

PRESS RELEASE: HALF-YEAR REPORT 2022

Interim dividend set at €0.45 per share

ACOMO CONTINUES TO DELIVER STRONG RESULTS IN TURBULENT TIMES WITH +15% INCREASE IN SALES AND +9% INCREASE IN NET PROFIT TO €31.2 MILLION IN H1 2022 (H1 2021: €28.6 MILLION), FURTHER INCREASING EPS FOR THE PERIOD BY +8% TO €1.05 (H1 2021: €0.97)

ROTTERDAM (NL), 26 JULY 2022

Today, ACOMO N.V., the Euronext Amsterdam-listed natural food products and ingredients Group, reports an increased EBITDA by +5% to €56.1 million for the first six months of 2022 versus prior year. Earnings per share increased by +8% to €1.05. This strong result was achieved in turbulent market circumstances fueled by geopolitical events, continued COVID-19 lockdown impacts, and a major change in the USD/EUR exchange rate. The results are evidence of the robustness of Acomo's business model and the resourcefulness of employees and partners.

(in € millions)	H1 2022	H1 2021	Change vs H1 2021
Sales	711.9	620.2	+15%
EBITDA	56.1	53.4	+5%
Net profit	31.2	28.6	+9%
EPS in €	1.05	0.97	+8%

'We are pleased with the Group's overall performance in the first half of 2022. Despite numerous unforeseen challenges and unprecedented events, including Russia's invasion of Ukraine, unrest in Sri Lanka, another wave of COVID lockdowns in China, and inflationary pressures around the globe, the Acomo businesses continue to demonstrate resilience, agility, and relevance to customers,' said CEO Kathy Fortmann. 'In addition to delivering strong results, we are realizing our mission of enhancing access to plant-based and natural food products and ingredients through sustainable supply chains. We have taken significant strides with our ESG strategy and fostered more collaboration within the Group. Acomo's Board of Directors is very pleased with the Group's overall performance and progression.'

The first six months of 2022 saw continued good demand for Acomo's on-trend plant-based and natural products and ingredients. Following increased price levels over last year, the market price levels of a limited number of the company's major product groups saw some decline over the last few months. The first half of 2022 was also characterized by a number of uncertainties and unexpected global developments. Global supply chains were affected by new and ongoing bottlenecks and disruptions, and inflationary pressures are leading to higher food and energy prices.

Acomo's professional teams successfully navigated these challenges thanks to extensive sourcing networks and the diversified product portfolio. The teams were successful in securing uninterrupted access to products and transportation capacity. All

segments of the Group reported substantially higher sales versus the same period last year. Edible Seeds, Tea and Food Ingredients realized double-digit profit growth, while Organic Ingredients profit was slightly below previous year, and Spices and Nuts reported a lower profit versus last year's record performance.

The strengthening of the US dollar versus the euro in H1 2022 compared to H1 2021 resulted in a positive translation impact of +€32.8 million on sales and +€1.8 million on net profit. As most sourced products are quoted in US dollar, the strength of the US dollar also led to an increase in working capital, resulting in higher euro prices, and increasing inventory value and accounts receivable.

Key figures H1 2022

Consolidated figures (in € millions)	H1 2022	H1 2021
Sales	711.9	620.2
Gross profit	95.7	83.6
EBITDA	56.1	53.4
Operating income (EBIT)	46.4	42.2
Financial result	(3.9)	(3.5)
Corporate income tax	(11.3)	(10.1)
Net profit	31.2	28.6
Shareholders' equity	404.3	327.7
Total assets	948.5	755.8
Ratios		
Solvency – shareholders' equity as % of total assets	42.6%	43.4%
Earnings and equity per share (in €)		
Earnings per share	1.05	0.97
Equity per share as at 30 June	13.651	11.073

Over the first six months of 2022, Acomo's consolidated sales increased by +15% to €711.9 million (H1 2021: €620.2 million) due to higher volumes, increased prices, and a stronger US dollar/euro exchange rate. Gross profit increased by +15% to €95.7 million (H1 2021: €83.6 million). Gross profit as a percentage of sales was stable at 13.4%. For the first half of 2022, net profit increased by +9% to €31.2 million (H1 2021: €28.6 million). Total costs increased to €49.3 million (H1 2021: €41.4 million), due to cost inflation and the stronger US dollar resulting in a negative FX conversion impact.

The interest expenses increased by €0.4 million due to higher average borrowings and an increased interest rate for US dollar borrowings. The tax rate increased slightly from 26.2% in H1 2021 to 26.6% due to an increase in the statutory corporate income tax rate in the Netherlands and changes to the country mix.

The reported results include amortization charges of -€2.5 million (-€4.5 million in H1 2021) in relation to the Tradin Organic acquisition as well as unrealized FX/CX hedge results. These items impacted both gross profit and operating expenses.

(in € millions)	H1 2022				H1 2021				% change adjusted
	Reported	Unrealized FX/CX hedge results	Acquisition amort. charges	Adjusted	Reported	Unrealized FX/CX hedge results	Acquisition amort. charges	Adjusted	
Gross profit	95.7	1.9	-	93.8	83.6	2.5	(3.0)	84.1	+12%
Operating expenses	(49.3)		(2.5)	(46.8)	(41.4)		(1.5)	(39.9)	
EBIT	46.4	1.9	(2.5)	47.0	42.2	2.5	(4.5)	44.2	+6%
Net profit	31.2	1.4	(1.8)	31.6	28.6	1.9	(3.4)	30.1	+5%

Currency euro/US dollar

The average euro/US dollar exchange rate of 1.093 in H1 2022 was 9.3% stronger than in H1 2021 (1.205). For the Acomo companies that belonged to the Group in 2022, the FX rates contributed positively to reported sales (+€32.8 million) and net profit (+€1.8 million).

The euro/US dollar rate at 30 June 2022 of 1.048 reflected the stronger US dollar against the euro compared to the 2021 year-end rate of 1.137. The impact of the stronger US dollar on total assets was +€33.1 million.

Interim dividend H1 2022

The interim dividend per share is set at € 0.45 in cash. The dividend is payable on 9 August 2022 and the ex-dividend date is 29 July 2022.

Activity reviews per segment

Spices and Nuts

Acomo's Spices and Nuts segment, comprised of Catz International, Tovano, King Nuts & Raaphorst, and Delinuts, delivered a very solid performance despite challenges in the first half of the year.

Catz International realized strong results in the current environment. With the exception of nuts, turnover increased in all product groups, and Tovano also performed very well. First quarter results closely followed the trends of 2021, when prices were high and overall consumer sentiment was positive. In the second quarter, Catz benefited from existing contracts and positions in key products taken earlier. At the same time, the second quarter saw substantial change in the overall market situation for many products and consumer sentiment due to the war in Ukraine, ongoing COVID lockdowns in China, and high levels of inflation. These events, as well as increased availability of some products, resulted in price and margin pressure.

King Nuts & Raaphorst, active in nuts and rice crackers, performed very well with stable sales and profit in the first half in comparison to the previous year.

Delinuts, active in nuts and dried fruits, successfully integrated the Qualino assets and now provides customers with improved packaging solutions. Growth in sales and profit continued to be strong.

Edible Seeds

Acomo's Edible Seeds business, comprised of Red River Commodities and Red River Global Ingredients in North America and Red River-Van Eck, Food Ingredients Service Center Europe (FISCe) and SIGCO Warenhandel in Europe, outperformed last year on sales, gross profit and earnings before tax, particularly in North America due to strong sales and increased margins in the first half of the year.

Red River Commodities (RRC), active in the processing, packaging, and distribution of edible sunflower seeds and sunflower-based products, performed well and experienced a mixed performance across its various activities. The Processing division, which processes sunflowers and select other specialty seeds, increased sales and margin, helped by increasing demand for USA sunflower products and continued growth of Suntein™, a high-protein, allergen-free, partially-defatted flour. The Wildlife division, which has processed and packaged wild bird food for more than 30 years, improved performance with strong margins as price increases were sufficient to offset rising commodity prices. The Sungold division, RRC's custom packaging service, increased sales and margin versus the prior year as demand in the convenience channel saw further recovery, although not back to the pre-COVID levels. Sunbutter®, a natural and allergy-friendly sunflower butter, realized double-digit sales growth driven by increases in branded retail sales. Trading company Red River Global Ingredients had a good first half of the year as the majority of increased freight and handling costs were accepted by customers.

Red River-Van Eck, performed at similar levels compared to the previous year. The new state-of-the-art pasteurization facility of FISCe served both internal and external customers, and has broadened its range of products that can be heat-treated, as well as the services offered to customers. SIGCO Warenhandel, was able to maintain its revenue and profit despite the impact of Russia's invasion of Ukraine on world seed markets.

Organic Ingredients

Acomo's Organic Ingredients business, Tradin Organic, realized double-digit revenue growth for the first half-year, benefitting from its fully-commissioned sunflower oil expansion in Bulgaria. Its strong strategic position in the organic supply chain enabled Tradin to secure supply of key organic ingredients for customers. In North America all segments continued to perform well, and in Europe key products like cocoa, with increased production at Crown of Holland, and oils achieved strong sales and margin results. The coffee business unit, Trabocca, showed an upward trend post COVID lockdowns in USA and Europe, and the strong USD/EUR contributed to the improved sales and results for Tradin Organic as a whole. Operational performance could not keep the same pace, resulting in margin pressures. Tradin Organic's operational costs were driven up severely by ongoing logistical challenges, increased freight costs, increased personnel costs, soaring energy cost, and the unstable international situation leading to volatile currency rates and commodity prices.

Tea

Acomo's Tea business, Royal Van Rees Group, increased profit before tax in the first half of 2022 compared to the same period the previous year. Van Rees continued to expand the business in different markets, further strengthening its global client base and product portfolio. The fruits and herbs speciality business recorded significant growth. The tea industry faced multiple challenges in the period: weakening economies, devaluation of key currencies, and political unrest in major tea producing and consuming countries created very volatile business conditions that affected sales. Tea production in countries like Argentina and Sri Lanka was adversely affected by natural disasters and political unrest, respectively. Prices in India increased sharply due to the disruptions in its troubled neighbouring island, Sri Lanka. Indonesia and Vietnam were the most impacted by the logistical challenges. Substantial increases in sea freight rates and unavailability of sea containers created many hurdles, resulting in a slowdown in shipments.

Food Ingredients

The Food Ingredients business, Snick EuroIngredients, performed well with higher revenues and gross margins under challenging circumstances. Turnover in the first half-year was +15% higher than the same period the previous year. In line with the company's strategy, there was a significant growth in all segments: wet blends, dry blends and trade. Snick's products and services are well-positioned to meet current trends such as transparency in the food chain, clean label, and strong increases in demand for plant-based products and alternative protein sources.

Consolidated balance sheet

Total assets amounted to €948.5 million as at 30 June 2022 (year-end 2021: €866.8 million, +9.4%).

The main financial developments in the first half of 2022 were:

- Shareholders' equity increased by €40.0 million to €404.3 million as at 30 June 2022 (year-end 2021: €364.3 million). The main movements were: the H1 2022 net profit of €31.2 million and a positive currency translation effect of €26.9 million, partly offset by dividend payments to shareholders of €17.8 million.
- Working capital increased by +€71.2 million compared to 31 December 2021, mainly due to higher inventories and higher trade receivables, partly offset by higher trade payables.
- Two quarterly instalments reduced the outstanding balance of the term loan to €113.1 million (€124.4 million as at 31 December 2021).
- Solvency as at 30 June 2022 was 42.6% (30 June 2021: 43.4%).

Outlook 2022

Given the nature of the Group's activities, it is difficult to predict market developments or likely Group results. The impact of the current geopolitical situation, inflation rates, currency rate developments, and COVID-19 lockdowns on the global economy and business for the remainder of the year cannot be predicted at this stage. The Board is confident in the knowledge, experience and capabilities of Acomo's management and teams to deal with these uncertainties in the best way possible, as they have done in the past.

Note

This H1 2022 report has not been subject to an audit.

Financial calendar

29 July 2022	Ex-dividend date, interim dividend FY 2022
9 August 2022	Dividend payment date, interim dividend FY 2022
21 February 2023	Publication of the 2022 financials (unaudited) – pre-market
10 March 2023	Publication of the annual report FY 2022

Responsibility statement of the Executive Board as per section 5:25c (2) (c) of the Dutch Financial Supervision Act (Wft)

The Company's Executive Directors hereby declare that, to the best of their knowledge:

1. The half-year report for the first six months of 2022 gives a true and fair view of the assets, liabilities, financial position and profit of the Company and its consolidated entities.
2. The half-year report for the first six months of 2022 gives a true and fair view of the financial position of the Company at the balance sheet date and the state of affairs during H1 2022 of the Company and its related entities whose financial information has been consolidated in the half-year report.

Rotterdam, 26 July 2022

Kathy Fortmann
CEO

Allard Goldschmeding
CFO

ANNEXES

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This report in the English language has also been translated into the Dutch language. In case of any differences between the two versions, the English version will prevail.

Note to the editors:

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About ACOMO N.V.

ACOMO N.V. is an international group with as its principal business the sourcing, trading, treatment, processing, packaging and distribution of conventional and organic natural food products and ingredients. Our main trading subsidiaries are Catz International B.V. in Rotterdam, the Netherlands (spices and food raw materials), The Organic Corporation B.V. in Amsterdam, the Netherlands, and Tradin Organics USA LLC in Scotts Valley, USA (organic ingredients), Royal Van Rees Group B.V. in Rotterdam, the Netherlands (tea), Red River Commodities Inc. in Fargo, USA, Red River Global Ingredients Ltd. in Winkler, Canada, Red River-van Eck B.V. in Etten-Leur, the Netherlands, Food Ingredients Service Center Europe B.V. in Etten-Leur, the Netherlands, and SIGCO Warenhandelsgesellschaft mbH in Hamburg, Germany (edible seeds), King Nuts B.V. in Bodegraven, Delinuts B.V. in Ede, and Tovano B.V. in Maasdijk, the Netherlands (nuts), and Snick EuroIngredients N.V. in Ruddervoorde, Belgium (food ingredients). Acomo shares have been traded on Euronext Amsterdam since 1908.

ACOMO N.V.

Consolidated income statement

(in € thousands)

	H1 2022	H1 2021
Sales	711,881	620,158
Cost of goods sold	(616,133)	(536,599)
Gross profit	95,748	83,559
General and administrative expenses	(49,348)	(41,351)
Operating income (EBIT)	46,400	42,208
Financial income and expenses	(3,923)	(3,453)
Profit before income tax	42,477	38,755
Corporate income tax	(11,284)	(10,135)
Net profit	31,193	28,620
Profit attributable to shareholders of the Company	31,128	28,574
Profit attributable to non-controlling interests	65	46
Earnings per share		
Basic EPS (in €)	1.051	0.966
Diluted EPS (in €)	1.051	0.965

The interim financial statements have not been subject to an audit.

ACOMO N.V.

Consolidated balance sheet

(in € thousands)

	30 June 2022	31 December 2021	30 June 2021
Assets			
Non-current assets			
Intangible assets	209,980	204,417	204,430
Property, plant and equipment	54,645	53,495	57,248
Right-of-use assets	16,212	17,053	17,824
Other non-current receivables	1,982	1,370	1,619
Deferred tax assets	2,509	1,664	1,131
Total non-current assets	285,328	277,999	282,252
Current assets			
Inventories	438,915	393,201	287,974
Trade receivables	194,262	161,698	157,560
Other receivables	20,491	23,296	22,378
Derivative financial instruments	7,423	4,384	829
Cash and cash equivalents	2,032	3,254	4,784
Total current assets	663,123	585,833	473,525
Assets held-for-sale	-	2,925	-
Total assets	948,451	866,757	755,777

The interim financial statements have not been subject to an audit.

ACOMO N.V.

Consolidated balance sheet

(in € thousands)

	30 June 2022	31 December 2021	30 June 2021
Equity and liabilities			
Shareholders' equity			
Total shareholders' equity	404,301	364,261	327,719
Non-controlling interests	1,806	1,393	1,251
Total equity	406,107	365,654	328,970
Non-current liabilities and provisions			
Bank borrowings	93,256	104,068	113,808
Lease liabilities	13,400	14,112	14,747
Provisions and other non-current liabilities	17,417	16,698	17,011
Total non-current liabilities and provisions	124,073	134,878	145,566
Current liabilities			
Current portion long-term bank borrowings	23,061	23,290	20,032
Bank borrowings	246,317	206,421	151,024
Lease liabilities	3,596	3,517	3,700
Trade creditors	90,454	83,338	61,082
Tax liabilities	7,896	5,834	6,272
Derivative financial instruments	858	730	529
Other current liabilities and accrued expenses	46,089	43,095	38,602
Total current liabilities	418,271	366,225	281,241
Total liabilities	542,344	501,103	426,807
Total equity and liabilities	948,451	866,757	755,777

The interim financial statements have not been subject to an audit.

ACOMO N.V.

Condensed consolidated cash flow statement

(in € thousands)

	H1 2022	H1 2021
Cash flow from operating activities	56,254	50,601
Net changes in working capital	(47,770)	(45,098)
Paid interest and taxes	(14,374)	(7,977)
Net cash generated from operating activities	(5,890)	(2,474)
Net cash used for investing activities	(1,873)	(5,464)
Cash flow from financing activities		
Dividend paid	(17,766)	-
Issue of shares	168	238
Net changes in long-term borrowings	(11,589)	(19,425)
Net changes in bank financing of working capital	37,912	30,613
Payment of leases	(2,288)	(2,223)
Net cash used for financing activities	6,437	9,203
Net increase/(decrease) in cash and cash equivalents	(1,326)	1,265
Cash and cash equivalents as at 1 January	3,254	3,507
Exchange gains/(losses) on cash and cash equivalents	104	12
Cash and cash equivalents as at 30 June	2,032	4,784

The interim financial statements have not been subject to an audit.

ACOMO N.V.

Statement of changes in equity H1 2022

(in € thousands)

	Share capital	Share premium reserve	Other reserves	Retained earnings	Net profit for the period	Total share-holders' equity	Non-controlling interests	Total equity
Balance as at								
1 January 2021	13,312	154,642	475	92,794	27,035	288,258	1,208	289,466
Net profit for the period	-	-	-	-	28,574	28,574	46	28,620
Other comprehensive income	-	-	10,629	-	-	10,629	(3)	10,626
Appropriation of net profit	-	-	-	27,035	(27,035)	-	-	-
New shares issued	6	232	-	-	-	238	-	238
Employee share option plan	-	-	20	-	-	20	-	20
Balance as at								
30 June 2021	13,318	154,874	11,124	119,829	28,574	327,719	1,251	328,970
Balance as at								
1 January 2022	13,325	155,105	22,102	119,773	53,956	364,261	1,393	365,654
Net profit for the period	-	-	-	-	31,128	31,128	65	31,193
Other comprehensive income	-	-	26,447	-	-	26,447	348	26,795
Appropriation of net profit	-	-	-	53,956	(53,956)	-	-	-
New shares issued	4	164	-	-	-	168	-	168
Employee share option plan	-	-	68	-	-	68	-	68
Dividend relating to 2021, final	-	-	-	(17,771)	-	(17,771)	-	(17,771)
Balance as at								
30 June 2022	13,329	155,269	48,617	155,958	31,128	404,301	1,806	406,107

The interim financial statements have not been subject to an audit.

ACOMO N.V.

Consolidated statement of comprehensive income H1 2022 (in € thousands)	H1 2022	H1 2021
Net profit	31,193	28,620
Other comprehensive income (OCI)		
OCI to be reclassified to profit or loss in subsequent periods		
Movement currency translation reserves, net	26,920	10,069
Movement on cash flow hedges	(125)	557
Total other comprehensive income	26,795	10,626
Total comprehensive income	57,988	39,246
Total comprehensive income attributable to shareholders of the parent	57,575	39,203
Total comprehensive income attributable to non-controlling interests	413	43

The interim financial statements have not been subject to an audit.

Notes to the H1 2022 consolidated interim financial statements

Segment information H1 2022

(in € thousands)	Spices and Nuts	Edible Seeds	Tea	Food Ingredients	Organic Ingredients	Other	Total
Sales	219,358	140,899	66,135	11,905	273,912	(328)	711,881
Operating expenses	(201,305)	(124,772)	(61,969)	(9,216)	(259,130)	(1,269)	(657,661)
Unrealized FX/CX hedge results	(437)				2,311		1,874
EBITDA	17,616	16,127	4,166	2,689	17,093	(1,597)	56,094
Depreciation and amortization	(976)	(3,421)	(503)	(278)	(4,380)	(136)	(9,694)
Operating income (EBIT)	16,640	12,706	3,663	2,411	12,713	(1,733)	46,400
Financial results							(3,923)
Corporate income tax							(11,284)
Net result							31,193
Total assets	193,534	158,934	78,183	11,764	368,107	137,929	948,451
Total liabilities	146,898	97,160	34,766	9,554	161,459	92,507	542,344
H1 2021							
Sales	194,005	117,940	62,775	10,102	235,646	(310)	620,158
Operating expenses	(175,354)	(106,649)	(59,306)	(8,023)	(219,253)	(658)	(569,243)
Unrealized FX/CX hedge results	1,249				1,259		2,508
EBITDA	19,900	11,291	3,469	2,079	17,652	(968)	53,423
Depreciation and amortization	(953)	(3,045)	(608)	(261)	(6,217)	(131)	(11,215)
Operating income (EBIT)	18,947	8,246	2,861	1,818	11,435	(1,099)	42,208
Financial results							(3,453)
Corporate income tax							(10,135)
Net result							28,620
Total assets	139,141	122,163	70,518	11,137	350,191	62,627	755,777
Total liabilities	100,871	78,740	38,501	8,648	60,120	139,927	426,807

The column 'Other' mainly represents holding costs and intra-Group items.

The interim financial statements have not been subject to an audit.

Sales per geography (in € thousands)	NL	Europe other	North America	Other	Total
H1 2022	117,920	247,184	289,021	57,756	711,881
H1 2021	99,388	228,670	231,072	61,028	620,158

Other	30 June 2022	31 December 2021	30 June 2021
Number of FTEs	1,136	1,209	1,200

The interim financial statements have not been subject to an audit.

General

The interim financial statements for the six months ended 30 June 2022 comprise the results of Acomo ('the Company') and its subsidiaries and have been prepared in accordance with International Financial Reporting Standards (IFRS), IAS 34 'Interim Financial Reporting', as adopted by the European Union. The interim statements do not contain all the information required for annual financial statements and should be read in conjunction with the annual report 2021, dated 10 March 2022 (published on the website of the Company). The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, and are in accordance with IFRS.

Shareholders' equity

The movements in shareholders' equity are shown in the consolidated statement of changes in shareholders' equity on page 12. During H1 2022, the Company issued 7,875 shares in relation to its existing share option plan.

As at 30 June 2022, the number of shares outstanding was 29,617,746 (31 December 2021: 29,609,871). Based on the existing share options granted, 50,000 share options are vested but not yet exercised. A total of 12,000 share options will vest on 1 July 2022. In the years 2023 until 2028, a total of 298,000 share options will vest.

Corporate governance, risks and risk management

The risks related to the Group's activities and the risk control and management systems it has in place are unchanged compared to their description in the Annual Report of 2021. The main risks and uncertainties remain applicable in the current financial year. As COVID-19 has shown, however, multiple risks and uncertainties can arise simultaneously with compounded effects.

Seasonality

The half-year reported results of Acomo are not impacted by a seasonal pattern. The sales and margins are determined by market prices and conditions rather than seasonal fluctuations.