ANNUAL REPORT

2020

ACOMO

AMSTERDAM COMMODITIES N.V.

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CONTENTS

OPERATING COMPANIES

ACOMO GROUP

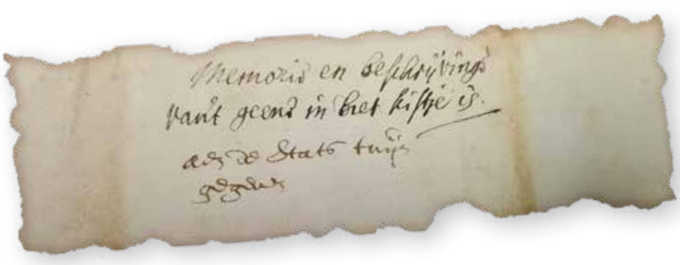
Acomo's group companies source, trade, process, package and distribute conventional and organic food products and ingredients. Acomo supplies peace of mind by bridging the specific needs of customers and suppliers.

HISTORY

How botany and global trade flourished together

European traders in the 17th century imported spices from the East such as nutmeg, pepper, cinnamon and cloves. But trade wasn't limited to these culinary wonders. VOC ships also carried seeds, cuttings and whole plants of exotic crops that were deemed promising for cultivation as sources of food and medicine. They were shared with botanic gardens such as those in Leiden and Amsterdam, which were at the forefront of science and innovation. Amsterdam's Hortus Botanicus, for instance, built one of the world's first heated greenhouses. In addition to being a centre of scientific development, it gained a key role in the global dispersion of crops like coffee, tea, quinine and many more.

Botanists in this era did much of the groundwork for the modern science of botany. Not just in university gardens but also in the field, where they examined plants in their natural environment, including the local flora and fauna, cultivation methods and cultural customs. One of the more notable works created in this period, both from a botanical as well as from an artistic perspective, was the



Page from a document that came with a shipment of plant seeds from the East Indies to Amsterdam's Hortus Botanicus in 1697. It contains descriptions of the plants and field observations of their habitats.

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

1982 – RCMA is subject to a reverse take-over by Catz International

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

2000 – Tovano joins the Group

2006 – Tefco EuroIngredients joins the Group

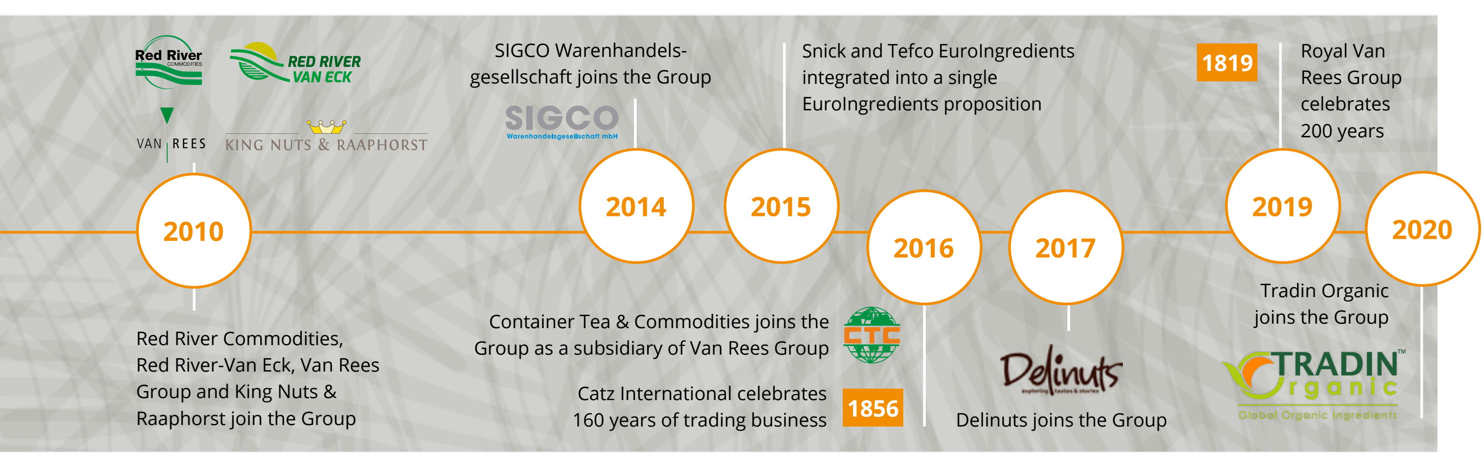
2009 – Snick EuroIngredients joins the Group

Moninckx Atlas (circa 1700), a compilation of 420 botanical watercolours of exotic plants grown in the Amsterdam garden.

A handwritten document (dated 1697) in the National Archives gives some insight into how global trade contributed to botany, the study of plants and their uses. It lists descriptions of 106 types of plants originating in the East Indies and was delivered to the Hortus Botanicus in Amsterdam. The document accompanied a wooden box containing seeds of these plants.

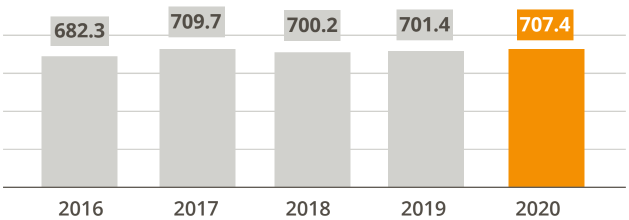
A recent exploratory study of the document suggests that it was sent from either Malabar (present-day Kerala) or Ceylon (now Sri Lanka). Some of the plants are endemic to this region and some of the local names that are mentioned are Tamil or Singalese. Other languages that have influenced the texts are Malay and Portuguese, an indication of the level of globalization of the 17th-century economy. The likely author of the document was a VOC clerk with good penmanship, who wrote down the names (often phonetically) as they were given by local collectors. At least a dozen of the names can be linked with certainty to a modern scientific name.

Illustration of Moringa oleifera*, the horseradish tree, in the Moninckx Atlas. Moringa also has a handwritten entry in the 1697 document, where it was spelled 'moronge' (possibly a phonetic transcription of a local name). Its inclusion in the Atlas shows how information from the field could end up contributing to the science of botany. Moringa is grown for its fruits, seeds, leaves, roots and oils. Organic moringa is in the portfolio of Tradin Organic.*

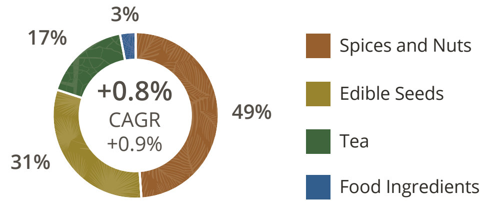


KEY DATA

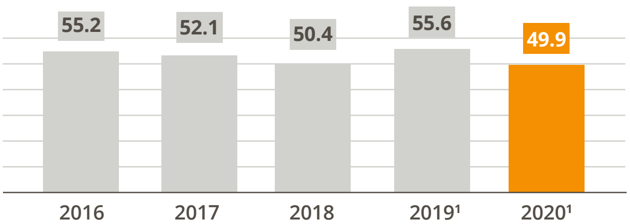
SALES
Per year (in € millions)



SALES
Per segment
2020

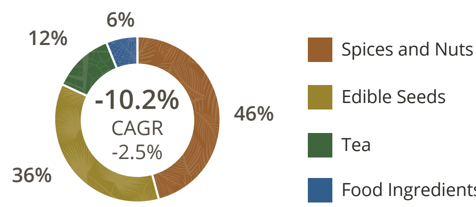


EBITDA
Per year (in € millions)

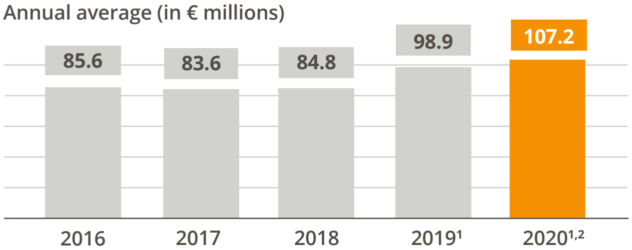


[1] *Including effect of IFRS 16*

EBITDA
Per segment
2020

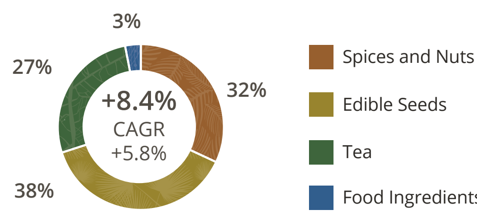


NET OPERATING ASSETS
Annual average (in € millions)

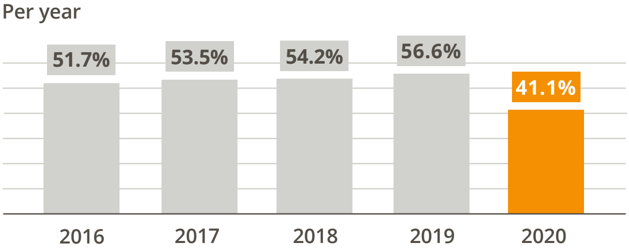


[1] *Including effect of IFRS 16,* [2] *Excluding Tradin Organic*

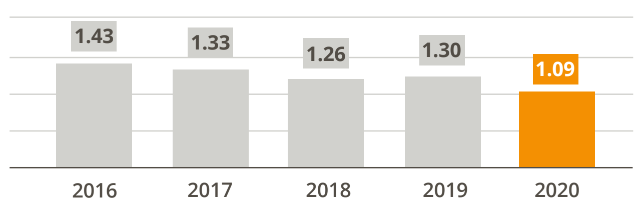
NET OPERATING ASSETS
Per segment
2020



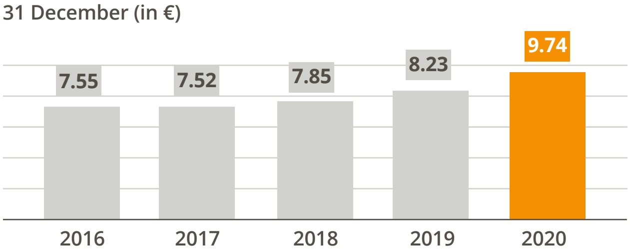
SOLVENCY
Per year



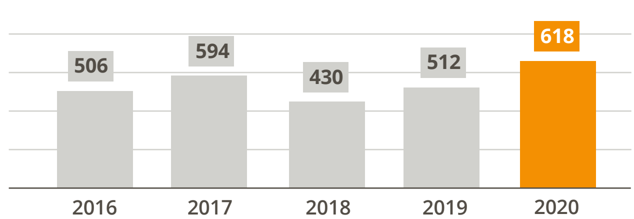
EARNINGS PER SHARE
Per year (in €)



EQUITY PER SHARE
31 December (in €)



MARKET CAP
31 December (in € millions)



CONSOLIDATED FIGURES

(in € millions)	2020	2019	2018	2017	2016
Sales	707.4	701.4	700.2	709.7	682.3
Gross profit	94.7	99.3	89.3	92.3	90.7
EBITDA[1]	49.9	55.6	50.4	52.1	55.2
EBIT	39.8	46.7	45.0	46.4	50.4
Financial income and expenses	(2.9)	(4.6)	(4.0)	(3.0)	(3.1)
Corporate income tax	(9.9)	(10.0)	(9.9)	(10.9)	(12.9)
Net profit	**27.0**	**32.1**	**31.1**	**32.5**	**34.4**
Net working capital (at year-end)	175.3	102.9	102.5	100.2	94.1
Net working capital, excluding Tradin Organic (at year-end)	*102.2*	-	-	-	-
Net operating assets (annual average)[1]	107.2	98.9	84.8	83.6	85.6
Shareholders' equity (before final dividend)	288.3	202.9	193.5	185.1	182.9
Total assets[1]	704.4	358.6	357.2	346.0	353.6
Total assets[1] , excluding Tradin Organic	*355.1*	-	-	-	-
Ratios					
Solvency	41.1%	56.6%	54.2%	53.5%	51.7%
RONCE operating companies (excluding goodwill)	20.6%	21.2%	21.5%	22.7%	23.6%
Dividend pay-out ratio	36.5%	84.5%	79.2%	83.4%	80.8%
Net debt/total equity	0.95	0.34	0.47	0.42	0.49
Key performance indicators (in €)					
Earnings per share	1.09	1.30	1.26	1.33	1.43
Dividend per share	0.40	1.10	1.00	1.10	1.15
Equity per share at year-end	9.74	8.23	7.85	7.52	7.55
Share price at year-end	20.90	20.75	17.44	24.11	20.90
Share price high	22.00	20.95	25.50	29.36	24.64
Share price low	12.50	16.86	16.28	20.25	19.00
Market capitalization as at 31 December (in millions)	618.3	511.5	429.9	593.6	506.3
Net cash flow from operating activities (in millions)	35.0	59.8	19.3	50.1	47.0
Number of shares outstanding (in thousands)					
Weighted average	24,887	24,650	24,638	24,475	24,069
At year-end	29,582	24,652	24,649	24,624	24,225
Fully diluted at year-end	29,586	24,657	24,649	24,650	24,273
Exchange rates (against €1)					
US dollar at year-end	1.230	1.121	1.147	1.200	1.052
% change	9.7%	-2.3%	-4.4%	14.1%	-3.1%
Average US dollar	1.142	1.119	1.181	1.130	1.107
% change	2.0%	-5.2%	4.5%	2.1%	-0.3%

[1] Including effect of IFRS 16 for 2020 and 2019

LETTER FROM THE BOARD

'AN UNUSUAL YEAR WITH AN EXCITING AND PROMISING CONCLUSION'

Dear shareholders,

We are pleased to present to you, on behalf of the Board of Acomo, this report on our financial year 2020. An unusual year, in which the global economy suffered the unprecedented impact of the COVID-19 pandemic, but also the year in which we concluded a long period of negotiations with the transformative acquisition of Tradin Organic, the Dutch- and US-based global frontrunner in premium, certified organic food ingredients.

Assured performance and innovation for our customers

Amidst the global pandemic, Acomo teams doubled down on their efforts to give customers and partners in the chain the assurance of quality and contract reliability they have come to expect. Not only were they able to keep the business going, they also managed to achieve great results. Adjusted for the one-off costs of the acquisition, the Group's net profit and operational EBITDA equalled the pre-COVID levels of 2019.

Obstacles that were thrown up by the COVID-19 pandemic were dealt with as efficiently as possible. Where regional lockdowns threatened to break the supply chain, Acomo teams safeguarded their customers' operations by utilizing their extensive networks and trading expertise to ensure alternative sources and reroute distribution.

Another obstacle in this unusual year was the volatility of demand from our customers, with distinct differences between sectors – most notably in the first half of the year, when retail activity spiked whilst demand from the foodservice sector dropped considerably. In addition to skilled trading and management of the chain, the ready availability of stock in the consuming countries enabled Acomo teams to meet these fluctuations in demand.

From the consumer perspective, Acomo's product portfolio has a strong focus on food ingredients that support a healthy lifestyle. In 2020, Acomo companies continued to support their customers in their response to consumers' needs and demands through innovations in product ranges and presentations, and also through investments in safe and healthy processing. In the US and the Netherlands, new production lines came into action that provide microbial inactivation technologies which result in ingredients that are safe to eat while still raw and with all their natural qualities intact.

Transformative expansion of the Acomo Group

In the final months of 2020, we reached an agreement regarding the acquisition of Tradin Organic, an exciting and promising conclusion of this unusual year. It will allow us to even further spread our risks and create additional opportunities through diversity in products, sectors and

geographies. With a leading position in niche agricultural plant-based food ingredients from organic and conventional farming, the Acomo Group is now even better placed to play a role in meeting consumer demand for reliable and healthy food.

Tradin Organic has 30 years of experience in sourcing, processing and trading of agricultural products from strictly certified organic origin. In terms of product portfolio, business model, culture and sustainability goals the company is an extraordinary fit with our Group. The existing management team, including founding member Mr Gerard Versteegh, will remain in charge of the company's operations. In line with Acomo's philosophy, Tradin Organic will continue to operate autonomously while at the same time adding its product expertise and business experience to the mix that drives synergies between group companies and partners in the chain. With over 50% of its business in the US, Tradin Organic's arrival in the Group will improve the balance in the Acomo Group's geographical spread, specifically between the US and Europe.

With Tradin Organic on board, we expect to see significant increases in the scale of our business, our turnover, EBITDA and earnings per share. To make this possible, we have worked closely with our shareholders, our banks and the competition authorities to ensure we could handle the acquisition efficiently, on a sound financial basis and within the parameters of the Acomo policies. New shares were issued, our banking facilities went through a major overhaul and we have taken the rare step to propose a temporary pause on dividend while maintaining our strong long-term dividend policy.

A strong Group thanks to the commitment of our teams

Looking forward to the immediate future, it seems likely that the pandemic will continue to have an impact on the global food industry for at least part of 2021. What we can say for certain is that Acomo will have a role to play in providing safe and healthy food choices for consumers across the globe. We will continue to invest in our organization and maintain our ability to respond to the requirements of our customers. The skills, expertise and commitment of our teams continue to be the basis of our strength.

The Board of Directors would like to welcome all Tradin Organic staff members to the Group. We are confident that the new combination has a bright future. We thank everyone on our teams for their commitment and reliability amidst highly unusual circumstances. We are also grateful to our shareholders, our customers, our suppliers and our partners for their continued trust. Special thanks go out to Philippe Snick, who in 2020 officially retired as managing director of Snick EuroIngredients. Since the company's foundation in 1993, his inspirational leadership has brought Snick to its current leading position in culinary and functional ingredients in the Benelux.

Our annual general meeting will take place on 22 April 2021. If a physical meeting is allowed, the meeting will be held at the Hilton Hotel in Rotterdam. However, based on the current regulations in relation to COVID-19, it is likely that the meeting will be virtual through a webinar. More details will be published at a later date.

Rotterdam, 11 March 2021

Bernard Stuivinga	Allard Goldschmeding
Chairman	*Group Managing Director*

TRADIN ORGANIC

THE GLOBAL FRONT RUNNER IN PREMIUM ORGANIC FOOD INGREDIENTS

Input suppliers | Farmer aggregation | Agricultural extension services | Farming | Post-harvest activities

Trading | Food processing | Food packaging | Transport, storage, logistics | Inventory management and control

Since the early 1980s, Tradin Organic has set the standard in the sourcing, processing and supply of premium, certified organic food ingredients. Its extensive worldwide network connects organic farmers in more than 80 countries with processors and customers around the world.

Tradin Organic's product portfolio covers more than 230 products across a wide range of categories. Building on decades of experience, the company has the expertise to guide its partners in the chain through the complex world of certifications (organic and beyond) and offer tailor-made solutions to suit the individual requirements of its customers.

Over the years, Tradin Organic has continued to vertically integrate its supply chains, investing in quality control and traceability, and ensuring organic integrity and security of supply from farm to customer. In addition to its role as a trader and distributor, Tradin Organic has added several manufacturing facilities to its value chain, where organic agricultural produce is transformed into healthy, value-added food ingredients.

CUSTOMERS **CONSUMERS**

Food industry | Wholesale | Retail (schools, grocery stores and local open markets) | Foodservice (restaurants and catering)

SCAN

For more information about the added value of Tradin Organic

PRODUCTS

Dry ingredients | Fruit ingredients | Cocoa | Oil | Coffee | Premium juice products | Organic certified

BUSINESS PERFORMANCE

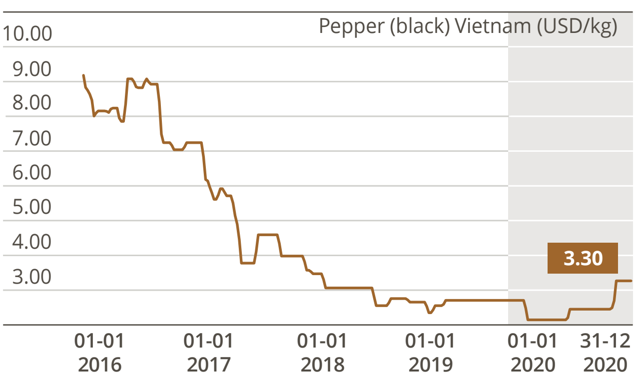
Group

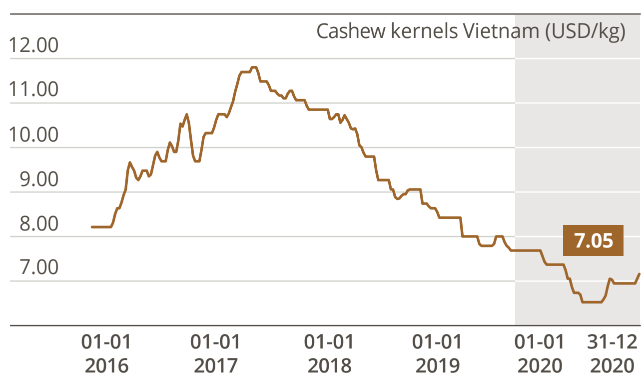
Introduction

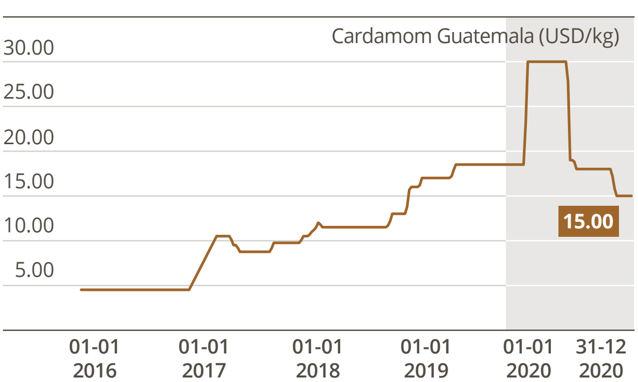
The year 2020 was an unusual and challenging but also exciting year for the Acomo Group. Despite the COVID-19 challenges, the operational performance of the Group companies was equal to 2019, a remarkable achievement. In the second half of the year the exciting acquisition of Tradin Organic was finalized, creating a strong basis for further growth. This transformative acquisition substantially increases the size of the Group. The acquisition closed on 30 December 2020 and is therefore included in the Acomo consolidated balance sheet as at 31 December 2020. The consolidated statement of income does not include any impact of Tradin Organic business, as the impact is not material due to the limited number of days. The consolidated statement of income does however include the acquisition expenses Acomo incurred in relation to this acquisition. For the financing of the acquisition, the Group issued close to 20% of new shares and refinanced the entire Group with a consortium of existing and new banks. It is important to understand that the acquisition has material impact on the reported numbers in this annual report and should be taken into account when calculating and judging ratios and other financial information.

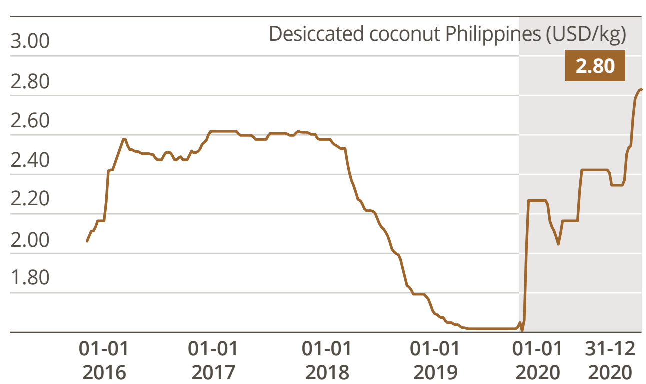
General economic environment

In 2020, the COVID-19 pandemic caused an almost unprecedented global economic recession, which continues into 2021 and differs markedly from past triggers of downturns. Quarantines, regional lockdowns and social distancing curtailed mobility. Workplace closures disrupted supply chains and impacted productivity. There was a de facto shutdown of a significant portion of the economy in the first half of 2020. Domestic disruptions spilled over to trading partners through trade and global value chain linkages, adding to the overall macroeconomic effects. The fall in global investment has been pronounced. Governments intervened with exceptional monetary policy accommodation in an effort to reduce the overall economic impact. In the second half of 2020, recovery was initially









supported by a partial easing of stringent lockdowns, but various restrictive measures were reintroduced as COVID-19 resurged around the world.

While the food ingredients sector overall has proven to be robust in the midst of the global pandemic, the business of Acomo was impacted in various ways by the COVID-19 implications for the environment, more specifically with respect to demand, supply, price levels and the cost of freight. Demand shifts between customers were substantial due to lockdowns. Foodservice demand declined materially throughout the year, whereas demand from food manufacturers and retail increased, especially in the first half of the year. In addition, supply chains were disrupted due to lockdowns in several areas around the world, leading to unpredictable deliveries. We took measures to provide a safe working environment for our employees and all units remained operational throughout the year. In the second half of the year, transportation out of Asia became increasingly challenging due to shortage in availability of sea containers and limited shipping capacity. Besides COVID-19, the environment was characterized, with a few exceptions, by in general relatively low product price levels for most of the year. Towards the end of the year price levels started to improve. The graphs on page 14 illustrate the price trends of some of our major products in 2020.

(in € millions)	2020	2019	Change €	Change %
Sales	707.4	701.4	6.0	0.8%
Operating expenses	(657.5)	(645.8)	(11.7)	-1.8%
EBITDA	**49.9**	**55.6**	**(5.7)**	**-10.3%**
Depreciation and amortization	(10.1)	(8.9)	(1.2)	-13.5%
Operating income (EBIT)	**39.8**	**46.7**	**(6.9)**	**-14.8%**
Financial income and expenses	(2.9)	(4.6)	1.7	37.0%
Corporate income tax	(9.9)	(10.0)	0.1	1.0%
Net profit	**27.0**	**32.1**	**(5.1)**	**-15.7%**

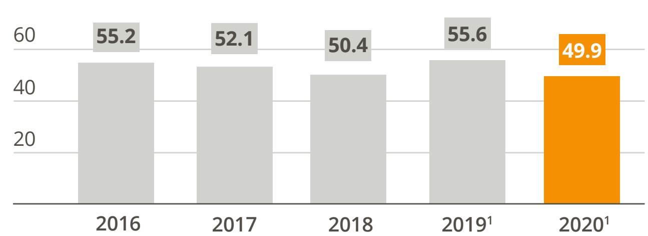
(in € millions)	2020	2019	Change €	Change %
Adjusted segment EBITDA	**57.6**	**57.6**	**0.0**	**0.0%**
FX translation result	(0.5)	-	(0.5)	-
Unrealized FX hedge results	(2.5)	(0.7)	(1.8)	-
Segment EBITDA	**54.6**	**56.9**	**(2.3)**	**-4.0%**
Holding (incl. acquisition costs)	(4.7)	(1.3)	(3.4)	-
Reported EBITDA	**49.9**	**55.6**	**(5.7)**	**-10.3%**

Financial performance

Despite the COVID-19 challenges, Acomo performed strongly in 2020 and finalized the transformative acquisition of Tradin Organic in December. The adjusted segment EBITDA was €57.6 million, which was equal to previous year. The adjusted net profit also equalled 2019, at €33.3 million. The reported results included non-operational items such as unrealized FX hedge results and acquisition costs in relation to the acquisition of Tradin Organic.

Strong sales levels were achieved. The consolidated sales of €707.4 million was an increase of 0.8% compared to 2019 (€701.4 million). Reported gross profit was impacted by unrealized FX hedge results and decreased by -4.6% to €94.7 million (2019: €99.3 million). For the full year 2020, reported net profit was impacted by one-off items and amounted to €27.0 million, a decrease of -€5.1 million versus 2019 (€32.1 million, -15.7%).

REPORTED EBITDA (in € millions)



[1] *Including effect of IFRS 16*

Unrealized FX hedge results (due to not applying hedge accounting) had a negative effect on reported gross profit of -€2.5 million (2019: -€0.7 million). The impact of unrealized FX hedge results on reported net profit was -€1.9 million (2019: -€0.5 million).

Acquisition costs of €4.2 million related to the acquisition of Tradin Organic are included in the reported EBITDA. Since acquisition costs are not tax deductible, the impact on reported net profit was also -€4.2 million, resulting in an increase of the effective corporate income tax rate by +2.5 percentage points.

Balance sheet analysis

The 31 December 2020 balance sheet includes the effects of the Tradin Organic acquisition. The total combined end-of-year capital including Tradin amounted to €568.1 million, consisting of €269.6 million of fixed capital (intangible assets, property, plant and equipment, right-of-use assets and other non-current receivables, less provisions), €295.0 million of working capital and other working capital-related assets and liabilities, and €3.5 million in cash and cash equivalents.

Fixed capital increased by €152.2 million compared to 2019, mainly due to the acquisition of Tradin Organic and 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 increased by €132.8 million compared to 2019, mainly due to the acquisition of Tradin Organic (€147.3 million). The remaining decrease in working capital and other working capital-related assets and liabilities was due to lower inventories (-€1.9 million) and lower other working capital assets and liabilities (-€20.8 million), partly offset by higher trade receivables (€5.2 million) and lower trade payables (€2.8 million).

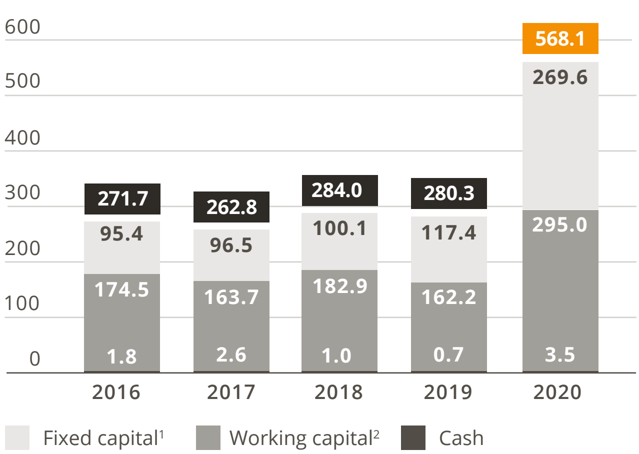
Total equity increased by €86.5 million to €289.5 million as at 31 December 2020 (year-end 2019: €203.0 million). The main movements were: 2020 net profit of €27.0 million and the issue of new shares of €94.8 million, partly offset by a negative net currency translation effect of €9.3 million and dividend payments to shareholders of €27.1 million.

Total debt outstanding (excluding lease liabilities) at the end of 2020 amounted to €261.1 million (2019: €62.8 million). Long-term debt of €136.4 million (2019: €2.8 million) is repayable in five years on average. The short-term part of the long-term borrowings of €16.0 million, repayable in 2021, is included in other working capital-related assets and liabilities. Short-term debt consists of the short-term bank overdrafts of €124.7 million (2019: €60.0 million).

Non-current lease liabilities amounted to €13.7 million (2019: €12.0 million) at the end of 2020. The current part of the lease liabilities was €3.7 million (2019: €2.5 million).

Solvency as at 31 December 2020 was 41.1% (year-end 2019: 56.6%), which exceeded the minimum solvency levels required by Acomo's financial policies.

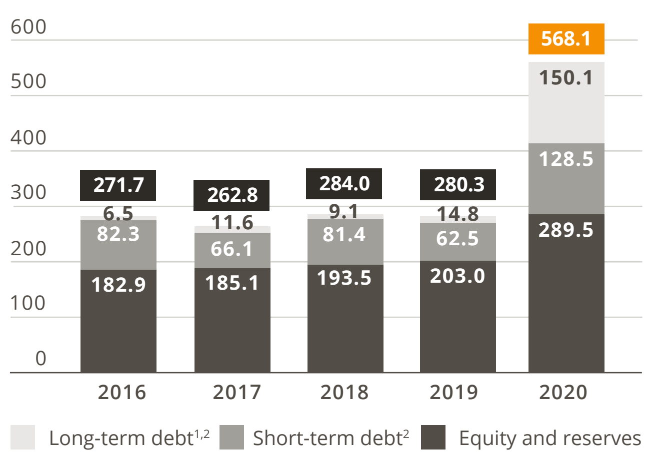
USE OF FUNDS (in € millions)



[1] Including effect of IFRS 16 in 2019 and 2020

[2] Including other assets and liabilities

SOURCE OF FUNDS (in € millions)



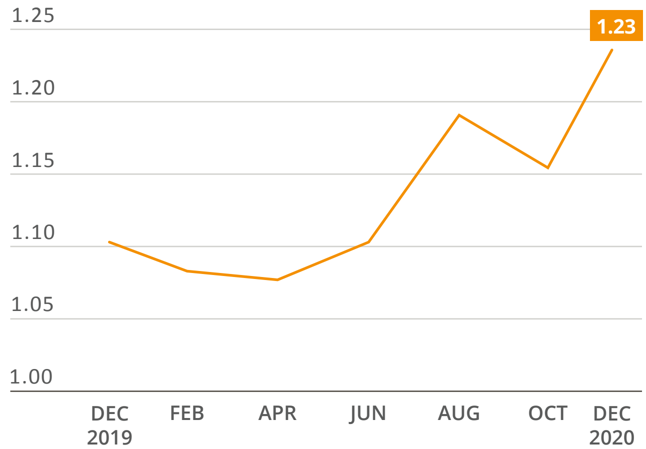
[1] Excluding short-term portion long-term debt

[2] Including effect of IFRS 16 in 2019 and 2020

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, Red River Global Ingredients and Royal Van Rees Group) that use the US dollar as their functional currency. The results of these subsidiaries are consolidated in the Group's 2020 results against the average euro/US dollar rate of the year. The euro/US dollar exchange rate strengthened during the first four months of the year. After April, the US dollar depreciated strongly against the euro. The average euro/US dollar exchange rate in 2020 was 1.142 (2019: 1.119). The FX rates contributed negatively to sales (-€6.5 million) and net profit (-€0.2 million).

EURO/US DOLLAR RATE 2020



The future development of the euro/US dollar rate can have a positive or negative impact on the consolidated results reported in euros. The assets and liabilities of Red River Commodities, Red River Global Ingredients and Royal Van Rees Group are translated in euros at year-end rate for consolidation purposes. The 2020 year-end exchange rate of 1.230 reflects the depreciated US dollar against the euro when compared to the 2019 year-end rate of 1.121. As at 31 December 2020, this resulted in a decrease in total assets of -€12.7 million (of which €9.3 million through equity).

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.

Cash flow summary

Net cash generated from operations decreased by €24.8 million, due to a higher working capital (total net cash effect of €27.5 million), mainly caused by the higher working capital at year-end and a €3.5 million lower operating cash flow, partly offset by lower interest and tax payments of €6.2 million.

Capital expenditures of €5.3 million were lower compared to 2019 (€7.8 million). The capital expenditures mainly consisted of investments in product treatment equipment

(in € millions)	2020	2019	Change %
Operating cash flow (before tax)	52.6	56.1	-6.2%
Net changes in working capital	(8.8)	18.7	-147.1%
Payments of interest and tax	(8.8)	(15.0)	41.0%
Net cash generated by operating activities	**35.0**	**59.8**	**-41.5%**
Capex	(5.3)	(7.8)	31.4%
Acquisition of subsidiaries	(266.0)	-	-
Other investing activities	0.2	0.5	-
Cash used in investing activities	**(271.1)**	**(7.3)**	-
Capital increases	94.8	-	-
Changes in financial liabilities	174.7	(25.6)	767.3%
Payment of leases	(3.4)	(2.5)	-35.0%
Dividends	(27.1)	(24.6)	-10.1%
Cash used in financing activities	**239.0**	**(52.7)**	**553.6%**

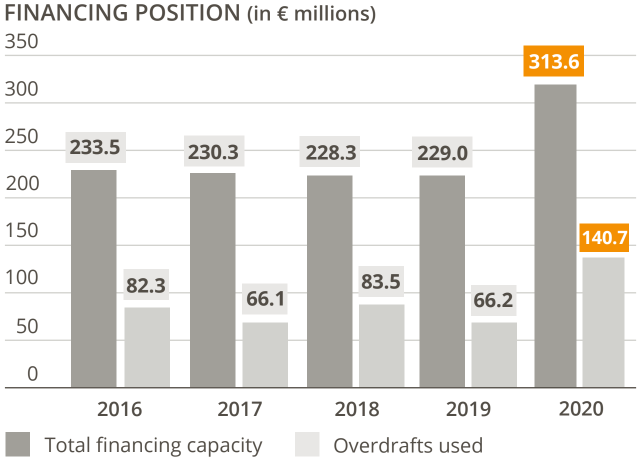
in the European operations of Edible Seeds and investments and upgrades in plant equipment in the US operations of Edible Seeds.

Capital increased by €94.8 million as a result of the accelerated bookbuild offering on 1 December 2020 to partially fund the acquisition of Tradin Organic.

The changes in financial liabilities of €200.3 million were mainly due to new borrowings as a result of the refinancing of the main revolving credit facility, borrowings to finance the acquisition of Tradin Organic and repayments of the old facilities (net effect €227.1 million), partly offset by a higher amount of cash drawn from our working capital bank facilities as a result of the increase in working capital (€26.8 million).

Dividends paid to the shareholders amounted to €27.1 million (2019: €24.6 million), which included the final 2019 dividend of €0.70 per share and the 2020 interim dividend of €0.40 per share.

FINANCING POSITION (in € millions)



Treasury position

Despite the unusual year and overall market pressure, the Group maintained the strong liquidity position presented in the previous years, without any interruption in working capital financing amongst or towards all entities.

In December 2020, Acomo refinanced its main revolving credit facility via syndicated transaction with the participation of new and existing lenders, increasing the total amount from €200 million to €275 million, with final maturity in 2023 and an extension option of two years. An accordion option of €70 million was also included in the new agreement. The structure of the deal (borrowing base) as well as the financial covenants (solvency and interest cover ratio) remained unchanged.

Additionally, to finance the acquisition of Tradin Organic, Acomo raised a net amount of €94.8 million of equity through an accelerated bookbuild offering and closed a €150 million five-year amortizing term loan via the aforementioned syndicated structure and with the same lenders.

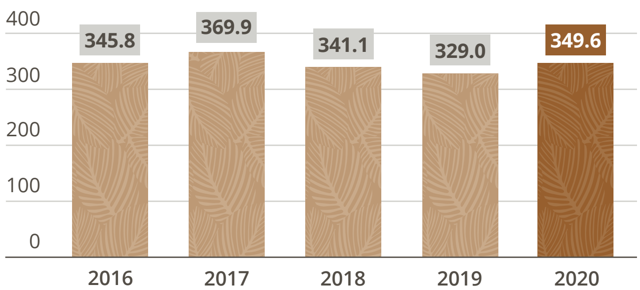
At year-end, the Group's working capital credit facilities including cash positions amounted to in total €313.6 million (2019: €229.0 million), with short-term financing available of €172.8 million, versus €162.8 million in December 2019. The Company and its subsidiaries were in full compliance with all bank covenants present in the facilities.

Operating segments

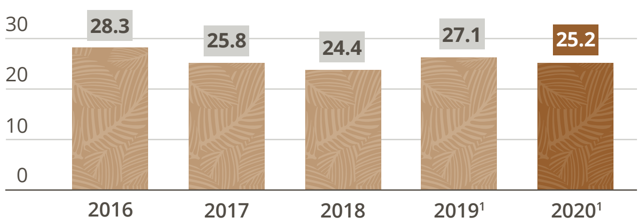
Spices and Nuts

The Spices and Nuts segment achieved a sales growth of +6.3%, due to increased sales of both spices and nuts. The market circumstances were very challenging, with the COVID-19 impact on the supply chain and product price levels that were still at historically low levels for a number of major products for most of the year. Towards the end of the year, prices for some products showed recovery. One of these products was pepper, which saw some increase in prices in the second half of the year, although these levels also remained at historically low levels. Market prices of cardamom increased in the first half of the year, followed by a decrease in the second half. Prices of ginger and nutmeg increased during the year. Cloves saw an initial increase at the beginning of the year, however soon began a decline that continued during the year to a level that was at the lowest level of 2019. At the end of the year the price of cloves increased again. Cumin seed prices declined during the year, but increased at the end of the year.

SALES (in € millions)

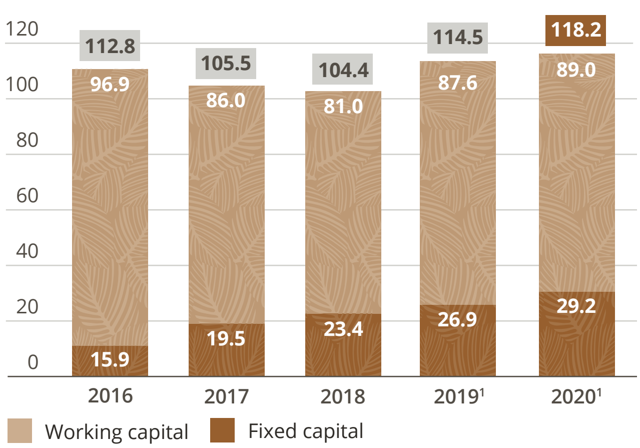


EBITDA (in € millions)



¹ *Including effect of IFRS 16*

INVESTED CAPITAL (in € millions)



¹ *Including effect of IFRS 16*

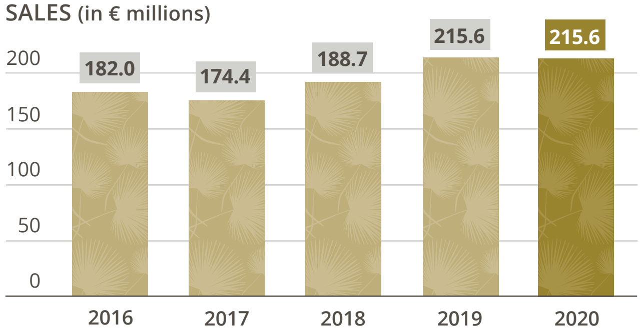
Desiccated coconut price levels increased substantially over the year, due to limited availability. Supply from main origins such as the Philippines and Indonesia was disrupted due to natural disasters, pandemic impacts and shifts in the allocation of raw materials to end products. This resulted in a decreased supply of products and therefore impacted business volumes. Dehydrated vegetables saw less favourable market circumstances for some products. Market prices of most major nuts declined in the first half of 2020, but with some recovery towards the end of the year. Cashew prices declined, especially in the first half of the year, and improved somewhat in the last quarter of the year, although they did not exceed the lowest level of the last six years. Macadamia prices declined in the first half of the year, but improved in the second half to levels similar to 2019. Walnuts showed a different trend and continued the increase in price levels that started at the end of 2019. At the end of 2020, walnut price levels reached the highest point in five years. Most of the dried fruits product categories experienced price levels during 2020 that were below the levels of 2019. Towards the end of the year prices started to pick up.

EBITDA decreased by €1.9 million (-7.0%) compared to 2019, due to unrealized FX hedge results. Invested capital increased by €3.7 million compared to 2019, due to an increase in working capital of €1.4 million and an increase in fixed capital of €2.3 million, which was mainly attributable to the effect of the capitalization of leases (IFRS 16) in 2019.

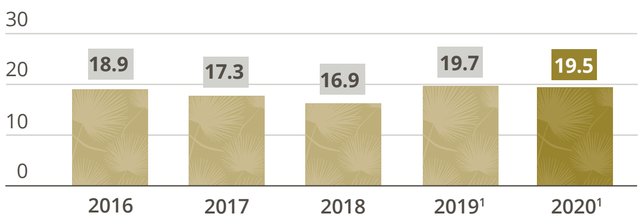
Edible Seeds

The Edible Seeds segment, with operations in both North America and Europe, was substantially impacted by COVID-19. The European business saw a decline in demand. A substantial part of the customer portfolio was affected by local lockdowns, including the closure of local shops. COVID-19 also led consumers to shift away from speciality stores, such as bakery stores, to one-stop-shop buying at main retailers.

SALES (in € millions)

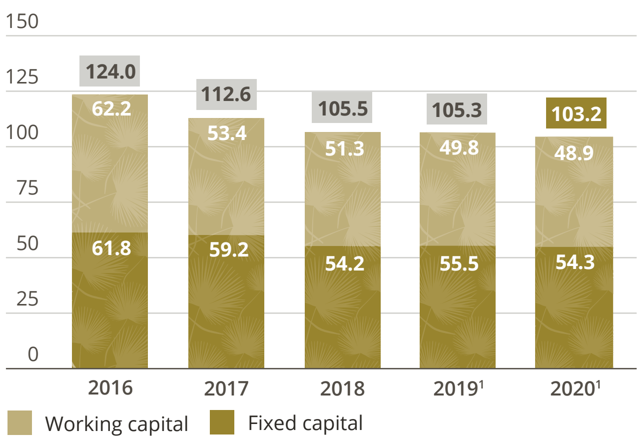


EBITDA (in € millions)



[1] *Including effect of IFRS 16*

INVESTED CAPITAL (in € millions)



[1] *Including effect of IFRS 16*

Acomo's investment in Food Ingredients Service Center Europe (FISCe) in the Netherlands, the new product treatment facility which offers the food industry a 100% natural method of pasteurization and sterilization for a broad range of products, was finalized at the end of 2020. The facility is operational and serving its first customers.

The North American business grew substantially, due to strong performance in two divisions. Both the SunButter® brand and the wildlife division saw increased sales and profits. The SunButter® brand perfectly fits the healthy nutrition trends that received more attention due to COVID-19 and benefitted from increased consumer demand. The wildlife division saw increased consumer demand due to the fact that more people discovered the attraction of feeding wild birds as they were spending more time at home during the COVID-19 lockdowns. The processing and SunGold divisions reported lower results due to substantial declines in demand as a consequence of COVID-19 lockdowns. Demand for snack products especially declined, due to the absence of sporting events and fewer consumers going into convenience stores. The import trading entity in Canada expanded its activities and achieved substantial growth in sales and profit.

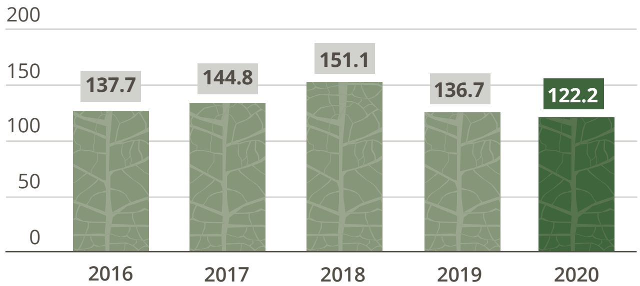
EBITDA decreased by €0.2 million (-1.0%). Fixed capital decreased by €1.2 million, mainly as a result of the weaker year-end US dollar that affected the fixed capital denominated in US dollar, partly offset by capital expenditures in Europe and the US.

Tea

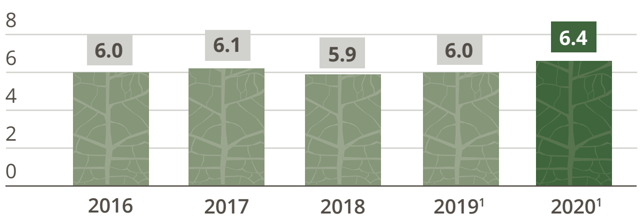
Our Tea segment achieved an increased net result in an unprecedented world environment. COVID-19 led governments in tea-producing countries to initiate lockdown measures at a time that is normally a main harvest period. The tea supply chain was affected in all regions, although the actual impact and therefore pricing trends differed between the main regions. Indian tea prices increased due to a drop in outputs caused by COVID-19 movement restrictions, which had a substantial impact due to the country's large population and dependency on informal labour. In addition, India had to cope with heavy floodings. Sri Lanka and African tea-producing countries saw good availability and stable prices over 2020. Although these regions were also affected by lockdown measures, they were in a better position to remediate the impact. Kenyan tea experienced limited harvest interruptions, but did experience some disruption in supply to the auction in Mombassa. Prices in Kenya went up in the second half of 2020, breaking the downward price pressure of the last few years. Royal Van Rees Group showed continued focus on improving the portfolio, including expanding in the speciality tea category with excellent blends of tea with fruits, herbs and spices.

EBITDA increased by €0.4 million (6.7%) compared to the previous year. Invested capital decreased by €7.4 million, mainly due to a lower working capital and the effect of the weaker year-end US dollar that affected the fixed capital denominated in US dollar.

SALES (in € millions)

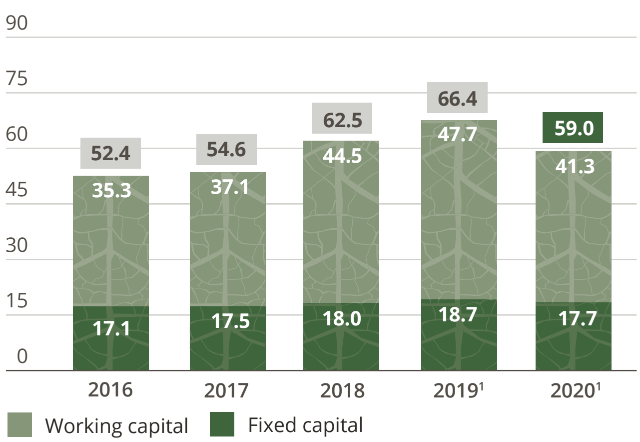


EBITDA (in € millions)



[1] *Including effect of IFRS 16*

INVESTED CAPITAL (in € millions)



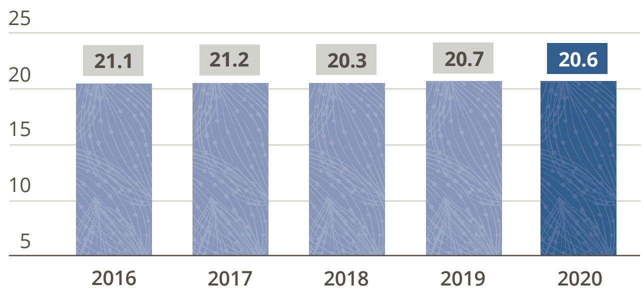
[1] *Including effect of IFRS 16*

Food Ingredients

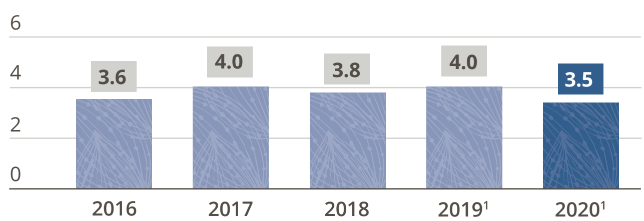
The Food Ingredients segment maintained its sales levels, yet at somewhat lower margins. COVID-19 resulted in a decline in demand from foodservice-related customers, which was partly offset by an expansion of business with other customers. Both sales and margin were slightly lower versus 2019. The blending business continued to develop and Snick EuroIngredients will continue to further this business by investing in both skills and capabilities.
The Food Ingredients business continues to develop fast, in line with consumer trends towards a healthier life style. The increased demand for vegetarian products requires new and innovative solutions, as do efforts to expand into new sources of protein and to further improve the taste and quality of these products. Snick EuroIngredients is well positioned to support customers with value-add solutions in these developing areas.

EBITDA decreased by €0.5 million (-12.5%) compared to the previous year. Invested capital slightly decreased by €0.4 million compared to 2019, mainly as a result of a decrease in working capital.

SALES (in € millions)

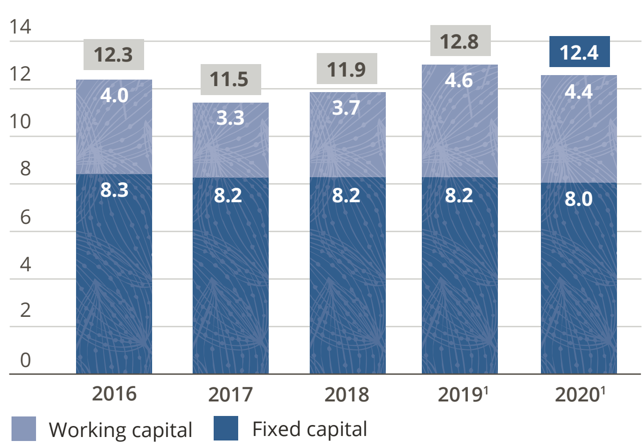


EBITDA (in € millions)



[1] *Including effect of IFRS 16*

INVESTED CAPITAL (in € millions)



[1] *Including effect of IFRS 16*

THE ACOMO GROUP

The Group

Group overview

Amsterdam Commodities N.V. ('Acomo' or 'the Company') is the holding company of an international group of companies (together 'the Acomo Group' or 'the Group') active in the worldwide sourcing, trading, processing, packaging and distribution of conventional and organic food products and ingredients for the food and beverage industry. The Group, including Tradin Organic, operates in 19 countries, employs 1,212 people and trades with more than 100 countries. Acomo's organizational and operating model consists of the operating companies that are focused on the primary business functions (sourcing, trading, processing, packaging and distribution) and the holding company that provides global support.

Group DNA

Acomo is a diverse group of companies defined by its purpose, philosophy and structure. The purpose of Acomo is to bridge the needs of stakeholders within the value chains in which it operates and provide peace of mind to all partners. We support our trading activities with specific value-added services. Our philosophy defines the way we do business: always as a reliable and trustworthy partner, with a constant focus on niche products of which we have an in-depth knowledge. By structure, we are 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 five segments. The subsidiaries are the operating companies of the Group. They are autonomous entities that perform trading and processing activities in their own name and for their own account. Within our companies we maintain straightforward incentives to reward entrepreneurship.

Value creation

Mission

Acomo's mission is to achieve long-term sustainable growth of shareholders' value, allowing for long-term high dividend pay-outs representing above-market dividend returns through fulfilling the purpose of the Company.

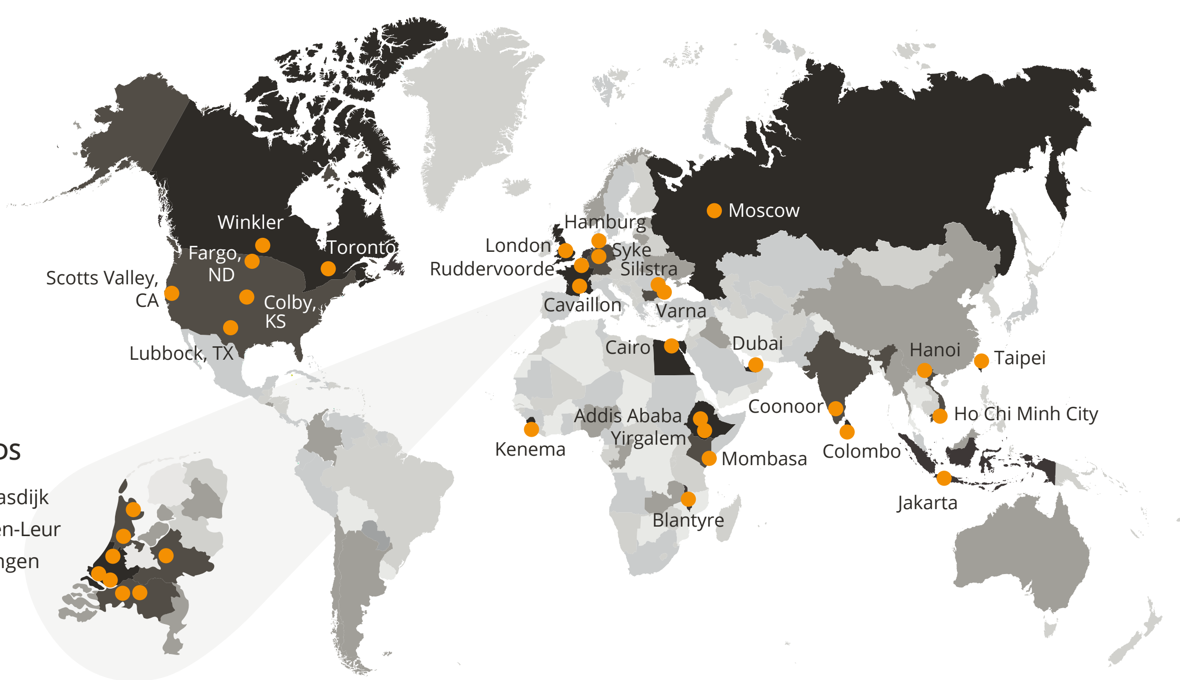
1,212
GLOBAL WORKFORCE (FTE)

- 459 North America
- 466 Europe
- 71 Asia
- 216 Africa

38
OFFICES/FACILITIES WORLDWIDE

11
OFFICES/FACILITIES IN THE NETHERLANDS

- Middenmeer
- Amsterdam
- Bodegraven
- Rotterdam
- Maasdijk
- Etten-Leur
- Dongen
- Ede



OUR MISSION

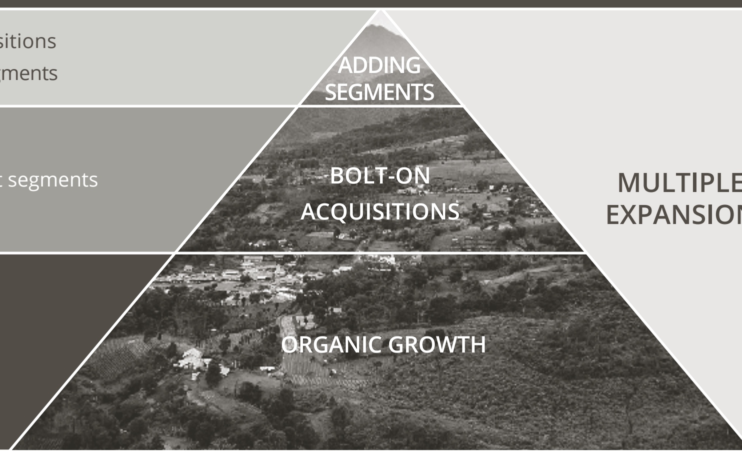
Our mission is to achieve long-term sustainable growth of shareholders' value through consistent growth of earnings per share, allowing for long-term high dividend pay-outs representing above-market dividend returns through fulfilling the purpose of the Company.

OUR STRATEGY

3 TERTIARY FOCUS
- Transformative acquisitions
- Acquisitions in new segments

2 SECONDARY FOCUS
- Acquisitions in current segments

1 PRIMARY FOCUS
- Add new markets
- Invest in supply chain
- Add products and value-added services



MULTIPLE EXPANSION

OUR DNA

PURPOSE
- Bridging needs
- Adding value

PHILOSOPHY
- Agri food ingredients
- In-depth knowledge
- Niche products
- Contract = contract

STRUCTURE
- Focused holding
- Autonomous entities
- Straightforward incentives

OUR KEYS TO SUCCESS

- WORLDWIDE SOURCING CAPABILITIES
- ABSOLUTE RELIABILITY OF CONTRACTS
- OPERATIONAL EXCELLENCE
- EFFECTIVE RISK MANAGEMENT
- SOCIALLY RESPONSIBLE ENTREPRENEURSHIP

FOR THE BENEFIT OF OUR STAKEHOLDERS

- CUSTOMERS
- SHAREHOLDERS
- OUR PEOPLE
- SUPPLIERS
- SOCIETY
- PLANET

Strategy
Acomo pursues growth by maximizing opportunities in the international sourcing, trading, processing, packaging and distribution of conventional and organic food products and ingredients 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;
- Transformative acquisitions of leading companies in plant-based products and ingredients for the food and beverage industry which will add new, growing segments to our segment portfolio, preferably in non-listed products.

Financial objectives
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. Among the financial objectives of the Company and its subsidiaries are:
- Achieving an annual net profit of more than 15% of shareholders' equity in the long term;
- Maintaining adequate credit lines to ensure the financing of our subsidiaries' (trading) activities at all times, regardless of price volatility in the international commodity markets;
- Safeguarding and strengthening our capability to generate future profits by maintaining a strong balance sheet and healthy financial ratios;
- 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.

Keys to success
Acomo's keys to success to fulfil its mission are its worldwide sourcing capabilities, absolute reliability of contracts, operational excellence, effective risk management and socially responsible entrepreneurship. Together with our partners we are continuously exploring new opportunities for improvement and growth.

The Acomo Group's reason for being lies in bridging needs and providing peace of mind, which involves more than merely delivering a range of products. Providing peace of mind is about maintaining the highest standards in food safety and quality, and bridging needs is also about taking broader social and environmental developments into account. Our corporate social responsibility (CSR) and environmental, social and governance (ESG) objectives ensure that sustainability risks and opportunities are incorporated in the operations of the Acomo companies and those of their respective supply chains.

Entrepreneurship, agility, 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 the cornerstone of the way we conduct our business.

Business model

Value chain
Acomo's group companies source, trade, process, package and distribute conventional and organic food products and ingredients. The product range comprises more than 600 main products including spices, organic cocoa, coconut products, nuts, dried fruits, edible seeds, tea, organic coffee, edible oils, natural food ingredients and feed products. Our companies contract and purchase the products at the source for physical delivery and value-added services. The Acomo companies strive to add value in all parts of their respective value chains. We bridge the specific needs of multiple stakeholders and allow them to fully focus on their core activities.

In order to optimize our global sourcing we have regular contacts with growers and farmers and collect various types of information relevant to crops. We aggregate farmers, offer agricultural extension services and organize post-harvest activities to facilitate organic certification within our supply chains. 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 and promote

ACOMO'S ROLE IN THE VALUE CHAIN

Sourcing
We source natural agricultural products from all over the world. Through our worldwide networks we are able to always source the right quality and quantities. We aggregate farmers, offer agricultural extension services and organize post-harvest activities. We help our suppliers to sell their products by providing access to the world market.

Trading and services
In support of our trading activities and to create more options for our partners and ourselves, we provide services such as storage, blending, cleaning, heat treatment, processing and vendor-managed inventory solutions.

Delivering
We deliver high-quality and safe products to our customers in the food and beverage industry around the world. We help our customers by delivering on time and according to specifications regardless of price volatility.

responsible cultivation methods. We give growers peace of mind by contracting to buy harvested products 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 solutions 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.

The value creation model of Acomo, based on the International Integrated Reporting Council framework, gives an overview of how Acomo creates long-term value for its shareholders and other stakeholders.

Long-term value creation

At the end of 2020, Acomo took an important strategic step in the growth and development of the Group. With the acquisition of Tradin Organic, Acomo added a highly complementary new company (and thereby an organic product segment) to the Group, creating a leading global player across organic and conventional food products and ingredients. With over 50% of sales generated in North America and the rest in Europe and Asia, Tradin Organic adds significant scale and diversification to Acomo's core geographies and end markets. The acquisition is earnings per share (EPS) accretive and elevates Acomo's financial profile towards investors. As sustainability is inextricably intertwined with the operations of Tradin Organic, the acquisition is consistent with Acomo's goals regarding CSR and ESG.

CAPITAL

INPUT 2020

BUSINESS

HUMAN

We employ talented, skilled and dedicated people with exceptional trading knowledge.

693
number of employees (average)

20
nationalities

67%
male

33%
female

INTELLECTUAL

Our in-depth market knowledge, worldwide sourcing capabilities and global network help us bridge the needs of our customers.

200+
years of trading experience

1.1
training programmes per FTE

On-the-job trainee programmes

MANUFACTURED

We maintain sites for food processing, blending, heat treatment and packaging and also work with external parties.

11
processing sites

€5.3
million capital expenditures

€54.7
million property, plant and equipment and right-of-use assets (average)

Food safety systems based on GFSI and HACCP

NATURAL RESOURCES

We aim for business innovation and more sustainable value chains.

More than
600
agricultural food products

72,091 GJ
energy used

FINANCIAL

Our shareholders and banks supply funds that Acomo uses to create long-term value and drive growth.

€113.7
million net debt (average)

€208.8
million shareholders' equity (average)

SOCIAL/ RELATIONSHIP

We build valuable long-term relationships with our main stakeholders: employees, shareholders, customers, suppliers, banks and NGOs.

Stakeholder engagement

Catz Charity Foundation

MISSION

GOVERNANCE

MODEL

STRATEGY

RISKS

OUTPUT 2020

€1.0
million sales per employee

€50.0
million employee benefit expenses

Skilled employees

Exceptional trading knowledge

€707.4
million sales

220,293 MT
million volume manufactured

98%
plant-based products

60%
certified tea (RA, UTZ or FT)

7.1%
EBITDA as % of sales

€27.1
million dividend pay-out

€107.2
million net operating assets

€6.7
million corporate taxes paid

Long-term relationships with stakeholders

nationaal archief

Partnership with National Archives

CSR OUTPUT AREAS

BEING A GOOD EMPLOYER

Talent

8 DECENT WORK AND ECONOMIC GROWTH

Diversity

8 DECENT WORK AND ECONOMIC GROWTH

REDUCING OUR ENVIRONMENTAL FOOTPRINT

Climate change

6 CLEAN WATER AND SANITATION

7 AFFORDABLE AND CLEAN ENERGY

13 CLIMATE ACTION

Circular economy

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

CREATING SUSTAINABLE SUPPLY CHAINS

Responsible sourcing

1 NO POVERTY

2 ZERO HUNGER

8 DECENT WORK AND ECONOMIC GROWTH

Capacity building

1 NO POVERTY

2 ZERO HUNGER

8 DECENT WORK AND ECONOMIC GROWTH

DELIVERING SAFE AND HEALTHY PRODUCTS

Food safety

2 ZERO HUNGER

Health and nutrition

3 GOOD HEALTH AND WELL-BEING

Acomo's investment in Food Ingredients Service Center Europe (FISCe) in Etten-Leur, the Netherlands, the new product treatment facility which offers the food industry a 100% natural method of pasteurization and sterilization for a broad range of products, was finalized at the end of 2020. The facility is operational and serving its first customers.

In the Tea segment, new investments were initiated regarding the blending of teas in Africa and speciality teas in North America.

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 focused, flexible and cost-efficient. The holding manages and financially controls the investments of the Group and assists the Group's subsidiaries in the areas of finance, treasury, internal auditing, risk management, legal, tax, IT, business development, mergers and acquisitions, CSR, HR and other matters. Furthermore, the holding company provides and arranges the Group financing. Large investment decisions require holding authorization. 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.

More information on corporate governance can be found in the chapter Governance on page 66 and following.

Risks and 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, the way these risks change over time and the nature of the Company's risk appetite. The Board assesses and approves Acomo's overall risk appetite, monitors the Group's risk exposure and sets Group-wide limits, which are reviewed on an ongoing basis. More information on risks and risk management can be found in the chapter Risk management and control.

Business ethics and compliance

The Acomo Group is committed to conducting its business with honesty, integrity and respect, and complies with all applicable laws. We highly value our relationships with employees, customers, suppliers, shareholders and other partners. All group companies are committed to a uniform, Group-level Code of Conduct. This Acomo Code of Conduct outlines our shared ethical standards for conducting business throughout the world. The standards and principles align with international frameworks and guidelines for sustainable business such as the OECD Guidelines for Multinational Enterprises and apply to all employees of the Acomo Group worldwide. We count on one another to act as stewards of the organization.

In line with the Code of Conduct, Acomo has a whistleblower procedure that applies for all companies within the Group. This procedure ensures that all employees, interns and temporary staff working at the Acomo Group have the possibility to confidentially report any alleged irregularities.

Tax

Acomo is subject to taxation in the many countries in which it operates. The tax the Company pays in different parts of the world contributes to its wider economic and social impact. Acomo acts in accordance with all applicable laws and always aims to comply with the spirit as well as the letter of the law.

Acomo believes public trust in tax systems for companies is essential and does not use contrived or abnormal tax structures that are intended for tax avoidance. The Company pays an appropriate amount of tax according to where value is created within the normal course of commercial activity. Any transfer pricing is always calculated using the arm's-length principle. Acomo does not use so-called tax havens for tax avoidance.

Sustainability

Our road to sustainable growth

As a company, Acomo has the capacity to accelerate economic and social development. 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 are convinced 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 stakeholders towards practical solutions. As an international group of companies operating in various supply chains, we have many different stakeholders who have an impact on or are impacted by our business. With some of these stakeholders we have direct and frequent contacts (e.g. employees, shareholders, suppliers, customers), with other stakeholders we are in dialogue less frequently and on a thematic base (e.g. governments, industry organizations, experts).

We have defined our key sustainability topics with the help of a survey amongst our main stakeholders: employees, shareholders, suppliers, customers, financial institutions and NGOs. Their prioritizations together with those of the Acomo Board and subsidiary management teams have resulted in the Acomo materiality matrix.

ACOMO'S MATERIALITY MATRIX

Apart from identifying the material topics, we maintain an ongoing dialogue with our stakeholders to define how they relate to the changing business environment and affect the long-term purpose and strategy of Acomo. The Board is in various ways involved in the stakeholder dialogue and the process of managing the material topics.

Our CSR strategy

Acomo's CSR strategy 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 to our impact areas: themes over which we have no direct control, but which are vital to sustainable value chains.

Alignment with international frameworks, guidelines and standards

The Acomo sustainability strategy is grounded in our business, confirmed with our stakeholders and aligned with international frameworks and guidelines for sustainable business.

Acomo reports its impacts and performances based on the internationally recognized GRI Standards of the Global Reporting Initiative. Acomo complies with the 'In accordance with' - Core option. The GRI Content Index is available on our website, in the section Responsibility.

Sustainability frameworks and guidelines that steer the Acomo strategy include the OECD's Guidelines for Multinational Enterprises and the United Nations Sustainable Development Goals (SDGs).

We contribute to the SDGs in an indirect way and through bridging the needs of various stakeholders. In our own operations we contribute to 'Decent work and economic growth' (SDG 8) by being a good employer. By reducing our environmental footprint we contribute to 'Clean water and sanitation' (SDG 6), 'Affordable and clean energy' (SDG 7), 'Responsible consumption and production' (SDG 12), and 'Climate action' (SDG 13). Within the value chain we contribute to 'No poverty' (SDG 1), 'Zero hunger' (SDG 2), and 'Decent work and economic growth' (SDG 8) by creating sustainable supply chains. By delivering safe and healthy products we contribute to 'Zero Hunger' (SDG 2), and 'Good health and well-being' (SDG 3).

Being a good employer

Talent: Human dignity means that every person has the right to be valued and respected. Acomo fully recognizes and appreciates the fact that people and their talents determine our business success. Therefore, we seek to attract, develop, reward and retain highly competent and motivated individuals. We offer our employees a work environment with ample 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: As a company we operate in a world coping with climate change and significant environmental degradation. Whilst the direct environmental footprint of Acomo companies is relatively small, we 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 seek to reduce the total volume of waste and simultaneously improve the separation of waste in order to enhance recyclability. We explore opportunities to make the packaging of our products more sustainable.

Creating sustainable supply chains

Responsible sourcing: We source our products from all over the world, with various risks and opportunities regarding social and environmental issues in different areas. Some of the main risks in the food supply chain are related to human rights issues and biodiversity loss. Human rights risks are present in the cultivation and farming as well as the post-harvest processing stages of agricultural production. It is our responsibility to honour ethical business practices, labour standards, and social and environmental aspects when purchasing products and services. The Acomo Code of Conduct and Supplier Code outlines our shared ethical standards for conducting business. We assess and prioritize social and environmental risks in the supply chains through the execution of due diligence projects. In addition to our own assessments and audits of actors in the supply chain, we work with external certification programmes in several of our segments.

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 added solutions and sustainable supply chains. Technology is at the top of our agenda, as we firmly believe it can 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 source, trade and distribute. We work closely with our suppliers to ensure that the products we buy are safe and compliant with relevant regulations. We add value for our customers by investing in equipment to improve the food safety level of microbacterially sensitive products.

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 whilst increasing the food functionality. Together with suppliers and customers we develop product innovations that lead to healthier alternatives and products that are safe for people with allergies.

SUSTAINABILITY PERFORMANCE

excluding Tradin Organic

KPIs – Being a good employer

Indicator	2020	2019	2018	2017
Talent				
Occupational health and safety[1]				
% of lost time injuries per FTE	0.9%	0.2%	0.1%	0.7%
Employee training[2]				
# of training programmes	107	115	89	127
# of training programmes per FTE	1.1	1.4	1.3	1.8
Performance and career development reviews				
% of employees	76%	72%	73%	59%
Employee satisfaction reviews				
% of employees	32%	-	-	-
Diversity				
Male to female ratio				
% male	67%	70%	72%	74%
% female	33%	30%	28%	26%
Age structure of employees				
% < 30 year	18%	19%	20%	20%
% 30 < 40 year	28%	28%	28%	26%
% 40 < 50 year	28%	30%	28%	29%
% 50+ year	26%	23%	24%	25%
Nationalities of employees				
# of nationalities	20	22	20	18

[1] *Only processing facilities covered*

[2] *Both external and internal trainings, most trainings have multiple attendees*

KPIs – Reducing our environmental footprint

Indicator	2020	2019	2018	2017
Climate change				
Energy consumption				
GJ	72,091	78,761	74,125	81,103
% of which renewable energy	4.7%	4.2%	2.6%	1.3%
Energy intensity				
GJ/MT product	0.33	0.35	0.32	0.35
Water consumption				
dm^3	21.09	-	-	-
Water intensity				
m^3/MT product	0.1	-	-	-
Greenhouse gas (GHG) emissions (scope 1 + scope 2)				
MT CO_2	9,689	10,100	9,820	10,190
Greenhouse gas (GHG) emissions intensity				
Kg CO_2/MT product	43.98	44.86	42.46	44.54
Business travel & employee commuting (scope 3)				
MT CO_2	775	-	-	-
Business travel & employee commuting intensity				
Kg CO_2/FTE	1,101	-	-	-
Circular economy				
Total waste				
MT	2,117	1,936	2,298	2,230
Waste intensity				
Kg/MT product	9.61	8.60	9.94	9.75
Waste separation				
% of separation	23%	16%	19%	19%
Package-to-product ratio				
Kg primary packaging material/kg product	0.03	-	-	-
Primary packaging material per type				
MT plastic	2,141	-	-	-
MT paper	3,149	-	-	-
MT metal	235	-	-	-
MT glass	2	-	-	-
MT mixed	8	-	-	-

KPIs – Creating sustainable supply chains

Indicator	2020	2019	2018	2017
Responsible sourcing				
Compliance suppliers with Code of Conduct				
% of suppliers	48%	45%	44%	20%
Suppliers' social and environmental responsibility audit				
% of suppliers	7%	-	-	-
Sourcing of sustainable products				
% organic	3%	-	-	-
% of tea certified (RA, UTZ or FT)[3]	60%	60%	42%	35%
% of palm oil certified (RSPO)[4]	98%	96%	96%	91%

[3] *Raw materials level*

[4] *Ingredient level*

KPIs – Delivering safe and healthy products

Indicator	2020	2019	2018	2017
Food safety				
Food safety own operations				
% of operations GFSI certified	88%	82%	82%	81%
Food safety third party operations				
% of operations GFSI certified	74%	69%	69%	69%
Recall ratio				
MT product/net sales € millions	0.07	-	-	-
Health and nutrition				
Plant-based products				
% of total volume	98%	98%	98%	96%

Being a good employer – performance

Occupational health and safety: In 2020 the COVID-19 pandemic affected Acomo companies and their operations in several areas. In the Group's response, the primary focus was on the health and safety of our people. We have conducted several employee surveys on employee satisfaction and mental health. To support good mental health in the challenging circumstances of COVID-19, several initiatives have been organized within the Group. Business operations continued as usual, albeit with adjustments. The Acomo companies reduced office presence and divided staff into smaller teams that could take turns in working at the office, taking into account hygiene and social distancing measures. In departments such as production, logistics and distribution, the nature of the activities often requires presence on location. At these locations, measures were taken in regard of additional hygienic means for employees, physical separation of employees and extra cleaning of production equipment. Further measures in some of the offices included body temperature checks and information meetings for staff regarding hygiene.

Training and development: Acomo recognizes the crucial importance of the competence and experience of Company and group company staff for the success of the Group and strives to be a preferred employer. In addition to attracting new talent, it is of utmost importance to develop and retain the talent already employed by the Company and the group companies. People across the Group have followed a variety of technical, educational, language and compliancy training events and programmes in 2020. The number of trainings per FTE was below that of previous years, due to COVID-19 restrictions. At the same time, more trainings and instructions regarding safety and health were offered.

In addition to regular personal profile analysis testing, several of our entities now also use general intelligence assessments (GIA) to measure the adaptability of job candidates and/or employees in training. A Group-wide online event was organized for the finance community to familiarize themselves with new developments and reporting legislation and to inform and train them on the updated Acomo crisis management protocol. This updated crisis protocol was distributed to the Acomo companies for implementation in 2020.

Business integrity: Acomo's principles for a responsible work environment are laid down in the Acomo Code of Conduct. Misconducts can be reported through Acomo's whistleblower procedure. Reports were made in 2020, which were thoroughly examined by the Company. Such reports enable us to maintain the highest standards of business integrity.

Reducing our environmental footprint – performance

Energy savings and renewable energy: In 2019, several group companies complied with a legal obligation to report on their efforts to improve energy efficiency, which was followed by inspections by the competent authorities in 2020. Over the coming years we will continue to work on the implementation of measures and initiatives to reduce our energy consumption.

Guaranteed renewable energy is purchased and applied by several of the group companies. In 2020, 320 solar panels with a combined capacity to produce 0.108 MW per year were installed at King Nuts & Raaphorst in Bodegraven, the Netherlands. We also began monitoring scope 3 emissions from business travel and employee commuting, in addition to emissions from waste disposal. As employees were (partly) working from home, the total of these emissions is expected to be lower than normal. Investigations into ways to monitor transportation and distribution emissions (up and downstream) showed the difficulty of obtaining the right data, as most third-party transporters are struggling to allocate the emissions to the transported goods.

Waste reduction and circularity: We continued our efforts to decrease waste volumes and improve waste separation. In 2020 we started measuring the volume of primary packaging per type purchased to be used for our various product/packaging combinations. Figures show that our packaging-to-product ratio is rather low and the packaging materials we use are almost exclusively mono-materials. Over the coming years we will define the sustainability and recyclability of these packaging and start implementing improvements.

Creating sustainable supply chains – performance
Supply chain strategy: Compliance to sustainability criteria within the supply chains of the Acomo companies starts with the Acomo Supplier Code. This Supplier Code is the statement of our expectations regarding business integrity, labour practices, associate health and safety, and environmental management. In 2018 we made the Supplier Code an integral part of the supplier approval procedure of the group companies. In 2019 we added a standard reference to the OECD Guidelines for Multinational Enterprises in our Code of Conduct as a starting point for the integration of the topic of business and human rights in our policies and procedures.

We assess and prioritize social and environmental risks in the supply chains, including through supplier questionnaires, audits and the execution of due diligence projects aimed at the incorporation of all links in the supply chain. The percentage of suppliers audited on social and environmental responsibility (by external parties) was limited, due to COVID-19 travel restrictions. In 2020, after an assessment of risks amongst its product categories and geographies, Catz International applied for and received funds for a project to eradicate child labour in ginger and coconut production. In partnership with the Royal Dutch Spice Association, Catz will investigate the specific risks of child labour within the selected supply chains and implement concrete measures to prevent child labour where necessary.

Partner capacity: We aim to build our partners' capacity to cultivate and produce sustainably. In partnership with suppliers, Royal Van Rees Group realized the installation of tea factory equipment for the production of green tea in Malawi and Indonesia over the past few years, which has resulted in increasing volumes of high-quality products to the market in the reporting year. Currently new opportunities for partnerships in sourcing countries are being investigated to strengthen and diversify the sourcing and supplier base.

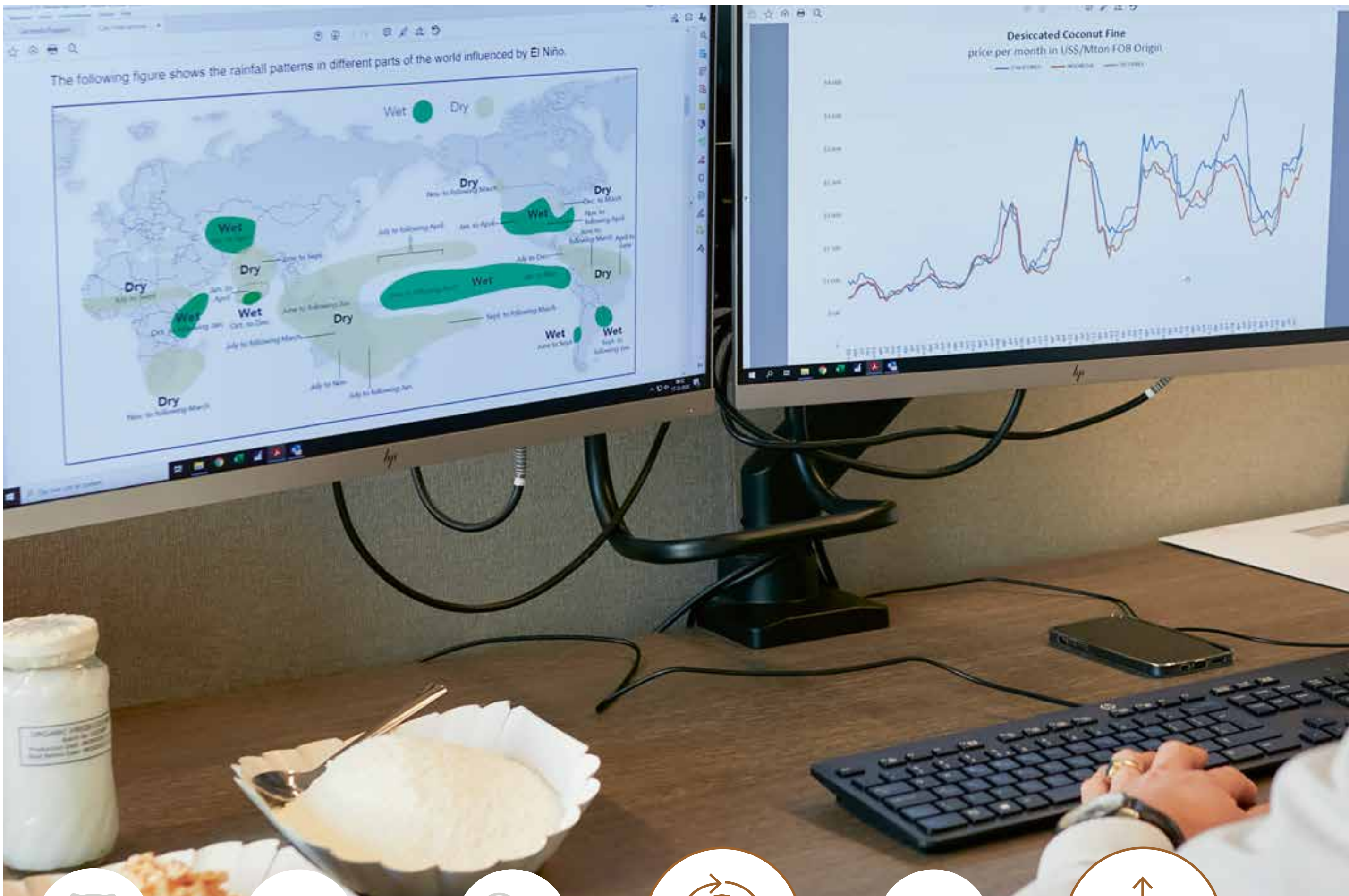
Delivering safe and healthy products – performance
Quality management: All but one of the processing activities within the Acomo Group are GFSI certified, and over the past few years trading activities have also increasingly become GFSI certified. During the reporting year Van Rees Ceylon, a company in Royal Van Rees Group, upgraded its HACCP system and achieved FSSC 22000 certification, which affirms that Van Rees Ceylon's production facility manufactures products that meet the requirements of global food manufacturers and retailers under a single, internationally recognized food safety management system. The one Group processing location that currently doesn't have GFSI certification is ISO 22000 certified. In addition to our own operations, we strive to increase the number of third-party production facilities certified according to food safety standards (GFSI- or HACCP-based) to manage the food safety risks in our respective value chains.

Food safety: Food Ingredients Service Center Europe (FISCe) became operational at the end of the year. FISCe offers the food industry a fully controlled processing environment for a highly effective and homogeneous heat treatment of low-moisture products. With the extension of this value-add service, Acomo is fully equipped to give customers peace of mind by delivering the highest standards in food safety.

Healthy products: Acomo sources, trades, processes, packages and distributes over 600 conventional and organic food products and ingredients to and from more than 100 countries. The vast majority of these products are plant-based and have many positive health and nutritional benefits. An example of this is Suntein™, a protein product by Red River Commodities, which was introduced in 2020. With a 49% plant-based protein content, Suntein™ is a high-protein, partially defatted, plant-based flour that is free from the top eight allergens. With its mild flavour and smooth texture, Suntein™ can be used in a wide variety of applications to enhance nutritional value to meet today's market demands. In the SunButter® product range, Red River Commodities added Chocolate SunButter®, a deliciously creamy blend of rich cocoa and savoury sunflower butter that is sweetly satisfying and nutritious. It contains a considerable amount of plant-based proteins and a limited sugar content, and is free from the top eight allergens.

CATZ INTERNATIONAL

RISK MANAGEMENT THROUGH WORLDWIDE SOURCING NETWORK

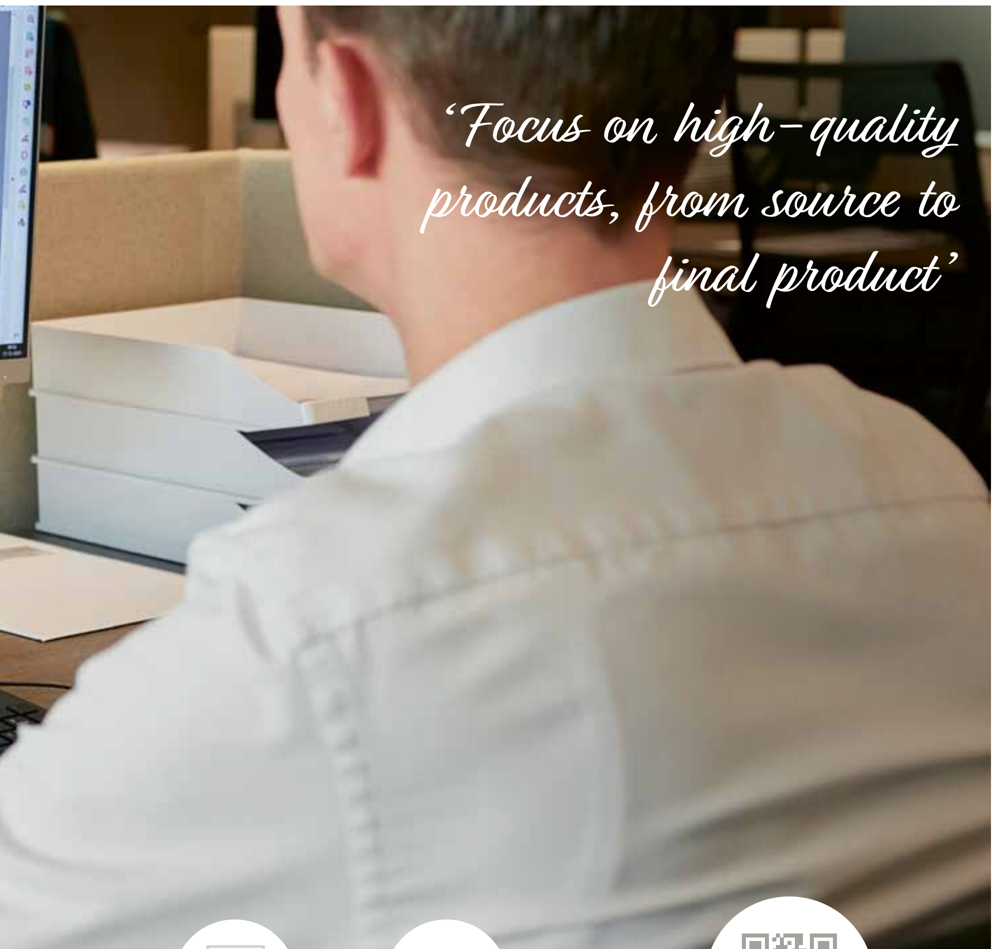


INPUTS | GROWING | POST-HARVEST | **TRADING** | PROCESSING | **DISTRIBUTION**

Input suppliers | Farmer aggregation | Agricultural extension services | Farming | Post-harvest activities

Trading | Food processing | Food packaging | **Transport, storage, logistics | Inventory management and control**

With over 80 different products and an impressive global sourcing network, Catz International is the reliable partner to customers and suppliers across the world. As a result of its inventory management, Catz is perfectly geared to responding to projected as well as unexpected demand.



Catz International’s global supplier network and controlled supply chain management systems minimize risk for customers while ensuring quality and compliance. The focus on food safety and quality has earned Catz a BRC Global Standard for Agents and Brokers grade AA. All partners are GFSI-certified or operate at similar levels of compliance. Increasing levels of traceability continue to tighten the grip on cultivation and processing methods.

Quality checks are performed at origin, followed by third-party sampling and analysis to ensure compliance with stringent EU standards. Together with its certified partners, Catz can provide services such as cleaning, grinding, heat treatment and climate-controlled storage of products.

Thanks to Catz’s proven track record of over 160 years, customers can always count on timely and tailor-made deliveries of high-quality food ingredients.

CUSTOMERS CONSUMERS

Food industry | Wholesale | Retail (schools, grocery stores and local open markets) | Foodservice (restaurants and catering)

SCAN

For more information about the added value of Catz International

PRODUCTS

Spices | Coconut products | Edible nuts | Dried fruits | Dehydrated vegetables and herbs

CATZ CHARITY FOUNDATION

The Catz Charity Foundation 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. 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, such as shelter, food and education.

In 2020 the Catz Charity Foundation was able to support:

Blessed Generation, a foundation which provides food, medicine and education to nearly 800 Kenyan children and young adults.

Doctors Without Borders, in its country relief programmes to ensure adequate COVID-19 care and continuity of regular medical activities.

The **Dutch Foodbank**, in its efforts to alleviate the distress of the most vulnerable people in society during the COVID-19 pandemic.

The **Leprazending** foundation, in providing ten young leprosy patients in India with medical and social care and access to education.

The **Art of Charity** foundation's project Food For Life, in which farmers in Malawi are trained in a modern method to grow maize that gives a much larger yield.

A **Wilde Ganzen** project: Child Surgery Vietnam, which provides surgery to physically handicapped children in the northern Son La province.

The **Ladder** foundation, in the distribution of food packages and disinfection and protection materials to young people in southern India.

The **Junta de Agua** foundation in Honduras, with a contribution to the reconstruction of a local water supply system damaged by hurricanes.

The **Primex Isle de Coco Foundation and Charity**, to facilitate the purchase and distribution of building materials for the homes of the victims of typhoons on the Philippines.

For more information: **www.catzcharityfoundation.nl**. For donations please transfer your funds to: **IBAN NL79ABNA0439501385**.
The Catz Charity Foundation is a Dutch public benefits organization (ANBI registered).

TOVANO

STABLE AND RELIABLE PARTNER IN A RAPIDLY CHANGING WORLD

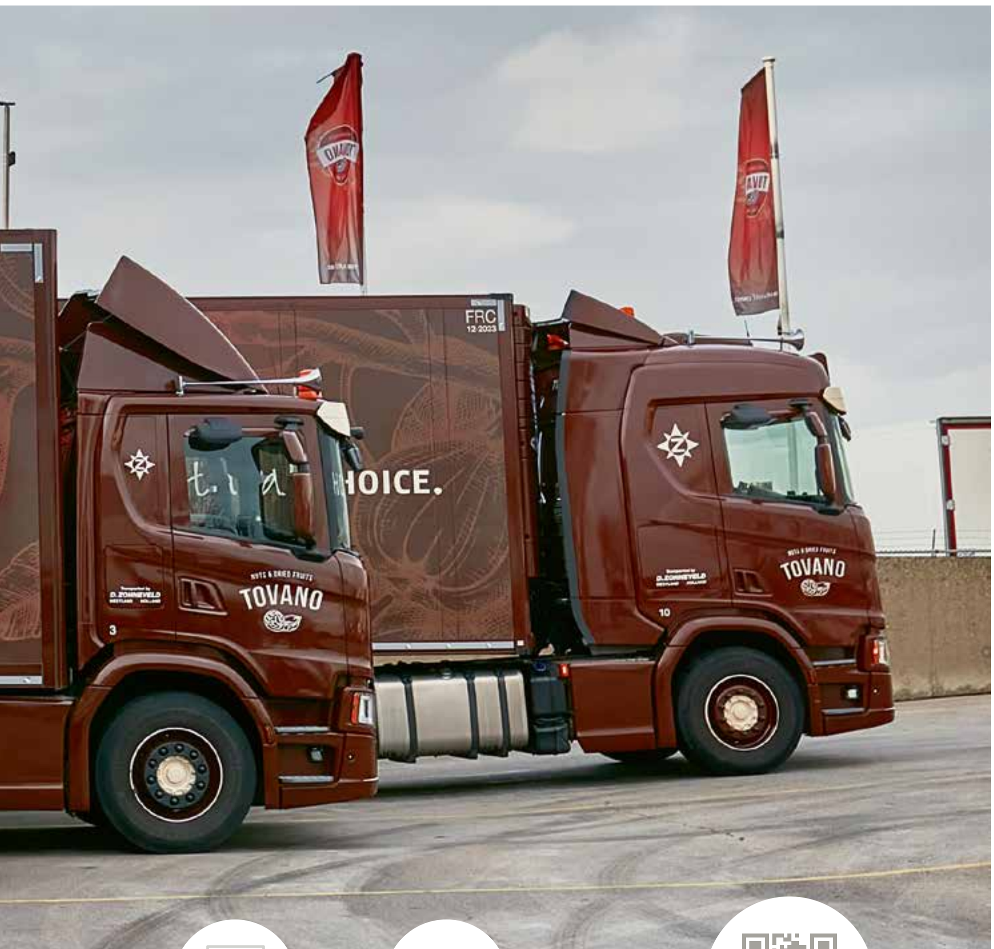
‘Over 70 years of working only with supply partners with proven reliability’

INPUTS > GROWING > POST-HARVEST > **TRADING** > PROCESSING > **DISTRIBUTION**

Input suppliers | Farmer aggregation | Agricultural extension services | Farming | Post-harvest activities

Trading | Food processing | **Food packaging | Transport, storage, logistics | Inventory management and control**

Under all circumstances, Tovano's thorough understanding of the supply chain ensures quality, service and speed in the uninterrupted supply of a wide range of products. Through long-term relations with customers and partners, the compact team maintains stability and reliability in a rapidly changing world.



Food safety is a top priority and Tovano's commitment to compliance with regulations as well as customer standards is underlined by the company's BRC certification. Further certifications cover Tovano's ability to market organic products (Skal) in general and to operate in the sustainable trade in hazelnuts specifically (UTZ).

Tovano offers in-house development of attractive, distinctive and food-safe packaging, customized to suit specific customer requirements, from bulk to compact consumer units. Quality, customization and innovation go hand in hand with convenience and responsibility.

CUSTOMERS CONSUMERS

Food industry | Wholesale | Retail (schools, grocery stores and local open markets) | Foodservice (restaurants and catering)

SCAN

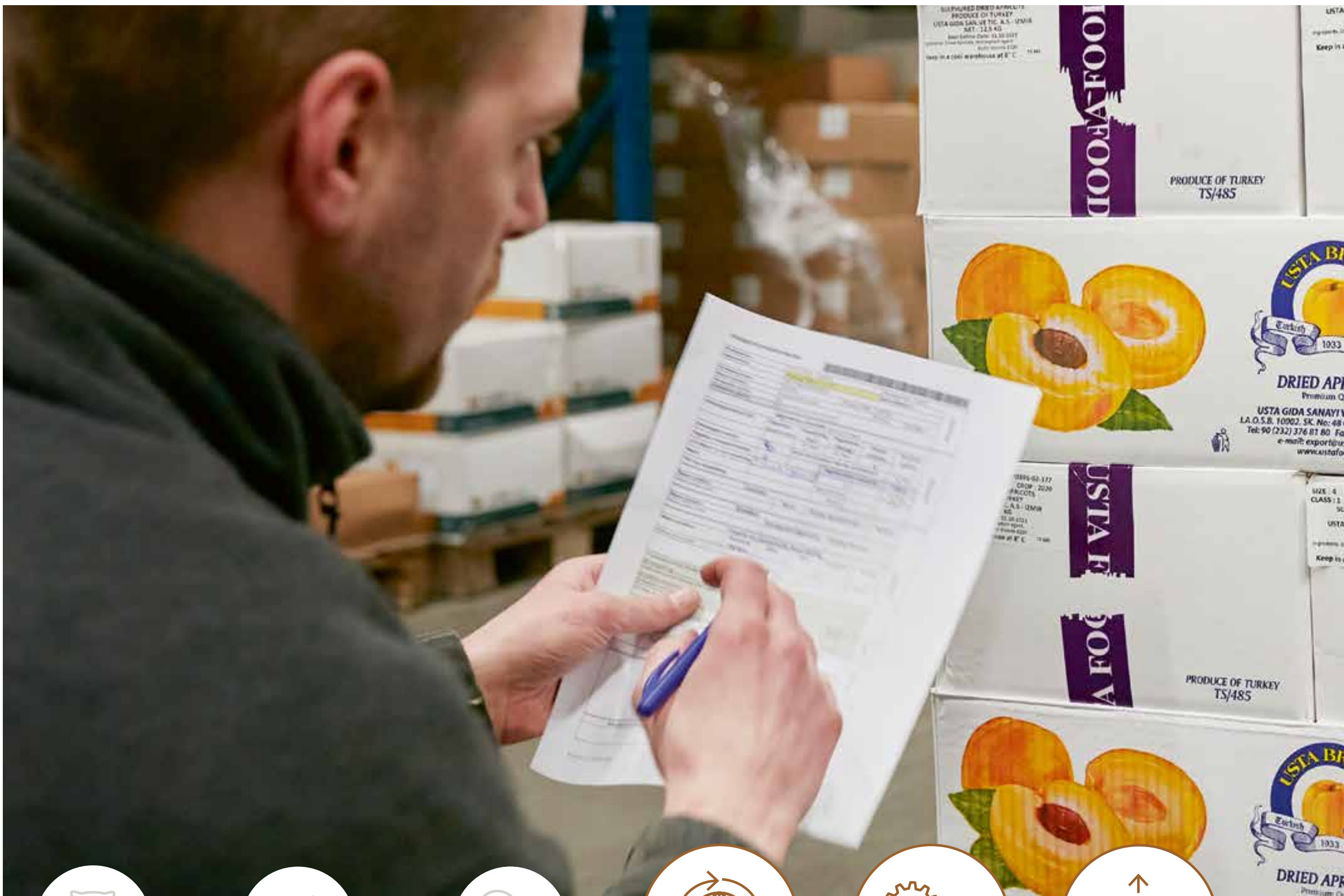
For more information about the added value of Tovano

PRODUCTS

Nuts and peanuts | Dried and tropical fruits | Kernels and seeds | Chocolate-coated products | Snack products

KING NUTS & RAAPHORST

SECURE SUPPLY OF PRODUCTS UNDER ALL CIRCUMSTANCES



INPUTS | GROWING | POST-HARVEST | **TRADING** | **PROCESSING** | **DISTRIBUTION**

Input suppliers | Farmer aggregation | Agricultural extension services | Farming | Post-harvest activities

Trading | Food processing | Food packaging | Transport, storage, logistics | Inventory management and control

King Nuts & Raaphorst is among the largest importers and wholesalers of nuts, dried tropical fruits and rice crackers in the Netherlands. Whatever the circumstances, the company's no-nonsense family culture, high level of service and reliability help customers grow their business and their profitability.

'Our global view of the market helps secure our customers' business decisions'

The company is also a major exporter, streamlining the supply of products from all continents to repackers and wholesalers across Europe. National and international customers can count on certainty of delivery, cost savings and flexibility, while stringent control systems guarantee product quality and compliance with all European food safety standards.

Increased focus on digital warehousing systems benefits the company and its customers alike, as they allow customers to optimize and speed up their processes, such as through ordering directly from King Nuts & Raaphorst's IT system, or through fully automated exchange of digital product certificates and packing notes.

KING NUTS & RAAPHORST

CUSTOMERS | **CONSUMERS**

Food industry | Wholesale | Retail (schools, grocery stores and local open markets) | Foodservice (restaurants and catering)

SCAN

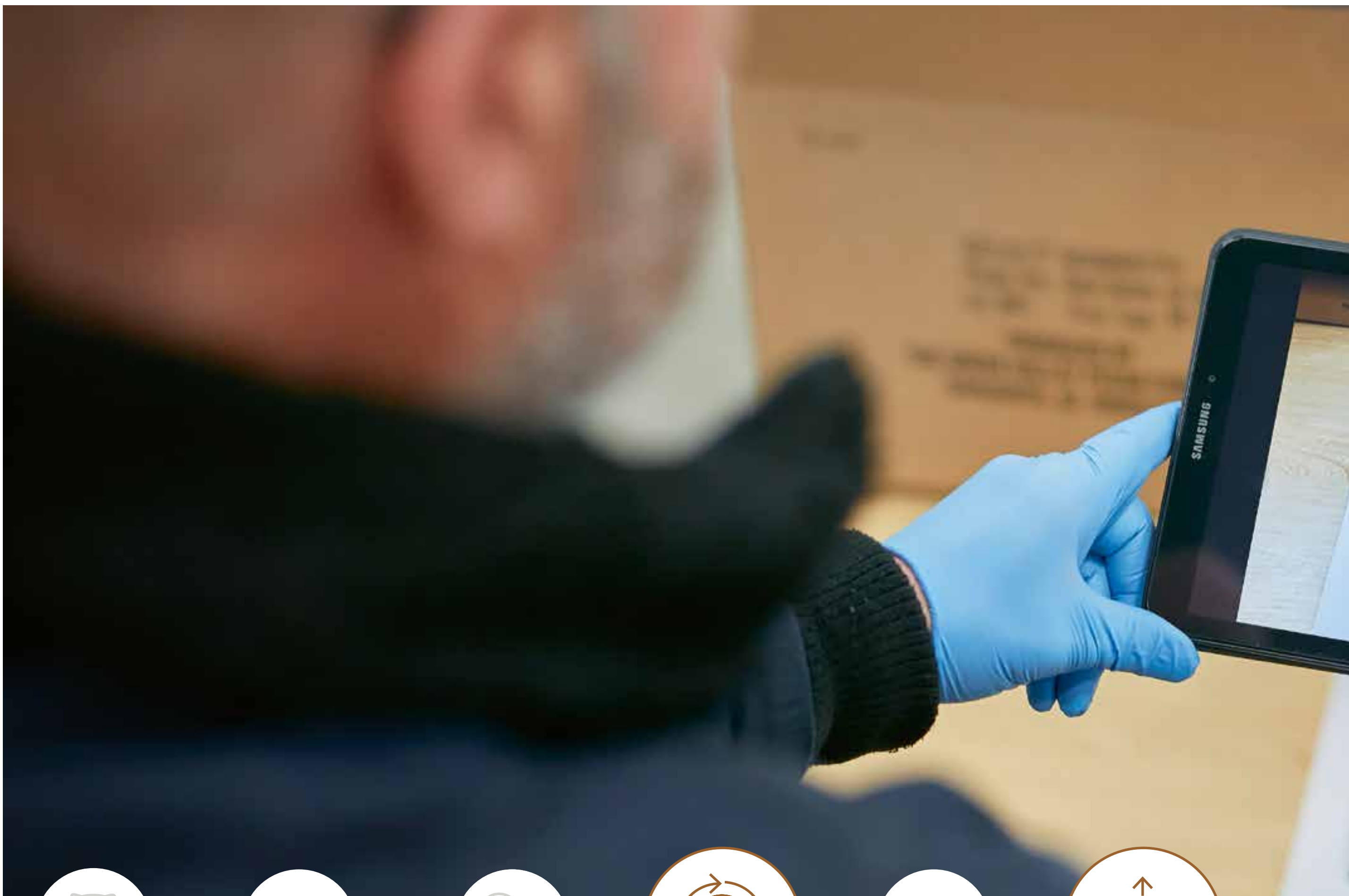
For more information about the added value of King Nuts & Raaphorst

PRODUCTS

Nuts | Dried tropical fruits | Rice crackers

DELINUTS

GUARANTEED TO CAPTURE CONSUMERS' INTEREST



Delinuts has a proven ability to develop commercially attractive concepts in response to trends in consumer demands, such as a taste for healthy foods. The company leverages its thorough understanding of the market and capability to innovate to actively contribute to customers' increased profitability.

The next level in meeting and creating consumer demand is category marketing with creative concept development. Tailored to the product assortment of each specific customer, category marketing helps them to capture consumers' interest, resulting in improved sales.

Delinuts is a preferred supplier to the food industry and foodservice sector in the Netherlands and other European countries. Modern facilities with climate-controlled warehousing and automated systems ensure the quality and consistency of its products and packaging concepts, as well as swift and reliable distribution.

CUSTOMERS | CONSUMERS

Food industry | Wholesale | Retail (schools, grocery stores and local open markets) | Foodservice (restaurants and catering)

SCAN

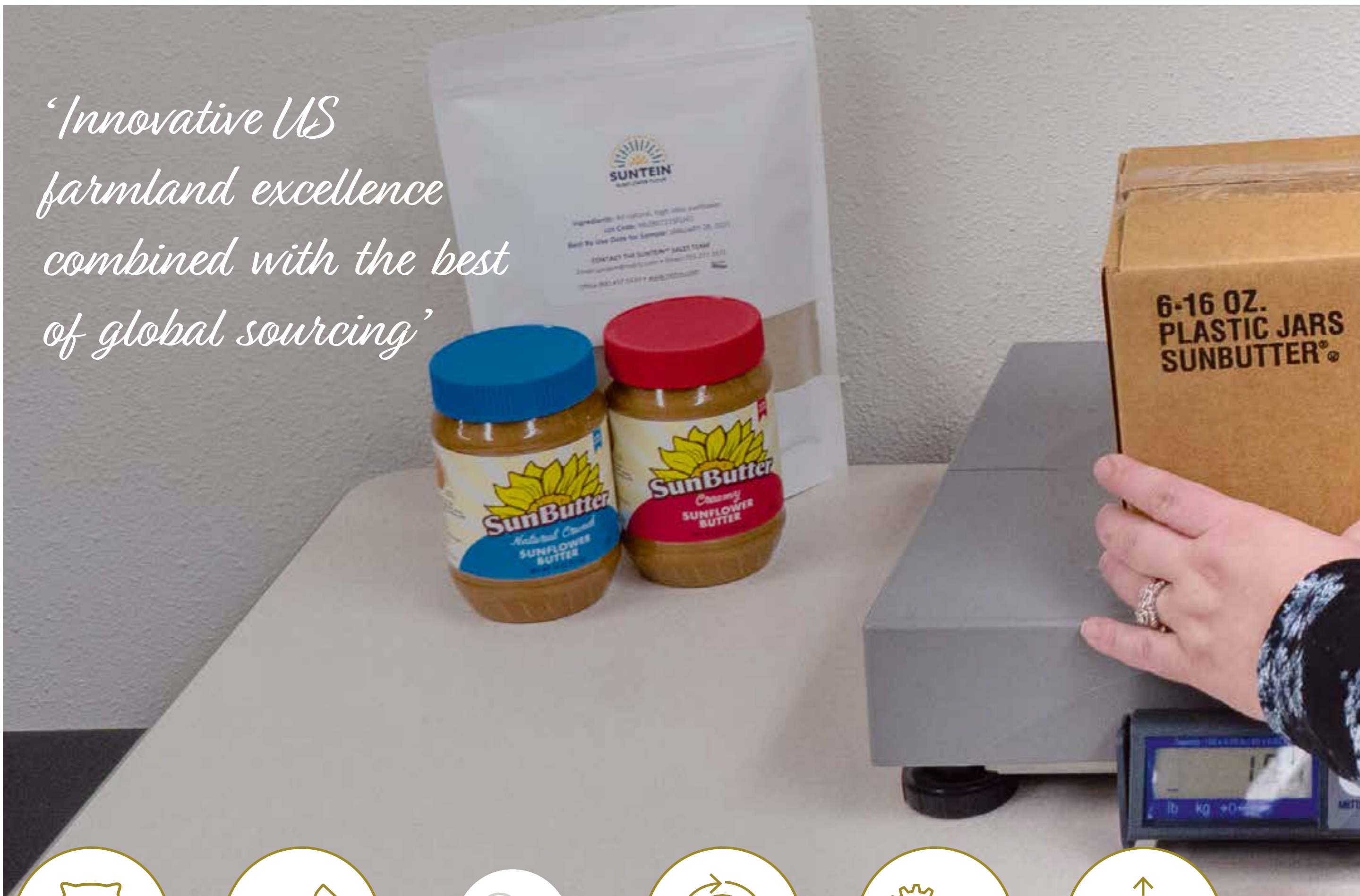
For more information about the added value of Delinuts

PRODUCTS

Nuts | Tropical fruits | Rice crackers | Processed nuts | Chocolate-coated products

RED RIVER COMMODITIES & RED RIVER GLOBAL INGREDIENTS

HYBRID SOURCING GUARANTEES PRODUCT AVAILABILITY

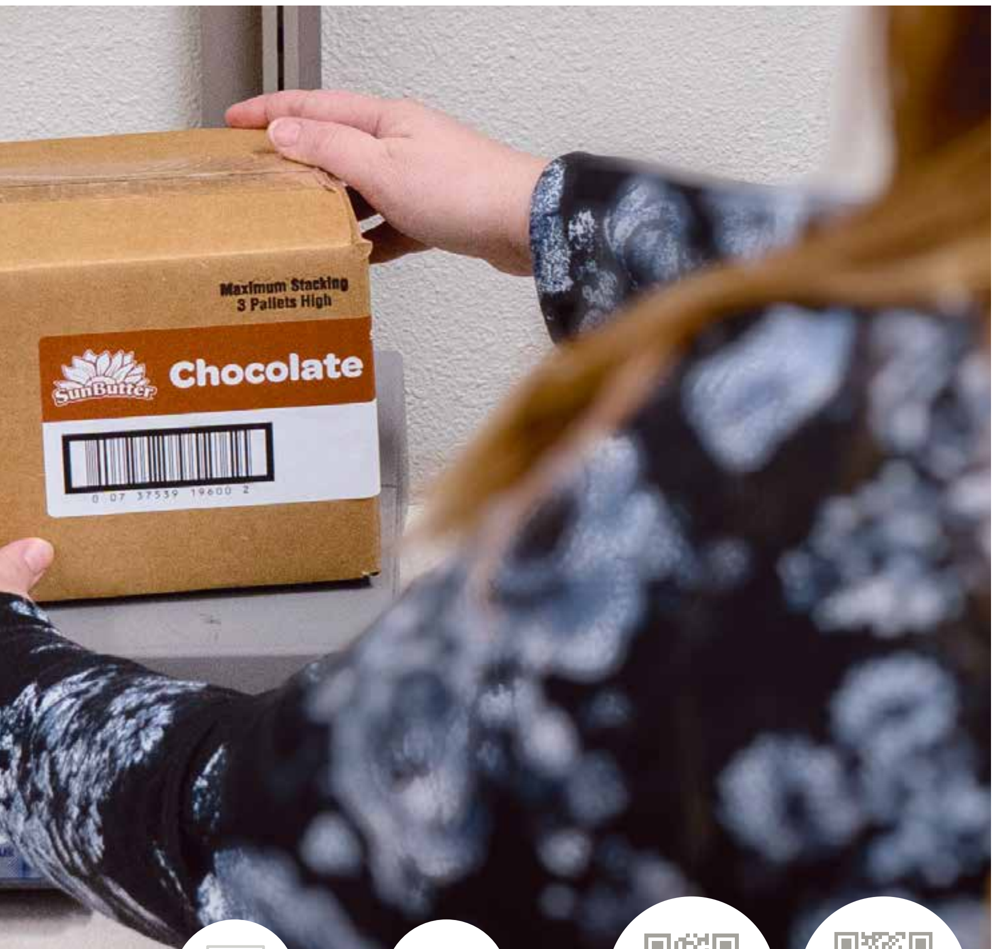


INPUTS | GROWING | POST-HARVEST | TRADING | PROCESSING | DISTRIBUTION

Input suppliers | Farmer aggregation | **Agricultural extension services** | Farming | Post-harvest activities

Trading | Food processing (including co-manufacturing) | Food packaging | Transport, storage, logistics | Inventory management and control

Red River Commodities' is the US market leader in sunflower and speciality seeds for human and wild bird consumption. It ensures continuity in the supply of top-quality, food-safe products through close collaboration with contracted US farmers as well as secure sourcing in a variety of markets.



Dedicated facilities ensure food-safe and high-quality production for a variety of brands including owned brands such as SunButter®, the highly successful, delicious-tasting sunflower butter made with nutritious ingredients, and Suntein®, a high-protein, plant-based flour. With its mild flavour and smooth texture, Suntein® can be used in a wide variety of applications to enhance nutritional value to meet today's market demands.

Highly alert to opportunities and developments around the world, Canada-based trading house Red River Global Ingredients offers its customers a secure supply of food-safe grain, seed, and pulse products from North American and other markets.

CUSTOMERS **CONSUMERS**

Food industry | Wholesale | Retail (schools, grocery stores and local open markets) | Foodservice (restaurants and catering)

RRC RRGI

SCAN

For more information about the added value of Red River Commodities & Red River Global Ingredients

PRODUCTS

Sunflower products | Wildlife foods | Roasted and flavoured seeds | Bakery and birdfood ingredients | Speciality crops | SunButter® | Suntein®

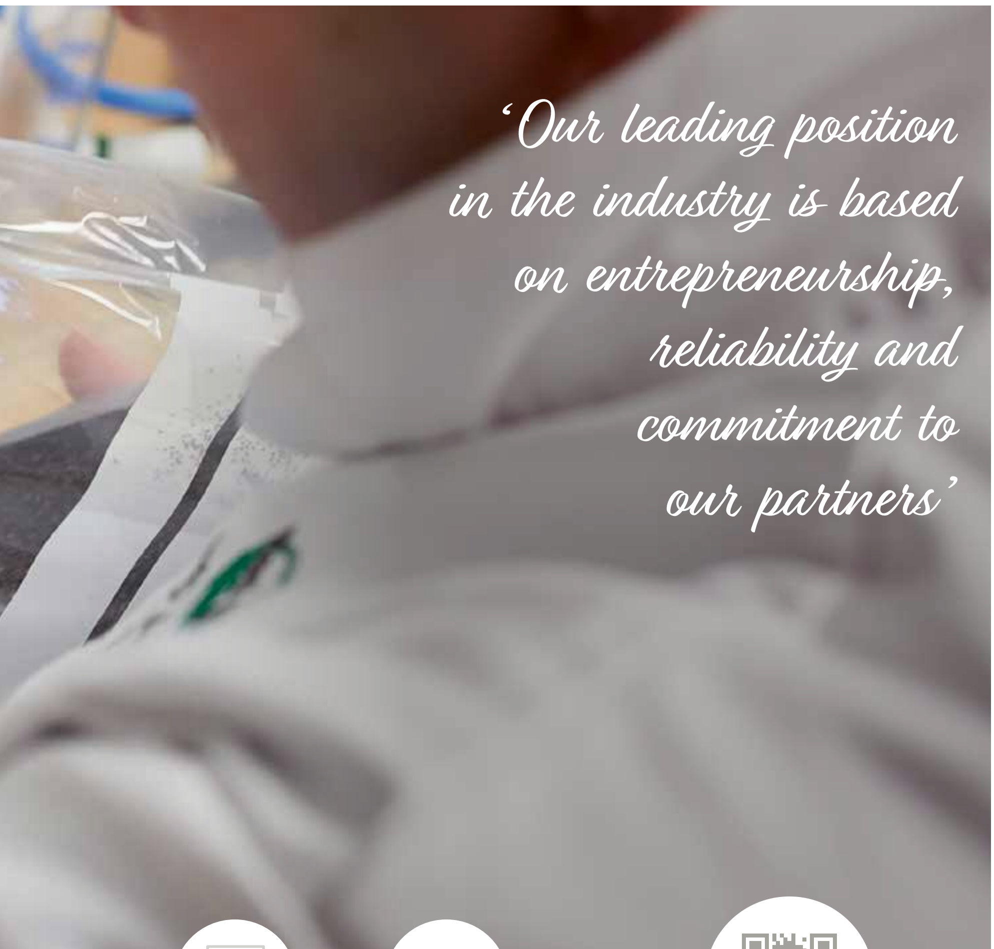
RED RIVER-VAN ECK

POPPY SEED SPECIALIST AND TRUSTED PARTNER IN EDIBLE SEEDS

Input suppliers | Farmer aggregation | Agricultural extension services | Farming | Post-harvest activities

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

Red River-Van Eck sources, imports, processes and distributes edible seeds to the confectionary, spice and bakery industries. Through its bridge position between suppliers and customers, the company offers stability and continuity throughout the chain, including timely advice on market trends.



At source, the company works exclusively with a limited number of long-term preferred suppliers, to whom it is a reliable strategic partner. At the other end of the chain, customers can count on sufficient supplies when they want them and how they want them.

Through the recent consolidation of its processing operations in a new state-of-the-art and fully automated facility in Etten-Leur, the Netherlands, Red River-Van Eck has strengthened its position as a top player in a highly specialized global market. Consistency in quality is guaranteed by sophisticated processing equipment. Rigorous lab testing further guarantees the highest standards in efficiency, quality, product safety and product security, confirmed by FSSC 22000 certification.

CUSTOMERS | **CONSUMERS**

Food industry | Wholesale | Retail (schools, grocery stores and local open markets) | Foodservice (restaurants and catering)

SCAN

For more information about the added value of Red River-Van Eck

PRODUCTS

Processing and distribution of seeds (mainly poppy) to the confectionary, spice and bakery industries

FOOD INGREDIENTS SERVICE CENTER EUROPE

HEAT TREATMENT THAT LEAVES PRODUCT CHARACTERISTICS INTACT

INPUTS | GROWING | POST-HARVEST | TRADING | **PROCESSING** | **DISTRIBUTION**

Input suppliers | Farmer aggregation | Agricultural extension services | Farming | Post-harvest activities

Trading | **Food processing (heat treatment) | Food packaging | Transport, storage, logistics | Inventory management and control**

Food Ingredients Service Center Europe (FISCe) in the Netherlands offers the food industry a fully controlled processing environment for a highly effective and homogeneous treatment of low-moisture products such as spices, dehydrated herbs, edible seeds, cereals and grains, dehydrated vegetables, and pulses.

FISCe guarantees an externally validated pathogen reduction and compliance with the highest standards in food safety, while eliminating the risk of cross-contamination. The treatment process revolves around steam-vacuum heat treatment in a strictly controlled environment. The technology is 100% natural and completely chemical- and radiation-free. It can be applied safely for even the most delicate and heat-sensitive products. FISCe makes no compromises on product quality.

From day one, FISCe has been certified for food safety (FSSC 22000) and organic processing (Skal). Its systems and processes are constantly verified by accredited certifying agencies and the Dutch Food Safety Authority.

CUSTOMERS | CONSUMERS

Food industry | Wholesale | Retail (schools, grocery stores and local open markets) | Foodservice (restaurants and catering)

SCAN

For more information about the added value of FISCe

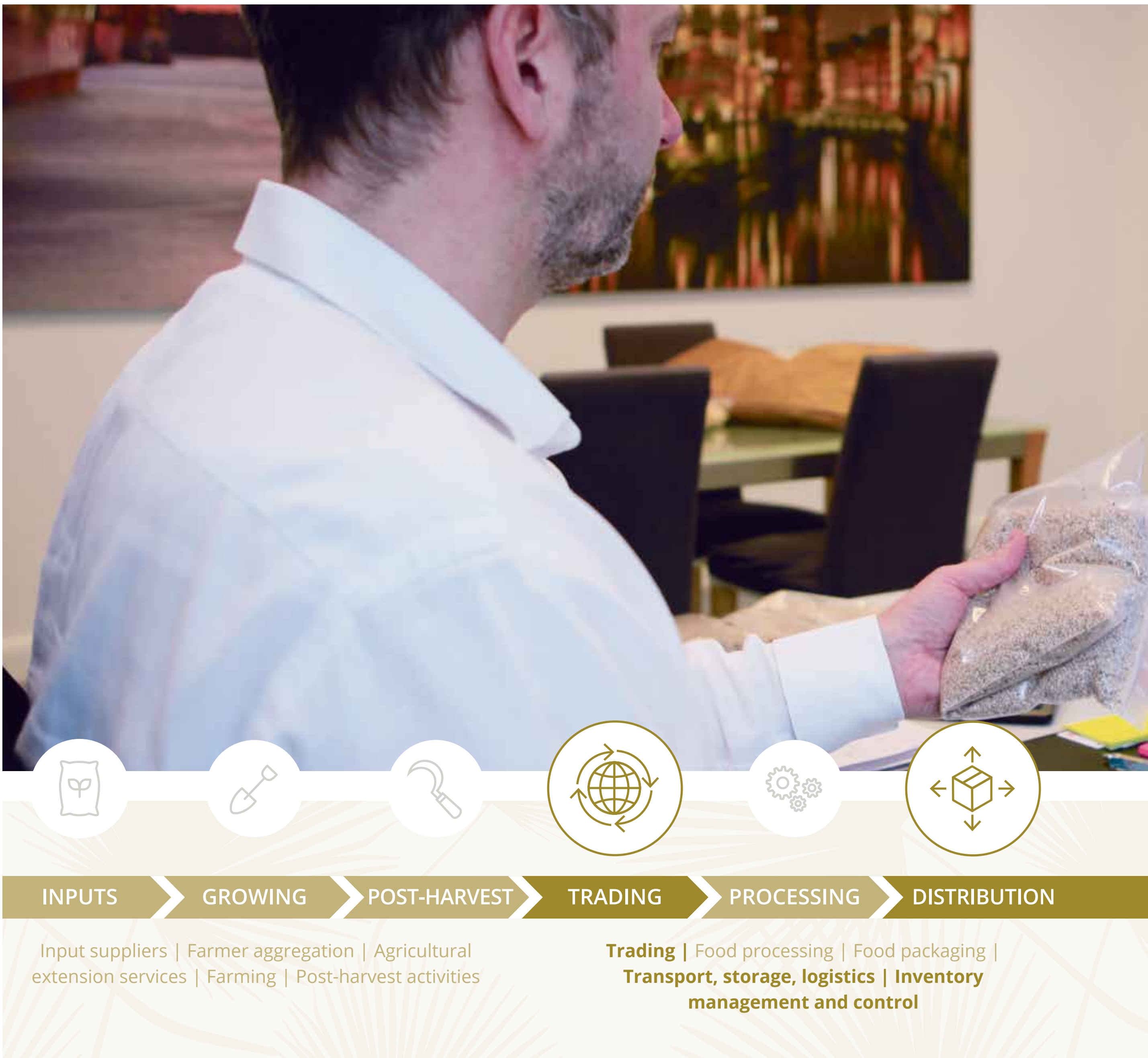
FISCe
FOOD INGREDIENTS SERVICE CENTER EUROPE

PRODUCTS

Heat treatment and packaging of low-moisture food products

SIGCO WARENHANDELS-GESELLSCHAFT

GUARANTEED QUALITY AND CONTRACT PERFORMANCE



SIGCO provides a broad range of edible seeds to wholesalers as well as to the bakery and confectionary industry in Germany and around the world. Depending on customers' needs, quality products from all over the world are delivered either processed or unprocessed and in custom-designed packaging.

'Your partner of choice for high-quality bakery ingredients that meet the growing demand for food safety, sustainability and traceability'

The name SIGCO is equivalent with absolute reliability in the supply chain. The combination of an extensive range of bakery seeds, product know-how, warehousing facilities and top-class logistics guarantees a safe flow of products for just-in-time supply and delivery tailored to customer needs. Customers' interest in terms of product quality and contract performance is guaranteed.

International partnerships with top-class producers in its segment enable SIGCO to supply the goods needed, to meet the increasing customers demand on food safety, traceability and sustainability.

CUSTOMERS CONSUMERS

Food industry | Wholesale | Retail (schools, grocery stores and local open markets) | Foodservice (restaurants and catering)

SCAN

For more information about the added value of SIGCO Warenhandelsgesellschaft

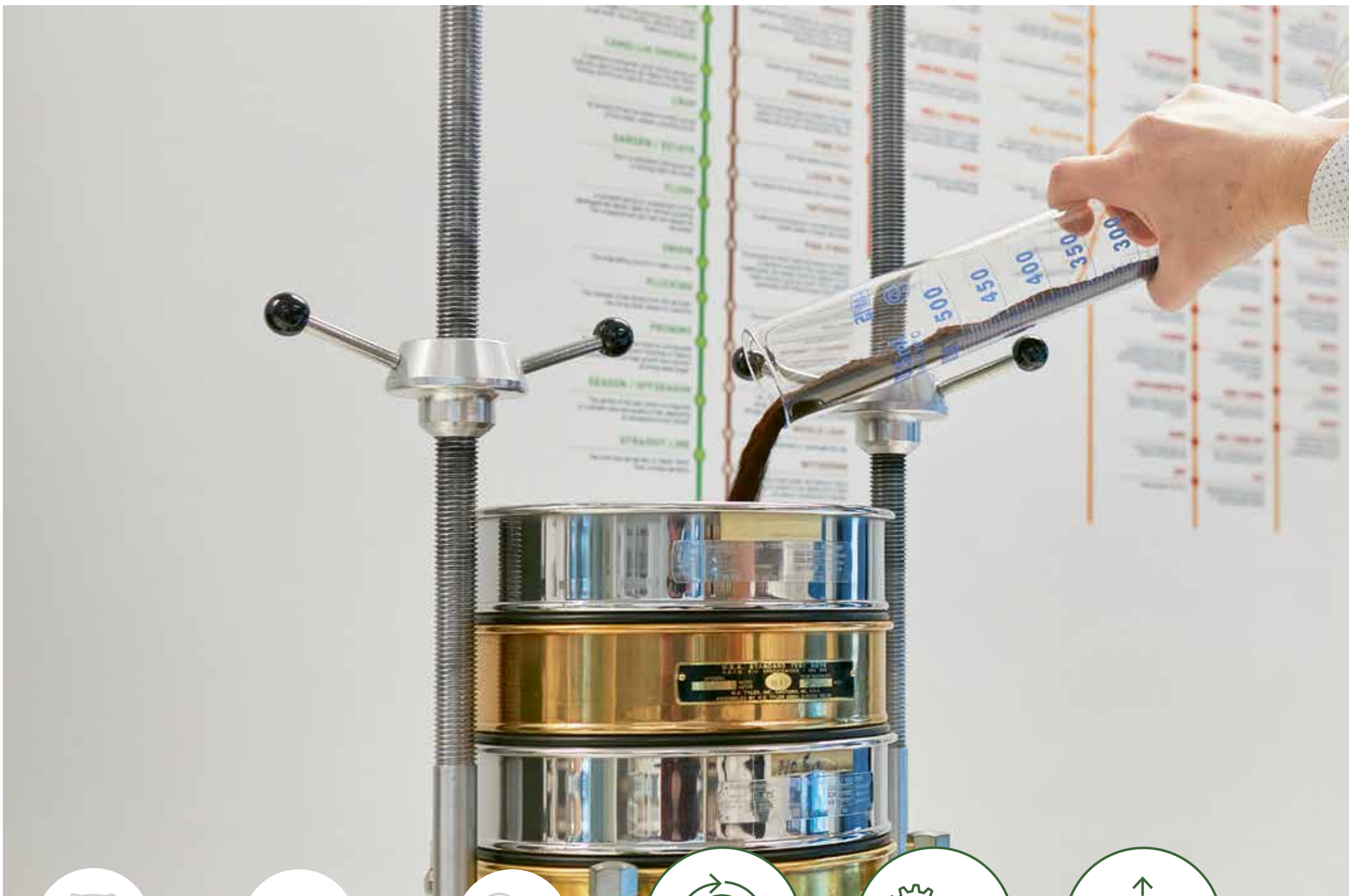
SIGCO Warenhandelsgesellschaft mbH

PRODUCTS

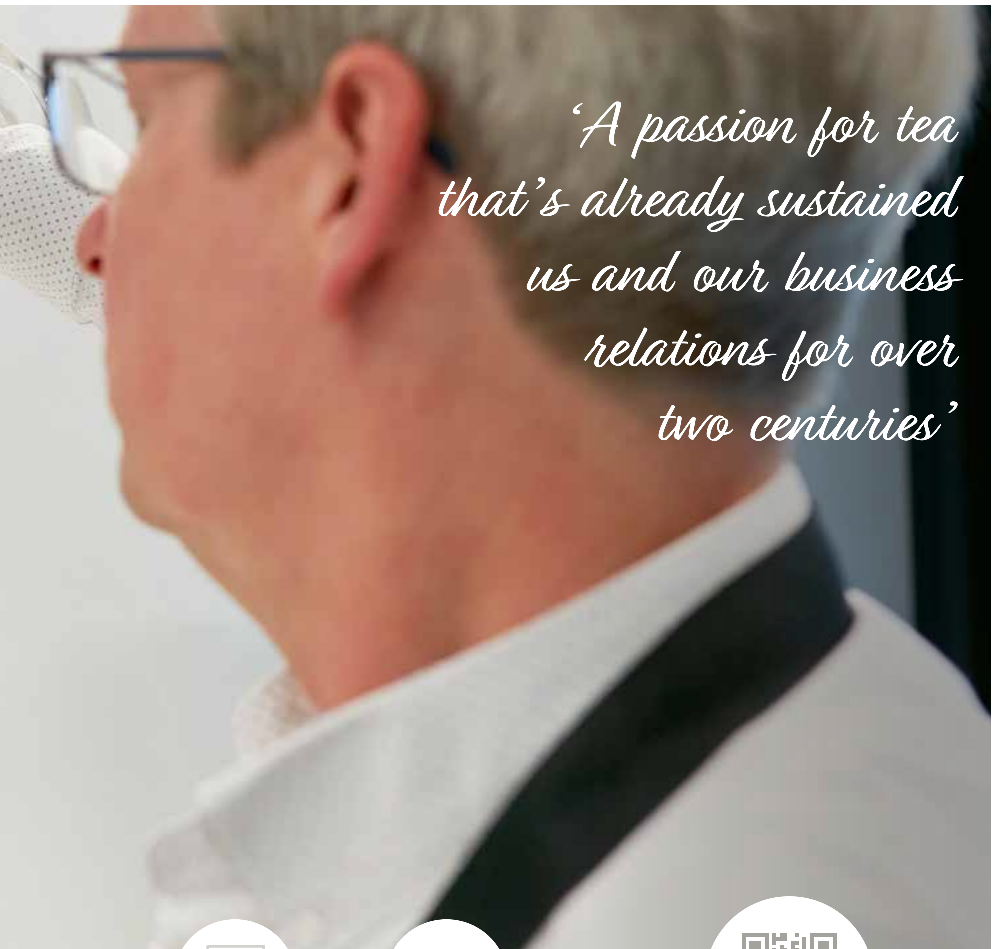
Seeds: sunflower, sesame, pumpkin, caraway, blue poppy, linseed, flax, millet, chia, quinoa

ROYAL VAN REES GROUP

TRADITION AND INNOVATION IN THE WORLD'S FAVOURITE BREW



In over 200 years of absolute emphasis on the supply of tea, Royal Van Rees Group has established its position as one of the largest global suppliers of black and green tea. Van Rees has a worldwide sourcing and sales network as well as exclusive representations in key producing countries.



Today, in addition to its leading position in traditional tea selections, Van Rees is also a major and highly versatile player in the worldwide market of speciality teas. Extensive expertise and deep market intelligence provide the foundation for tailor-made solutions for customers in response to traditional and ground-breaking consumer preferences.

All final products of Van Rees comply with the highest standards through strict quality control, an extensive network of reliable growing partners, and a processing chain of cleaning and blending in its own and trusted partners' warehousing facilities. Each day, Van Rees tea specialists taste, test, blend and process their products to ensure the reliable supply of healthy, safe and responsibly sourced tea.

CUSTOMERS | **CONSUMERS**

Food industry | Wholesale | Retail (schools, grocery stores and local open markets) | Foodservice (restaurants and catering)

SCAN

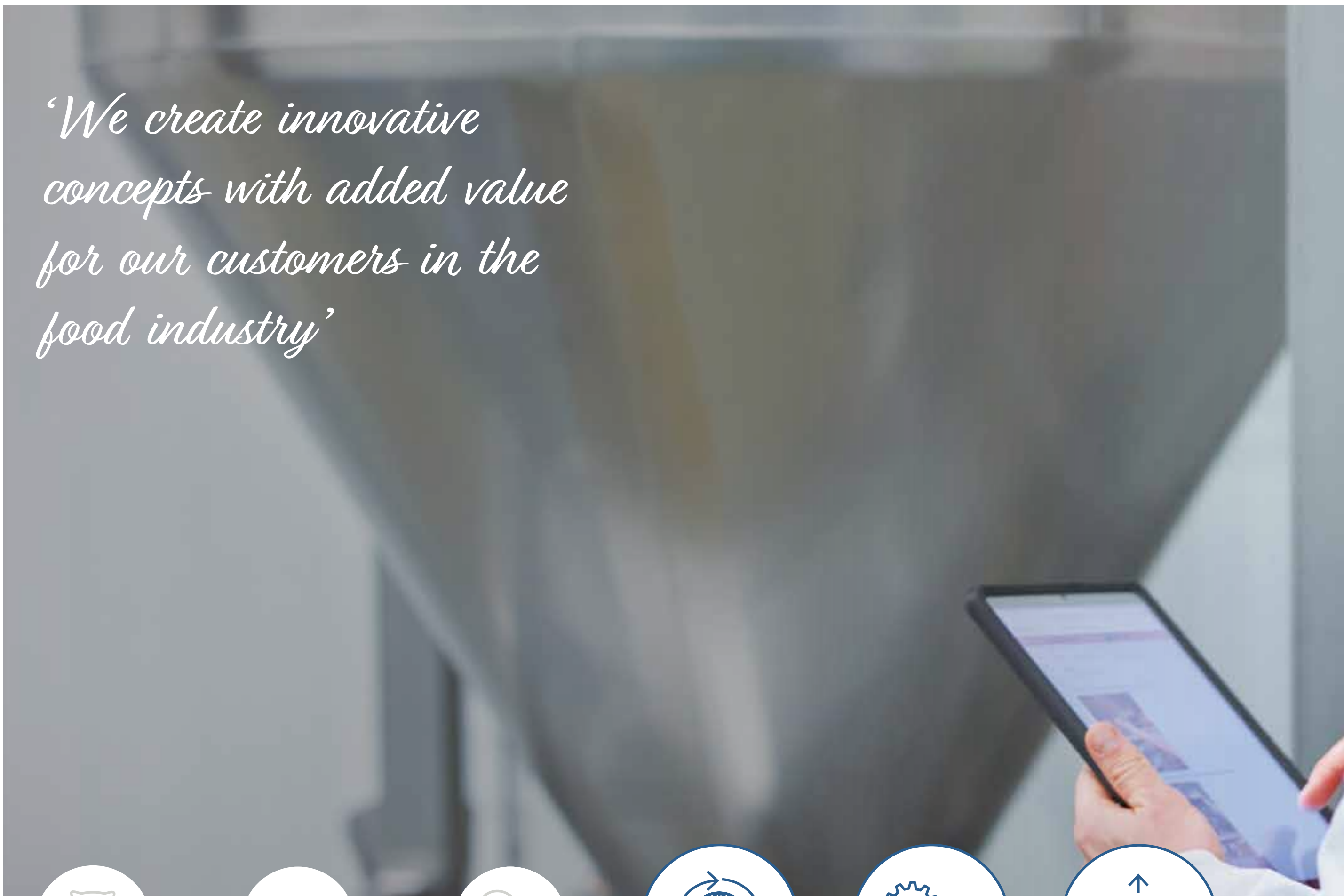
For more information about the added value of Royal Van Rees Group

PRODUCTS

Tea, specialities and fruits & herbals | Blending | Tailor-made solutions for customers and suppliers, including vendor-managed inventory and just-in-time delivery

SNICK EUROINGREDIENTS

ABSOLUTE QUALITY IN INNOVATIVE FOOD INGREDIENTS



A wide range of customers in the Benelux food industry rely on Snick EuroIngredients for functional ingredients that are full of flavour and of certified safety and quality. In addition to the existing ready-made mixtures and single ingredients, Snick continues to innovate its offering on a daily basis.

The food technologists of Snick have all the necessary expertise with regard to ingredients, processing, markets and final products to respond to any trend in consumer demand.

Quality is an absolute priority. In its state-of-the-art R&D and production facility, Snick has implemented comprehensive raw materials management and testing, along with ERP, PLM and WMS systems to guarantee maximum traceability.

High standards in quality and food safety are reflected in certifications such as the highest level of BRC Food and FCA. RSPO, Organic and MSC certifications underline Snick's performance in sustainability, while recently halal and kosher labelling of selected products have also been approved.

CUSTOMERS | **CONSUMERS**

Food industry | Wholesale | Retail (schools, grocery stores and local open markets) | Foodservice (restaurants and catering)

SCAN

For more information about the added value of Snick EuroIngredients

SNICK EUROINGREDIENTS

PRODUCTS

Savoury, sweet and functional ingredients | Unique and innovative tailor-made solutions in concepts and blends

RISK MANAGEMENT AND CONTROL

Introduction

Risk management and control 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 product price levels 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, liquidity management, and the use of financial instruments such as derivatives.

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 agri food ingredients 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.

There were no major failings in the internal risk management and control systems as observed in the financial year, nor were there any significant changes made to these systems or any major improvements planned. Reviews of the internal risk management and control systems were discussed with the Board of Directors on a quarterly basis.

Internal Audit

The Internal Audit function assists the Company with accomplishing its strategy and objectives by performing procedures on the maintenance and effectiveness of the internal controls and risk management relating to strategic, financial, operational, commercial, tax control and compliance matters of the Group. The Internal Audit function monitors its internal controls through a systematic approach that is supported by a risk identification and management process.

The role and functioning of the Internal Audit function were regularly discussed and the internal audit plan for the reporting year was approved by the Board of Directors. This plan covered the key focus and key risk areas of the Group's business and business developments, new projects/programmes, financial performance and the geographical spread of Acomo offices, including compliance matters. The Internal Audit function cooperates closely with the external auditor and alignment takes place on a regular basis. In consultation with senior management of the Group and the considerations included above, the Internal Audit function selects the areas of the Group to be audited during a reporting year.

The Internal Audit function reports to the Board of Directors and has a direct reporting line to the Chairman of the Board. During the reporting year, the Board of Directors received regular updates on work performed by the Internal Audit function (including whistleblower reporting) and was kept up to date on the follow-up on the recommendations made by Internal Audit.

Risk appetite

Acomo's willingness to assume risks and uncertainties (the risk appetite) is different for each risk category. The level of the Company's risk appetite gives guidance as to whether Acomo should take measures to control

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

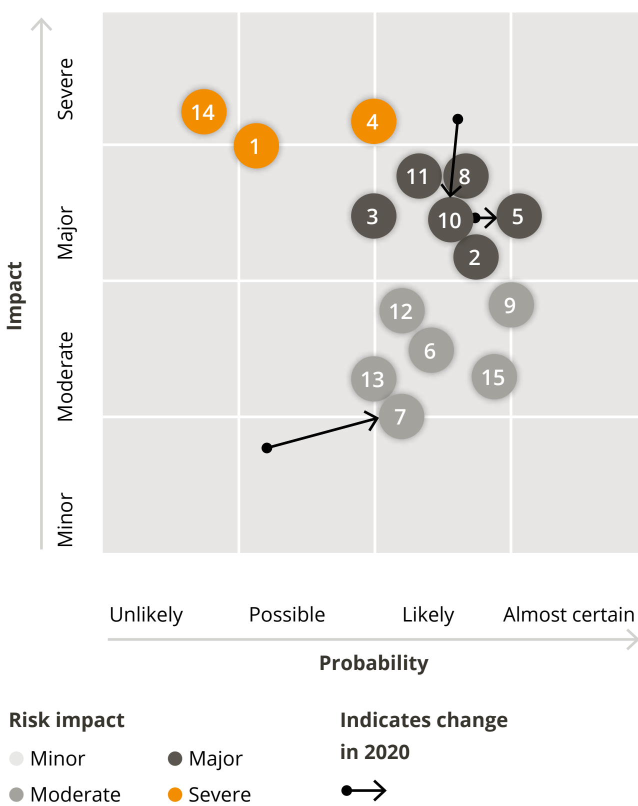
such uncertainties. The risk overview table shows the risk appetite and the expected impact on the Group's achievement of its strategic, financial and operational objectives if one or more of the main risks and uncertainties were to materialize.

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.

2020 OVERVIEW OF RISKS AND UNCERTAINTIES



STRATEGIC RISKS

1 Sustainability of our strategy
2 Increased competition and vertical integration

OPERATIONAL RISKS

3 Agricultural developments
4 Climate change
5 Fluctuations in the supply of, or demand for, and prices of commodities
6 Fluctuations in currency exchange rates
7 Sourcing, freight, storage, infrastructure and logistics
8 Human rights
9 Geopolitical risks
10 Food safety and recall risks
11 Inability to attract, develop and retain trading staff
12 Cyber risks
13 Fraud, corruption and bribery risks

FINANCIAL RISKS

14 Liquidity risks

COMPLIANCE RISKS

15 Government – laws and regulations

Changes in principal risks

We believe that our principal risks have remained the same, except for the categories ‘fluctuations in the supply of, or demand for, and prices of commodities’, ‘sourcing, freight, storage, infrastructure and logistics’, and ‘food safety and recall risks’. We believe that the probability and severity of impact for the first two categories of risk have increased due to operational and logistic disruptions in some supply chains as the result of recent unprecedented events (COVID-19). Besides these upstream obstacles we saw increasing volatility of demand.

From the start of the outbreak of COVID-19, management has sought to obtain the best possible information to assess the risk and to enable the Group to adapt to the new circumstances and implement appropriate measures to respond, such as additional hygiene provisions and testing for employees, proactive shipments from origin to destination and customer support and review.

The trading teams utilized their extensive networks and trading expertise to ensure alternative sources and rerouting of distribution. In addition to skilled trading and management of the chain, the ready availability of stock in the consuming countries enabled Acomo teams to meet the fluctuations in demand. We believe that the impact of the ‘food safety and recall risks’ has decreased due to the increased focus of our subsidiaries towards food safety, which is also reflected in the number of certificates (HACCP and GFSI) currently held by our subsidiaries.

The liquidity position of the Company is secured through the refinancing of the Group at the end of 2020 with a syndication consisting of both existing and new banks.

The risks as defined in 2020 relate largely to the same topics as those identified in the previous years.

Risk description	*Mitigating factors*
Strategic risks	
1. Sustainability of our strategy	**Risk movement in 2020: stable**
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, business development and diversification
2. Increased competition and vertical integration	**Risk movement in 2020: stable**
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 attractive markets may attract new entrants. 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 market share, and potentially affect revenue and profitability.	• Selective acquisitions • Offering of value-added services such as storage, blending, cleaning, heat treatment, processing and vendor-managed inventory solutions
Operational risks	
3. Agricultural developments	**Risk movement in 2020: stable**
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
4. Climate change	**Risk movement in 2020: stable**
Changes in temperature and rainfall patterns, with more droughts, are affecting yields, product quality and prices of natural food products. Food products such as spices, cocoa, nuts, tea and coffee are highly sensitive to changes in growing conditions. These products can only be produced in narrowly defined agroecological conditions and, hence, in a limited number of countries.	• Diversification of purchases of food products across many countries of origin in different parts of the world and reliable suppliers • Energy-saving initiatives
5. Fluctuations in the supply of, demand for, and prices of commodities	**Risk movement in 2020: increase**
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). Counterparty risk and price fluctuations also affect the behaviour of contract counter-parties, particularly with regard to the correct execution of signed, but not yet delivered contracts.	• Diversification of the purchases across many countries of origin and reliable suppliers • Long-term relations with suppliers and customers • Diversification of the product range • Diversification of the industries which are being supplied • Research of the solvency and/or the credit risk of customers • Credit limit management • 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

Risk description	*Mitigating factors*
Operational risks	
6. Fluctuations in currency exchange rates	**Risk movement in 2020: stable**
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 euros, the currency of which fluctuates against the US dollar.	• Hedging contracts, such as currency exchange contracts
7. Sourcing, freight, storage, infrastructure and logistics	**Risk movement in 2020: increase**
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
8. Human rights	**Risk movement in 2020: stable**
It is 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 agricultural companies.	• Acomo has developed a supplier code 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 the Acomo Code of Conduct
9. Geopolitical risks	**Risk movement in 2020: stable**
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. Also, some countries with more stable political environments may nevertheless change policies and laws, which can affect both the availability of products and the reliability of supply. We have no control over changes in policies, laws and taxes.	• Maintaining a dialogue with authorities • Group-wide Acomo Code of Conduct • Keeping informed of new regulations and legal requirements, and proactively anticipating changes
10. Food safety and recall risks	**Risk movement in 2020: decrease**
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 or GFSI certified, and also have various other certifications related to their specific activities) • Supplier Code • Investments in (heat) treatment of products

Risk description	*Mitigating factors*
Operational risks	
11. Inability to attract, develop and retain (trading) staff	**Risk movement in 2020: stable**
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 succession • Modern working environment, training and development plans and small teams • Several companies have initiated internship programmes to get in contact with potential employees
12. Cyber risks	**Risk movement in 2020: stable**
A cyber security breach, incident or failure of Acomo's IT systems could disrupt our business, result in the disclosure of confidential information, damage our reputation and create significant financial and legal exposures.	• Autonomous group companies with own IT systems • Awareness training • Business continuity plan • Penetration testing
13. Fraud, corruption and bribery risks	**Risk movement in 2020: stable**
Fraud is a deception that is deliberately practiced to secure unfair or unlawful gain and include deceit, concealment, skimming, forgery or alteration of (electronic) documents. Acomo maintains a zero-tolerance approach for its companies, employees and business partners with regard to fraud. Bribery is illegal, 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. Prevention of fraud, corruption and bribery are integral part of the Code. The standards and principles apply to all employees of the Acomo Group worldwide • Regular visits and interviews with key personnel to assess risks and behaviour • Four-eyes principle in key processes • Active follow-up on whistleblower reports
Financial risks	
14. Liquidity risks	**Risk movement in 2020: stable**
Availability of financing and interest rate developments. Failure to access funds (liquidity) would severely limit our ability to engage in desired activities. 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 revolving credit facilities • As at 31 December 2020, the Group (including Tradin Organic) had available undrawn credit facilities and cash amounting to €173 million (31 December 2019: €163 million)
Compliance risks	
15. Government – laws and regulations	**Risk movement in 2020: stable**
New government measures, including increased regulations on food safety and regulations on sanctioned countries, 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

REMUNERATION REPORT

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.

The remuneration of the Board, which is included in the Remuneration Report section of this annual report, is separately published on the corporate website in a transparent overview.

Remuneration policy
The level and structure of remunerations within the Group are such that people with the required expertise and qualifications can be recruited, retained, motivated and guided. In determining the individual remunerations, the effect on the remuneration levels within the Group is taken into account. The policy has the objective to reward executive members of the Board with a competitive remuneration package that is aligned with industry practices and the goals and objectives of the Group. In determining the remuneration levels the Group uses comparable national and international companies relevant to the Group from an industry and size perspective. In addition, it is taken into account how remuneration levels compare to those of key positions within the Group.

Although long-term objectives are not specifically determined in the remuneration policy, 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.

In accordance with provision 3.2 of the Code, in the event that the employment of a member of the Board of Directors is terminated, whether at the initiative of the member or at the initiative of the Company, the Board member is entitled to a severance payment limited to one year's annual base salary.

At the 2020 AGM, the shareholders approved the new Shareholder Rights Directive (SRD)-compliant remuneration policy.

Adjustments to the remuneration policy for executive directors
There were no adjustments to the remuneration policy in 2020.

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.

Remuneration of the Board of Directors
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 2020 and 2019 remuneration to the Executive Director is shown below (all amounts in € thousands):

Remuneration Executive Director 2020	Salary	Short-term bonus	Post-employment benefits	Share-based compensation	Total
Goldschmeding	286	649	25	23	983
Total Executive Director	**286**	**649**	**25**	**23**	**983**
2019					
Goldschmeding	275	438	25	12	750
Total Executive Director	**275**	**438**	**25**	**12**	**750**

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 2020 and will be paid out in 2021.

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. In 2020 the fixed element of the remuneration of the Executive Director was 34% (2019: 42%) and the variable element was 66% (2019: 58%).

Executive Director	Year of grant	Outstanding 1 Jan 2020	Granted 2020	Exercised 2020	Outstanding 31 Dec 2020	Exercise price (€)	Expiry date
Goldschmeding	2015	50,000	-	-	50,000	22.46	01-12-22
	2020	-	50,000	-	50,000	16.83	30-04-27

The intrinsic value was zero on the vesting date for the 15,000 options that vested on 1 September 2018 (share price €20.20), the 7,500 options that vested on 1 September 2019 (share price €18.48) and the 12,500 options that vested on 1 September 2020 (share price €19.12). When using this value for share-based payment, Mr Goldschmeding's total remuneration for 2020 is €960 (2019: €738). Of the unvested options, 15,000 options will vest on 1 September 2021. The options that were granted in 2020 will start vesting on 30 April 2027 (first tranche).

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.

Remuneration Non-Executive Directors	2020	2019	2018	2017	2016
Stuivinga[1]	106	106	106	89	56
Groothuis	85	85	85	68	35
Gottesman[1]	95	95	95	78	45
Niessen	85	85	85	68	35
Total	**371**	**371**	**371**	**303**	**171**

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

As at 31 December 2020, 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.

Internal pay ratio 2020

The internal pay ratio is calculated as the total Executive Director compensation divided by the average employee compensation (total personnel costs of all other Acomo employees divided by the average number of FTEs, excluding the Executive Director).

The internal pay ratio between the annual total compensation for the Executive Director and the average annual total compensation for an Acomo employee was 13.9:1 for the 2020 financial year (2019: 10.6:1). Both annual total compensation figures include pension costs.

Remuneration Executive Director - summary	2020	2019	2018	2017	2016
Goldschmeding	983	750	710	754	599
% change	*31.1%*	*5.6%*	*-5.8%*	*25.9%*	*n.a.*
Company performance					
Net profit (in € millions)	27.0	32.1	31.1	32.5	34.4
Earnings per share (in €)	1.09	1.30	1.26	1.33	1.43
Average remuneration (on a full-time basis)					
Employees of the Group	71	71	66	68	66
Pay ratio	13.9	10.6	10.8	11.1	9.2

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 and ensures compliance with the principles and best practice provisions stated in the current Code while maintaining some of its departures from the Code (see page 68). We continue to monitor and assess our corporate governance structure to ensure compliance with the Code, applicable laws and regulations, and relevant developments.

Board of Directors
The task of the Board is to manage the Company, which includes responsibility for the performance of the Group as well as the implementation of the Company's role, objectives and long-term strategy within the risk profile, 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 the Acomo website. The Company currently has one executive director, the Group Managing Director.

A list of the current directors, with their dates of appointment and their other major appointments, is set out in the chapter The Board of Directors on page 72.

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.

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%). 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. No maximum number of terms has been determined.

The term is based on the requirement for experience and in-depth expertise in the sourcing, trading, processing, packaging and distribution of conventional and organic food products and ingredients. Reappointment of non-executive directors can take place at the end of each term after careful consideration of their past performance and the adequacy of their profile with the desired profile of the Board.

Best practice provision 2.2.1 of the Code recommends that an executive board member is appointed for a maximum period of four years and that an executive member may be reappointed for a term of not more than four years at a time.

In compliance with this best practice provision, the Board of Directors has drawn up a rotation schedule in order to avoid, as much as possible, a situation in which multiple executive board members retire at the same time. The rotation terms are included in The Board of Directors section as part of this report on page 72 and are also available on our corporate website.

There has been no event of early retirement of a member of the Board of Directors that would have required Acomo to issue a press release mentioning the reasons for the departure.

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 of 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.

Shares held by board members of the Company on whose board of directors they serve are considered to be long-term investments.

In accordance with provision 2.7.5 of the Code, we report that no transactions occurred in 2020 between the Company and legal or natural persons who hold at least 10% of the shares in the Company.

Best practice provision 2.8.1 of the Code is not applicable to the Company as there were no takeover events or situations that occurred in 2020.

Information following the Takeover Directive Decree is included on page 140.

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.

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. When deemed necessary in the interests of the Company, an extraordinary general meeting may be convened by resolution of the Board. 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.

The minutes and the resolutions of the Annual General Meeting are recorded in writing. The minutes are available to the shareholders on our website no later than three months after the meeting.

During 2020 two general meetings were held, both as webinars due to COVID-19 restrictions: the annual general meeting of shareholders on 30 April 2020 and an extraordinary general meeting on 22 December 2020 to obtain shareholders' approval for the envisaged acquisition of all shares of The Organic Corporation B.V. and all membership interests of Tradin Organics USA LLC (collectively known as 'Tradin Organic').

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

Acomo complies with the relevant principles and best practice provisions of the Code, except for the following departures as stated and explained below.

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 conventional and organic food products and ingredients, non-executive directors of the Board are appointed for a term of six years or less and no maximum number of terms has been determined. Non-executive directors can be reappointed at the end of each term after careful consideration of their past performance and the adequacy of their 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 64), 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

Control and responsibility statement

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 as set out in the Risk management and control section of this report, where no major failings were identified in the 2020 financial year;
- The internal risk management and control systems provide reasonable assurance that the 2020 financial reporting does not contain any material inaccuracies as the Risk management and control section of this annual report provides further details;
- Based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern basis. Compliance with the Code is evident in factors such as Acomo's strong cash position, the available credit facilities, the Group's risk management, and the Group's ability to meet its obligations without substantial restructuring or selling of its assets. For more detailed information, please refer to the Business performance section of this annual report together with Risk management as set out in Note 3 of the notes to the Consolidated financial statements section of this annual report;
- Management has assessed the going concern assumption in relation to COVID-19. Based on the latest available information management concluded that there is no material uncertainty regarding the Group's going concern as a consequence of COVID-19;
- This report states those material risks and uncertainties that are relevant to the expectation of Acomo's continuity for the period of 12 months after the preparation of the report. The Risk management and control section of this annual report together with the Business performance section provide a clear substantiation of the abovementioned statement.

Corporate governance statement

The information required to be included in this Corporate Governance Statement as described in articles 3, 3a and 3b of the Dutch Decree on the contents of Directors' Report ('the Decree') is incorporated and published in the Corporate governance section of the Acomo website.

Report of the Non-Executive Directors

This report provides further information on the way the Non-Executive Directors performed their duties in 2020.

Board meetings

Meetings of the Board are scheduled one year in advance. At least once a year the Group strategy is reviewed by the Board. 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. Further recurring agenda items for Board meetings are updates on business, financials, HR, sustainability, internal audit 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, members of the Board visit the group companies regularly.

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 72.

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.

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 26 formal meetings held in 2020 (100%). The Board also convened in the absence of the Executive Director, which happened either before or after each meeting.

Internal Audit function

The Board of Directors regularly obtains input from the Internal Audit function on the adequacy of the risk management process and the effectiveness of internal controls in place to manage and mitigate the key risks. Certain elements also require continuous reporting to be available.

The Group risk profile is taken into account when establishing the strategy and Internal Audit plan.

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 2020 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 2020, and of the 2020 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 2020 and the state of affairs during the financial year 2020, together with a description of the principal risks faced by the Group.

Rotterdam, 11 March 2021

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


INDIA
CHINA
BANGLADESH
SRI LANKA
INDONESIA
VIETNAM
IRAN

THE BOARD OF DIRECTORS

Allard Goldschmeding
(1964, m)
Group Managing Director and Chief Financial Officer

Executive Director since appointment at the AGM of 26 April 2016. End of current term: 2024.

Nationality: Dutch.

Supervisory directorships and other positions held: none.

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.

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.

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: 2023.

Nationality: Dutch.

Entrepreneurial (impact) investor, currently at Rubio Impact Ventures, and boardroom advisor.

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: 2022.

Nationality: British.

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

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 2020 was 24,887,299. As at 31 December 2020 Acomo had 29,581,871 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 as at 31 December 2020:

- Mont Cervin Sarl (12.3%)
- Mawer Investment Management Ltd. (8.7%)
- Teslin Participaties Coöp UA (8.6%)
- Fidelity Management & Research (Japan) Ltd. (8.6%)
- Kempen Capital Management N.V. (5.7%)
- Red Wood Trust (5.8%)

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.

Investor relations

Acomo is committed to maintaining a high level of transparency by engaging in regular and open dialogue with investors, analysts, financial institutions, the press and other stakeholders. This is done in order to provide timely, complete and consistent information to enable them to develop a clear understanding of the Company's strategy and performance as well as other matters and developments that could be relevant to investors' decisions, including the outlook for the future.

Acomo has a policy on bilateral contacts in place which details how information is provided to investors, analysts, financial institutions, the press and other stakeholders. This policy has been established in accordance with best practice provision 4.2.2 of the Dutch Corporate Governance Code. For this policy and all other relevant publications, see www.acomo.nl.

Share performance 2020

Source: Euronext

Key Acomo share data		2020	2019	2018	2017	2016
Year-end price	€	20.90	20.75	17.44	24.11	20.90
Year high	€	22.00	20.95	25.50	29.36	24.64
Year low	€	12.50	16.86	16.28	20.25	19.00
Number of shares 31 December (thousands)		**29,582**	**24,652**	**24,649**	**24,624**	**24,225**
Market capitalization 31 December (in millions)	€	618.3	511.5	429.9	593.6	506.3
Earnings per share	€	1.09	1.30	1.26	1.33	1.43
Dividend per share	€	0.40	1.10	1.00	1.10	1.15
Equity per share	€	9.74	8.23	7.85	7.52	7.55

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

CONSOLIDATED STATEMENT OF INCOME

(in € thousands)

	Note	2020	2019
Sales	5	**707,364**	**701,441**
Cost of goods sold	6	(612,643)	(602,164)
Gross profit		**94,721**	**99,277**
General and administrative expenses	7	(54,872)	(52,582)
Operating income (EBIT)		**39,849**	**46,695**
Interest income	9	25	48
Interest expense	9	(2,688)	(4,815)
Other financial income/(expenses)	9	(284)	150
Financial income/(expenses)		**(2,947)**	**(4,617)**
Profit before income tax		**36,902**	**42,078**
Corporate income tax	10	(9,853)	(9,976)
Net profit		**27,049**	**32,102**
Profit attributable to shareholders of the Company		**27,035**	**32,077**
Profit attributable to non-controlling interests		**14**	**25**
Earnings per share			
Basic	11	1.086	1.301
Diluted	11	1.086	1.301

The notes on pages 81 to 117 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in € thousands)

	2020	2019
Net profit	**27,049**	**32,102**
Other comprehensive income (OCI)		
OCI to be reclassified to profit or loss in subsequent periods		
Movement currency translation reserves	(9,249)	2,327
Movement on cash flow hedges	(66)	(146)
OCI to be reclassified to profit or loss in subsequent periods	**(9,315)**	**2,181**
OCI not to be reclassified to profit or loss in subsequent periods		
Remeasurement gains/(losses) on defined benefit plans	(169)	(212)
OCI not to be reclassified to profit or loss in subsequent periods	**(169)**	**(212)**
Total other comprehensive income	**(9,484)**	**1,969**
Total comprehensive income	**17,565**	**34,071**
Total comprehensive income attributable to shareholders of the parent	**17,557**	**34,046**
Total comprehensive income attributable to non-controlling interests	**8**	**25**

The notes on pages 81 to 117 are an integral part of these consolidated financial statements.

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 10.

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER

(in € thousands)

Assets		31 December	31 December
Non-current assets	*Note*	**2020**	**2019**
Intangible assets	*13.1*	207,245	68,353
Property, plant and equipment	*13.2*	57,356	40,798
Right-of-use assets	*13.3*	16,873	13,955
Other non-current receivables	*12.2*	1,658	1,211
Deferred tax assets	*13.5*	1,241	1,508
Total non-current assets		**284,373**	**125,825**
Current assets			
Inventories	*13.4*	265,707	140,907
Trade receivables	*12.1*	128,174	82,807
Other receivables	*12.2*	21,798	7,819
Derivative financial instruments	*12.3*	867	515
Cash and cash equivalents	*12.4*	3,507	732
Total current assets		**420,053**	**232,780**
Total assets		**704,426**	**358,605**
Equity and liabilities			
Shareholders' equity			
Share capital	*14.1*	13,312	11,093
Share premium reserve	*14.1*	154,642	62,028
Other reserves	*14.2*	475	9,910
Retained earnings		92,794	87,834
Net profit for the year		27,035	32,077
Total shareholders' equity		**288,258**	**202,942**
Non-controlling interests		1,208	62
Total equity		**289,466**	**203,004**
Non-current liabilities and provisions			
Bank borrowings	*12.5*	136,403	2,827
Lease liabilities	*13.3*	13,745	12,017
Deferred tax liabilities	*13.5*	12,499	5,996
Retirement benefit obligations	*13.6*	2,114	2,271
Provisions	*13.7*	114	141
Other non-current liabilities		1,565	-
Total non-current liabilities		**166,440**	**23,252**
Current liabilities			
Current portion long-term bank borrowings		16,025	6,225
Bank borrowings	*12.5*	124,715	59,959
Lease liabilities	*13.3*	3,726	2,487
Trade creditors		56,220	41,657
Tax liabilities		1,939	1,087
Derivative financial instruments	*12.3*	4,521	454
Other current liabilities and accrued expenses		41,374	20,480
Total current liabilities		**248,520**	**132,349**
Total liabilities		**414,960**	**155,601**
Total equity and liabilities		**704,426**	**358,605**

The notes on pages 81 to 117 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

(in € thousands)

Cash flow from operating activities	Note	2020	2019
Profit before income tax		**36,902**	**42,078**
Adjustments for:			
• Depreciation and amortization	13.1, 13.2	10,058	8,894
• Net increase/(decrease) in provisions		280	(149)
• Interest income	9	(25)	(48)
• Interest expense	9	2,529	4,650
• Other		2,834	639
Cash flow from operating activities excluding working capital		**52,578**	**56,064**
Changes in working capital			
• Inventories		(877)	5,315
• Trade and other receivables		(9,094)	16,024
• Derivatives		235	1,609
• Trade and other payables		939	(4,284)
Total (increase)/decrease in working capital, net		**(8,797)**	**18,664**
Cash generated from operations		**43,781**	**74,728**
Interest paid		(2,156)	(4,378)
Income tax paid		(6,656)	(10,568)
Net cash generated from operating activities		**34,969**	**59,782**
Cash flow from investing activities			
Investments in property, plant and equipment and intangible assets	13.1, 13.2	(5,348)	(7,801)
Acquisitions	16	(265,996)	-
Other investing activities		200	466
Net cash used for investing activities		**(271,144)**	**(7,335)**
Cash flow from financing activities			
Net proceeds from new shares issued	14.1	94,833	35
Proceeds from borrowings		260,165	-
Repayments of long-term borrowings	12.5	(1,052)	(2,139)
Net changes in bank financing of working capital	12.5	(84,420)	(23,399)
Payments of leases		(3,431)	(2,542)
Dividends paid to shareholders		(27,120)	(24,642)
Net cash used for financing activities		**238,975**	**(52,687)**
Net increase/(decrease) in cash and cash equivalents		**2,800**	**(240)**
Cash and cash equivalents at the beginning of the year		732	957
Exchange gains/(losses) on cash and cash equivalents		(25)	15
Cash and cash equivalents at the end of the year		**3,507**	**732**

The notes on pages 81 to 117 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in € thousands)		Attributable to owners of the Company							
	Note	Share capital	Share premium reserve	Other reserves	Retained earnings	Net profit for the year	Total share-holders equity	Non-controlling interests	Total equity
Balance 1 January 2019		**11,092**	**61,994**	**7,915**	**81,414**	**31,107**	**193,522**	**-**	**193,522**
Net profit 2019		-	-	-	-	32,077	32,077	25	32,102
Other comprehensive income 2019		-	-	1,969	-	-	1,969	-	1,969
Total comprehensive income 2019		**-**	**-**	**1,969**	**-**	**32,077**	**34,046**	**25**	**34,071**
Appropriation of net profit		-	-	-	31,107	(31,107)	-	-	-
New shares issued	*14.1*	1	34	-	-	-	35	-	35
Employee share option scheme:									
• Value of employee services	*14.2*	-	-	35	-	-	35	-	35
• Tax credit share option scheme	*14.2*	-	-	(9)	-	-	(9)	-	(9)
Non-controlling interests		-	-	-	(37)	-	(37)	37	-
Dividends relating to 2018, final		-	-	-	(14,789)	-	(14,789)	-	(14,789)
Dividends relating to 2019, interim		-	-	-	(9,861)	-	(9,861)	-	(9,861)
Transactions with shareholders		**1**	**34**	**26**	**6,420**	**(31,107)**	**(24,626)**	**37**	**(24,589)**
Balance 31 December 2019		**11,093**	**62,028**	**9,910**	**87,834**	**32,077**	**202,942**	**62**	**203,004**
Net profit 2020		-	-	-	-	27,035	27,035	14	27,049
Other comprehensive income 2020		-	-	(9,478)	-		(9,478)	(6)	(9,484)
Total comprehensive income 2020		**-**	**-**	**(9,478)**	**-**	**27,035**	**17,557**	**8**	**17,565**
Appropriation of net profit		-	-	-	32,077	(32,077)	-	-	-
New shares issued	*14.1*	2,219	92,614	-	-	-	94,833	-	94,833
Employee share option scheme:									
• Value of employee services	*14.2*	-	-	57	-	-	57	-	57
• Tax credit share option scheme	*14.2*	-	-	(14)	-	-	(14)	-	(14)
Non-controlling interests		-	-	-	-	-	-	1,138	1,138
Dividends relating to 2019, final		-	-	-	(17,256)	-	(17,256)	-	(17,256)
Dividends relating to 2020, interim		-	-	-	(9,861)	-	(9,861)	-	(9,861)
Transactions with shareholders		**2,219**	**92,614**	**43**	**4,960**	**(32,077)**	**67,759**	**1,138**	**68,897**
Balance 31 December 2020		**13,312**	**154,642**	**475**	**92,794**	**27,035**	**288,258**	**1,208**	**289,466**

The notes on pages 81 to 117 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, trading, processing, packaging and distribution of natural food products and ingredients for the food and beverage industry. The Group's product portfolio broadly encompasses spices, organic cocoa, coconut products, nuts, dried fruits, edible seeds, tea, organic coffee, edible oils, natural food ingredients and feed products. 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 11 March 2021.

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, Consolidated figures, Letter from the Board, Business performance, The Acomo Group, Risk management and control, Remuneration report, Governance, The Board of Directors, The Acomo share and Information Takeover Directive Decree.

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 applicable financial reporting requirements 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 unless otherwise stated. The consolidated financial statements have been prepared on a going concern basis. Based on the latest available financial (cash flow) forecasts, management concluded that there is no material uncertainty related to events and conditions that may cast significant doubt on the Group's ability to continue as a going concern. The areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

2.2 Changes in presentation and accounting policies

The Group has changed the presentation format of the income statement as of the financial year 2020. For comparability purposes and where relevant, figures in the income statement relating to 2019 have been adjusted to the new presentation format. The change in presentation format did not affect net sales, operating income or net profit.

The Group changed the presentation of the income statement using a classification of expenses based on their function within the Group. The rationale for the change was that the activities of the Group have changed in recent years from mainly trading to activities that increasingly focus on providing additional value to customers through blending, processing, pasteurization/sterilization and packaging. The personnel costs related to these activities are now incorporated in the 'cost of goods sold' line of the consolidated statement of income, where historically they were included in the total personnel expenses. The same applies to other production-related expenses and related depreciation costs. The new presentation method provides information in a way that is more relevant to users.

The change affects the following line items in the income statement:

		Reported 2019	Reclassification due to presentation change	Restated 2019
Line item 2019:	Line item 2020:			
Cost of goods sold	Cost of goods sold	(569,679)	(32,485)	(602,164)
Gross margin	**Gross profit**	**131,762**	**(32,485)**	**99,277**
Total costs	General and administrative expenses	(85,067)	32,485	(52,582)

The 2020 reclassification due to presentation change amounted to €32.5 million.

2.3 Accounting standards

2.3.1 New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for its annual reporting period commencing 1 January 2020:

- Definition of 'material' – amendments to IAS 1 and IAS 8;
- Definition of a business – amendments to IFRS 3;
- Interest rate benchmark reform – amendments to IFRS 9, IAS 39 and IFRS 7;
- Revised conceptual framework for financial reporting.

The amendments listed above did not have a material impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

2.3.2 New standards and interpretations not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2020 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

2.4 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.

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(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 2020 consolidated financial statements, the Company and the following subsidiaries are included:

		Percentage of ownership	
Subsidiaries	*Country of incorporation*	2020	2019
Acomo European Nuts Holding B.V.	The Netherlands	100%	100%
Acomo Food Ingredients Holding B.V.	The Netherlands	100%	100%
Acomo Investments B.V.	The Netherlands	100%	100%

Subsidiaries	Country of incorporation	Percentage of ownership 2020	2019
Acomo North American Commodities B.V.	The Netherlands	100%	100%
Acomo Seeds Holding B.V.	The Netherlands	100%	100%
Acomo US Holdings LLC	USA	100%	-
Food Ingredients Service Center Europe B.V.	The Netherlands	100%	100%
Red River-van Eck B.V.	The Netherlands	100%	100%
Red River Bulgaria EOOD	Bulgaria	100%	100%
Red River Commodities Inc.	USA	100%	100%
Red River Global Ingredients Ltd.	Canada	100%	100%
Red River Commodities International Inc.	USA	100%	100%
SunGold Foods Inc.	USA	100%	100%
SunButter LLC	USA	100%	100%
SIGCO Warenhandelsgesellschaft mbH	Germany	100%	100%
Snick EuroIngredients N.V.	Belgium	100%	100%
Catz International B.V.	The Netherlands	100%	100%
Catz International Dried Fruits B.V.	The Netherlands	100%	100%
Delinuts B.V.	The Netherlands	100%	100%
King Nuts B.V.	The Netherlands	100%	100%
Tovano B.V.	The Netherlands	100%	100%
Van Rees Group B.V.	The Netherlands	100%	100%
Van Rees India B.V.	The Netherlands	100%	100%
P.T. Van Rees Indonesia	Indonesia	100%	100%
Van Rees Kenya Ltd.	Kenya	100%	100%
Van Rees B.V.	The Netherlands	100%	100%
Van Rees North America Inc.	Canada	100%	100%
Van Rees LLC	Russia	100%	100%
Van Rees Ceylon Ltd.	Sri Lanka	100%	100%
Van Rees Ceylon B.V.	The Netherlands	100%	100%
Van Rees Middle East Ltd.	United Arab Emirates	100%	100%
Van Rees United Kingdom Ltd.	United Kingdom	100%	100%
Container Tea Van Rees Trading Pvt Ltd.	India	90%	90%
The Organic Corporation B.V.	The Netherlands	100%	-
Crown of Holland B.V.	The Netherlands	100%	-
FOGO Coffee Spirit LDA	Cabo Verde	51%	-
Organic Development Services B.V.	The Netherlands	100%	-
Organic Land Corporation OOD	Bulgaria	100%	-
Organic Raw Materials SAS	France	100%	-
Sanmark B.V.	The Netherlands	100%	-
Selet Hulling Corporation Plc	Ethiopia	100%	-
Suncomo Foods Bulgaria EOOD	Bulgaria	100%	-
SunAvo B.V.	The Netherlands	87.5%	-
SunVado Manufacturing Plc	Ethiopia	100%	-
Supreme Smallholders Coffee LLC	Ethiopia	52%	-
Trabocca B.V.	The Netherlands	65%	-
Tradin Organic Agriculture B.V.	The Netherlands	100%	-
Tradin Organic Cocoa B.V.	The Netherlands	100%	-
Tradin Organics USA LLC	USA	100%	-
Tradin Sierra Leone Ltd.	Sierra Leone	100%	-

2.5 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, Food Ingredients and Organic 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 (similar economic characteristics and similar nature of products) into reportable segments. The segment information is disclosed in Note 5.

2.6 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's 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.

2.7 Intangible assets

(a) 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 benefitting 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.

(b) 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).

(c) Other intangible assets
Other intangible assets include acquired customer relations, order books and trade names/certificates. Intangible assets that are acquired through business combinations 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.

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

Customer relations	10 – 20 years
Order books	1 – 2 years
Trade names/certificates	20 - 40 years

2.8 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 2.9). Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the income statement.

2.9 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.

2.10 Derivative financial instruments including hedge accounting
Derivative financial instruments include forward currency contracts and commodity futures. These are used to manage the Group's exposure to risks associated with foreign currency and commodity price fluctuations. 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. The Group discontinues hedge accounting when the qualifying criteria for the hedged relationship are no longer met. At the moment only the Tea segment applies hedge accounting.

For the purpose of hedge accounting, IFRS 9 has been applied. 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.

2.11 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.

2.12 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, taking into account expected credit losses. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

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.

2.13 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.

2.14 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.

2.15 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.

2.16 Leases
The Group assesses whether a contract is or contains a lease at inception of the contract. The Group recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:
- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:
- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured as described in Note 2.20. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 2.9, Impairment of non-financial assets.

2.17 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.

2.18 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 one defined benefit plan 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.

2.19 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.

2.20 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 recognized and measured as provisions.

2.21 Revenue recognition and other income

Revenue relates to 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. Revenue is recognized when the performance obligations have been satisfied, which is once control of the goods and/or services has transferred from the Group to the buyer. Revenue is measured based on considerations specified in the contract with a customer and excludes amounts collected on behalf of third parties.

(a) Sales of goods

Sales of goods are recognized when a Group entity satisfies a performance obligation by transferring promised 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.

Revenue is recognized in the (limited) cases when certain client specific goods have been created by processing and packaging, that do not have an alternative use to the Group, even when the finished goods have not been physically shipped and invoiced yet, in accordance with IFRS 15.

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

2.22 Cost of goods sold
Cost of goods sold is recorded in the same period in which the sales are recognized.

2.23 Gross profit
Gross profit represents the difference between sales and cost of goods sold.

2.24 General and administrative expenses
General and administrative expenses are allocated to the periods to which they relate.

2.25 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.

2.26 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 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 operating companies' management 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 food products 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. For further explanation on risk management and control see page 58.

3.1.1 Market risks
(a) 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 2020, 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 (2019: €0.5 million), mainly as a result of foreign exchange results on translation of US-dollar-denominated income from the Royal Van Rees Group tea business and Red River Commodities seeds business. As at 31 December 2020, 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 €7.1 million (2019: €2.9 million). Similarly, total assets would have increased/decreased by approximately €11.7 million (2019: €6.8 million) in case of the euro/US dollar rate being 5% higher/lower than the rate as at 31 December 2020 that has been used. The Group's exposure to foreign currency changes for all other currencies is not material.

(b) 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 internally determined trading guidelines including maximum positions per product group and overall positions. For certain organic products (cocoa and coffee), where exchange-traded futures and options are available for the conventional equivalent, the Group purchases and sells primarily exchange-traded futures and options with the purpose of managing market exposure to adverse price movements in these commodities. 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.

(c) 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 2020 and 2019, 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 2020 would have been approximately €0.5 million (2019: €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 12.1 for further disclosure on credit risk. Management does not expect any undisclosed material losses from non-performance by these counterparties.

The Group establishes an allowance for impairment that represents its estimate of expected losses in respect of trade receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that are expected but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets, adjusted for forward-looking information.

To mitigate the counterparty risk with financial institutions, the Group has the policy to make use of financial institutions which are investment grade. The Group's main financial institutions are systemically important and operate under close supervision of their respective financial regulatory bodies.

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 12.5). 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 2020, 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 as at 31 December 2020 and 2019 were as follows:

Solvency	31 December 2020	31 December 2019
Total equity	289,466	203,004
Total assets	704,426	358,605
Solvency ratio	**41.1%**	**56.6%**

The solvency ratio as at 31 December 2020 indicates that the Group is able to continue as a going concern.

3.3 COVID-19 impact assessment

As discussed in the previous chapters of this report, the Group was impacted by the COVID-19 pandemic in 2020. From the start of the outbreak, management has sought to obtain the best possible information and assess the risks, while responding with agility to implement the appropriate measures.

For the measures taken to monitor and prevent the effects of the COVID-19 virus, please refer to pages 33 and 60.

The following is relevant to understand the results disclosed in these consolidated financial statements:

- The Group has had no major restructuring as a result of COVID-19 and incurred no costs related to such a restructuring.
- The Company renegotiated its credit lines to ensure sustained liquidity.
- The main impact on the earning capacity of the Group as a result of this pandemic came from factors such as sourcing and market pricing volatility, freight costs and shifting demand (depending on the segments in which the Group operates).
- The Group has been able to mitigate the risk of the above developments on the basis of its extensive market knowledge and experience and its long-term client relationships with vendors.

Consequently, these consolidated financial statements have been prepared on a going concern basis.

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 2.9. The recoverable amounts of CGUs have been determined based on value-in-use calculations. These calculations require the use of estimates (Note 13.1).

(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 13.5 and Note 10.

(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, mortality rates and future pension increases. The mortality rate is based on publicly available mortality tables. 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 13.6.

(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 13.4.

(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, based on the expected credit loss, also taking into account that historical write-offs have been limited. Additional information is disclosed in Note 12.1.

(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. Additional information is disclosed in Note 13.7.

(g) Acquisition of subsidiaries
An assessment of the fair value of assets and liabilities is required in accounting for business combinations. In such instances, fair value measurements are estimated based on the amounts for which the assets and liabilities could be exchanged at the relevant transaction date, and are therefore not necessarily reflective of the cash flow upon actual settlement. Fair value measurements with respect to business combinations are estimated using models and other valuation methods. To the extent possible, the assumptions and inputs used take into account externally verifiable inputs. However, such information is by nature subject to uncertainty, particularly where comparable market-based transactions often do not exist. Additional information is disclosed in Note 16.

(h) Provisions
Provisions for onerous contracts are recognized at the balance sheet date at management's best estimate of the expenditure required to settle the present obligation. Management has based its estimate on its current knowledge and expectations of the future price development of the underlying food products. Additional information is disclosed in Note 13.7.

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 five reportable segments of its business: Spices and Nuts, Edible Seeds, Tea, Food Ingredients and Organic Ingredients. The latter segment has been added as a result of the acquisition of Tradin Organic on 30 December 2020.

The segment information for the reportable segments for the years ended 31 December 2020 and 31 December 2019 was as follows:

2020	Spices and Nuts	Edible Seeds	Tea	Food Ingre-dients	Organic Ingre-dients	Holding and intra-group	Total
Sales	349,550	215,583	122,179	20,553	-	(501)	707,364
Operating expenses	(321,859)	(196,104)	(115,733)	(17,044)	-	(4,217)	(654,957)
Effect discontinuation hedge accounting	(2,500)	-	-	-	-	-	(2,500)
EBITDA	**25,191**	**19,479**	**6,446**	**3,509**	-	**(4,718)**	**49,907**
Depreciation and amortization	(2,009)	(6,177)	(1,123)	(497)	-	(252)	(10,058)
Operating income (EBIT)	**23,182**	**13,302**	**5,323**	**3,012**	-	**(4,970)**	**39,849**
Interest income/(expense), net							(2,947)
Income tax expense							(9,853)
Net result							**27,049**
Additions intangibles[1] and PPE (net)	*732*	*4,220*	*243*	*128*	-	*25*	*5,348*
Additions right-of-use assets	*101*	*747*	*2,141*	*228*	-	-	*3,217*
Total intangibles and PPE	2,123	27,518	5,118	3,533	80,952	457	119,701
Right-of-use assets	4,953	4,769	2,751	353	3,390	657	16,873
Total assets	136,828	108,735	53,393	11,202	267,157	127,111	704,426
Total liabilities	95,163	69,757	23,211	7,028	81,959	137,842	417,401

[1] *Excluding goodwill*

2019	Spices and Nuts	Edible Seeds	Tea	Food Ingre-dients	Organic Ingre-dients	Holding and intra-group	Total
Sales	328,995	215,637	136,654	20,738	-	(583)	701,441
Operating expenses	(301,126)	(195,905)	(130,675)	(16,756)	-	(668)	(645,130)
Effect discontinuation hedge accounting	(722)	-	-	-	-	-	(722)
EBITDA	**27,147**	**19,732**	**5,979**	**3,982**	-	**(1,251)**	**55,589**
Depreciation and amortization	(1,777)	(5,222)	(785)	(463)	-	(647)	(8,894)
Operating income (EBIT)	**25,370**	**14,510**	**5,194**	**3,519**	-	**(1,898)**	**46,695**
Interest income/(expense), net							(4,617)
Income tax expense							(9,976)
Net result							**32,102**
Additions intangibles[1] and PPE (net)	*1,390*	*5,855*	*359*	*151*	-	*46*	*7,801*
Additions right-of-use assets	*3,409*	*4,434*	*294*	*169*	-	*44*	*8,350*
Total intangibles and PPE	2,039	30,621	5,935	3,801	-	1,005	43,401
Right-of-use assets	6,455	4,627	1,793	226	-	854	13,955
Total assets	139,306	100,174	58,475	11,825	-	48,825	358,605
Total liabilities	99,302	57,342	28,476	7,415	-	(36,934)	155,601

[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 were as follows:

Sales (in € millions)	NL	Europe other	North America	Other	Total
2020	154.6	245.4	198.3	109.1	**707.4**
2019	140.9	262.8	186.2	111.5	**701.4**

6 Cost of sales

The cost of sales includes the cost of products sold, changes in the provision for obsolete inventories and expenses related to purchase, production and selling.

7 General and administrative expenses

Included in the general and administrative expenses are non-recurring expenses of €4.2 million (2019: €1.0 million) related to the acquisition of subsidiaries (Note 16).

8 Personnel costs

Total personnel costs, included in the cost of sales and general and administrative expenses, were as follows:

	Note	2020	2019
Wages and salaries including profit sharing		41,809	41,915
Social security costs		4,577	4,484
Pension costs – defined contribution plans	*13.6*	2,013	1,807
Pension costs – defined benefit plans	*13.6*	64	86
Share options – charge for the year	*15*	57	35
Other		1,434	1,645
Total personnel costs		**49,954**	**49,972**

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

Number of employees	2020	2019
Average number	693	699
Number as at 31 December	1,212	688

The breakdown per function as at 31 December was as follows:

	2020	2019
Production	490	312
General	722	376
Total	**1,212**	**688**

9 Financial income/(expenses)

	2020	2019
Interest income on short-term bank deposits	25	48
Interest expense on bank borrowings	(2,111)	(4,288)
Interest expense on leases	(418)	(362)
Amortization arrangement fees	(159)	(165)
Net financial income/(expenses)	**(2,663)**	**(4,767)**
Other financial income/(expenses)	(284)	150
Total financial income/(expenses)	**(2,947)**	**(4,617)**

10 Corporate income tax

Current income tax expense	*Note*	2020	2019
Current income tax on profits for the year		8,444	10,892
Provisions (releases)		(169)	(117)
Adjustments in respect of prior years		61	(296)
Total current income tax expense		**8,336**	**10,479**
Deferred income tax expense/(income)	*13.5*	1,517	(503)
Total corporate income tax expense		**9,853**	**9,976**

The effective tax rate on the Group's profit differed 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	2020	2019
Tax calculated at domestic tax rates applicable to profits in the respective countries	8,770	10,494
Tax effect of:		
• Non-taxable amounts and tax allowances	(361)	(186)
• Non-deductible expenses	1,356	60
• Adjustments previous years	61	(296)
• Provisions (releases)	(169)	(117)
• Effect of changes in tax rates	-	-
• Other items	196	21
Total corporate income tax expense	**9,853**	**9,976**
Average effective tax rate	26.7%	23.7%

The average effective tax rate increased from 23.7% to 26.7%, mainly due to acquisition costs that are not deductible for tax purposes and a different country mix.

The weighted average applicable theoretical corporate income tax rate was 23.8% (2019: 24.9%).

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

Tax components OCI 2020	Before tax	Tax	After tax
Cash flow hedges	(88)	22	(66)
Currency translation adjustments (CTA)	(9,249)	-	(9,249)
Remeasurement gains/(losses) on defined benefit plans	(219)	50	(169)
Total	**(9,556)**	72	**(9,484)**

Tax components OCI 2019	Before tax	Tax	After tax
Cash flow hedges	(195)	49	(146)
Currency translation adjustments (CTA)	2,327	-	2,327
Remeasurement gains/(losses) on defined benefit plans	(275)	63	(212)
Total	**1,857**	**112**	**1,969**

Aggregate current tax arising in the reporting period and not recognized in the statement of consolidated income or other comprehensive income but directly credited to equity:

Amounts recognized directly in equity	2020	2019
Current tax: share issue costs	436	-
Total	**436**	-

11 Earnings 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	2020	2019
Net profit attributable to shareholders	27,035	32,077
Share option plan cost, net	43	26
Basis for diluted profit	**27,078**	**32,103**

Number of shares, weighted and dilutive

Weighted average number of ordinary shares issued	2020	2019
Issued, 1 January	24,651,560	24,649,060
New shares issued, weighted part	235,739	1,158
Total number of shares issued, weighted, 31 December	**24,887,299**	**24,650,218**
New shares issued, unweighted part	4,694,572	1,342
Total number of shares issued, 31 December	**29,581,871**	**24,651,560**
Share options deferred dilution effect	3,645	5,689
Total number of shares, dilutive, 31 December	**29,585,516**	**24,657,249**

The 2020 interim dividend of €9.9 million equalled the total dividend 2020 of €9.9 million (total 2019: €27.1 million).

12 Financial assets and financial liabilities

The Group holds the following financial instruments:

Financial assets	31 December 2020	31 December 2019
Financial assets at amortized cost		
Trade receivables	128,174	82,807
Other financial assets at amortized cost	23,456	9,030
Cash and cash equivalents	3,507	732
Derivative financial instruments		
Used for hedging	867	515
Total	**156,004**	**93,084**

Financial liabilities	31 December 2020	31 December 2019
Liabilities at amortized cost		
Trade and other payables	99,159	62,137
Bank borrowings	277,143	68,471
Lease liabilities	17,471	14,504
Derivative financial instruments		
Used for hedging	4,521	454
Total	**398,294**	**145,566**

The Group's exposure to various risks associated with the financial instruments is discussed in Note 3.1. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

12.1 Trade receivables

	31 December 2020	31 December 2019
Trade receivables	129,574	83,890
Less: provision for impairment	(1,400)	(1,083)
Total trade receivables, net	**128,174**	**82,807**

As at 31 December 2020, trade receivables were impaired for a total amount of €1.4 million (2019: €1.1 million). The individually (partly or fully) impaired receivables mainly relate to customers in the ordinary line of business which are in unexpectedly difficult economic or financial situations.

As at 31 December 2020, trade receivables of approximately €7.1 million were past due but without loss provision. The Group believes that the unimpaired amounts that are past due by more than 30 days are still collectable, based on historic payment behaviour and analyses of the underlying customers' creditworthiness.

The ageing analysis of these trade receivables was as follows:

Ageing receivables	31 December 2020	31 December 2019
Up to 1 month	121,117	76,891
1-2 months	3,068	1,775
2-3 months	1,453	687
Over 3 months	3,936	4,537
Total trade receivables, gross	**129,574**	**83,890**

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

Trade receivables – currency	31 December 2020	31 December 2019
Denominated in euros	50,784	29,730
Denominated in US dollars	76,149	53,368
Denominated in UK pounds	486	-
Denominated in other currencies	2,155	792
Total trade receivables, gross	**129,574**	**83,890**

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

Provision trade receivables	2020	2019
1 January	**1,083**	**732**
Write-offs	(265)	-
Charged to the income statement	52	355
Exchange differences	(49)	(4)
Acquisition of subsidiaries	579	-
31 December	**1,400**	**1,083**

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. In general, the Group does not hold any collateral as security and delivery terms dictate that full title of ownership can be withdrawn for unpaid deliveries.

Aged receivables include amounts of €2.2 million for which new payment terms are being negotiated to resume payment. The anticipated credit loss is provided for.

12.2 Other financial assets

	31 December	31 December
Current	**2020**	**2019**
Prepayments	11,022	3,705
Tax and social securities	5,059	3,409
Other receivables	5,717	705
Other receivables	**21,798**	**7,819**
Non-current		
Issued loans	1,653	1,200
Other	5	11
Other non-current receivables	**1,658**	**1,211**
Total	**23,456**	**9,030**

Included in the issued loans is a loan of €1.2 million, ultimately due on 31 July 2026. The loan is secured by a mortgage on commercial real estate.

12.3 Derivative financial instruments

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are recognized and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

Recurring fair value measurements 31 December 2020	Level 1	Level 2	Level 3	Total
Financial assets				
Hedging derivatives – foreign currency contracts	-	201	-	201
Hedging derivatives – commodity contracts	-	666	-	666
Total financial assets	**-**	**867**	**-**	**867**
Financial liabilities				
Hedging derivatives – foreign currency contracts	-	4,412	-	4,412
Hedging derivatives – commodity contracts	-	109	-	109
Total financial liabilities	**-**	**4,521**	**-**	**4,521**

Recurring fair value measurements 31 December 2019	Level 1	Level 2	Level 3	Total
Financial assets				
Hedging derivatives – foreign currency contracts	-	515	-	515
Total financial assets	**-**	**515**	**-**	**515**
Financial liabilities				
Hedging derivatives – foreign currency contracts	-	454	-	454
Total financial liabilities	**-**	**454**	**-**	**454**

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as 'held for trading' for accounting purposes and are accounted for at fair value through profit or loss. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.

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. Commodity contracts relate to coffee and cocoa sales-and-purchases contracts with a term of less than 12 months, and relate to hedged items with a maturity of less than 12 months. The maximum exposure to credit risk at the reporting date is the fair value of the derivative assets in the consolidated balance sheet.

Forward foreign exchange contracts

The total notional principal amounts of the outstanding forward foreign exchange contracts as at 31 December 2020 were $93.7 million bought and $24.0 million sold, resulting in a total net amount of $69.7 million (2019: $12.3 million). Gains and losses recognized in the hedge reserve in equity (Note 14.2) on forward foreign exchange contracts as at 31 December 2020 are recognized in the income statement in the period or periods during which the hedged forecast transaction affects the income statement.

12.4 Cash and cash equivalents

Cash and cash equivalents consisted almost entirely of cash held in bank accounts.

12.5 Bank borrowings

Non-current	31 December 2020	31 December 2019
Bank borrowings	140,734	2,858
Capitalized arrangement fees	(4,331)	(31)
Total non-current	**136,403**	**2,827**
Current		
Bank overdrafts	124,715	59,959
Bank borrowings short-term part	16,025	6,225
Total current	**140,740**	**66,184**
Total bank borrowings	**277,143**	**69,011**

The carrying amounts of bank borrowings approximate their fair value due to the interest rates being variable. The bank borrowings are, to a large extent, borrowing-base working capital facilities, with variable interest rates, secured by inventories and trade receivables.

The movements in bank borrowings were as follows:

	Non-current	Current
1 January 2020	**2,858**	**66,184**
Transfer to short term	(16,025)	16,025
Proceeds from new borrowings	151,803	108,362
Repayments long-term borrowings	(1,052)	-
Net changes in short-term borrowings		(84,420)
Acquisition of subsidiaries	3,132	37,291
Other movements	163	1,711
Translation and currency differences	(145)	(4,413)
31 December 2020	**140,734**	**140,740**

Bank borrowings

As at 31 December 2020, the Group had the following long-term bank borrowings:

- A €3 million term loan (€1.9 million outstanding) repayable in 19 years, started on 1 January 2014;
- A €150 million drawing (full amount outstanding) under the €150 million acquisition term loan, repayable in five years with repayments of 15% per year, with a final payment of the remaining borrowing on 9 November 2025;
- A $2.1 million loan (full amount outstanding) repayable in two years, started on 7 May 2020.

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

Non-current bank borrowings	31 December 2020	31 December 2019
Denominated in euros	139,192	1,953
Denominated in US dollars	1,436	905
Denominated in other currencies	106	-
Total non-current bank borrowings	**140,734**	**2,858**

The maturity of bank borrowings is as follows:

Contractual repayments	31 December 2020	31 December 2019
2020	-	6,225
2021	16,025	163
2022	23,653	163
2023	23,569	1,067
After 2023	93,511	1,465
Total contractual repayments	**156,759**	**9,083**

Total interest liabilities, based on current interest rates, contractual terms and year-end 2020 working capital financial levels, are approximately €6.9 million for 2021 and approximately €27.5 million in total for the years 2022-2025.

Bank overdrafts

As at 31 December 2020, the Group had the following bank overdrafts:

- A borrowing base consisting of a €275 million revolving credit facility (RCF) replacing the previous agreement of €200 million, with a maturity on 9 November 2023.
- Short-term local facilities with variable interest rates to finance working capital of subsidiaries, secured by the Acomo parent company or intermediary Group holdings, in total amounting to €7.2 million and $33 million and €1.1 million equivalent denominated in other currencies.

Financial covenants remained unchanged compared to previous years, except by the additional leverage ratio applicable only on the term loan portion:

- Interest cover ratio must exceed 4.0x;
- Solvency must be 30% or higher, or 25% in a limited number of cases;
- Leverage ratio, applicable only on the €150 million term loan, decreasing over the course of the years, starting at 2.00:1.00 on 30 June 2021 and ending at 0.75:1.00 on 9 November 2025.

The Company is in compliance with all covenants, with sufficient headroom.

The new financing arrangement with respect to the RCF will also be secured by pledges on inventories and accounts receivable, and these are expected to be implemented in April 2021, in accordance with the terms stipulated in the agreement. On 31 December 2020, no actual pledges were still in place.

The outstanding and undrawn amounts under the overdraft facilities as at 31 December 2020 were as follows:

	In local currencies			
Working capital overdraft facilities	Total lines	Outstanding	Undrawn	Available in €
RCF	275,000	127,681	147,319	147,319
Local US dollar lines	32,964	14,704	18,260	14,849
Local euro lines	7,150	564	6,585	6,585
Local lines (other currencies in € equivalent)	1,123	538	586	586
Total in euro equivalent				
Total	**310,080**	**140,740**	**169,339**	**166,565**

13 Non-financial assets and liabilities

This note provides information about the Group's non-financial assets and liabilities, including specific information about each type of non-financial asset and non-financial liability:

- Intangible assets (Note 13.1)
- Property, plant and equipment (Note 13.2)
- Leases (Note 13.3)
- Inventories (Note 13.4)
- Deferred tax balances (Note 13.5)
- Employee benefit obligations (Note 13.6)
- Provisions (Note 13.7).

13.1 Intangible assets

1 January 2019	Goodwill	Software	Under construction	Other	Total
Cost or valuation	64,988	4,890	-	-	69,878
Accumulated amortization	-	(1,780)	-	-	(1,780)
Net book amount	64,988	3,110	-	-	68,098
2019					
Opening net book amount	64,988	3,110	-	-	68,098
Additions	-	185	-	-	185
Amortization	-	(757)	-	-	(757)
Exchange differences	762	65	-	-	827
Closing net book amount	**65,750**	**2,603**	**-**	**-**	**68,353**
31 December 2019					
Cost or valuation	65,750	5,004	-	-	70,754
Accumulated amortization	-	(2,401)	-	-	(2,401)
Net book amount	**65,750**	**2,603**	**-**	**-**	**68,353**
2020					
Opening net book amount	65,750	2,603	-	-	68,353
Additions	82,194	169	53	9	82,425
Acquisition of subsidiaries	-	332	217	59,849	60,398
Amortization	-	(756)	-	-	(756)
Exchange differences	(3,044)	(130)	-	(1)	(3,175)
Closing net book amount	**144,900**	**2,218**	**270**	**59,857**	**207,245**
31 December 2020					
Cost or valuation	144,900	5,375	270	59,857	210,302
Accumulated amortization	-	(3,157)	-	-	(3,157)
Net book amount	**144,900**	**2,218**	**270**	**59,857**	**207,245**

The other intangible assets mainly consist of acquired customer relations, order books and trade names/ certificates (see Note 16).

Goodwill

A summary of the goodwill allocation by reportable segments is presented below.

Goodwill	31 December 2020	31 December 2019
Spices and Nuts	21,474	21,474
Edible Seeds	26,669	28,601
Tea	10,458	11,570
Food Ingredients	4,105	4,105
Organic Ingredients	82,194	-
Total goodwill	**144,900**	**65,750**

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 an operating segment will not be less than the sum of the goodwill amount plus the net assets of the operating segment. 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 2021. The weighted average cost of capital (WACC) is based on the capital asset pricing model using a levered beta of 0.95. Based on the local tax rates, the applied WACC pre-tax for the different CGUs varies between 7.3% and 8.0%.
- A five-year forecast period is used (including approved 2021 budgets when applicable) followed by a terminal value based on perpetual 1.5% to 2.0% growth of revenues. Cash flows beyond 2021 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.

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 be required. The impairment tests performed separately would also not indicate any impairment if the future cash flows were set 10.0% lower than assumed.

The key assumptions used for value-in-use calculations in 2020 and 2019 were as follows:

Assumptions 2020	Spices and Nuts	Edible Seeds	Tea	Food Ingredients
Average future growth rates 2021-2025	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	7.3%	8.0%	7.5%	7.9%
Assumptions 2019				
Average future growth rates 2020-2024	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	8.5%	8.6%	8.6%	9.2%

13.2 Property, plant and equipment

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

1 January 2019	Land and buildings	Vehicles and machinery	Furniture, fittings and equipment	Assets under construction	Total
Cost or valuation	29,564	37,809	2,559	1,201	71,133
Accumulated depreciation	(9,721)	(21,708)	(1,647)	-	(33,076)
Net book amount	**19,843**	**16,101**	**912**	**1,201**	**38,057**
2019					
Opening net book amount	19,843	16,101	912	1,201	38,057
Investments	127	6,501	1,258	486	8,372
Disposals	-	(556)	(200)	-	(756)
Depreciation charge	(1,092)	(4,232)	(330)	-	(5,654)
Assets taken into operation	-	1,220	-	(1,220)	-
Exchange differences	361	372	46	-	779
Closing net book amount	**19,239**	**19,406**	**1,686**	**467**	**40,798**
31 December 2019					
Cost or valuation	29,691	44,974	3,617	467	78,749
Accumulated depreciation	(10,452)	(25,568)	(1,931)	-	(37,951)
Net book amount	**19,239**	**19,406**	**1,686**	**467**	**40,798**
2020					
Opening net book amount	19,239	19,406	1,686	467	40,798
Acquisition of subsidiaries	3,657	14,861	224	1,759	20,501
Investments	538	2,177	581	1,821	5,117
Disposals	-	(48)	(8)	-	(56)
Depreciation charge	(1,128)	(4,643)	(449)	-	(6,220)
Assets taken into operation	-	1,839	-	(1,839)	-
Exchange differences	(1,213)	(1,447)	(94)	(30)	(2,784)
Closing net book amount	**21,093**	**32,145**	**1,940**	**2,178**	**57,356**
31 December 2020					
Cost or valuation	31,286	59,003	4,294	2,178	96,761
Accumulated depreciation	(10,193)	(26,858)	(2,354)	**-**	(39,405)
Net book amount	**21,093**	**32,145**	**1,940**	**2,178**	**57,356**

The 2020 depreciation charge of total €6.2 million (2019: €5.7 million) has been included in cost of sales (€5.2 million) and general and administrative expenses (€1.0 million).

13.3 Leases

Amounts recognized in the balance sheet

The balance sheet shows the following amounts relating to leases:

	31 December	31 December
Right-of-use assets	**2020**	**2019**
Buildings	15,701	12,851
Vehicles	692	607
Furniture, fittings and equipment	480	497
Total	**16,873**	**13,955**

Additions to the right-of-use assets during 2020 were €3.2 million (2019: €8.4 million), excluding the additions as a result of the acquisition of Tradin Organic (€3.4 million).

Lease liabilities

The movement in the lease liabilities was as follows:

	2020
1 January	**14,504**
New leases	3,217
Remeasurements	(270)
Payment of leases	(3,431)
Interest	418
Acquisition of subsidiaries	3,390
Other	(14)
Exchange differences	(343)
31 December	**17,471**
Of which:	
Current	3,726
Non-current	13,745
Total	**17,471**

The maturity analysis of lease liabilities is presented below.

Maturity analysis	**Total**
2021	3,726
2022	3,001
2023	1,975
2024	1,609
2025	1,298
Onwards	5,862
Total	**17,471**

The total undiscounted commitment amounts to €18.7 million.

Amounts recognized in profit and loss

Depreciation charge of right-of-use assets	*Note*	2020	2019
Buildings		2,560	1,961
Vehicles		330	282
Furniture, fittings and equipment		191	241
Total		**3,081**	**2,484**
Interest expense (included in finance costs)	*9*	418	362

The total cash outflow for leases in 2020 was €3.4 million (2019: €2.5 million). Expense relating to short-term leases and low-value assets in 2020 was €1.6 million (2019: €1.7 million).

13.4 Inventories

	31 December 2020	31 December 2019
Raw materials	17,940	9,062
Semi-finished products	501	1,326
Finished goods	240,362	125,042
Packaging materials and supplies	6,904	5,477
Total inventories	**265,707**	**140,907**

The cost of inventories recognized as expense and included in cost of goods sold amounted to €606.7 million (2019: €587.4 million). As at 31 December 2020, the provision for write-down of inventories to net realizable value amounted to €4.4 million (2019: €2.9 million).

13.5 Deferred tax liabilities and assets

Deferred income tax position	31 December 2020	31 December 2019
Deferred tax assets	1,241	1,508
Deferred tax liabilities	(12,499)	(5,996)
Deferred tax liabilities, net	**(11,258)**	**(4,488)**

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

Total deferred income tax position	2020	2019
1 January	**(4,488)**	**(4,855)**
Recognized in OCI	72	112
Recognized in income	(1,517)	503
Currency translation effects	189	(122)
Acquisition of subsidiaries	(5,514)	-
Other movements	-	(126)
31 December	**(11,258)**	**(4,488)**

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

Movements 2020	1 January 2020	Recog-nized in OCI	Recog-nized in income	Currency translation effects	Acquisition subsidiaries	Other movements	31 December 2020
Intangible assets	201	-	(41)	1	(5,683)	(17)	(5,539)
Property, plant and equipment	(5,332)	-	396	548	(128)	(193)	(4,709)
Inventories	91	-	(740)	(10)	-	-	(659)
Current assets and liabilities, net	472	22	(148)	(388)	297	182	437
Pension provisions	505	50	(81)	2	-	90	566
Other provisions	(417)	-	172	36	-	(62)	(271)
Long-term debt	(8)	-	(1,075)	-	-	-	(1,083)
Total	**(4,488)**	**72**	**(1,517)**	**189**	**(5,514)**	**-**	**(11,258)**

Movements 2019	1 January 2019	Recog-nized in OCI	Recog-nized in income	Currency translation effects	Acquisition subsidiaries	Other movements	31 December 2019
Intangible assets	244	-	(88)	-	-	45	201
Property, plant and equipment	(5,283)	-	63	(112)	-	-	(5,332)
Inventories	(148)	-	388	(11)	-	(138)	91
Current assets and liabilities, net	564	49	(20)	(23)	-	(98)	472
Pension provisions	454	63	2	30	-	(44)	505
Other provisions	(637)	-	117	(6)	-	109	(417)
Long-term debt	(49)	-	41	-	-	-	(8)
Total	**(4,855)**	**112**	**503**	**(122)**	-	**(126)**	**(4,488)**

An amount of €0.4 million (2019: €0.9 million) is expected to be recovered within 12 months.

Deferred tax assets and liabilities related to the balance sheet captions as at 31 December 2020 and 31 December 2019 as follows:

2020	Assets	Liabilities	Net
Intangible assets	194	(5,733)	(5,539)
Property, plant and equipment	18	(4,727)	(4,709)
Inventories	92	(751)	(659)
Current assets and liabilities, net	437	-	437
Pension provisions	566	-	566
Other provisions	70	(341)	(271)
Long-term debt	-	(1,083)	(1,083)
Total	**1,377**	**(12,635)**	**(11,258)**
Set-off	(136)	136	-
Net position	**1,241**	**(12,499)**	**(11,258)**

2019	Assets	Liabilities	Net
Intangible assets	201	-	201
Property, plant and equipment	-	(5,332)	(5,332)
Inventories	145	(54)	91
Current assets and liabilities, net	472	-	472
Pension provisions	505	-	505
Other provisions	63	(480)	(417)
Long-term debt	-	(8)	(8)
Total	**1,386**	**(5,874)**	**(4,488)**
Set-off	122	(122)	-
Net position	**1,508**	**(5,996)**	**(4,488)**

As at 31 December 2020 deferred income tax liabilities of €1.5 million (2019: €1.5 million) had 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 €16.2 million as at 31 December 2020 (2019: €16.8 million).

13.6 Retirement benefit obligations

The retirement benefit obligations were as follows:

Balance sheet obligations	31 December 2020	31 December 2019
Pension benefits – defined benefit plans	2,022	2,134
Pension benefits – defined contribution plans	92	137
Liability in the balance sheet	**2,114**	**2,271**

The pension costs in the income statement were as follows:

Income statement charges	Note	2020	2019
Pension costs – defined benefit plans	8	64	86
Pension costs – defined contribution plans	8	2,013	1,807
Pension costs in the income statement		**2,077**	**1,893**

Pension benefits – defined benefit plans

Since the acquisition of Royal Van Rees Group, Red River Commodities 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 Royal Van Rees Group plan was changed into a defined contribution plan in 2014. 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 that were eligible up to mid-2008.

The remaining defined benefit plan in the US is externally funded. The Delinuts pension plan was changed into a defined contribution plan in 2018. Plan assets are held in trusts and at insurance companies, 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 were determined as follows:

	31 December	31 December
Net pension liability	2020	2019
Present value of funded obligations	5,722	5,755
Fair value of plan assets	(3,700)	(3,621)
Deficit of funded plans	**2,022**	**2,134**
Other pension liabilities	92	137
Total net pension liability	**2,114**	**2,271**

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

Actuarial pension obligations	2020	2019
1 January	**5,755**	**5,061**
Interest cost	179	216
Benefit payments	(312)	(348)
Remeasurements	644	713
Exchange differences	(544)	113
31 December	**5,722**	**5,755**

Actuarial results mainly consist of changes in financial assumptions.

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

Value plan assets	2020	2019
1 January	**3,621**	**3,008**
Expected return on plan assets	115	130
Remeasurements	424	438
Employer contributions	202	327
Benefit payments	(312)	(348)
Exchange differences	(350)	66
31 December	**3,700**	**3,621**

The plan assets mainly consist of equity instruments (€2.1 million) and debt instruments (€1.6 million).

The amounts recognized in the income statement were as follows:

Pension costs	*Note*	2020	2019
Interest cost		179	216
Return on plan assets		(115)	(130)
Total pension costs, included in personnel costs	*8*	**64**	**86**

The principal actuarial assumptions were as follows:

Actuarial assumptions	31 December 2020	31 December 2019
Discount rate	2.5%	3.2%
Mortality table	Pri-2012	Pri-2012
Correction	Scale MP-2020	Scale MP-2019

Actuarial calculations indicate that a 0.5% decrease in the discount rate used would affect the total liability by approximately 6.0%.

Total employer contributions expected to be paid during 2021 are estimated at €0.2 million.

Historical data	31 December 2020	31 December 2019	31 December 2018	31 December 2017
Defined benefit obligations	5,722	5,755	5,061	5,857
Fair values of plan assets	(3,700)	(3,621)	(3,008)	(3,502)
Deficit of funded plans	**2,022**	**2,134**	**2,053**	**2,355**

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

13.7 Provisions

	Legal	Other	Total
1 January 2020	**57**	**1,684**	**1,741**
Used	(16)	(1,100)	(1,116)
Charged to the income statement	60	3,352	3,412
Released to the income statement	-	(40)	(40)
31 December 2020	**101**	**3,896**	**3,997**
Analysis of total provisions			
Non-current	75	39	114
Current[1]	26	3,857	3,883
Total provisions	**101**	**3,896**	**3,997**

[1] Included in other current liabilities and accrued expenses

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 as at 31 December 2020 and after taking appropriate legal advice, the outcome of these legal claims will not give rise to any significant loss beyond the amounts provided as at 31 December 2020.

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.

14 Equity

14.1 Share capital and share premium reserve

The total authorized number of ordinary shares is 66.7 million shares (2019: 66.7 million shares) with a par value of €0.45 per share (2019: €0.45 per share). All 29.6 million issued shares (31 December 2019: 24.6 million) are fully paid.

During the year, the issued share capital increased by €2.2 million and share premium by €92.6 million due to issuance of 4,930,311 new ordinary shares of €0.45 each, as part of the funding of the acquisition of Tradin Organic (Note 16). New shares issued have the same rights as existing shares issued. Costs of €1.3 million (net of tax) to issue the new shares have been deducted from share premium.

The movements during 2020 and 2019 were as follows:

Share capital and share premium reserve	Number of shares	Share capital	Share premium reserve	Total
1 January 2019	**24,649,060**	**11,092**	**61,994**	**73,086**
New shares issued	2,500	1	34	35
31 December 2019	**24,651,560**	**11,093**	**62,028**	**73,121**
New shares issued	4,930,311	2,219	92,614	94,833
31 December 2020	**29,581,871**	**13,312**	**154,642**	**167,954**

14.2 Other reserves

	Currency translation reserve	Share option plan	Hedge reserve	Other reserves	Total
1 January 2019	**8,033**	**103**	**(39)**	**(182)**	**7,915**
Cash flow hedges	-	-	(146)	-	(146)
Employee share option scheme:					
• Value of employee services	-	35	-	-	35
• Tax credit, 25%	-	(9)	-	-	(9)
Currency translation adjustments (CTA)	2,327	-	-	-	2,327
Remeasurement gains/(losses) on defined benefit plans	-	-	-	(212)	(212)
31 December 2019	**10,360**	**129**	**(185)**	**(394)**	**9,910**
Cash flow hedges	-	-	(66)	-	(66)
Employee share option scheme:					
• Value of employee services	-	57	-	-	57
• Tax credit, 25%	-	(14)	-	-	(14)
Currency translation adjustments (CTA)	(9,243)	-	-	-	(9,243)
Remeasurement gains/(losses) on defined benefit plans	-	-	-	(169)	(169)
31 December 2020	**1,117**	**172**	**(251)**	**(563)**	**475**

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 15) 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 €14.6 million (2019: €21.6 million). Such limitations relate to share capital as well as to legal reserves required by Dutch law included under other reserves.

15 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 2020 share-based payment expenses charged to the consolidated statement of income amounted to €57 (2019: €35).

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 2020	Granted 2020	Cancelled 2020	Outstanding 31 December 2020	Exercise price per option (€)
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
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
2018	1 April 2021	1 April 2025	10,500	-	-	10,500	21.30
	1 April 2022	1 April 2025	5,250	-	(2,625)	2,625	21.30
	1 April 2023	1 April 2025	8,750	-	(4,375)	4,375	21.30
	1 April 2024	1 April 2025	10,500	-	(5,250)	5,250	21.30
2019	1 July 2022	1 July 2026	32,250	-	-	32,250	18.74
	1 July 2023	1 July 2026	16,125	-	-	16,125	18.74
	1 July 2024	1 July 2026	26,875	-	-	26,875	18.74
	1 July 2025	1 July 2026	32,250	-	-	32,250	18.74
2020	30 April 2023	30 April 2027	-	15,000	-	15,000	16.83
	30 April 2024	30 April 2027	-	7,500	-	7,500	16.83
	30 April 2025	30 April 2027	-	12,500	-	12,500	16.83
	30 April 2026	30 April 2027	-	15,000	-	15,000	16.83
Total			**220,500**	**50,000**	**(12,250)**	**258,250**	

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
2013	2.31	16.34	18.0%	4.4%	1.90%
2014	1.96	18.64	22.5%	5.0%	0.30%
2015	1.87	22.46	22.5%	5.1%	-0.10%
2018	1.25	21.30	17.5%	4.6%	0.19%
2019	0.95	18.74	17.5%	4.6%	-0.60%
2020	1.89	19.64	20.0%	4.8%	-0.70%

16 Business combination

16.1 Summary of acquisition

On 30 December 2020, the Group acquired a 100% controlling interest in The Organic Corporation B.V. and Tradin Organics USA LLC (together 'Tradin Organic').

Details of the purchase consideration, the preliminary purchase price allocation (net identifiable assets acquired) and goodwill were as follows:

Cash paid	267,900
Receivable on seller	(1,646)
Total purchase consideration	**266,254**

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

Cash	4,928
Trade and other receivables	53,486
Inventories	127,202
Property, plant and equipment	20,502
Right-of-use assets	3,390
Intangible assets	60,398
Financial fixed assets	453
Trade and other payables	(72,523)
Bank overdraft	(3,024)
Deferred tax assets and liability (net)	(5,514)
Derivatives	(710)
Lease liabilities	(3,390)
Net identifiable assets acquired	**185,198**
Less: non-controlling interests	(1,138)
Add: goodwill	82,194
Net assets acquired	**266,254**

The fair values of the identifiable assets and liabilities as at the acquisition date were based on the outcome of the preliminary purchase price allocation. Therefore, the fair values of the identifiable assets and liabilities were determined provisionally and are subject to change, awaiting further validation and verification of assumptions used, and the final settlement with the seller. The purchase price allocation will be finalized within 12 months from the acquisition date.

The goodwill was mainly attributable to the skills of the workforce, the international network and synergies expected in the areas of sourcing and commercial relationships. The goodwill arising from this acquisition is partly deductible for corporate income tax purposes.

a) Acquired receivables

The fair value of the acquired trade receivables was €41.6 million, with a loss allowance of €0.6 million recognized on acquisition.

b) Accounting policy choice for non-controlling interests

The Group recognizes non-controlling interests in an acquired entity either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by-acquisition basis. For the non-controlling interests in Tradin Organic, the Group has elected to recognize the non-controlling interests at its proportionate share of the acquired net identifiable assets.

c) Revenue and profit contribution
Since the business was acquired on 30 December 2020, there was no material impact on the revenues and net profit of the Group for the year ended 31 December 2020.

If the acquisition had occurred on 1 January 2020, consolidated pro-forma revenue and net profit for the year ended 31 December 2020 would have been estimated at €1.2 billion and €48 million respectively. In determining these amounts, management has assumed that the amortization of fair value adjustments and related effects, determined provisionally, that arose on the date of acquisition, would have been the same if the acquisition had occurred on 1 January 2020.

16.2 Purchase price consideration – cash outflow

Outflow of cash to acquire subsidiary, net of cash acquired	2020	2019
Cash consideration	**267,900**	-
Less balances acquired:		
Cash	4,928	-
Bank overdraft	(3,024)	-
	1,904	-
Net outflow of cash – investing activities	**265,996**	-

Acquisition-related costs
Acquisition-related costs of €4.2 million that were not directly attributable to the issue of shares or the refinancing are included in general and administrative expenses in the consolidated statement of income and in operating cash flows in the consolidated statement of cash flows.

17 Contingencies and commitments

The Group has contingent liabilities in respect of legal claims arising in the ordinary course of business. Besides the recognized provisions (Note 13.7), the Company is from time to time involved in liability disputes. Under certain circumstances, Acomo or its customers may be required to recall or withdraw products. This could result in significant losses. The Group maintains product recall and general liability insurance levels that it believes to be adequate. However, Acomo cannot assure that no liability claims are incurred which are not covered by insurance policies. These claims could potentially have a materially adverse effect on the financial position of the Company. Besides the claims provided for (Note 13.7), the Company cannot reasonably predict potential financial losses to the Company arising from other disputes and/or claims.

18 Related party transactions

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

19 Subsequent events

There are no subsequent events that require disclosure in the financial statements.

FINANCIAL STATEMENTS

COMPANY

Chamber of Commerce No. 24.191.858

INCOME STATEMENT

BALANCE SHEET AS AT 31 DECEMBER

NOTES TO THE COMPANY FINANCIAL STATEMENTS

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

COMPANY INCOME STATEMENT

(in € thousands)

	Note	2020	2019
Other revenue		2,333	2,338
Total revenue		**2,333**	**2,338**
Personnel expenses		(2,266)	(1,650)
Depreciation		(252)	(222)
General and administrative expenses		(5,290)	(2,197)
Total costs		**(7,808)**	**(4,069)**
Operating income		**(5,475)**	**(1,731)**
Financial income/(expenses)		(593)	(322)
Result before income tax		**(6,068)**	**(2,053)**
Corporate income tax		516	609
Result subsidiaries and affiliates	*1.1*	32,587	33,521
Net profit		**27,035**	**32,077**

The notes on pages 122 to 125 are an integral part of these Company financial statements.

COMPANY BALANCE SHEET AS AT 31 DECEMBER

(in € thousands, before profit appropriation)

Assets		31 December	31 December
Non-current assets	*Note*	**2020**	**2019**
Other intangibles		41	64
Property, plant and equipment		43	42
Right-of-use assets		656	853
Investment in subsidiaries and affiliates	*1.1*	482,561	216,524
Total non-current assets		**483,301**	**217,483**
Current assets			
Other receivables and prepayments	*1.2*	12,314	7,563
Total current assets		**12,314**	**7,563**
Total assets		**495,615**	**225,046**
Equity and liabilities			
Shareholders' equity			
Share capital		13,312	11,093
Share premium reserve		154,642	62,028
Legal reserves		1,289	10,489
Other reserves		91,980	87,255
Net profit for the year		27,035	32,077
Total shareholders' equity	*1.3*	**288,258**	**202,942**
Non-current liabilities and provisions			
Lease liabilities		476	665
Provisions for deferred income tax liabilities	*1.2*	2,034	262
Total non-current liabilities and provisions		**2,510**	**927**
Current liabilities			
Bank borrowings		4,551	2,525
Lease liabilities		203	199
Amounts owed to Group subsidiaries	*1.2*	194,698	16,678
Other liabilities and accrued expenses		5,395	1,775
Total current liabilities		**204,847**	**21,177**
Total equity and liabilities		**495,615**	**225,046**

The notes on pages 122 to 125 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.

Acomo is the parent company of the Group. Its revenue consists of management fee income from subsidiaries.

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

Acomo and most of 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 2.4 of the consolidated financial statements.

Investments in subsidiaries and affiliates	2020	2019
1 January	**216,524**	**194,334**
Net profit for the year	32,587	33,521
Dividends paid out	(23,326)	(13,263)
Currency translation differences	(9,243)	2,327
Pension movements through OCI	(169)	(212)
Acquisition of subsidiaries	266,254	-
Other equity movements	(66)	(183)
31 December	**482,561**	**216,524**

1.2 Other receivables and prepayments – deferred tax liabilities – amounts owed to group companies

Other receivables and prepayments consist of a receivable on a group company and prepaid income taxes 2019 and 2020, which will be charged to the related subsidiaries in 2021. 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 determined per subsidiary and are settled through the inter-company current accounts, with a subsequent payment by the Company to the tax authorities.

1.3 Shareholders' equity

	Share capital	Share premium reserve	Legal reserves	Other reserves	Net profit for the year	Total equity
Balance 1 January 2019	**11,092**	**61,994**	**8,136**	**81,193**	**31,107**	**193,522**
Net profit 2019	-	-	-	-	32,077	32,077
Dividends relating to 2018, final	-	-	-	(14,789)	-	(14,789)
Dividends relating to 2019, interim	-	-	-	(9,861)	-	(9,861)
Currency translation adjustments (CTA)	-	-	2,327	-	-	2,327
Appropriation of net profit	-	-	-	31,107	(31,107)	-
Non-controlling interests	-	-	-	(37)	-	(37)
New shares issued	1	34	-	-	-	35
Employee share option scheme effects	-	-	26	-	-	26
Change in cash flow hedges	-	-	-	(146)	-	(146)
Remeasurement gains/(losses) on defined benefit plans	-	-	-	(212)	-	(212)
Balance 31 December 2019	**11,093**	**62,028**	**10,489**	**87,255**	**32,077**	**202,942**
Net profit 2020	-	-	-	-	27,035	27,035
Dividends relating to 2019, final	-	-	-	(17,256)	-	(17,256)
Dividends relating to 2020, interim	-	-	-	(9,861)	-	(9,861)
Currency translation adjustments (CTA)	-	-	(9,243)	-	-	(9,243)
Appropriation of net profit	-	-	-	32,077	(32,077)	-
New shares issued	2,219	92,614	-	-	-	94,833
Employee share option scheme effects	-	-	43	-	-	43
Change in cash flow hedges	-	-	-	(66)	-	(66)
Remeasurement gains/(losses) on defined benefit plans	-	-	-	(169)	-	(169)
Balance 31 December 2020	**13,312**	**154,642**	**1,289**	**91,980**	**27,035**	**288,258**

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 2020, 29.6 million (2019: 24.6 million) shares were issued and fully paid. The issued share capital increased in 2020 by 4,930,311 shares (2019: 2,500) as a result of new shares issued to partly fund the acquisition of Tradin Organic.

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 2020, the average number of employees employed by the Company was nine full-time equivalents (2019: eight), at year-end nine (2019: eight). All employees were 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:

Fees PwC 2020	In the Netherlands	Network outside the Netherlands	Total
Audit	417	180	597
Audit-related[1]	4	-	4
Tax[2]	-	60	60
Total fees PwC	**421**	**240**	**661**

[1] Agreed-upon procedures regarding compliance bank covenants and other financial information

[2] Relates to tax compliance services in Kenya, the USA and Belgium

Fees PwC 2019	In the Netherlands	Network outside the Netherlands	Total
Audit	305	186	491
Audit-related	4	-	4
Tax	-	50	50
Total fees PwC	**309**	**236**	**545**

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 Audit Firms Supervision 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 2020 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 group companies in the Netherlands and for the group company in Germany. 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 most of 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 Remuneration report on page 64 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 2020 and 2019 remuneration to the Executive Director is shown below:

Remuneration Executive Director

2020	Salary	Short-term bonus	Post-employment benefits	Share-based compensation	Total
Goldschmeding	286	649	25	23	983
Total Executive Director	**286**	**649**	**25**	**23**	**983**
2019					
Goldschmeding	275	438	25	12	750
Total Executive Director	**275**	**438**	**25**	**12**	**750**

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 2020 and will be paid out in 2021.

Executive Director	Year of grant	Outstanding 1 Jan 2020	Granted 2020	Exercised 2020	Outstanding 31 Dec 2020	Exercise price (€)	Expiry date
Goldschmeding	2015	50,000	-	-	50,000	22.46	01-12-22
	2020	-	50,000	-	50,000	16.83	30-04-27

See Note 15 of the consolidated financial statements for a description of the share option plan.

Remuneration Non-Executive Directors	2020	2019
Stuivinga[1]	106	106
Groothuis	85	85
Gottesman[1]	95	95
Niessen	85	85
Total	**371**	**371**

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

As at 31 December 2020, 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 30 April 2020, the profit for 2019 has been appropriated in conformity with the proposed appropriation of profit stated in the 2019 financial statements.

The net profit for 2020 attributable to the shareholders amounting to €27.0 million shall be available in accordance with Article 24 of the Company's Articles of Association.

An interim dividend of €0,40 per share was paid in August 2020. The Company will not distribute a final dividend. Therefore, the total 2020 dividend remains €0,40 per share.

The residual profit is proposed to be added to reserves.

Rotterdam, 11 March 2021

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 the Board of Directors of Amsterdam Commodities N.V.

Report on the financial statements 2020

Our opinion

In our opinion:

- Amsterdam Commodities N.V.'s consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2020 and of its result and 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;
- Amsterdam Commodities N.V.'s Company financial statements give a true and fair view of the financial position of the Company as at 31 December 2020 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 2020 of Amsterdam Commodities N.V., Rotterdam ('the Company'). The financial statements include the consolidated financial statements of Amsterdam Commodities N.V. together with its subsidiaries ('the Group') and the Company financial statements.

The consolidated financial statements comprise:

- The consolidated balance sheet as at 31 December 2020;
- The following statements for 2020: the consolidated statement of income and the consolidated statements of comprehensive income, cash flows and changes in equity; and
- The notes to the consolidated financial statements, comprising significant accounting policies and other explanatory information.

The Company financial statements comprise:

- The Company balance sheet as at 31 December 2020;
- The Company income statement for the year then ended;
- The notes to the Company financial statements, comprising the accounting policies applied and other explanatory information.

The financial reporting framework 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. We have further described our responsibilities under those standards 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 – Dutch Code of Ethics).

Our audit approach

Overview and context

Amsterdam Commodities N.V. is active in the sourcing, trading, processing, packaging and distribution of (non-quoted) conventional and organic 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 following:

30 December 2020 Acomo acquired SunOpta's international organic ingredients business comprising the Organic Corporation B.V. and Tradin Organics USA LLC (together 'Tradin Organic'). The acquisition is accounted in the 2020 year-end balance sheet with certain one-off acquisition related cost expensed in the income statement. This affected the scope of our group audit and our audit procedures as described in the section 'Key audit matters - Assessment of Purchase Price Allocation ('PPA') from the acquisition of Tradin Organic'.

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 judgement in applying accounting policies and the key sources of estimation uncertainty. Given the volatility in (non-quoted) commodity prices and exchange rates we considered valuation of the inventories, commodity trading positions and foreign exchange contracts to be a key audit matter. The credit risk of the debtors and uncertainty in the timing of the delivery of the products resulted in the collectability of trade receivables and recognition of revenue to be a key audit matter as well. The PPA of Tradin Organic is a new key audit matter this year.

Other areas of focus, that were not considered as key audit matters were, the impact of COVID-19 on the business (including government support) as the financial impact of COVID-19 on the result and the going concern of Acomo was not signficant and the level of government support was limited, changes in presentation and accounting policies as this is a change in the presentation in the income statement account and does not influence the result or equity of Acomo, fraud as explained below and goodwill impairment testing as there is significant headroom, where any reasonable change in assumptions would not lead to an impairment.

We ensured that the audit teams at both group and component level 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 and financial instruments in our team.

The outline of our audit approach was as follows:

Materiality

- Overall materiality: €2.1 million (rounded)

Audit scope

- We have audited the financial information of six components. For three other components we performed specified audit procedures. In connection with the acquistition of Tradin Organic our audit scope was expanded to include the audit of the opening balance sheet of Tradin Organic.
- Due to travel restrictions we have not been able to perform site visits, hence video calls were conducted throughout the year with our component auditors in Belgium, Canada, Sri Lanka, Kenya and the United States. The audits and specified procedures of the Dutch components were all performed with involvement of the group engagement team, for the main part on a remote basis.
- Audit coverage: 94% of consolidated revenue, 93% of consolidated total assets and 92% of consolidated profit before tax.

Key audit matters

- Valuation of inventories, (non-quoted) commodity trading positions and foreign exchange contracts.
- Collectability of trade receivables and recognition of revenue.
- Assessment of purchase price allocation ('PPA') from the acquisition of Tradin Organic.

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 judgement, 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 - rounded (2019: €2 million - rounded).
Basis for determining materiality	We used our professional judgement to determine overall materiality. As a basis for our judgement we used 5% of profit before tax (rounded) excluding the acquisition related expenses of €4.2 million, which we audited at group level.
Rationale for benchmark applied	We used profit before tax as the primary 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 €0.7 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 misstatements identified during our audit above €105,000 (2019: € 100,000) 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 component level by the Group engagement team and by each component auditor.

The 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 28 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 eleven subsidiaries located across the globe with an oversight role by the 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.).

- Tradin Organic was acquired on 30 December 2020. We performed the procedures as included in the key audit matter 'Assessment of Purchase Price Allocation ('PPA') from the acquisition of Tradin Organic'.

Our group audit scoping and the involvement of the group audit team for components where we performed an audit of the financial information (full scope audit) or specified audit procedures, is included in the table below.

Specified audit procedures have been performed for three components to achieve the appropriate coverage on financial line items in the consolidated financial statements.

Component	Significant component	Involvement from the group audit team	Scoping
Amsterdam Commodities N.V.	V	V	Full scope audit
Catz International B.V.	V	V	Full scope audit
Red River Commodities Inc.	V	V	Full scope audit
King Nuts B.V.	V	V	Full scope audit
Van Rees Group B.V. (consolidated)	V	V	Full scope audit
Snick EuroIngredients N.V.		V	Full scope audit
Delinuts B.V.		V	Specified audit procedures
Red River-van Eck B.V.		V	Specified audit procedures
Sigco Warenhandelsgesellshaft mbH		V	Specified audit procedures

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

Revenue	94%
Total assets	93%
Profit before tax	92%

None of the remaining components represented more than 2% of total Group revenue and not more than 2% of total Group assets or Group profit before tax. For those remaining components we performed, among other things, 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 had video calls with all components in 2020, as set out in this scoping paragraph above. 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 component auditors performed the work, we determined the level of involvement we needed to have in their audit work to be able to conclude whether we had obtained sufficient and appropriate audit evidence as a basis for our opinion on the consolidated financial statements as a whole.

We issued instructions to the component auditors in our audit scope. These instructions included amongst others our risk analysis and scope of the work. 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 the consolidated financial statements. Furthermore, we attended all the closing meetings of the component audits (through video calls) and reviewed selected working papers for the components where a full scope audit is performed.

The group engagement team performed the audit work on the group consolidation, financial statement disclosures and a number of complex items at the head office. These items include, but are not limited to the purchase price allocation for Tradin Organic, re-financing, goodwill impairment testing, valuation of derivative financial instruments, tax accounting, segmentation and share based payments.

By performing the procedures above at components, combined with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence on the Group's financial information, as a whole, to provide a basis for our opinion on the financial statements.

Our focus on the risk of fraud and non-compliance with laws and regulations

Our objectives
We assess and respond to the risk of fraud in the context of our audit of the financial statements. In this context and with reference to the sections on responsibilities in this report, our objectives in relation to fraud are:

- To identify and assess the risks of material misstatement of the financial statements due to fraud;
- To obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate audit responses; and
- To respond appropriately to fraud or suspected fraud identified during the audit.

In respect to non-compliance with laws and regulations:

- To identify and assess the risk of material misstatement of the financial statements due to non-compliance with laws and regulations; and
- To obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether due to fraud or error when considering the applicable legal and regulatory framework.

The primary responsibility for the prevention and detection of fraud and non-compliance with laws and regulations lies with the Board of Directors.

Our risk assessment
We obtained an understanding of the entity and its environment, including the entity's internal control. We made inquiries with the Board of Directors and local management. In addition, we considered other external and internal information. As part of our process of identifying fraud risks, we evaluated fraud risk factors both at central and component level with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. Fraud risk factors are events or conditions, which indicate an incentive or pressure, an opportunity, or an attitude or rationalisation to commit fraud. We evaluated the fraud risk factors to consider whether those factors indicated risks of material misstatement due to fraud.

In addition, we performed procedures to obtain an understanding of the legal and regulatory frameworks that are applicable for the Group. We identified provisions of those laws and regulations, generally recognized to have a direct effect on the determination of material amounts and disclosures in the financial statements such as the financial reporting framework and tax laws and regulations.

As in all of our audits, we 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. Given the territories the Group operates in, we considered the risk of bribery and corruption taking into account the corruption perception index of the countries of operation and updated our understanding of the internal controls that the Group has in place to address and manage this risk when doing business in higher risk countries.

Our response to the risk of fraud

- We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness of internal controls that mitigate fraud risks.
- We performed data analysis of high-risk journal entries and evaluated key estimates and judgements for bias by Amsterdam Commodities N.V., including retrospective reviews of prior year's estimates. Where we identified instances of unexpected journal entries or other risks through our data analytics, we performed additional audit procedures to address each identified risk. These procedures also included testing of transactions back to source information.
- We performed inquiries with the Board of Directors and local management for actual or suspected fraud incidents noted within the Group through the whistle-blower process or otherwise.
- We considered the possibility of fraudulent or corrupt payments made across various countries of operation determined by a risk-based process and included contracts with commission in our testing.
- We also reviewed payments made and received through cash transactions.
- We incorporated an element of unpredictability in our audit.
- We considered the outcome of our other audit procedures and evaluated whether any findings or misstatements were indicative of fraud. If so, we re-evaluated our assessment of fraud risk and its resulting impact on our audit procedures.
- We obtained audit evidence regarding compliance with the provisions of those laws and regulations generally

- recognized to have a direct effect on the determination of material amounts and disclosures in the financial statements.
- As to the other laws and regulations, we inquired with local management and/or the Board of Directors as to whether the entity is in compliance with such laws and regulations and inspected correspondence, if any, with relevant licensing and regulatory authorities.

We refer to the key audit matters below, that are examples of our approach related to areas of higher risk due to accounting estimates where the Board of Directors makes significant judgements.

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 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.

We addressed the key audit matters 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 made on the results of our procedures should be read in this context.

Key audit matter	*Our audit work and observations*
Valuation of inventories, (non-quoted) commodity trading positions and foreign exchange contracts (note 2.10, 2.11, 2.20, note 12.3, 13.4 and 13.7) 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. Certain operating companies use derivative financial instruments to hedge risks associated with foreign currency risk (mainly Euro/US Dollar exposures). In the Tea segment, hedge accounting is applied. 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' (non-quoted) commodity trading positions and could therefore result in significant inventory write-downs to net realisable value and/or losses on onerous contracts. This assessment requires judgement based on historic trades, as there are no direct observable market prices available.	Our audit was largely substantive in nature. In some areas, 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, authorization of trading transactions and accounting of these transactions in the financial and operational systems. We assessed the Company's hedging policies for their foreign exchange risk exposure. We tested the recognition at fair value of derivative financial instruments based on market data together with our financial instruments specialists and we investigated, for the Tea segment, whether the hedge accounting has been applied correctly. Based on these audit procedures performed, we noted no material exceptions. We tested inventory for their existence by obtaining third party warehouse confirmations, including attending inventory counts on significant locations, where physical attendance was restricted due to Covid-19, alternative procedures have been performed. We tested the inventory pricing through reconciliation with purchase contracts. For the effects of price movements, we assessed the Company's trading guidelines, positions per product group and overall positions. We tested and challenged

The activities and processes as set out above are complex and require judgement, we therefore considered the valuation of inventories, (non-quoted) commodity trading positions and foreign exchange contracts a key audit matter.

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.

Based on the aforementioned audit procedures performed, we found management's judgement around the valuation of the inventories and trading positions reasonable and we noted no material exceptions

Key audit matter

Collectability of trade receivables and recognition of revenue (note 2.12 / 2.21, note 12.1)

Trade receivable balances are significant to Acomo as they represent 18% of the consolidated balance sheet (refer to note 12.1 to the financial statements). The collectability of trade receivables is a risk as Acomo is trading with customers worldwide and judgement 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 with delivery, worldwide, frequent changes in planned delivery dates and requirements of customers, various shipping terms are in place, which impact the revenue recognition.

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

Our audit work and observations

We have challenged the assumptions used to calculate the trade receivables impairment amount based on the expected credit loss model, notably through assessing specific local risks, detailed analyses of ageing of receivables and assessment of individual significant overdue trade receivables, combined with legal documentation, where applicable and testing of receipts after the year-end.

We found management's judgement around the collectability of trade receivables reasonable.

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 revenue recognition in accordance with EU-IFRS 15 based on the shipping terms agreed with customers. Furthermore, 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 aforementioned audit procedures performed, we noted no material exceptions.

Key audit matter	Our audit work and observations
Assessment of Purchase Price Allocation ('PPA') from the acquisition of Tradin Organic (note 2.4 and note 16) On 30 December 2020 Acomo acquired SunOpta's international organic ingredients business comprising the Organic Corporation B.V. and Tradin Organics USA LLC (together 'Tradin Organic'). Acomo accounted for the acquisition as a business combination in accordance with IFRS 3. This standard requires assets acquired and liabilities assumed to be measured at their fair values at the acquisition date. The PPA is preliminary as there may be changes to the purchase consideration and the value attributed to the asset and liabilities identified. Management engaged with external valuation experts to perform the PPA and to assist management with the identification of identifiable assets and liabilities in the respective business combination. Because of the significant assumptions and estimates in the PPA we consider this a key audit matter. The acquisition and PPA impacted Acomo's financial position as follows: • A purchase consideration of €266 million. • Assets acquired of €270 million (excluding deferred taxes and goodwill), mainly trade and other receivables and inventories. • Liabilities assumed (excluding deferred taxes) of €79 million. • Resulting in €82 million goodwill. As the business was acquired on 30 December 2020 there was no material impact on the revenue and net profit for the year. Management disclosed the acquisition in note 16 of the financial statements.	In our audit we assessed the financial impact of the acquisition and the PPA of Tradin Organic, supported by our valuation experts. We obtained an understanding of the acquisition and the related transactions and discussed these with management. We reconciled the purchase agreement, acquisition costs incurred, payments and other supporting documentation with the PPA. We assessed the PPA calculations and allocation through the following procedures: We obtained the report issued by the external valuation expert engaged by management. We assessed the competence, capabilities and objectivity of management's external valuation expert. We made use of our valuation expert to assess the asset identification process, the methodology adopted by management's external valuation expert and the assumptions applied, which included the discount rate used in the models. We found the asset identification process, methodology and assumptions to be reasonable. We issued instructions to the external auditor of Tradin for the audit of the opening balance sheet. We discussed and reviewed the outcome of their work including a review of selected working papers through a video call and supplemented with own audit procedures. We reconciled the opening balance sheet, including the conversion to the Acomo accounting principles to the PPA performed by management. We identified no material exceptions. We assessed management's analysis of the impact on the income statement for the last two days of business in this financial year. This was deemed not material. We find this to be reasonable We assessed the disclosure of the acquisition for compliance with IFRS 3. Based on the aforementioned audit procedures performed, we noted no material exceptions.

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, Consolidated figures, Letter from the Board, Business performance, The Acomo group, Catz Charity Foundation, Risk management and control, Remuneration report, Governance, The Board of Directors, The Acomo share, Operating companies, 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;
- Contains the information that is required by Part 9 of Book 2 and the sections 2:135b and 2:145 subsection 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 and section 2:135b subsection 7 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 management board report and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code and the remuneration report in accordance with the sections 2:135b and 2:145 subsection 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. following the passing of a resolution by the shareholders at the annual meeting held on 30 April 2014. Our appointment has been renewed annually by shareholders representing a total period of uninterrupted engagement appointment of seven 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

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.

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, 11 March 2021

PricewaterhouseCoopers Accountants N.V.

P. Jongerius RA

Appendix to our auditor's report on the financial statements 2020 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 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 of shareholders
AScX	Amsterdam Small Cap Index
BRC	British Retail Consortium Global Standard for Food Safety
CAGR	Compound annual growth rate
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
EPS	Earnings per share
ERP	Enterprise resource planning
ESG	Environmental, social and governance
FCA	Feed Chain Alliance
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
GDP	Gross domestic product
GFSI	Global Food Safety Initiative
GIA	General intelligence assessment
GRI	Global Reporting Initiative
HACCP	Hazard analysis and critical control points
IAS	International accounting standard
IFRS	International Financial Reporting Standards
ISIN	International securities identification number
ISO	International Organization for Standardization
MRL	Maximum residue level
MSC	Marine Stewardship Council
NGO	Non-governmental organization
OCI	Other comprehensive income
OECD	Organisation for Economic Cooperation and Development
PLM	Product lifecycle management
PPA	Purchase price allocation
PPE	Property, plant and equipment
RA	Rainforest Alliance
RCF	Revolving credit facility
ROE	Return on equity
RONCE	Return on net capital employed
RSPO	Roundtable on Sustainable Palm Oil
SDG	Sustainable Development Goals
Skal	Dutch control authority for organic production
SRD	Shareholder Rights Directive
The Code	Dutch Corporate Governance Code
UTZ	UTZ certified
WACC	Weighted average cost of capital
WMS	Warehouse management system
Wta	Dutch Audit Firms Supervision Act

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 expense 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.

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 his annual pay.

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Chamber of Commerce No. 24.191.858

The National Archives in The Hague are the largest public archives in the Netherlands. With a history of its own that dates back to the early 1800s, the organization covers 1,000 years of Dutch history in 137 kilometres of documents, 800 terabytes of digital files, 15 million photographs and 300,000 maps and drawings. It acts as the official archivist for the government of the Kingdom of the Netherlands and its predecessors, the Dutch Royal House and many other organizations and individuals of national importance.

The National Archives are expert advisers in information and records management, as well as leaders in the art of making history accessible to a broad and diverse audience. The organization develops popular exhibitions, supports education and opens its doors to scholars and journalists for historical research.

Captains of History

The National Archives receive additional support from many individuals and companies. Individuals can register as friends of the National Archives, while options for companies include the partner programme 'Captains of History'.

The Captains of History are a group of leading Dutch companies which, 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 preserve the nation's cultural heritage for generations to come.

For more information about the National Archives and options to become a supporter, please visit **www.nationaalarchief.nl/captains** or contact **genootschap@nationaalarchief.nl**.

Images

Page 6
Handwritten document from the East Indies to Hortus Botanicus Amsterdam, with descriptions of the plants and their uses. Source: Nationaal Archief, 1.04.02, No. 6990

Page 7
Illustration of *Moringa oleifera*, the horseradish tree, in the Moninckx Atlas. Source: Hortus Botanicus Amsterdam, the Netherlands

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Chocolate SunButter®, the latest addition to the highly successful range of SunButter® sunflower butters made with nutritious ingredients

Page 39
Defining the heat treatment process parameters at FISCe in Etten-Leur, the Netherlands

Page 71
Checking and preparing tea samples at the Van Rees office in Rotterdam, the Netherlands

Special thanks to Reinout Havinga and Martin Smit of Hortus Botanicus Amsterdam, Gerda van Uffelen of Hortus botanicus Leiden, and Ron Guleij of Nationaal Archief for their input towards the History pages (6-7)

Production Acomo **Project coordination** Scribo'nea **Copy editing** Egbert van Heijningen
Graphic design Elan, Rijswijk **Print** Quantes, Rijswijk **Photography** Sjors Massar
Paper cover sulphate cardboard 260 gsm, inside pages multi-offset white 100 gsm, FSC certified

FSC®

Bridging your needs

The Acomo Group sources, trades, processes, packages and distributes conventional and organic food products and ingredients for the food and beverage industry in more than 100 countries across the world. In these activities the Group strives to add value in each part of the food value chain.

The activities of our operating companies are bundled in five product segments: Spices and Nuts, Edible Seeds, Tea, Food Ingredients and Organic 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.

ACOMO

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