, which are monitored by the Acomo board of directors to mitigate the risk of management override of controls, error and volatility from product positions (for example monthly review of trading positions and segregation of duties). Certain operating companies in the Tea segment use derivative financial instruments to hedge risks associated with foreign currency risk (mainly Euro/US Dollar exposures). Acomo's approach in relation to foreign exchange risk is disclosed in note 3.1.1 to the financial statements. The price and foreign currency volatilities of the (non-quoted) commodity markets have a direct impact on the value of the subsidiaries' economic trading positions and could therefore result in significant inventory write-downs to net realisable value and/or losses on onerous contracts. This assessment requires judgment based on historic trades, as there are no direct observable market prices available. The activities and processes as set out above are complex and require judgement, we therefore considered the valuation for inventories, (non-quoted) commodity trading positions and foreign exchange contracts a key audit matter.	*In our audit we performed procedures which allowed us to rely, to the extent possible, on internal controls at subsidiary and Group level for the purpose of our audit. We performed, amongst others, procedures designed to identify risks around segregation of duties for the trading activities between the front office and back office, authorization of trading transactions and accounting of these transactions in the financial and operational systems. As part of our audits of the operating companies, we have assessed that specific trading and financial guidelines and risk limits per operating company as set out by the group, were applied.* *We assessed the company's hedging policies of their foreign exchange risk exposure. We tested the recognition at fair value of foreign currency derivatives based on market data together with our financial instruments specialists and we investigated, for the Tea segment, whether the effectiveness of the hedge accounting strategies is supported by effectiveness testing documentation.* *We substantively tested inventory for their existence by obtaining third party warehouse confirmations, attending inventory counts on all significant locations and by testing the inventory pricing. We substantively tested and challenged management's analysis of the valuation of inventories and the economic trading positions with contracts and market prices. Furthermore, we tested the calculation and authorisation of onerous contract provisions and the net realisable value of inventories below cost through comparison with recent transactions and transactions subsequent to the year-end. For the effects of price movements we assessed the company's trading guidelines, positions per product group and overall positions.* *Based on the aforementioned substantive audit procedures performed, we noted no material exceptions.*

Key audit matter

Collectability of trade receivables and recognition of revenue (note 2.11 / 2.19)
Trade receivable balances were significant to Acomo as they represent 24% of the consolidated balance sheet (refer to note 11 to the financial statements). The collectability of trade receivables is a risk as Acomo is trading with customers worldwide and judgment is involved in the assessment of the collectability of trade receivables. The collectability of trade receivables is a key element of Acomo's working capital management, which is managed on an ongoing basis by local management. The Acomo board of directors supports operating companies in setting credit limits for customers and approve such limits above certain thresholds where applicable.

Given the nature of the businesses and requirements of customers, various shipping terms are in place which impact the timing of revenue recognition.

Given the magnitude and judgment involved in the collectability assessment of trade receivables and variety of shipping terms that impact the timing of revenue recognition, this is considered a key audit matter.

How our audit addressed the matter

We have challenged the assumptions used to calculate the trade receivables impairment amount, notably through detailed analyses of ageing of receivables, assessment of individual significant overdue trade receivables and assessing specific local risks, combined with legal documentation, where applicable. We found management's judgement around the collectability of trade receivables appropriate.

We performed audit procedures on the recognition of revenue, which included but were not limited to control testing on sales transactions for the purpose of our audit and substantive audit procedures, such as tracing transactions back to shipping documents, contracts and performing subsequent receipt testing. We have tested management's timing of revenue recognition in accordance with EU-IFRS based on the shipping terms agreed with customers. Also, we have tested management's cut-off testing procedures to assess that revenue was recognized in the correct period and have independently selected samples to test cut-off of revenue through verification of shipping documents, contracts and invoices. Based on the afore mentioned audit procedures performed, we found no material differences.

Key audit matter

Correct application of the purchase price allocation of Delinuts B.V. (note 2.3 and note 28)
In 2017, the Company acquired all the shares in Delinuts B.V. for a consideration of €17 million, of which €8 million was settled in cash and the remainder in Acomo shares. The goodwill in relation to this acquisition is €6.2 million.

The company has accounted for this transaction as a business combination under IFRS3. Management applied judgment in the determination of the acquisition date and the purchase price allocation for the fair valuation of the net assets acquired.
The acquisition date impacts the date as of which the financial information of Delinuts B.V. is included in the consolidation and the value that is attributed to the part of the purchase price consideration settled in shares.

The fair value of the net assets acquired includes the valuation of the inventory and contract position as well as other intangible assets such as customer relations and brand name which are judgemental. That is why we considered the accuracy of the purchase price allocation of Delinuts B.V. a key audit matter.

How our audit addressed the matter

We assessed the appropriateness of the accounting of this transaction under IFRS3. We have evaluated the contractual agreement to determine the acquisition date is appropriate, and the value of the shares included in the purchase price allocation is correct.

With respect to the valuation of the assets and liabilities in the opening balance sheet, we assessed the methodology and the appropriateness of the valuation with support of internal valuation specialists. We evaluated and challenged management's assessment of the identification of intangible assets such as customer relationships and brand names and the valuation of the fair values in the opening balance sheet, in particular around the valuation of the inventory, open purchase and sales contracts and derivatives. We evaluated the market values and interest rates used and attended inventory counts for the opening balance sheet.

In addition we tested the sufficiency of the related disclosures. We found management's judgement and the disclosure of the purchase price allocation appropriate.

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- the management board report, as defined in note 1 of the financial statements;
- the other information pursuant to Part 9 of Book 2 of the Dutch Civil Code; and
- other parts of the annual report: History, Key data, Letter from the Board, The Acomo group, Business performance, Governance, The Board of directors, The Acomo share, List of acronyms and abbreviations, Explanation of some concepts and ratios, information takeover directive decree and Contact details.

Based on the procedures performed as set out below, we conclude that the other information:

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

We have read the other information. Based on our knowledge and understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.
By performing our procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those performed in our audit of the financial statements.

The board of directors is responsible for the preparation of the other information, including the directors' report and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Our appointment

We were appointed as auditors of Amsterdam Commodities N.V. on 25 April 2017 by the board of directors following the passing of a resolution by the shareholders at the annual meeting held on 25 April 2017 and the appointment has been renewed annually by shareholders representing a total period of uninterrupted engagement appointment of 4 years.

No prohibited non-audit services

To the best of our knowledge and belief, we have not provided prohibited non-audit services as referred to in Article 5(1) of the European Regulation on specific requirements regarding statutory audit of public interest entities.

Services rendered

The services, in addition to the audit, that we have provided to the company and its controlled entities, for the period to which our statutory audit relates, are disclosed in note 1.5 to the company financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of the Board of Directors for the financial statements

The board of directors is responsible for:

- the preparation and fair presentation of the financial statements in accordance with EU-IFRS and with Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as the board of directors determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the board of directors is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the board of directors should prepare the financial statements using the going-concern basis of accounting unless the board of directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The board of directors should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The non-executive directors are responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our audit opinion aims to provide reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is a high but not absolute level of assurance which makes it possible that we may not detect all misstatements. Misstatements may arise due to fraud or error. They are considered to be material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

Amsterdam, 8 March 2018
PricewaterhouseCoopers Accountants N.V.

Original has been signed by
J. van Meijel RA

APPENDIX

Appendix to our auditor's report on the financial statements 2017 of Amsterdam Commodities N.V.

In addition to what is included in our auditor's report we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements
We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error. Our audit consisted, among other things of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the intentional override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors.
- Concluding on the appropriateness of the board of directors' use of the going concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Considering our ultimate responsibility for the opinion on the company's consolidated financial statements we are responsible for the direction, supervision and performance of the group audit. In this context, we have determined the nature and extent of the audit procedures for components of the group to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole. Determining factors are the geographic structure of the group, the significance and/or risk profile of group entities or activities, the accounting processes and controls, and the industry in which the group operates. On this basis, we selected group entities for which an audit or review of financial information or specific balances was considered necessary.
We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. In this respect we also issue an additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.
We provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

LIST OF ACRONYMS AND ABBREVIATIONS

AFM	Dutch Authority for the Financial Markets
AGM	Annual general meeting
AScX	Amsterdam Small Cap Index
BRC	British Retail Consortium Global Standard for Food Safety
CAGR	Compound annual growth rate
CCF	Catz Charity Foundation
CGU	Cash-generating unit
CSR	Corporate social responsibility
CTA	Currency translation adjustments
DCF	Discounted cash flow
EBIT	Earnings before interest and taxes (operating income)
EBITDA	Earnings before interest, taxes, depreciation and amortization
EED	Energy Efficiency Directive
ERP	Enterprise resource planning
FIFO	First in, first out
FSSC	Food Safety System Certification
FT	Fair trade
FTE	Full-time equivalent
FX rate	Foreign exchange rate
GAAP	Generally accepted accounting principles
GFSI	Global Food Safety Initiative
GRI	Global Reporting Initiative
HACCP	Hazard analysis and critical control points
IAS	International accounting standard
ICR	Interest cover ratio
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
IFS	International Food Standard
ISIN	International securities identification number
ISO	International Organization for Standardization
MRL	Maximum residue limits
MSC	Marine Stewardship Council
NGO	Non-governmental organization
OCI	Other comprehensive income
PBT	Profit before tax
PPE	Property, plant and equipment
PwC	PricewaterhouseCoopers Accountants N.V.
RA	Rainforest Alliance
RCF	Revolving credit facility
ROE	Return on equity
RONCE	Return on net capital employed
RSPO	Roundtable on Sustainable Palm Oil
SDE	Sustainable energy production subsidy scheme
Skal	Dutch control authority for organic production
SOP	Share option plan
SQF	Safe quality food
The Code	Dutch Corporate Governance Code
TSR	Total shareholder return
UTZ	UTZ certified
WACC	Weighted average cost of capital

EXPLANATION OF SOME CONCEPTS AND RATIOS

Compound annual growth rate (CAGR)
This rate is calculated as the value at the end of the period divided by the value at the beginning of the period, compounded to the respective period.

Dividend pay-out ratio
The dividend pay-out ratio is calculated as the sum of the interim and (proposed) final dividend for the year as a percentage of the net profit for the year.

Earnings per share
The earnings per share are calculated as the total net profit for the period divided by the (weighted) average number of ordinary shares outstanding.

Equity per share
The equity per share reflects the Company's equity allocated to each outstanding share of common stock and is calculated by dividing the total shareholders' equity by the total number of ordinary shares outstanding at year-end.

Interest cover ratio
The interest cover ratio is calculated by dividing the normalized EBITDA by the total of the interest expenses minus interest income.

Market capitalization
Market capitalization reflects the total market value of all the Company's outstanding shares and is calculated by multiplying the total shares issued by the share price at period-end.

Net capital employed
Net capital employed consists of the total assets minus cash and banks, provisions, trade creditors and other liabilities.

Net debt/total equity
This ratio is calculated by dividing the net debt by the total shareholders' equity.

Net operating assets
Net operating assets comprise the average total net assets adjusted for goodwill.

One-off items
In this annual report, items with a specific non-recurring character are presented as one-off items.

Price/earnings ratio
The price/earnings ratio is calculated by dividing the share price at year-end by the earnings per share.

Return on equity
Return on equity is the amount of net profit returned as a percentage of the (weighted) average shareholders' equity.

Return on net capital employed
Return on net capital employed measures a company's profitability and the efficiency with which its capital is employed. This indicator reflects the EBIT as a percentage of the average net capital employed.

Solvency
Solvency reflects the total shareholders' equity as a percentage of the total assets.

Total shareholders' return
The total shareholders' return shows the performance of the Company's shares over time using the change in share price at year-end and the total dividend paid during the year, divided by the year-end share price of prior year.

INFORMATION TAKEOVER DIRECTIVE DECREE

Information following Article 10, Takeover Directive Decree, and section 391, subsection 5, Book 2 of the Dutch Civil Code

a. *Capital structure and attached rights and duties*
The information on the capital structure of the Company can be found in chapter The Acomo share, and information on the attached rights and duties (voting rights) can be found in chapter Governance.

b. *Statutory or contractual restrictions on share transfer*
Not applicable.

c. *Major shareholders*
See chapter The Acomo share.

d. *Special rights of control*
Not applicable.

e. *Control mechanisms relating to options plans, share plans, and share purchase plans*
The Company has only one share-based payment arrangement in effect: a share option plan for key managers and employees of the Company and its subsidiaries, including executive directors. The relevant characteristics of the plan can be found in the notes to share-based payment.

f. *Voting limitations*
Not applicable.

g. *Agreements with shareholders that can limit the transfer of shares or voting rights*
Not applicable.

h. *Regulations concerning the appointment and dismissal of Board members and changes to the Articles of Association*
Members of the Board of Directors are appointed by, and may at any time be suspended or dismissed by, the Annual General Meeting of Shareholders. Resolutions with respect to appointment and dismissal are passed by an absolute majority of votes cast. If an amendment to the Articles of Association is proposed to the Annual General Meeting of Shareholders, this is always stated in the convening notice for that meeting.

i. *Authority of the Board, especially to issue and repurchase shares in the Company*
This information is disclosed in chapter Governance.

j. *Change of control arrangements*
Change of control provisions have been included in the Company's arrangements with the financial institutions that provide the credit facilities to the Company.

k. *Agreements with Executive Board members or employees*
The severance payment for the Executive Director has been set at a maximum of one time annual pay.

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Images

Page 8 - SunButter® is a natural, simple and delicious sunflower butter. Made from roasted US-grown sunflower seeds, SunButter® contains seven grams of protein per serving and more vitamins and minerals than nut butter. Free from peanuts and all of the top eight food allergens, SunButter® is a Red River Commodities brand that provides a healthy and tasty food solution for consumers with and without food allergies.

Page 10 - Within our Tea segment we source teas from all over the globe. Acting as a bridge between supply and demand, we are able to meet the needs of both ends of the supply chain. Despite differences in growth conditions from area to area, our Tea segment offers solutions that guarantee consistently high quality and food safety for its customers, tailored to local needs.

Page 12 - Within our nuts business we source our products from a range of tropical origins. As availability of local supply varies over time, we mitigate this through our market knowledge and strategic stocktaking. We provide solutions to our customers by distributing high-value products in time and according to consistent quality standards.

Page 20 - Within our Spices and Nuts segment we are highly specialized in the international trade of spices, herbs, coconut products, dehydrated vegetables, nuts and dried fruits for the food industry. We successfully offer solutions to our customers and suppliers across the globe by focusing on quality, reliability and service.

Page 34 - Within our Food Ingredients segment we act as a solution-driven developer of savoury and sweet food ingredients. Through our state-of-the-art production unit we are able to custom-develop mixes to exactly meet customers' specifications, and if necessary adapt and fine-tune them as customer needs develop over time.

Page 42 - Within our Edible Seeds segment we are always looking to further improve quality and efficiency throughout the processing cycle. Customers highly appreciate the flexibility and ability to provide solutions for specific packaging needs.

National Archives

The history of the National Archives dates back to 1802. As the national memory institution of the Netherlands, the National Archives are the custodian of the archives of the national government as well as those of numerous social organizations and individuals of national importance. In addition to documents, the National Archives have a large collection of photographs and historical maps.

Captains of History programme
The Captains of History are a group of leading Dutch companies that, in addition to their corporate interests, have a keen eye for the historical role that their company has played in Dutch history. Acomo supports the National Archives in their mission to be the Netherlands' national memory and make history accessible to a broad and diverse audience.

na
nationaal archief

BRIDGING YOUR NEEDS

The Acomo Group sources, processes, trades, packages and distributes natural food products and ingredients for the food and beverage industry in more than 90 countries across the world. In these activities the companies strive to add value in each part of the food value chain.

The activities of our operating companies are bundled in four product segments: Spices and Nuts, Edible Seeds, Tea and Food Ingredients. Each segment has its own role in its own specific value chain, thereby bridging the specific needs of suppliers and customers.

Our global presence and long-standing history put us in a position to recognize the needs of our stakeholders and to find solutions to bridge those needs. All companies within the Acomo Group strive to add value and to realize sustainable profits that give all our stakeholders peace of mind.