ANNUAL REPORT

2019

ACOMO

AMSTERDAM COMMODITIES N.V.

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CONTENTS

OPERATING COMPANIES

ACOMO GROUP

Acomo supplies peace of mind by bridging the specific needs of multiple stakeholders. Acomo's group companies source, trade, treat, process, package and distribute natural food products and ingredients. Coconut is one of the niche products with which Acomo companies add value for customers.

HISTORY

Historic record of value-adding products

Many products of the Acomo Group have a long history of adding value for customers in the food sector, and some are benefitting other sectors as well. Many examples of such products and their applications can be found in a set of books in the Dutch National Archives, which contains descriptions of products originating from the East Indies that were traded around 1700.

It is unknown who made the colourful drawings and handwritten entries. The two books were gifted to the National Archives by the Remonstrant Brotherhood in Rotterdam in 1872. As a member of the National Archives' Captains of History programme, Acomo is proud to share with you two examples of these products and their history.

Nutmeg, hand drawn

Nutmeg

The islands in the eastern outskirts of the Indonesian Archipelago are the native grounds of Myristica fragrans, whose seed is nutmeg, one of the most popular spices worldwide. Like peppercorns, cloves and cinnamon, nutmeg has enriched cuisines outside of its Asian origin while creating considerable wealth for successive trading nations. During Europe's Middle Ages, nutmeg was traded by Arab merchants, and later it became a source of

1908

RCMA

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

'50-'60

RCMA operates mainly in rubber and palm oil plantations in Indonesia

1982

GC

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

2000

ACOMO

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

TOVANO

Tovano joins the Group

2006

TEFCO EUROINGREDIENTS

Tefco EuroIngredients joins the Group

2009

SNICK EUROINGREDIENTS

Snick EuroIngredients joins the Group

competition between the Portuguese, the Dutch and the English. In 1667, the Treaty of Breda settled a fierce contest between the English and the Dutch, with nutmeg featuring as an interest alongside Surinam and Manhattan.

Nutmeg is used almost exclusively as a cooking spice. Sold whole or ground, it adds flavour to many hearty dishes and sweets (mainly in Asian cuisines). The crimson-coloured outer layer of the seed (the aril), is also dried and sold as a spice. Known as mace, its flavour is much like nutmeg, but slightly sweeter and more delicate.

Coconut

The set of books also describes the coconut palm. It is a champion of value-add, as just about every part of the tree and its fruit has its uses in a variety of industries. The large leaves, for instance, have their traditional uses as brooms and as a material for basket weaving. Culinary uses focus mostly on the different parts of the mature coconut seed: the flesh (often in desiccated form), the water and the oil.

The range of applications continues to expand even today, as new technology has made it possible to produce building boards from coconut husks, which until recently were often considered waste. Further areas include medicine, cosmetics, clothing and animal feed.

Coconut is grown commercially in coastal areas around the world, in the warm climates in the zone between 26° north and south of the Equator. The major producers, however, are Asian countries such as Sri Lanka, the Philippines and Indonesia.

Coconut palm, hand drawn, and hand-written description

2010

Red River Commodities, Red River-Van Eck, Van Rees Group and King Nuts & Raaphorst join the Group

2011

Acomo shares included in the AScX index

2014

SIGCO Warenhandelsgesellschaft joins the Group

2015

Snick and Tefco EuroIngredients integrated into a single EuroIngredients proposition

2016

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

Catz International celebrates 160 years of trading business

1856

2017

Delinuts joins the Group

2019

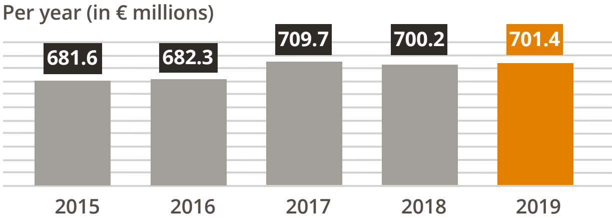
1819

Royal Van Rees Group celebrates 200 years

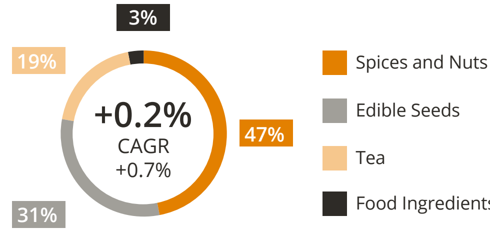
KEY DATA

SALES

Per year (in € millions)

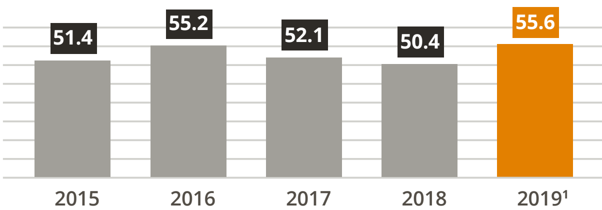


Per segment
2019



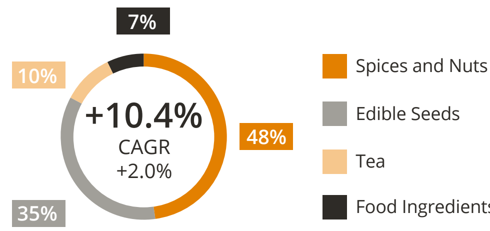
EBITDA

Per year (in € millions)



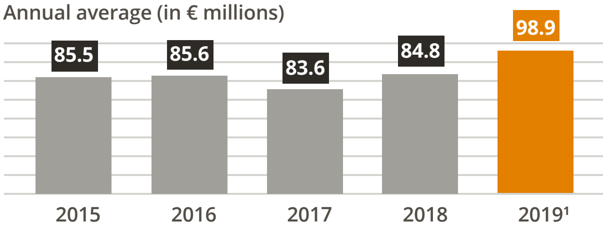
[1] Including effect of IFRS 16

Per segment
2019



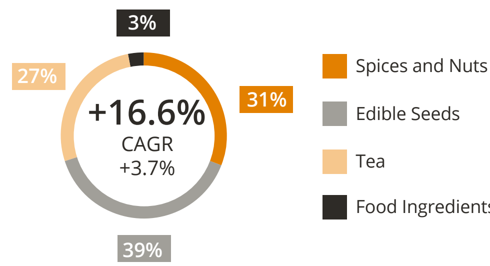
NET OPERATING ASSETS

Annual average (in € millions)



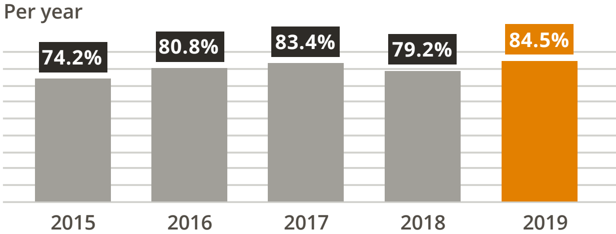
[1] Including effect of IFRS 16

Per segment
2019



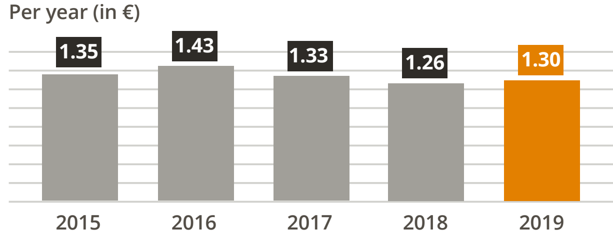
DIVIDEND PAY-OUT

Per year



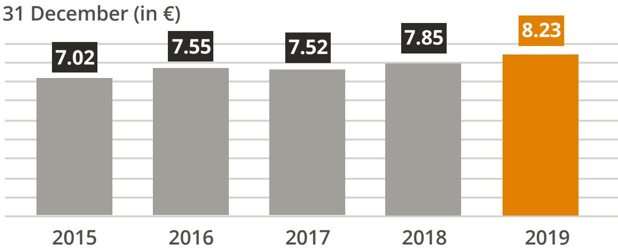
EARNINGS PER SHARE

Per year (in €)



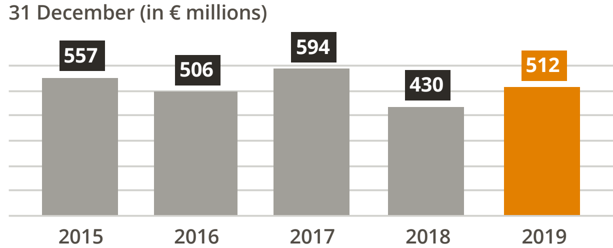
EQUITY PER SHARE

31 December (in €)



MARKET CAP

31 December (in € millions)



CONSOLIDATED FIGURES

(in € millions)	2019	2018	2017	2016	2015
Sales	701.4	700.2	709.7	682.3	681.6
Gross margin	131.8	116.9	116.9	114.6	110.0
EBITDA[1]	55.6	50.4	52.1	55.2	51.4
EBIT	46.7	45.0	46.4	50.4	47.1
Financial income and expenses	(4.6)	(4.0)	(3.0)	(3.1)	(3.0)
Corporate income tax	(10.0)	(9.9)	(10.9)	(12.9)	(11.8)
Net profit	**32.1**	**31.1**	**32.5**	**34.4**	**32.3**
Net working capital (at year-end)	102.9	102.5	100.2	94.1	87.4
Net operating assets (annual average)[1]	98.9	84.8	83.6	85.6	85.5
Shareholders' equity (before final dividend)	202.9	193.5	185.1	182.9	168.3
Total assets	358.6	357.2	346.0	353.6	348.9
Ratios					
Solvency	56.6%	54.2%	53.5%	51.7%	48.2%
Return on equity (ROE)	16.2%	16.4%	17.6%	19.6%	20.1%
Return on net capital employed (RONCE)	16.4%	16.5%	17.4%	18.4%	18.1%
RONCE operating companies (excluding goodwill)	21.2%	21.5%	22.7%	23.6%	23.3%
Dividend pay-out ratio (2019: proposed)	84.5%	79.2%	83.4%	80.8%	74.2%
Net debt/total equity	0.34	0.47	0.42	0.49	0.64
Net debt/EBITDA[1]	1.2	1.8	1.5	1.7	2.1
Key performance indicators (in €)					
Earnings per share	1.30	1.26	1.33	1.43	1.35
Dividend per share (2019: proposed)	1.10	1.00	1.10	1.15	1.00
Equity per share at year-end	8.23	7.85	7.52	7.55	7.02
Share price at year-end	20.75	17.44	24.11	20.90	23.20
Share price high	20.95	25.50	29.36	24.64	25.83
Share price low	16.86	16.28	20.25	19.00	18.85
Price/earnings ratio at year-end	15.9	13.8	18.2	14.6	17.2
Market capitalization as at 31 December (in millions)	511.5	429.9	593.6	506.3	556.6
Net cash flow from operating activities (in millions)	59.8	19.3	50.1	47.0	20.7
Number of shares outstanding (in thousands)					
Weighted average	24,650	24,638	24,475	24,069	23,858
At year-end	24,652	24,649	24,624	24,225	23,991
Fully diluted at year-end	24,657	24,649	24,650	24,273	24,187
Exchange rates (against €1)					
US dollar at year-end	1.121	1.147	1.200	1.052	1.086
% change	-2.3%	-4.4%	14.1%	-3.1%	-10.2%
Average US dollar	1.119	1.181	1.130	1.107	1.110
% change	-5.2%	4.5%	2.1%	-0.3%	-16.5%

[1] Including effect of IFRS 16 in 2019

STRONG FOCUS ON QUALITY, FOOD SAFETY AND SERVICE

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

With over 80 different products, extensive knowledge and an impressive global network, Catz International is a reliable partner to customers and suppliers across the world. Perfectly geared to responding to projected and unexpected demand, Catz continues to innovate and diversify its portfolio and provides peace of mind to all partners in the supply chain by minimizing risks.

Grip on the chain
Catz's focus on high-quality products is reflected throughout the chain, from source to final product. Growers, local suppliers and processors are monitored around the globe to ensure compliance with global standards and client requirements regarding quality and food safety. Catz's 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.

BRC certification
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 cleaning, grinding, heat treatment and climate-controlled storage of products. In 2019, Catz International's focus on food safety and quality has earned the company a BRC Global Standard for Agents and Brokers grade AA. Customers can always count on timely and tailor-made deliveries of high-quality food ingredients.

CATZ CHARITY FOUNDATION

The Catz Charity Foundation (CCF) was founded after the deadly tsunami in 2004 with the objective to channel individual initiatives of Catz International employees and other partners. The foundation focuses on small-scale projects with reliable partners and minimal overhead costs to ensure that as much as possible of what is donated reaches those who need it. 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 2019 the Catz Charity Foundation was able to support the following:

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

Beautiful Kidz Namibia, for its Anusa needlework project providing employment for families and good quality school uniforms for children.

Doctors Without Borders in Mozambique, Malawi and Zimbabwe, which provided medical assistance to people affected by the tropical cyclone Idai.

Doctors Without Borders in the Iraq border region, which provided medical assistance to refugees affected by the violent conflict in Syria.

A **Wilde Ganzen** project: expansion of a safe place for girls in the Philippines. The girls receive trauma processing support and education to better their chances on the labour market.

A **Wilde Ganzen** project: purchase of a new school bus for the Siragu school in India to enable children to receive regular education.

A **Wilde Ganzen** project to provide access to clean drinking water and sanitation in Guatamala and contribute to rural development by reducing waterborne diseases.

Foundation Madalief, an organization that aims to offer the poorest children in Madagascar a better future.
CCF supported a project for school canteens in public schools.

'Help mij leven' Foundation, which is committed to helping Brazilian children in need. CCF contributed to a project that provides lunches and sports equipment to 120 children.

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).

LETTER FROM THE BOARD

'CONTINUED FOCUS ON VALUE CREATION ADDS TO ACOMO'S STRONG FINANCIAL RESULT AND CASH FLOW'

Dear shareholders,

We are pleased to present to you, on behalf of the Board of Acomo, this report on our financial year 2019. The report is consistent with the latest requirements of the integrated reporting framework and the GRI standards on sustainability reporting.

In 2019, teams across the Acomo Group achieved strong results in complex market circumstances. The overall margin improved, the operating profit level increased with double digits and the cash flow was strong. This enables us to maintain dividends at the usual high level.

Our group companies have again earned the trust of their customers. As many customers remained cautious in response to developments on the global stage, such as import limitations and political uncertainties, our trading teams ensured reliability in product supply and skilful price risk management.

A continued focus on creating value-adds in the supply chain underlined that the Acomo Group is more than a trading house. 2019 saw the introduction of new microbial inactivation technologies, which will further improve food safety, and numerous additions to product portfolios, which proactively played into consumer trends such as a growing demand for organic and vegetarian products.

Those developments came on top of value-adds such as certification for product safety and responsibly grown products, the organization of distribution channels and warehousing for just-in-time delivery, a wide range of packaging options, customized blends, and more. On the suppliers' side, Acomo companies continue to give their partners peace of mind by supporting them in the implementation of environmentally responsible and economically viable cultivation methods.

We are confident that consumer demand for our products will remain strong in 2020, offering our customers and suppliers as well as our Group opportunities for growth. 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 thank everyone on our teams for their strong achievements in 2019's challenging circumstances. We would also like to thank our shareholders, our customers, our suppliers and our partners for their continued trust. A special thanks goes out to the retiring managing directors of three group companies: Bob Majkrzak stepped back after 35 years with Red River Commodities, Philippe Snick handed over his company to new management after 26 years, and Tinus den Boon said goodbye to Delinuts after 25 years. We are grateful for the key role they have played for the Acomo Group and very happy they have been able to hand over to new strong management.

Finally, we would like to congratulate Van Rees Group with the fact that in the year of its 200th anniversary, His Majesty the King of the Netherlands has bestowed it the special honour that from now on it may call itself Royal Van Rees Group.

We look forward to meeting our shareholders at the annual general meeting in Rotterdam on 30 April 2020.

Rotterdam, 5 March 2020

Bernard Stuivinga	Allard Goldschmeding
Chairman	*Group Managing Director*

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 active in the worldwide sourcing, trading, treatment, processing, packaging and distribution of natural food products and ingredients for the food and beverage industry (together 'Acomo Group' or 'the Group'). The Group operates in more than 90 countries and employs close to 700 people. The product range comprises more than 500 main products including spices, coconut products, nuts, dried fruits, edible seeds, tea and natural food ingredients. Since most of our products are at the high end of their category, we refer to them with the general term 'soft commodities'. Contrary to commodities such as oil, corn, wheat or coffee, our commodities are not traded on commodity exchanges or spot markets. Our companies contract and purchase the products at the source for physical delivery and value-added services.

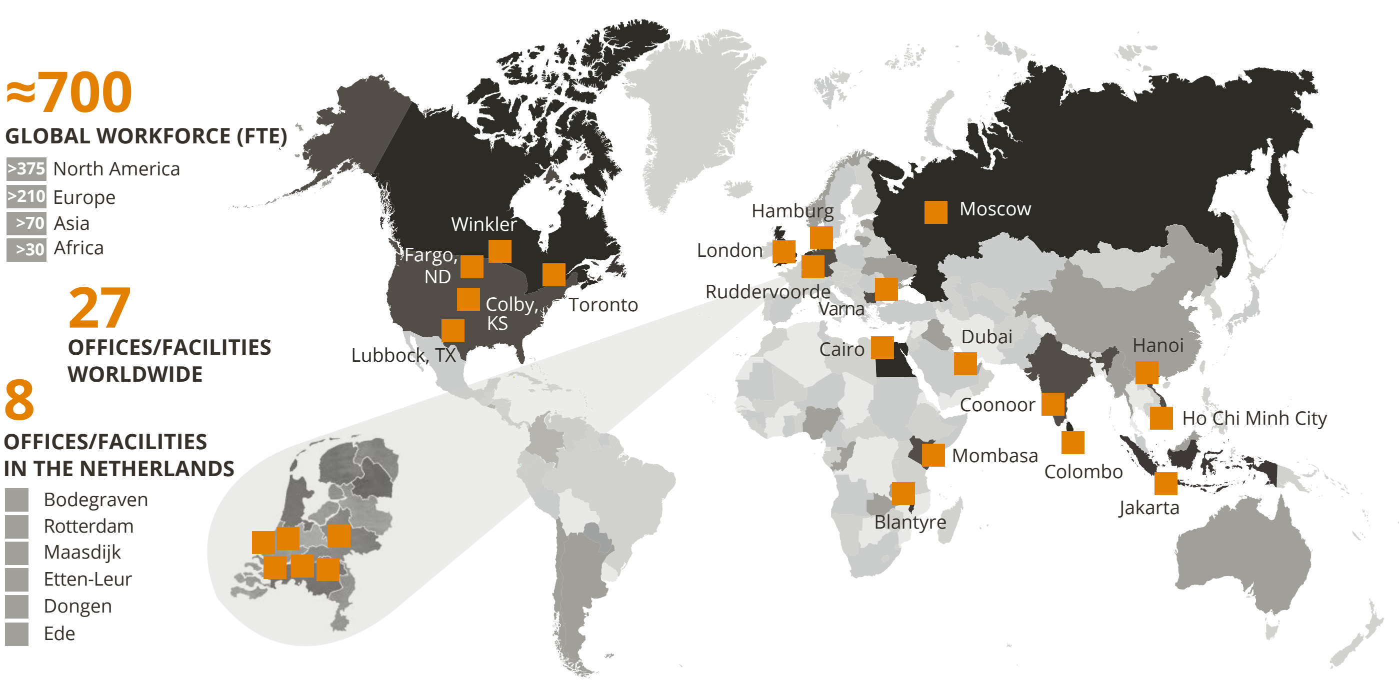
Group DNA

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 four segments. The subsidiaries are the operating companies of the Group. They are highly 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 continued high dividend pay-outs representing above-market dividend returns through fulfilling the purpose of the Company.



Strategy

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

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

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

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

Acomo's keys to success to fulfil its mission are its worldwide sourcing capabilities, absolute reliability of contracts, effective risk management, operational excellence and socially responsible entrepreneurship. Together with our partners we are continuously exploring new opportunities for improvement and growth. Acomo'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 on food safety and quality, and bridging needs is also about taking broader social and environmental developments into account. The Acomo corporate social responsibility (CSR) framework ensures that sustainability risks and opportunities are incorporated in the operations of the Acomo companies and those of their respective supply chains. Entrepreneurship, humility, 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.

Financial objectives

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

- Maintaining the Group's traditionally strong dividend policy. This policy means that we pay out a substantial share of the annual net profit to our shareholders in cash every year. The pay-out ratio is subject to the free cash flow and solvency position and also depends on investment opportunities of the Group;
- Achieving an annual net profit of more than 15% of shareholders' equity in the long term;
- Safeguarding and strengthening our capability to generate future profits by maintaining a strong balance sheet and healthy financial ratios. We aim to maintain a consolidated solvency of around 40%, with a minimum of 30%;
- Maintaining adequate credit lines to ensure the financing of our subsidiaries' (trading) activities at all times, regardless of price volatility in the international commodity markets.

Source
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 help our growers and suppliers to sell their products by providing access to the world market.

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

Deliver
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.

Business model

Value chain

Acomo's group companies source, trade, treat, process, package and distribute natural food products and ingredients. In these activities the companies strive to add value in each part of their respective value chain.

We supply peace of mind by bridging the specific needs of multiple stakeholders and allow them to fully focus on their core activities. We support our trading activities with specific value-added services such as storage, blending, cleaning, treatment, processing, packaging and distribution. In order to optimize our global sourcing we have regular contacts with growers and farmers and collect various types of information relevant to crops. 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. 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.

Acomo's organizational and operating model consists of the operating companies that are focussed on the primary business functions (sourcing, trading, treatment, processing, packaging and distribution) and the holding company that provides global support.

Long-term value creation

Long-term value creation continues to be a focus point for Acomo. Through the relocation of Red River-Van Eck's operations to a new and modern facility in Etten-Leur, the Netherlands, in the first half of 2019, the group company strengthened its position as a top player in a highly specialized global market. With new, sophisticated processing equipment and extended processing capabilities, it can continue to guarantee a consistently high level of quality.

In 2019 the Group further invested in product treatment equipment and capabilities that will allow us to deliver even more added-value services to our customers. In the US, Red River Commodities launched Red River Pure®, a line of raw seed products treated with an innovative method of microbial inactivation. Treatment under strictly controlled circumstances ensures products are safe to eat while they are still raw and still have their original flavours and textures. In Europe, investments were made in a steam pasteurization unit which will start operations in the course of 2020 to give customers peace of mind by delivering the highest standards in food safety.

In response to changing consumer preferences, Royal Van Rees Group has expanded its traditional range of black and green teas with speciality teas. Snick EuroIngredients invested in the expansion of its expertise and technology to develop high-end vegetarian concepts. The company is well positioned to provide the necessary solutions for the growing market of vegetarian and vegan products and the development of alternative protein sources.

Governance structure

The parent company, Amsterdam Commodities N.V., is the holding company of the Group. It holds the shares in and has legal control over the Group's subsidiaries. The subsidiaries operate to a great extent autonomously under

the responsibility and financial control of their own management. Specific trading and financial guidelines and risk limits are in place per operating company, per product and per activity. The large subsidiaries are supervised by their own supervisory boards, which may include members of the Board of Directors.

The holding company is intentionally kept small, flexible and cost-efficient (9 FTE). 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 44 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 on page 28 and following.

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

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

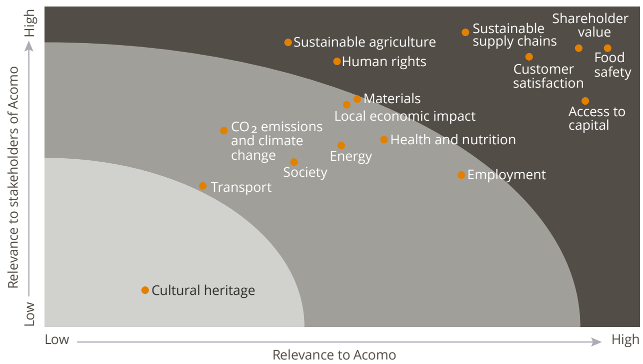
Our stakeholder dialogue

We recognize the limitations of a single company in the face of social and environmental challenges and opportunities and seek collaboration with our 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, branch organizations, experts).

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

Apart from identifying the material topics we maintain an ongoing dialogue with our stakeholders to define how they

ACOMO MATERIALITY MATRIX



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 framework

Acomo's CSR framework is based on the materiality matrix. It distinguishes between our foundation themes, which are related to our own operations and therefore within our sphere of control, and 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 (Global Reporting Initiative) Standards. Acomo complies with the 'In accordance with' - Core option. The GRI Content Index is available on our website, in the section Responsibility. Acomo started with the new reporting structure in 2017. Over the coming years it will be further developed, among other things through an assessment of the effectiveness of the Code of Conduct.

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

Alignment with 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 'Affordable and clean energy' (SDG 7), 'Responsible consumption and production' (SDG 12), and 'Climate action' (SDG 13). Within the value chain we contribute to 'Decent work and economic growth' (SDG 8), 'Zero hunger' (SDG 2), and 'No poverty' (SDG 1) 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).

ACOMO CSR FRAMEWORK

Being a good employer

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

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

Reducing our environmental footprint

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

Circular economy: Resource scarcity and environmental pollution drive us to improve material efficiency. We aim to reduce spillage at the source, often in partnerships within the supply chain. We continuously 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 challenges and opportunities regarding social and environmental issues in different areas. It is our responsibility to consider ethics, labour, and social and environmental aspects when purchasing products and services. The Acomo Code of Conduct outlines our shared ethical standards for conducting business. In several of our segments we work with certification programmes.

Capacity building: As a bridge between suppliers and customers we have a unique position that enables us to recognize and understand sustainability challenges and opportunities. We work together with suppliers, customers, NGOs, governments and other partners towards value-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.

KPIs – Being a good employer

Indicator	2019	2018	2017
Talent			
Occupational health and safety[1]			
% of lost time injuries per FTE	0.2%	0.1%	0.7%
Employee training[2]			
# of training programmes	115	89	127
# of training programmes per FTE	1.4	1.3	1.8
Performance and career development reviews			
% of employees	72%	73%	59%
Diversity			
Male to female ratio			
% male	70%	72%	74%
% female	30%	28%	26%
Age structure of employees			
% < 30 year	19%	20%	20%
% 30 < 40 year	28%	28%	26%
% 40 < 50 year	30%	28%	29%
% 50+ year	23%	24%	25%
Nationalities of employees			
# of nationalities	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	2019	2018	2017
Climate change			
Energy consumption			
GJ	78,761	74,125	81,103
% of which renewable energy	4.2%	2.6%	1.3%
Energy intensity			
MJ/kg product	0.35	0.32	0.35
Greenhouse gas (GHG) emissions (scope 1 + scope 2)			
MT CO_2	10,100	9,820	10,190[3]
Greenhouse gas (GHG) emissions intensity			
Kg CO_2/MT product	44.86	42.46	44.54[3]
Circular economy			
Total waste			
MT	1,936	2,298	2,230
Waste intensity			
Kg/MT product	8.60	9.94	9.75
Waste separation			
% of separation	16%	19%	19%

[3] Adjusted figures due to changed methodology

KPIs – Creating sustainable supply chains

Indicator	2019	2018	2017
Responsible sourcing			
Compliance suppliers with Code of Conduct			
% of suppliers	45%	44%	20%
Sourcing of sustainable products			
% of tea certified (RA, UTZ or FT)[4]	60%	42%	35%
% of palm oil certified (RSPO)[5]	96%	96%	91%
% of fish certified (MSC)[5]	80%	47%	19%

[4] Raw material level

[5] Ingredient level

KPIs – Delivering safe and healthy products

Indicator	2019	2018	2017
Food safety			
Food safety own operations			
% of operations GFSI certified	82%	82%	81%
Food safety third party operations			
% of operations GFSI certified	69%	69%	69%
Health and nutrition			
Plant-based products			
% of total volume	98%	98%	96%

Delivering safe and healthy products

Food safety: With strict control policies in all our facilities we minimize food safety risks for our customers. However, food safety begins at the farms that grow the products we trade and distribute. We work closely with our suppliers to ensure that the products we buy are safe and compliant with relevant regulations. We add value for our customers by investing in equipment to improve the food safety level of microbacterially high-risk 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. Together with suppliers and customers we develop product innovations that lead to healthier alternatives and products that are safe for people with allergies.

Talent and diversity performance

Training and development: Over the reporting year Acomo has been confronted with the ever-growing scarcity of competent and experienced staff in the labour market. It is therefore 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, and compliancy training events and programmes in 2019. As food safety becomes more and more crucial, a significant portion of training time was spent on further improving knowledge and capabilities at all organizational levels. Within Royal Van Rees Group and Catz International new junior traders joined trainee programmes that allow them to hone their skills through learning by doing. A Group-wide Finance Day was organized for the finance community to familiarize themselves with new developments and reporting legislation and to share best practices.

Diversity and inclusion: 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.

Several Acomo companies have introduced a personal profile analysis (PPA) test for new and existing employees. This test gives additionial insight into the fit for the job and development needs, and helps in further building high-performance teams and enables the growth and development of employees and organizations.

Climate change and circularity performance

Energy savings and renewable energy: In 2019 we continued with our energy-saving initiatives. Activities related to the installation of LED lighting and other energy-saving measures were included in the reporting to government agencies in the follow-up to the 2016 EED reporting.

Delinuts in Ede, the Netherlands, achieved energy savings through the replacement of the roof of its warehouse in a major step towards reducing energy consumption and improving storage conditions. With the new profiled and insulated roof panels, the insulation value increased from RC 0.9 to RC 6.3, which has to date resulted in energy savings of approximately 50%.

Guaranteed renewable energy is purchased and applied by several of the group companies. Snick EuroIngredients was able to start generating part of its energy on site in 2019, with the solar panels installed in the previous year. In 2019 we investigated the financial and technical feasibility of the installation of solar panels on the base of an SDE+ subsidy ascription for two more locations. After further technical evaluation it was decided not to install solar panels in one of these locations. For the other facility, planning is underway to install solar panels in the course of 2020.

Waste reduction and circularity: We continued our efforts to decrease waste volumes and improve waste separation, and took steps to introduce more sustainable types of consumer packaging in several group companies. Together with the Netherlands Institute for Sustainable Packaging (KIDV) we investigated the recyclability of the main packaging types at Delinuts. We see increasing options for recycled content in our packaging, for example in Tovano's innovative new packaging, which has a 90% rPET content.

Responsible sourcing and capacity-building performance

Supplier codes of conduct: The Group introduced its Acomo Supplier Code in 2016, in which we stated our expectations regarding business integrity, labour practices, associate health and safety, and environmental management.

In 2018 the Supplier Code was made 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.

Partner capacity: We aim to build our partners' capacity to cultivate and produce sustainably. In Indonesia, Van Rees in partnership with one of its suppliers realized the installation of tea factory equipment for the production of green tea, resulting in the introduction of the first volumes of high-quality products to the market.

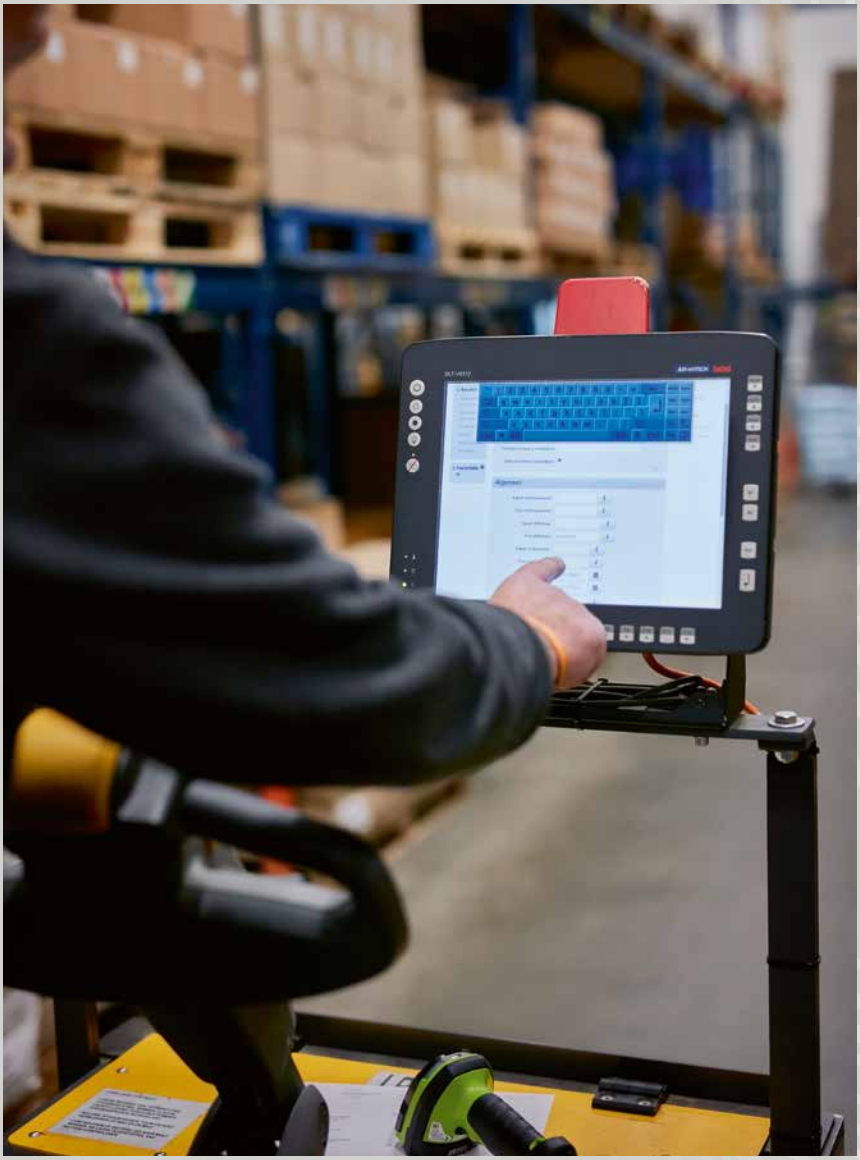
Food safety, health and nutrition performance

Quality management: Most 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. Red River-Van Eck moved to a new and modern facility in Etten-Leur, the Netherlands, and became FSSC 22000 certified for its new location. Catz International, which had previously been partly certified, became certified according to BRC with an 'AA' rating in 2019. The remaining two Group locations are 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. As quality and food safety remains at the top of our agenda, in 2019 we organized a second edition of the annual Acomo Quality & Food Safety Day to share best practices within the Group. Topics for discussion were, amongst others, the latest developments in risk management, legislation, digitalization and automation.

Alternative proteins: Acomo sources, trades, treats, processes, packages and distributes over 500 agricultural commodities to and from more than 90 countries. The vast majority of these products are plant based and have many positive health and nutritional benefits. In 2019, in response to the increasing demand for non-meat sources of protein, Snick EuroIngredients introduced several newly developed solutions for the vegetarian and vegan product segment. Also in 2019, Acomo supported the ReThink Protein student challenge, organized by Wageningen University & Research (WUR) in the Netherlands. In ReThink Protein, students from all over the world were challenged to come up with a business idea or prototype that can help provide nine billion people with sufficient protein in a way that is healthy, affordable and sustainable for our planet.

DIGITALIZATION OPTIMIZES CUSTOMER PROCESS

PRODUCTS
Nuts | Dried tropical fruits | Rice crackers



Nuts and dried fruits have rapidly gained in popularity in recent years and King Nuts & Raaphorst has the flexibility to meet these changes. The no-nonsense family culture, high level of service and reliability in the delivery of quality products help customers grow their business and their profitability.

Quality and service

In the Netherlands, King Nuts & Raaphorst is among the largest importers, exporters and wholesalers of nuts, dried tropical fruits and rice crackers. It streamlines the supply of products from all continents for retailers and wholesalers across Europe. Customers can count on certainty of delivery, cost savings and flexibility as King Nuts & Raaphorst goes the extra mile to deliver as promised. A stringent control system guarantees product quality and compliance with all European food safety standards.

Efficiency and customization

For internal efficiency, purchasing and administrative processing have been automated in an advanced ERP system. The digital warehouse provides the company with real-time stock information. More importantly, these state-of-the-art systems allow customers to optimize and speed up their processes, such as through ordering directly from King Nuts & Raaphorst ERP system, or through fully automated exchange of digital product certificates and packing notes. Systems integration serves the interests of the entire supply chain.

SPECIAL BLENDS FOR TRADITIONAL AND NEW TASTES

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

Each day, the tea specialists of Royal Van Rees Group taste, test, blend and process tea to ensure the reliable supply of healthy, safe and responsibly sourced products. Built up in over 200 years, Van Rees's expertise and deep market intelligence provide the foundation for top-quality supply and tailor-made solutions for traditional as well as groundbreaking consumer preferences.

Specialities and fruits & herbals
In response to the growing demand for natural and responsibly sourced products, Van Rees has expanded the traditional range of black and green teas with specialities and fruits & herbals. Compliance of these new products with the highest standards is ensured through strict quality control, immediate access to reliable growing partners in an extensive international network, and by cleaning and blending of products in Van Rees's own warehouse facilities.

Tailor-made solutions
Specially developed high-quality blends offer sustainable and creative alternatives in markets such as the US, Europe, Russia, Australia and the Middle East. At customers' request, these tailor-made solutions can be delivered quickly and in varying, even small quantities.

Already one of the largest global suppliers of black and green tea, Royal Van Rees Group is increasingly becoming a versatile top player in the worldwide market of speciality teas.

DISTINCTIVE PACKAGING TO MEET CUSTOMERS' NEEDS

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

Tovano's reputation for quality, service and speed is built on a thorough understanding of the supply chain. In a highly competitive European market, the company distinguishes itself through the quality and diversity of its product range. Tovano guarantees rapid and reliable delivery by maintaining adequate stock levels at all times. The compact team knows its suppliers personally and maintains long-term relationships with customers and partners – key factors in stability and reliability in a rapidly changing world.

Tailor-made packaging
Tovano's in-house developed packaging line meets customers' demand for distinctive and attractive products, while ensuring food safety and quality. The packaging is always customized to suit specific customer requirements, including private labels, from compact consumer units to resealable bulk sizes for wholesale, the hospitality and industrial sectors. Quality, customization and innovation go hand in hand with convenience and responsibility.

Better results
A further distinctive and convenient packaging concept is developed especially for retail customers. Cardboard trays are easy to adjust from sturdy, safe transport packs to attractive displays, with the products in full view in their individual transparent units. This helps customers to meet consumer needs in order to grow their business.

VERSATILITY IN VOLUMES AND ASSORTMENTS

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

Red River-Van Eck sources, imports, processes and distributes edible seeds to the confectionary, spice and bakery industry. With over a century of experience, the company knows the value of networks and loyalty. Strategic arrangements at the source make it a reliable partner for producers, while customers can count on sufficient supplies when they want them and how they want them. Red River-Van Eck offers stability and continuity to all parties in the chain, including timely advice on market trends.

Guaranteed safety and supply
Through the recent consolidation of its processing operations in a new 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. The new facility has improved the efficiency, quality, product safety and product security of its operations, confirmed by FSSC 22000 certification.

Increased range and volumes
With its state-of-the-art facilities for blending, treating and packaging products in tailor-made units, Red River-Van Eck has opened the door to new opportunities, whilst production capacity has been increased. This allows Red River-Van Eck to expand its offering to its customers, both in terms of volumes and product range.

RISK MANAGEMENT

Introduction
Risk management within the Group is carried out on the basis of procedures that have been approved by the Board. The Group's overall risk management focuses primarily on the unpredictability of commodity and financial markets and is aimed at minimizing the potential impact of negative market developments on Acomo's financial position and results. Identifying, evaluating and hedging risks are primarily the responsibility of the operating companies. The Board and the operating companies' management apply procedures that cover specific risk areas including exchange rate risks related to foreign currency, interest rate and credit risk exposure, 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 soft commodity portfolio, geographies, currencies, assets and liabilities is a source of mitigation for many of the risks the Company faces. In addition, through Acomo's governance processes and its proactive management approach, the Company seeks to mitigate where possible the impact of certain risks should they materialize. In particular:

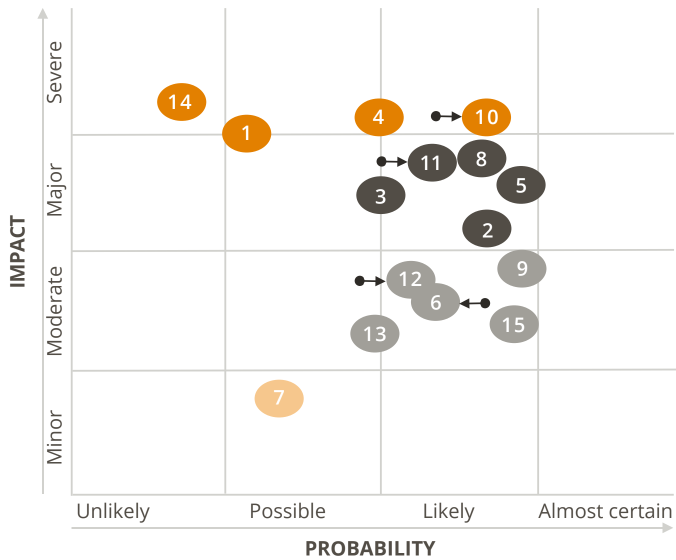
- The Group's finance policy requires Acomo to maintain sufficient cash and cash equivalents and other sources of committed funding available to meet anticipated and unanticipated funding needs.
- Acomo makes use of credit enhancement products, such as letters of credit, insurance policies and bank guarantees,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

Risk appetite
Acomo's willingness to assume risks and uncertainties (the risk appetite) 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 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

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

2019 OVERVIEW OF RISKS AND UNCERTAINTIES



RISK IMPACT

Minor Moderate Major Severe

Indicates change in 2019

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, 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

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.

Changes in principal risks

We believe that our principal risks have remained the same, although our assessment of their possible negative effect and the scale of impact have altered. Food safety has a critical role in assuring that food stays safe at every stage of the food chain from production to harvest, treatment, processing, storage and distribution, all the way to preparation and consumption. The increased globalization of the world's food supply means populations worldwide are more exposed to food hazards and therefore we believe the 'Food safety and recall risk' has increased. We believe that the risk of the 'Inability to attract, develop and retain (trading) staff' has also increased due to the scarcity on the labour market especially in the Netherlands and Belgium.

In the current market environment we experience that the risk of 'Fluctuations in foreign exchange rates' is becoming a less important factor in comparison to other operational risks. Therefore we believe that the risk of 'Fluctuations in currency exchange rates' has decreased.

In formulating a more focused set of risks, we have combined 'Fluctuations in commodity prices' and 'Fluctuations in the supply of, or demand for, the commodities in which we operate' into 'Fluctuations in the supply of, demand for and prices of commodities'.

The risks as defined in 2019 relate largely to the same topics as those identified in the previous year.

Risk description	Mitigating factors
Strategic risks	
1. Sustainability of our strategy	**Risk movement in 2019: 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 2019: 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 2019: 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 2019: stable**
Changes in temperature and rainfall patterns, with more droughts, are affecting yields, product quality and prices of natural food commodities. Commodities as spices, nuts and tea are highly sensitive to changes in growing conditions. These commodities can only be produced in narrowly defined agro-ecological conditions and, hence, in a limited number of countries.	• Diversification of purchases of food commodities 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 2019: stable**
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 2019: decrease**
Particularly fluctuations of the US dollar, in which most of the world's commodities are traded. The vast majority of our purchase transactions are denominated in US dollars, while operating costs are mainly in euro, the currency of which fluctuates against the US dollar.	• Hedging contracts, such as currency exchange contracts
7. Sourcing, freight, storage, infrastructure and logistics	**Risk movement in 2019: stable**
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 2019: 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 agriculture companies.	• Acomo has developed a Global Supplier Code of Conduct to clarify our global expectations in the areas of business integrity, labour practices, associate health and safety, and environmental management. Acomo's Supplier Code is intended to complement Acomo's Global Code of Conduct
9. Geopolitical risks	**Risk movement in 2019: 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 Code of Conduct • Keeping informed of new regulations and legal requirements, and proactively anticipating changes
10. Food safety and recall risks	**Risk movement in 2019: increase**
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 noncompliance 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 2019: increase**
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 2019: increase**
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 2019: 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
Financial risks	
14. Liquidity risks	**Risk movement in 2019: 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 2019, the Group had available undrawn credit facilities and cash amounting to €163 million (31 December 2018: €144 million)
Compliance risks	
15. Government – laws and regulations	**Risk movement in 2019: 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

HEALTHY, TASTY AND SAFE SEED PRODUCTS

PRODUCTS
Sunflower products for snacks and baking | Wildlife foods | Roasted and flavoured seeds | Bakery and birdfood ingredients | Special crops for the grain, seed and pulse industries | SunButter® | Red River Pure®

Red River Commodities' market leadership in sunflower and speciality seeds processing follows a solution-driven strategy to find niche markets that other companies find difficult to manage. Continuity in the supply of top-quality, safe products that fulfil consumers' needs is managed through close collaboration with contracted US farmers, secure sourcing and production in dedicated facilities. Among the company's successful products is SunButter®, a healthy and allergen-free alternative to peanut butter.

Raw products, 100% safe
The latest addition to Red River Commodities' product range is Red River Pure®, a line of raw seed products treated with an innovative method of microbial inactivation. Treatment under strictly controlled circumstances ensures products are safe to eat while still raw and with all their flavours and textures preserved.

Safe sourcing
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. Highly alert to opportunities and developments around the world, the company helps processors respond to a new generation of consumers who want the full story of their food.

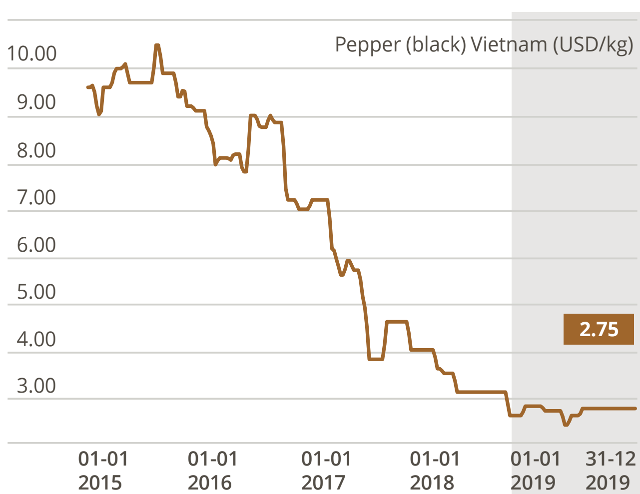
BUSINESS PERFORMANCE

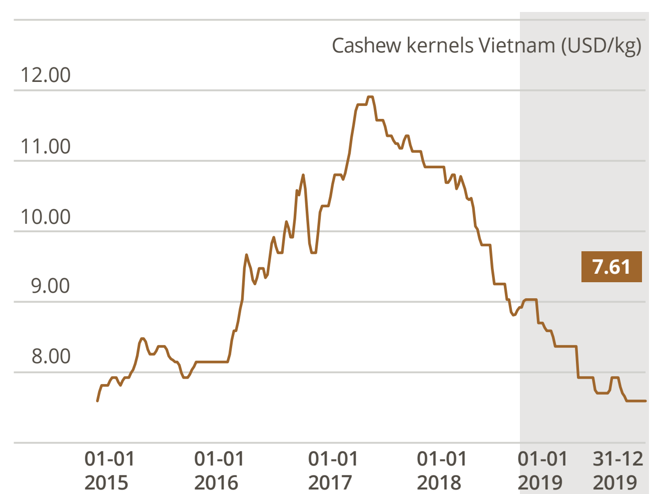
Group

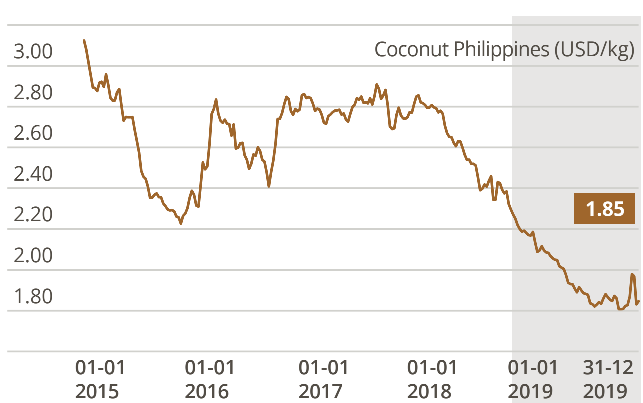
General economic environment

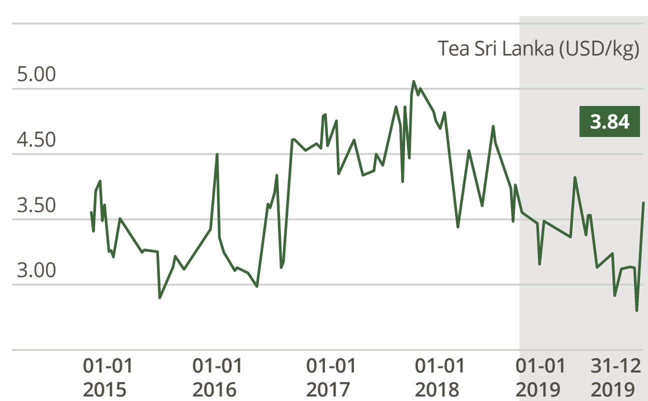
In 2019, global economic activity approached its lowest levels since the global financial crisis. Overall, real GDP growth decelerated markedly, reflecting influences that affected markets across regions. Rising trade barriers and associated uncertainty continued to weigh on business sentiments and activity. Further pressures came from country-specific weaknesses in large emerging market economies. The financial market sentiment remained fragile for most of the year, although it improved appreciably in the final months, when trade tensions showed some alleviation. For most of the year, food commodity prices in major product groups continued their downward trend. A number of spices, amongst which black pepper and nutmeg, saw a further decrease in prices or some stabilization. Cardamom showed a contrary trend, with sharp price increases towards the end of the year. Desiccated coconut saw a continued decline in prices and reached its lowest level of the last six years, yet with improvements towards the end of the year. Almost all nut categories also declined further in price during the year, with only almonds showing some recovery. Edible seeds showed improved prices for some products, except for poppy seeds which dropped in price in the second half of the year. Tea prices again showed different trends across the origins. Especially Sri Lanka reported downward prices due to good crops.

The graphs below illustrate the volatility of the prices of some of our major products in 2019.









(in € millions)	2019	2018	% change
Sales	701.4	700.2	0.2%
Gross margin	131.8	116.9	12.8%
EBITDA[1]	**55.6**	**50.4**	**10.4%**
Depreciation and amortization	8.9	5.4	66.8%
Operating income (EBIT)	**46.7**	**45.0**	**3.7%**
Financial income and expenses	(4.6)	(4.0)	14.5%
Corporate income tax	(10.0)	(9.9)	0.7%
Net profit	**32.1**	**31.1**	**3.2%**

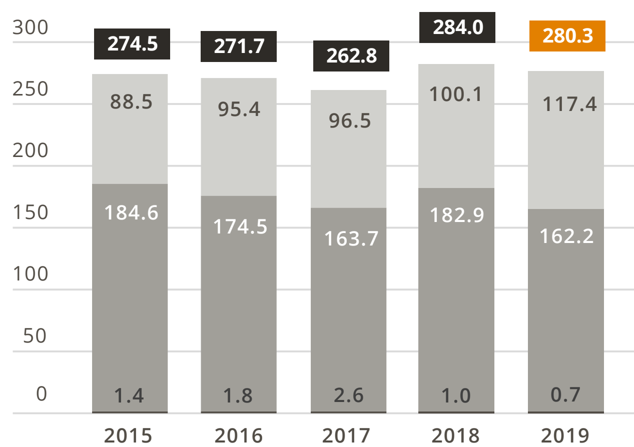
[1] Including effect of IFRS 16 in 2019

Financial performance
In 2019, Acomo achieved consolidated sales of €701.4 million, an increase of 0.2% compared to 2018 (€700.2 million). Gross margin increased by 12.8% to €131.8 million. Total costs increased, mainly due to increased production costs at the North American edible seeds business as a result of higher production volumes. Unrealized FX hedge results (due to not applying hedge accounting) had an effect on gross margin of -€0.7 million (2018: €2.1 million). The impact of unrealized FX hedge results on net profit was -€0.5 million (2018: €1.6 million).

Net profit for 2019 increased by €1.0 million to €32.1 million versus €31.1 million in 2018 (3.2%).

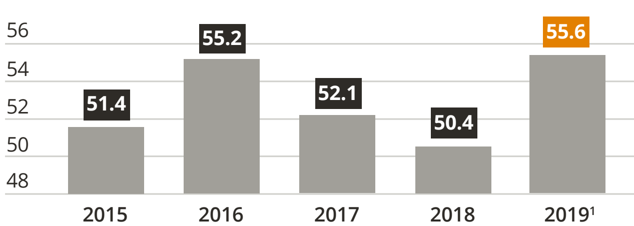
EBITDA increased by 10.4% to €55.6 million, mainly by higher contributions of Spices and Nuts and Edible Seeds and the effect of IFRS 16 by €2.7 million.

USE OF FUNDS (in € millions)



[1] Including other assets and liabilities
[2] Including effect of IFRS 16 in 2019

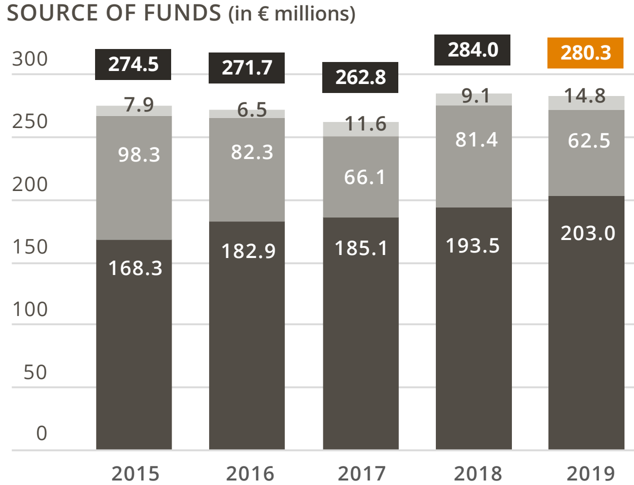
EBITDA (in € millions)



[1] Including effect of IFRS 16

Balance sheet analysis
In 2019, total capital amounted to €280.3 million, consisting of €117.4 million of fixed capital (intangible assets, property, plant and equipment, right-of-use assets and other noncurrent receivables, less provisions), €162.2 million of working capital and other working capital related assets and liabilities, and €0.7 million cash and cash equivalents.

SOURCE OF FUNDS (in € millions)



[1] Excluding short-term portion long-term debt
[2] Including effect of IFRS 16 in 2019

Fixed capital increased by €17.3 million compared to 2018, mainly due to the capitalization of operational lease contracts (IFRS 16) and the stronger year-end US dollar that affected the fixed capital denominated in US dollar (mainly in the Edible Seeds and Tea segments).

Working capital and other working capital related assets and liabilities decreased by €20.7 million compared to 2018, mainly due to lower trade receivables (€12.4 million), lower other working capital assets (€2.8 million) and higher working capital related liabilities, including the short-term portion of the long-term debt (€5.5 million).

Total equity increased by €9.5 million to €203.0 million on 31 December 2019 (year-end 2018: €193.5 million). The main movements were: 2019 net profit of €32.1 million and a positive net currency translation effect of €2.3 million, partly offset by dividend payments to shareholders of €24.7 million.

Total debt outstanding (excluding lease liabilities) at the end of 2019 amounted to €62.8 million (2018: €90.5 million). Long-term debt of €2.8 million (2018: €9.1 million) is repayable in three years on average. The short-term part of the long-term borrowings of €6.2 million, repayable in 2020, is included in other working capital related assets and liabilities. Short-term debt consists of the short-term bank overdrafts of €60.0 million (2018: €81.4 million).

Non-current lease liabilities as the result of IFRS 16 amounted to €12.0 million (2018: €0 million) at the end of 2019. The current part of the lease liabilities was €2.5 million (2018: €0 million).

Solvency as per 31 December 2019 was 56.6% (year-end 2018: 54.2%), which significantly exceeded the minimum solvency levels required by Acomo's financial policies.

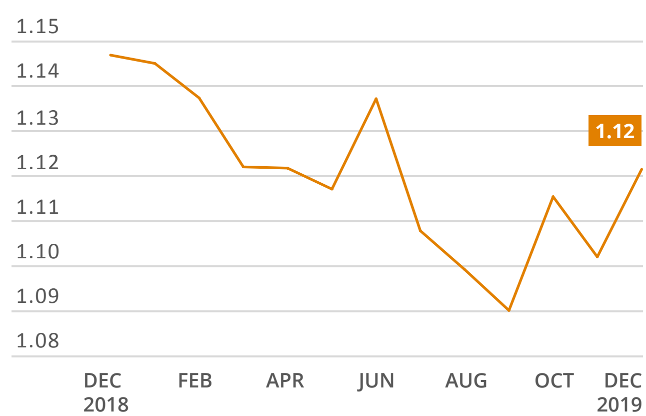
Foreign exchange position

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 2019 results against the average euro/US dollar rate of the year. The euro/US dollar exchange rate was relatively stable during the first half of the year. In the second half of the year the US dollar slightly strengthened. The average euro/US dollar exchange rate in 2019 was 1.119 (2018: 1.181). The FX rates contributed positively to sales (€16.5 million) and net profit (€0.5 million).

The future development of the euro/US dollar rate can have a positive or negative impact on the consolidated results reported in euro. The assets and liabilities of Red River Commodities, Red River Global Ingredients and Royal Van Rees Group are translated in euros at year-end rate for consolidation purposes. The 2019 year-end exchange rate of 1.121 reflects the stronger US dollar against the euro when compared to the 2018 year-end rate of 1.147. As at 31 December 2019, this resulted in an increase in total assets (€4.0 million).

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

EURO/US DOLLAR RATE 2019



Cash flow summary

Net cash generated from operations increased by €40.5 million, due to a lower working capital (total net cash effect of €29.3 million), mainly caused by lower trade receivables at year-end, €7.1 million higher operating cash flow, and lower interest and tax payments of €4.1 million.

(in € millions)	2019	2018	% change
Operating cash flow (before tax)	56.1	49.0	14.5%
Net changes in working capital	18.7	(10.6)	276.1%
Payments of interest and tax	(15.0)	(19.1)	21.5%
Net cash generated by operating activities	**59.8**	**19.3**	**209.0%**
Capex	(7.8)	(5.6)	-40.3%
Other investing activities	0.5	(0.2)	270.1%
Cash used in investing activities	**(7.3)**	**(5.8)**	**-25.8%**
Capital increases	-	0.3	-
Changes in financial liabilities	(25.6)	11.6	-321.0%
Payment of leases	(2.5)	-	-
Dividends	(24.6)	(27.1)	9.0%
Cash used in financing activities	**(52.7)**	**(15.2)**	**-247.6%**

Capital expenditures of €7.8 million were higher compared to 2018 (€5.6 million). The capital expenditures mainly consisted of upgrades in plant equipment and investments in product treatment equipment in the US operations of Edible Seeds and investments in plant equipment and leasehold improvements in the European operations of Edible Seeds.

The changes in financial liabilities of €37.2 million were mainly due to a lower amount of cash drawn from our working capital bank facilities as a result of the decrease in working capital (€18.7 million), lower payments of interest and tax (€4.1 million), and repayments of long-term bank borrowings (€2.4 million).

Dividends paid to the shareholders amounted to €24.6 million (2018: €27.1 million), which included the final 2018 dividend of €0.60 per share and the 2019 interim dividend of €0.40 per share.

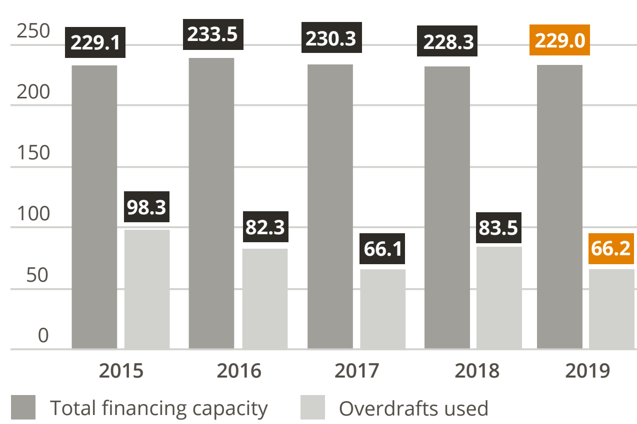
Treasury position

The Group prudently manages its financial risks, maintaining a strong liquidity position and ensuring a sufficient headroom under the credit facilities in case of unforeseen circumstances.

In December 2019, Acomo's main revolving credit facility was extended for another year (January 2021) to support the entities in financing their main working capital needs. The structure of the deal (borrowing base) as well as the financial covenants (solvency and interest cover ratio) and the option to increase the amount with 30% (accordion option) remained unchanged.

At year-end, the Group's working capital credit facilities including cash positions amounted to in total €229.0 million (2018: €228.3 million), with short-term financing available to a value of €162.8 million, versus €144.8 million in December 2018. The Company and its subsidiaries were in full compliance with all bank covenants present in the facilities.

FINANCING POSITION (in € millions)



Operating segments

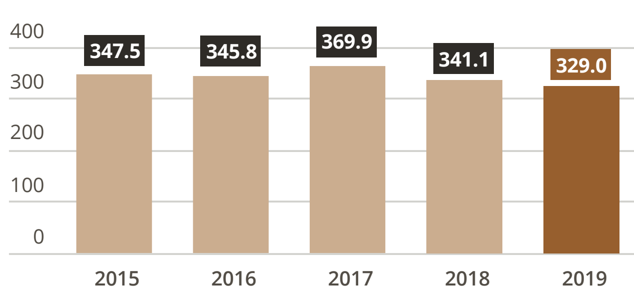
Spices and Nuts

Our Spices and Nuts segment improved its performance versus the previous year, even though market circumstances remained challenging. The market prices of spices showed mixed developments. Pepper prices continued the decline of recent years, yet at a lower pace and with some stabilization in the second half of the year. Market prices of cardamom and mace increased. Cardamom doubled in price towards the end of the year, with a steep increase in the last few months due to substantial damage to crops in Guatemala. Dehydrated vegetables saw improved market circumstances in some products, most notably in garlic, which reversed the declining trend of 2018 and showed an increase in price levels by 45%.

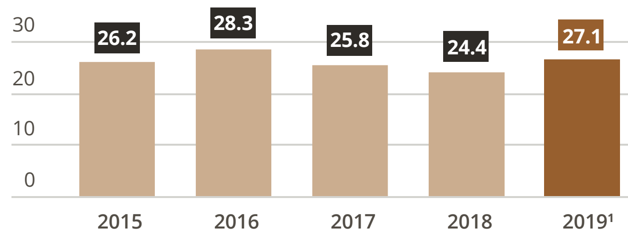
Market circumstances for desiccated coconut have differed greatly from year to year in the recent period. After drought issues in most origins in 2017, 2018 was a year of crop recovery. This trend continued into 2019 and led to a substantial decline in market price levels in the first half of the year. During the second half of the year crop outputs in major origins came under pressure due to typhoons (Philippines) and fires (Indonesia), leading to a stabilization of price levels at first and some increase towards the end of the year. In most major nuts, the year 2019 showed a continuation of the decline in market prices of the previous years. Cashews declined by 40% in a two-year time frame. There were only a few exceptions to the overall trend in nuts, such as the prices of almonds, which increased by 10% versus 2018.

EBITDA increased by €2.7 million (11.1%) compared to 2018. Invested capital increased by €10.1 million compared to 2018, mainly due to an increase in working capital of €6.6 million mainly as a result of higher inventories and an increase in fixed capital, which was mainly due to the capitalization of leases (IFRS 16).

SALES (in € millions)

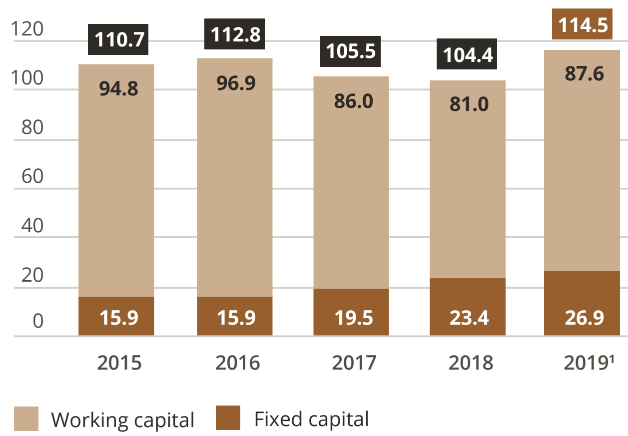


EBITDA (in € millions)



[1] Including effect of IFRS 16

INVESTED CAPITAL (in € millions)



[1] Including effect of IFRS 16

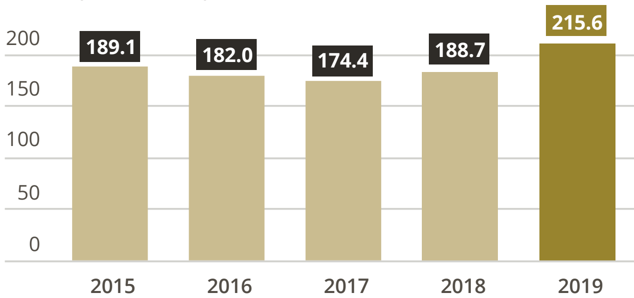
Edible Seeds

The Edible Seeds segment reported growth in earnings, especially in the European seeds business. Market prices for most seeds remained stable or saw small increases. The exception was poppy, where market prices decreased somewhat in the second half of the year. Overall, the poppy seed market continued the momentum that started in 2018. The other products of the European bakery seeds business also contributed to the healthy growth of this segment.

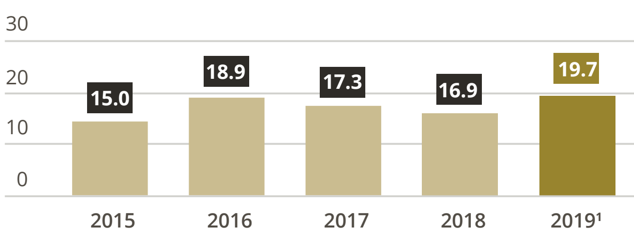
In North America the wildlife division of Red River Commodities experienced slightly lower sales and margins due to a competitive market and weather conditions. The SunGold division reported substantial sales growth due to the full-year effect of the Spitz® brand production contract. The higher sales volumes resulted in increased production costs versus 2018. The SunButter® brand continued to grow, again proving its attraction to consumers in search of healthy products. Both sales and margins increased. The import trading operation in Canada developed very well and achieved a substantial growth in sales and profit, thereby proving the importance of global sourcing opportunities.

EBITDA increased by €2.8 million (16.6%). The increase was mainly due to the strong performance in poppy seed in Europe. Fixed capital increased due to investments in new equipment in the US and the Netherlands as well as the impact of IFRS 16.

SALES (in € millions)

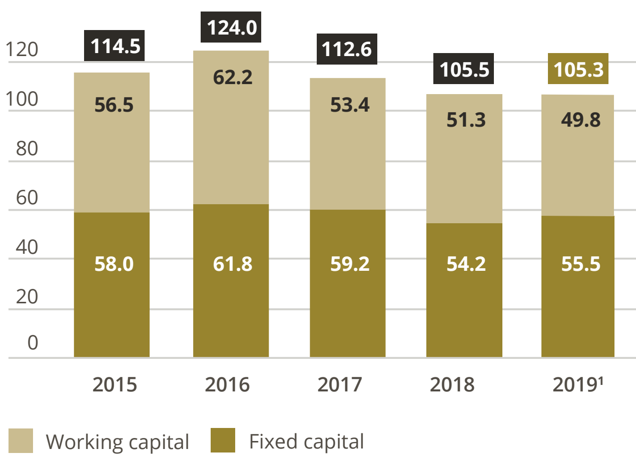


EBITDA (in € millions)



[1] Including effect of IFRS 16

INVESTED CAPITAL (in € millions)



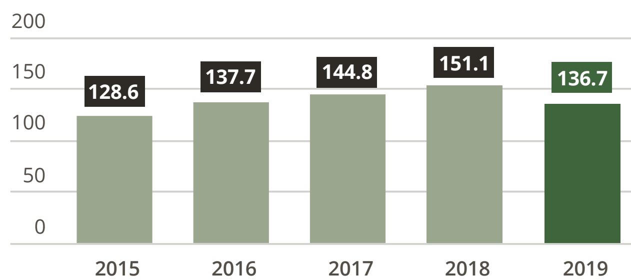
[1] Including effect of IFRS 16

Tea

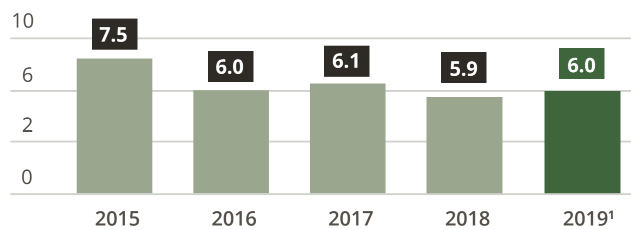
Our Tea segment reported lower sales due to lower volumes, however at higher margins. In general, the global availability of tea was good. Favourable weather conditions in Kenya, Malawi, Sri Lanka and India resulted in high crop yields. The surplus of tea led to lower prices in most origins. Currency devaluations and reduced economic growth impacted demand in a number of destination markets such as the United Kingdom, Middle East and Asia. The demand for black tea in Europe and North America continued to be under pressure and volumes declined in these regions versus prior year, whereas in other regions the demand is stable or growing. In the Western world, speciality teas are becoming increasingly important. These teas with fruits, herbs and spices are gaining a larger share in the sales of Royal Van Rees Group.

EBITDA increased by €0.1 million (1.7%) compared to the previous year. Invested capital increased by €3.8 million, mainly due to a higher working capital.

SALES (in € millions)

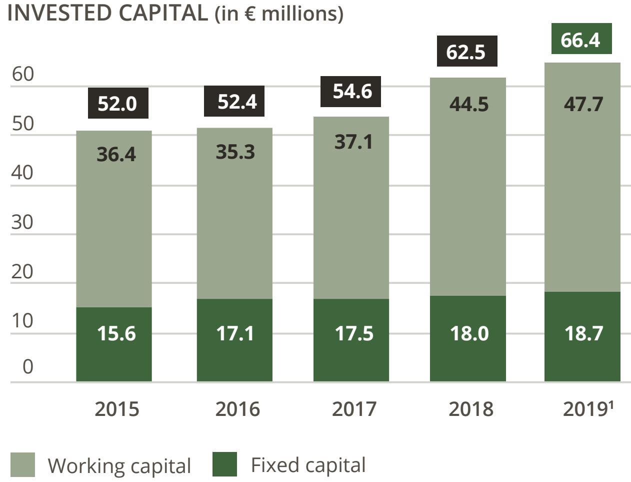


EBITDA (in € millions)



[1] Including effect of IFRS 16

INVESTED CAPITAL (in € millions)



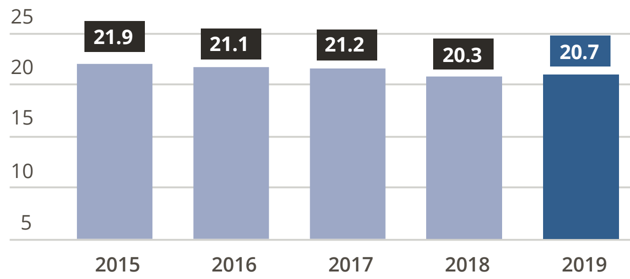
[1] Including effect of IFRS 16

Food Ingredients

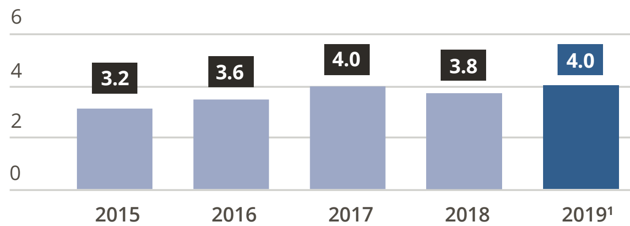
The Food Ingredients segment continued to perform well and increased its sales. The overall margin percentage showed a further increase, due to the focus on continuation of growth through its own blend business. The Food Ingredients business environment shows continued consolidation in Europe, and yet new concepts are in demand. The growing market for plant-based protein products requires new ingredient solutions that improve taste, structure and stability of these products. Snick is investing in these concepts, which will further strengthen its market position and offer solutions for new market segments. These added value solutions are created in Snick's dedicated and highly advanced facilities, which still have potential for further upscaling of capacity and improvements in efficiency. The location also houses modern R&D facilities.

EBITDA increased by €0.2 million (5.3%) compared to the previous year. Invested capital increased by €0.9 million compared to 2018, mainly as a result of an increase in working capital.

SALES (in € millions)

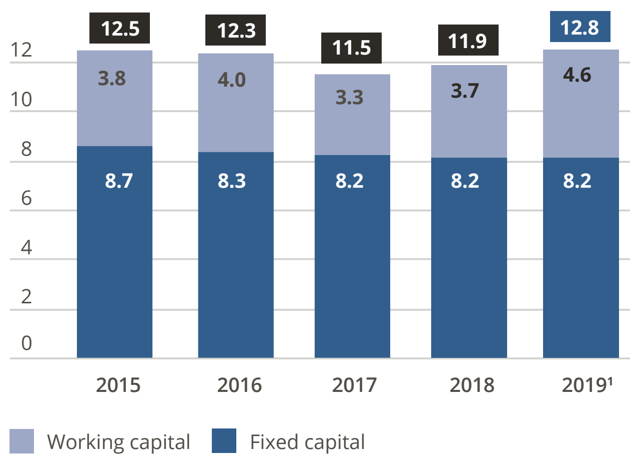


EBITDA (in € millions)



[1] Including effect of IFRS 16

INVESTED CAPITAL (in € millions)



[1] Including effect of IFRS 16

UNDERSTANDING CONSUMER NEEDS

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

The ability to develop the right concepts in response to trends in consumer demands, such as a taste for organic and healthy food, is a key driver behind the product development of Delinuts. Once a local company selling directly from a lorry, Delinuts is now a preferred supplier to the food industry and food service sector in the Netherlands and other European countries. The company is a responsible business partner that understands and meets its customers' needs. Operating from state-of-the-art facilities with climate-controlled warehousing and automated systems allow for rapid delivery and provide quality, continuity and control.

Category marketing
The next level in meeting consumer demand is category marketing: the combination of creative concept development and price variation ensures the attractiveness of a product assortment for each specific customer in creating real consumer demand. Delinuts has more actively promoted this approach since 2019, benefiting its customers in retail, food service and the hospitality sector.

Surprising consumers
Delinuts's commercial team develops market-specific product combinations, such as bakery or salad mixes, and distinctive consumer packaging and presentations, such as bags of nuts complete with recipes. Their understanding of the market enables customers to increase profitability by surprising end-users again and again.

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.

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 the internal relativity to key positions within the Group is taken into account.

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.

At the end of 2019 the revised Shareholder Rights Directive (SRD) issued by the European Union was implemented into the Dutch Civil Code. Based on this revised legislation, Acomo will draft a new SRD compliant remuneration policy to be presented for shareholder approval at the 2020 AGM.

Adjustments to the remuneration policy for executive directors

There were no adjustments to Acomo's remuneration policy in 2019.

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 2019 and 2018 remuneration to the Executive Director is shown below (all amounts in € thousands):

Remuneration Executive Director

2019	Salary	Short-term bonus	Post-employment benefits	Share-based expenses	Total
Goldschmeding	275	438	25	12	750
Total Executive Director	**275**	**438**	**25**	**12**	**750**
2018					
Goldschmeding	275	390	25	20	710
Total Executive Director	**275**	**390**	**25**	**20**	**710**

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 2019 and will be paid out in 2020.

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 2019 the fixed element of the remuneration of the Executive Director was 42% (2018: 45%) and the variable element was 58% (2018: 55%).

Executive Director	Year of grant	Outstanding 1 Jan 2019	Exercised 2019	Outstanding 31 Dec 2019	Exercise price (€)	Expiry date
Goldschmeding	2015	50,000	-	50,000	22.46	01-12-22

The intrinsic value was zero on the vesting date for the 15,000 options that vested on 1 September 2018 (share price €20.20) and the 7,500 options that vested on 1 September 2019 (share price €18.48). When using this value for share-based payment, Mr Goldschmeding's total remuneration for 2019 is €738 (2018: €690). Of the unvested options, 12,500 options will vest on 1 September 2020 and 15,000 will vest on 1 September 2021.

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	2019	2018	2017	2016	2015	2014
Stuivinga[1]	106	106	89	56	56	56
Groothuis	85	85	68	35	35	35
Gottesman[1]	95	95	78	45	45	45
Niessen	85	85	68	35	35	35
Total	**371**	**371**	**303**	**171**	**171**	**171**

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

As at 31 December 2019, 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 2019

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 10.6:1 for the 2019 financial year (2018: 10.8:1). Both annual total compensation figures include pension costs.

Remuneration Executive Director - summary	2019	2018	2017	2016	2015
Goldschmeding	750	710	754	599	-
% change	*5.6%*	*-5.8%*	*25.9%*	*n.a.*	-
Company performance					
Net profit (in € millions)	32.1	31.1	32.5	34.4	32.3
Earnings per share (in €)	1.30	1.26	1.33	1.43	1.35
Average remuneration (on a full-time basis)					
Employees of the Group	71	66	68	66	-
Pay ratio	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 the new Code while maintaining some of its departures from the Code (see page 45).

Board of Directors

The task of the Board is to manage the Company, which includes the responsibility for the performance of the Group, the implementation of the Company's role, objectives and long-term strategy within the risk profile relating to the strategy, and taking into account corporate social responsibility aspects that are relevant to the Company. The Board is a one-tier board and the responsibility of the directors is collective, taking into account their respective roles as executive directors and non-executive directors. The majority of directors are non-executive directors, who essentially have a supervisory role. The non-executive director profile can be found on 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 48.

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

The Group Managing Director reports to the Board and is able to delegate any of his powers and discretions.

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

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

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

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

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

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

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

The Board is the authorized body to adopt resolutions to issue common shares and/or grant rights to acquire common shares up to a maximum 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.

Information following the Takeover Directive Decree is included on page 116.

Annual General Meeting of Shareholders

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

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

Voting rights

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

Departures from the Code

Principle 2.2.2 Appointment and reappointment periods – non-executive directors: Considering the requirement for experience and in-depth expertise in the sourcing, trading, treatment, processing, packaging and distribution of food commodities, 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 42), in practice they play an important role given the long-term relations and the high degree of loyalty of both management and employees towards the Group.

Statement by the Group Managing Director

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

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

Report of the Non-Executive Directors

This report provides further information on the way the Non-Executive Directors performed their duties in 2019.

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 48.

Independence

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

Evaluation accountability

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

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 16 formal meetings held in 2019 (100%). The Board also convened in the absence of the Executive Director, which happened either before or after each meeting.

Internal audit department

In September 2019 an internal auditor was hired by the Group in order to strengthen Acomo's internal control system on top of the existing measures. The internal auditor is part of the holding company and has a direct reporting line to the Chairman of the Board.

Declaration by the Board of Directors

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

- The financial statements for 2019 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 2019, and of the 2019 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 2019 and the state of affairs during the financial year 2019, together with a description of the principal risks faced by the Group.

Rotterdam, 5 March 2020

The Board of Directors,

A.W. Goldschmeding, Executive Director

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

THE BOARD OF DIRECTORS

Machtelt Groothuis
(1970, f)
Non-Executive Director

Non-Executive Director since April 2017. Prior to this she served as member of the Supervisory Board from 2013. End of current term: 2023. Nationality: Dutch.

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

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: 2020. Nationality: Dutch.

Supervisory directorships and other positions held: none.

Bernard Stuivinga
(1956, m)
Non-Executive Chairman

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

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

Yoav Gottesman
(1952, m)
Non-Executive Director

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

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

Jan Niessen
(1963, m)
Non-Executive Director

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

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

THE ACOMO SHARE

Shares and listings

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

The average number of shares outstanding in 2019 was 24,650,218. As at 31 December 2019 Acomo had 24,651,560 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 2019:

- Mont Cervin Sarl (14.9%)
- Mawer Investment Management Ltd. (10.8%)
- Red Wood Trust (7.1%)
- Teslin Participaties Coöp UA (6.7%)
- Kempen Capital Management N.V. (6.4%)
- Fidelity Management & Research (Japan) Ltd. (5.0%).

Dividend

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

Key Acomo share data		2019	2018	2017	2016	2015
Year-end price	€	20.75	17.44	24.11	20.90	23.20
Year high	€	20.95	25.50	29.36	24.64	25.83
Year low	€	16.86	16.28	20.25	19.00	18.85
Number of shares 31 December (thousands)		**24,652**	**24,649**	**24,624**	**24,225**	**23,991**
Market capitalization 31 December (in millions)	€	511.5	429.9	593.6	506.3	556.6
Earnings per share	€	1.30	1.26	1.33	1.43	1.35
Dividend per share (2019: proposed)	€	1.10	1.00	1.10	1.15	1.00
Equity per share at year-end	€	8.23	7.85	7.52	7.55	7.02
Price/earnings ratio (P/E ratio) at year-end	€	15.9	13.8	18.2	14.6	17.2

Share performance 2019

Source: Euronext

ONE-STOP SHOP FOR THE BAKERY INDUSTRY

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

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. The company sources quality products from all over the world and supplies them processed or unprocessed, depending on customers' needs. Customers know they can count on SIGCO for thorough knowledge of suppliers at origin and for absolute reliability in the supply chain.

Tailored deliveries
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. SIGCO ensures that customers' interest in terms of quality and contract performance is guaranteed, both at origin and when cleaned and sorted in Europe. It offers custom-designed packaging, varying from pallet loads to full trucks or direct containers.

Organic options
SIGCO is well placed to facilitate the growing demand for 'superfoods' and organic products, with a key role for logistics in keeping product flows safe and separate. Through dedicated facilities and secure sources of supply, SIGCO will continue to meet customer needs at all times.

SOLUTIONS FOR NEW CONSUMER TRENDS

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

In its Belgian R&D centre and blending facility, Snick EuroIngredients develops, manufactures, packages and distributes unique and innovative solutions that add value to customers' products.
Each day, the food technologists of Snick serve the needs of a wide customer base, always focused on quality and food safety. Serving a fast-changing food industry, Snick maintains its position through unwavering commitment to excellence. Acute awareness of customers' needs allows the company to timely respond to different trends in existing and new markets.

Knowledge partner
Industries such as the meat sector, hospitality and retail are broadening their product range in response to the rapidly growing demand of alternative sources of protein and food that meets religious requirements. Snick has all the necessary expertise with regard to ingredients, processing, the market and the final product.

New and enhanced products
Snick's high-end vegetarian concept ranges from hamburgers, meatballs, spareribs, pulled meat and other alternatives. The company offers ready-made mixtures, single ingredients and expert support in their application. Tastes, flavours and textures satisfy the demands of critical consumers, both in the kitchen and at the table. With its unique expertise, Snick is able to meet the specific demands of both the vegetarian and traditional meat markets with new and enhanced products.

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

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER

(in € thousands)

Assets		31 December	31 December
Non-current assets	Note	**2019**	**2018**
Intangible assets	6	68,353	68,098
Property, plant and equipment	7	40,798	38,057
Right-of-use assets	7	13,955	-
Other non-current receivables	8	1,211	1,261
Deferred tax assets	19	1,508	1,484
Total non-current assets		**125,825**	**108,900**
Current assets			
Inventories	10	140,907	142,512
Trade receivables	11	82,807	95,235
Other receivables	12	7,819	7,601
Derivative financial instruments	13	515	1,954
Cash and cash equivalents	14	732	957
Total current assets		**232,780**	**248,259**
Total assets		**358,605**	**357,159**
Equity and liabilities			
Shareholders' equity			
Share capital	15	11,093	11,092
Share premium reserve	15	62,028	61,994
Other reserves	16	9,910	7,915
Retained earnings		87,834	81,414
Net profit for the year		32,077	31,107
Total shareholders' equity		**202,942**	**193,522**
Non-controlling interests		62	-
Total equity		**203,004**	**193,522**
Non-current liabilities and provisions			
Bank borrowings	18	2,827	9,068
Lease liabilities	7	12,017	-
Deferred tax liabilities	19	5,996	6,339
Retirement benefit obligations	20	2,271	2,150
Other provisions	21	141	315
Total non-current liabilities		**23,252**	**17,872**
Current liabilities			
Current portion long-term bank borrowings		6,225	2,113
Bank borrowings	18	59,959	81,400
Lease liabilities		2,487	-
Trade creditors	7	41,657	40,679
Tax liabilities		1,087	3,233
Derivative financial instruments	13	454	165
Other current liabilities and accrued expenses		20,480	18,175
Total current liabilities		**132,349**	**145,765**
Total liabilities		**155,601**	**163,637**
Total equity and liabilities		**358,605**	**357,159**

The notes on pages 59 to 92 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF INCOME

(in € thousands)

	Note	2019	2018
Sales	5	**701,441**	**700,170**
Cost of goods sold		(569,679)	(583,317)
Gross margin		131,762	116,853
Personnel costs	22	(49,972)	(43,203)
General costs	23	(26,201)	(23,275)
Depreciation and amortization		(8,894)	(5,333)
Total costs		**(85,067)**	**(71,811)**
Operating income (EBIT)		**46,695**	**45,042**
Interest income	24	48	42
Interest expense	24	(4,815)	(4,218)
Other financial income and expenses	24	150	143
Financial income and expenses		**(4,617)**	**(4,033)**
Profit before income tax		**42,078**	**41,009**
Corporate income tax	25	(9,976)	(9,902)
Net profit		**32,102**	**31,107**
Profit attributable to shareholders of the Company		**32,077**	**31,107**
Profit attributable to non-controlling interests		**25**	**-**
Earnings per share			
Basic	26	1.301	1.263
Diluted	26	1.301	1.263

The notes on pages 59 to 92 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in € thousands)

	2019	2018
Net profit	**32,102**	**31,107**
Other comprehensive income (OCI)		
OCI to be reclassified to profit or loss in subsequent periods		
Movement currency translation reserves	2,327	3,751
Movement on cash flow hedges	(146)	201
OCI to be reclassified to profit or loss in subsequent periods	**2,181**	**3,952**
OCI not to be reclassified to profit or loss in subsequent periods		
Remeasurement gains/(losses) on defined benefit plans	(212)	60
Release pension provision	-	73
OCI not to be reclassified to profit or loss in subsequent periods	**(212)**	**133**
Total other comprehensive income	**1,969**	**4,085**
Total comprehensive income	**34,071**	**35,192**
Total comprehensive income attributable to shareholders of the parent	**34,046**	**35,192**
Total comprehensive income attributable to non-controlling interests	**25**	**-**

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

The notes on pages 59 to 92 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

(in € thousands)

Cash flow from operating activities	Note	2019	2018
Profit before income tax		**42,078**	**41,009**
Adjustments for:			
• Depreciation and amortization	6, 7	8,894	5,333
• Net increase/(decrease) in provisions		(149)	(1,116)
• Interest income	24	(48)	(42)
• Interest expense	24	4,650	4,053
• Other		639	(252)
Cash flow from operating activities excluding working capital		**56,064**	**48,985**
Changes in working capital			
• Inventories		5,315	10,877
• Trade and other receivables		16,024	(9,560)
• Derivatives		1,609	(4,088)
• Trade and other payables		(4,284)	(7,828)
Total (increase)/decrease in working capital, net		**18,664**	**(10,599)**
Cash generated from operations		**74,728**	**38,386**
Interest paid		(4,378)	(3,943)
Income tax paid		(10,568)	(15,098)
Net cash generated from operating activities		**59,782**	**19,345**
Cash flow from investing activities			
Investments in property, plant and equipment and intangible assets	6, 7	(7,801)	(5,559)
Other investing activitities		466	(274)
Net cash used for investing activities		**(7,335)**	**(5,833)**
Cash flow from financing activities			
Proceeds from new shares issued	15	35	348
Repayments of long-term borrowings	18	(2,139)	(2,359)
Net changes in bank financing of working capital	18	(23,399)	13,942
Payments of leases		(2,542)	-
Dividends paid to shareholders		(24,642)	(27,088)
Net cash used for financing activities		**(52,687)**	**(15,157)**
Net increase/(decrease) in cash and cash equivalents		**(240)**	**(1,645)**
Cash and cash equivalents at the beginning of the year		957	2,590
Exchange gains/(losses) on cash and cash equivalents		15	12
Cash and cash equivalents at the end of the year		**732**	**957**

The notes on pages 59 to 92 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in € thousands)	Note	Share capital	Share premium reserve	Other reserves	Retained earnings	Net profit for the year	Total share-holders equity	Non-controlling interests	Total equity
		Attributable to owners of the Company							
Balance 1 January 2018		**11,081**	**61,658**	**3,801**	**76,039**	**32,472**	**185,051**	**-**	**185,051**
Net profit 2018		-	-	-	-	31,107	31,107	-	31,107
Other comprehensive income 2018		-	-	4,085	-	-	4,085	-	4,085
Total comprehensive income 2018		**-**	**-**	**4,085**	**-**	**31,107**	**35,192**	**-**	**35,192**
Appropriation of net profit		-	-	-	32,472	(32,472)	-	-	-
New shares issued	15	11	336	-	-	-	347	-	347
Employee share option scheme:									
• Value of employee services	16	-	-	39	-	-	39	-	39
• Tax credit share option scheme	16	-	-	(10)	-	-	(10)	-	(10)
Dividends relating to 2017, final		-	-	-	(17,237)	-	(17,237)	-	(17,237)
Dividends relating to 2018, interim		-	-	-	(9,860)	-	(9,860)	-	(9,860)
Transactions with shareholders		**11**	**336**	**29**	**5,375**	**(32,472)**	**(26,721)**	**-**	**(26,721)**
Balance 31 December 2018		**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	15	1	34	-	-	-	35	-	35
Employee share option scheme:									
• Value of employee services	16	-	-	35	-	-	35	-	35
• Tax credit share option scheme	16	-	-	(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**

The notes on pages 59 to 92 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, treatment, processing, packaging and distribution of natural food products and ingredients for the food and beverage industry. The Group's product portfolio broadly encompasses spices, dried fruits, nuts, tea, edible seeds and food ingredients. Acomo is a public limited liability company listed at the Amsterdam stock exchange (Euronext Amsterdam, AEX: ACOMO). The address of its registered office is Beursplein 37, 3011 AA Rotterdam, the Netherlands, Chamber of Commerce number: 24191858. These financial statements were approved by the Board of Directors on 5 March 2020.

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, The Acomo Group, Risk management, Business performance, 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 financial reporting included in Title 9 of Book 2 of the Dutch Civil Code when applicable. The consolidated financial statements are presented in thousands of euros unless stated otherwise and have been prepared under the historical cost convention unless otherwise stated. The consolidated financial statements have been prepared on a going concern basis. The areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

2.2 Changes in accounting policies

The Group has adopted IFRS 16 'Leases' retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognized in the opening balance sheet as at 1 January 2019. The new accounting policies are disclosed in Note 2.16.

On adoption of IFRS 16, the Group recognized lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 'Leases'. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities as at 1 January 2019 was 3.1%.

(a) Practical expedients applied

In applying IFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- The use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Reliance on previous assessments on whether leases are onerous;
- The accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases;
- The exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- The use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date, the Group relied on its assessment made applying IAS 17 and Interpretation 4, 'Determining whether an Arrangement contains a Lease'.

(b) Measurement of lease liabilities

Operating lease commitments disclosed as at 31 December 2018	**10,115**
Discounted using incremental borrowing rate at date of initial application	9,373
(Less): short-term leases recognized on a straight-line basis as expense	(316)
(Less): low-value leases recognized on a straight-line basis as expense	(7)
Lease liability recognized as at 1 January 2019	**9,050**
Of which are:	
Current lease liabilities	2,047
Non-current lease liabilities	7,003
Total lease liabilities	**9,050**

(c) Measurement of right-of-use assets
All right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet as at 31 December 2018. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

(d) Adjustments recognized in the balance sheet as at 1 January 2019
The change in accounting policy affected the following items in the balance sheet as at 1 January 2019:
• Right-of-use assets – increase by €9.1 million
• Lease liabilities – increase by €9.1 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 their annual reporting period commencing 1 January 2019:
• IFRS 16 'Leases';
• Prepayment Features with Negative Compensation – Amendments to IFRS 9;
• Long-term Interests in Associates and Joint Ventures – Amendments to IAS 28;
• Annual Improvements to IFRS Standards 2015 – 2017 Cycle;
• Plan Amendment, Curtailment or Settlement – Amendments to IAS 19;
• Interpretation 23 Uncertainty over Income Tax Treatments.

As described in paragraph 2.2 the Group had to change its accounting policies as a result of adopting IFRS 16. The other 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 2019 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 2019 consolidated financial statements, the Company and the following subsidiaries are included:

		Percentage of ownership	
Subsidiaries	**Country of incorporation**	**2019**	**2018**
Catz International B.V.	The Netherlands	100%	100%
Catz International Dried Fruit B.V.	The Netherlands	100%	100%
Tovano B.V.	The Netherlands	100%	100%
Snick EuroIngredients N.V.	Belgium	100%	100%
Red River Commodities Inc.	USA	100%	100%
Red River Commodities International Inc.	USA	100%	100%
SunGold Foods Inc.	USA	100%	100%
SunButter LLC	USA	100%	100%
Red River Global Ingredients Ltd.	Canada	100%	100%
Red River-van Eck B.V.	The Netherlands	100%	100%
Food Ingredients Service Center Europe B.V.	The Netherlands	100%	-
Red River Bulgaria EOOD	Bulgaria	100%	100%
Van Rees Group B.V.	The Netherlands	100%	100%
Van Rees B.V.	The Netherlands	100%	100%
Van Rees India B.V.	The Netherlands	100%	100%
Van Rees North America Inc.	Canada	100%	100%
Van Rees UK Ltd.	United Kingdom	100%	100%
Van Rees Kenya Ltd.	Kenya	100%	100%
Van Rees Middle East Ltd.	United Arab Emirates	100%	100%
Van Rees Ceylon B.V.	The Netherlands	100%	100%
Van Rees Ceylon Ltd.	Sri Lanka	100%	100%
P.T. Van Rees Indonesia	Indonesia	100%	100%
Van Rees LLC	Russia	100%	100%
Container Tea Van Rees Trading Private Ltd.	India	90%	100%
King Nuts B.V.	The Netherlands	100%	100%
Delinuts B.V.	The Netherlands	100%	100%
SIGCO Warenhandelsgesellschaft mbH	Germany	100%	100%
Acomo Investments B.V.	The Netherlands	100%	100%
Acomo North American Commodities B.V.	The Netherlands	100%	100%
Acomo European Nuts Holding B.V.	The Netherlands	100%	100%
Acomo Food Ingredients Holding B.V.	The Netherlands	100%	100%
Acomo Seeds Holding B.V.	The Netherlands	100%	100%

2.5 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 and Food Ingredients represent the reportable segments for the Group. These reportable segments have been determined by aggregation of a number of operating segments, that meet the aggregation criteria as described in IFRS 8 (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 benefiting from the business combination in which the goodwill arose. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

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

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

2.8 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 hedging accounting

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

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

All operating companies are required to hedge their foreign exchange exposure related to transactions against their functional currency. Based on a cost/benefit analysis the Group decided to discontinue applying hedge accounting as of 2016 for all operating segments except for the Tea segment.

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 recognises 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 expwenses 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
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 and includes the cost of the products sold, changes in the provision for obsolete inventories and direct purchase expenses. It excludes production costs.

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

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

2.25 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 operates in international commodity trading and is exposed to a variety of market and financial risks (including foreign exchange risk, interest rate risk and price risk), credit risks and liquidity risks. The Group's overall risk management focuses on the unpredictability of commodity and financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain foreign currency risk exposures. Risk management is carried out under policies approved by the Board of Directors. Risks are identified, evaluated and hedged in close cooperation with the Group's operating units. The Board and the 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 commodities in which the Group trades are not traded on commodity exchanges or spot markets. The group companies contract and purchase the products in general at the source for physical delivery. For further explanation on risk management see page 28.

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 2019, 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 €0.5 million higher/lower (2018: €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 2019, the total impact on shareholders' equity of a 5% US dollar increase/decrease relating to equity of subsidiaries with a US dollar functional currency would have been approximately €2.9 million (2018: €2.7 million). Similarly, total assets would have increased/decreased by approximately €6.8 million (2018: €8.1 million) in case of the euro/US dollar rate being 5% higher/lower than the rate as at 31 December 2019 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. 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 2019 and 2018, 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 2019 would have been approximately €0.5 million (2018: €0.5 million) lower/higher respectively.

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

3.1.3 Liquidity risk
Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements and calculates ratios to ensure it has sufficient funds to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times, so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities (Note 18). Such forecasting takes into consideration the Group's debt financing plans, planned capital expenditures, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable, external regulatory or legal requirements – for

example, currency restrictions. Surplus cash held by the operating entities over and above balances required for working capital purposes are transferred to Group treasury. Group treasury invests surplus cash in interest bearing current accounts at first class banks.

3.2 Capital risk management

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

The Company monitors capital on the basis of the solvency ratio. This ratio is calculated as total equity plus subordinated debt divided by total assets. During 2019, 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 2019 and 2018 were as follows:

	31 December	31 December
Solvency	**2019**	**2018**
Total equity	203,004	193,522
Total assets	358,605	357,159
Solvency ratio	**56.6%**	**54.2%**

The solvency ratio as at 31 December 2019 indicates that the Group is able to continue as a going concern.

4 Critical accounting estimates and judgments

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

(a) Impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2.9. The recoverable amounts of CGUs have been determined based on value-in-use calculations. These calculations require the use of estimates (Note 6).

(b) Income taxes

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

(c) Pension benefits

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate, 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 20.

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

(e) Trade receivables
Provisions are made for doubtful debts based on management's estimates of the prospects of recovering the debt. Where management has determined that recovering is doubtful, the amount is provided for, based on the expected credit loss, also taking into account that historical write-offs have been limited. Additional information is disclosed in Note 11.

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

5 Segment information

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

The segment information for the reportable segments for the years ended 31 December 2019 and 31 December 2018 is as follows:

2019	Spices and Nuts	Edible Seeds	Tea	Food Ingredients	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[1]	**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**

[1] Including effect of IFRS 16

Additions intangibles[2] 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

[2] Excluding goodwill

2018	Spices and Nuts	Edible Seeds	Tea	Food Ingredients	Holding and intra-group	Total
Sales	341,122	188,684	151,088	20,278	(1,002)	700,170
Operating expenses	(318,891)	(171,743)	(145,183)	(16,448)	351	(651,914)
Effect discontinuation hedge accounting	2,119	-	-	-	-	2,119
EBITDA	**24,350**	**16,941**	**5,905**	**3,830**	**(651)**	**50,375**
Depreciation and amortization	(514)	(4,048)	(399)	(345)	(27)	(5,333)
Operating income (EBIT)	**23,836**	**12,893**	**5,506**	**3,485**	**(678)**	**45,042**
Interest income/(expense), net						(4,033)
Income tax expense						(9,902)
Net result						**31,107**

Additions intangibles[1] and PPE (net)	*102*	*3,861*	*1,311*	*285*	*-*	*5,559*
Total intangibles and PPE	1,151	30,015	5,891	4,018	92	41,167
Total assets	118,400	108,297	65,586	12,180	52,696	357,159
Total liabilities	85,563	73,330	39,368	7,786	(42,410)	163,637

[1] Excluding goodwill

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

Sales per geography are as follows:

Sales (in € millions)	NL	EU other	North America	Other	Total
2019	**140.9**	**262.8**	**186.2**	**111.5**	**701.4**
2018	140.4	269.0	150.6	140.2	700.2

6 Intangible assets

1 January 2018	Goodwill	Software	Other	Total
Cost	63,472	3,985	300	67,757
Accumulated amortization	-	(1,236)	(279)	(1,515)
Net book amount	**63,472**	**2,749**	**21**	**66,242**
2018				
Opening net book amount	63,472	2,749	21	66,242
Additions	-	743	-	743
Amortization	-	(503)	(21)	(524)
Exchange differences	1,516	121	-	1,637
Closing net book amount	**64,988**	**3,110**	**-**	**68,098**
31 December 2018				
Cost	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	65,750	5,004	-	70,754
Accumulated amortization	-	(2,401)	-	(2,401)
Net book amount	**65,750**	**2,603**	**-**	**68,353**

Goodwill

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

Goodwill	31 December **2019**	31 December **2018**
Spices and Nuts	21,474	21,474
Edible Seeds	28,601	28,094
Tea	11,570	11,315
Food Ingredients	4,105	4,105
Total goodwill	**65,750**	**64,988**

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 2020. 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 8.5% and 9.2%.
- A five-year forecast period is used (including approved 2020 budgets when applicable) followed by a terminal value based on perpetual 1.5% to 2.0% growth of revenues. Cash flows beyond 2020 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% lower than assumed.

The key assumptions used for value-in-use calculations in 2019 and 2018 are as follows:

Assumptions 2019	Spices and Nuts	Edible Seeds	Tea	Food Ingredients
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%
Assumptions 2018				
Average future growth rates 2019 - 2023	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	8.9%	8.8%	9.1%	10.1%

7 Property, plant and equipment

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

1 January 2018	Land and buildings	Vehicles and machinery	Furniture, fittings and equipment	Assets under construction	Total
Cost or valuation	27,490	32,706	2,333	126	62,655
Accumulated depreciation	(7,972)	(16,817)	(1,292)	-	(26,081)
Net book amount	**19,518**	**15,889**	**1,041**	**126**	**36,574**
2018					
Opening net book amount	19,518	15,889	1,041	126	36,574
Investments	605	3,146	166	1,066	4,983
Disposals	(1)	(162)	(4)	-	(167)
Depreciation charge	(1,038)	(3,463)	(308)	-	(4,809)
Exchange differences	759	691	17	9	1,476
Closing net book amount	**19,843**	**16,101**	**912**	**1,201**	**38,057**
31 December 2018					
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**

The 2019 depreciation charge of €5.7 million (2018: €4.8 million) has been included in depreciation and amortization.

Leases

Amounts recognized in the balance sheet

The balance sheet shows the following amounts relating to leases:

	31 December	1 January
Right-of-use assets	**2019**	**2019**
Buildings	12,851	7,620
Vehicles	607	837
Furniture, fittings and equipment	497	593
Total	**13,955**	**9,050**

Additions to the right-of-use assets during 2019 were €8.4 million.

Lease liabilities

The movement in the lease liabilities was as follows:

	2019
1 January	**9,050**
New leases	8,350
Remeasurements	(742)
Payment of leases	(2,542)
Interest	362
Exchange differences	26
31 December	**14,504**
Of which:	
Current	2,487
Non-current	12,017
Total	**14,504**

The maturity analysis of lease liabilities is presented below.

Maturity analysis	**Total**
2020	2,487
2021	2,332
2022	2,266
2023	1,363
2024	1,239
Onwards	4,817
Total	**14,504**

The total undiscounted commitment amounts to €15.9 million.

Amounts recognized in profit and loss

Depreciation charge of right-of-use assets	Note	**2019**	**2018**
Buildings		1,961	-
Vehicles		282	-
Furniture, fittings and equipment		241	-
Total		**2,484**	**-**
Interest expense (included in finance costs)	24	362	-

The total cash outflow for leases in 2019 was €2.5 million.

8 Other non-current receivables

	31 December 2019	31 December 2018
Issued loan	1,200	1,200
Other	11	61
Total	**1,211**	**1,261**

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

9 Financial instruments by category

Assets 31 December 2019	Input information level (IFRS 13)	Amortized cost	Fair value through profit and loss	Total
Other non-current receivables	level 2	1,211	-	1,211
Derivative financial instruments	level 2	-	515	515
Trade and other receivables excluding prepayments	level 2	90,626	-	90,626
Cash and cash equivalents		732	-	732
Total		**92,569**	**515**	**93,084**

Liabilities 31 December 2019	Input information level (IFRS 13)	Amortized cost	Fair value through profit and loss	Total
Bank borrowings non-current	level 2	2,827	-	2,827
Bank borrowings current	level 2	66,184	-	66,184
Derivative financial instruments	level 2	-	454	454
Trade payables	level 2	41,657	-	41,657
Total		**110,668**	**454**	**111,122**

Assets 31 December 2018	Input information level (IFRS 13)	Amortized cost	Fair value through profit and loss	Total
Other non-current receivables	level 2	1,261	-	1,261
Derivative financial instruments	level 2	-	1,954	1,954
Trade and other receivables excluding prepayments	level 2	100,312	-	100,312
Cash and cash equivalents		957	-	957
Total		**102,530**	**1,954**	**104,484**

Liabilities 31 December 2018	Input information level (IFRS 13)	Amortized cost	Fair value through profit and loss	Total
Bank borrowings non-current	level 2	9,068	-	9,068
Bank borrowings current	level 2	83,513	-	83,513
Derivative financial instruments	level 2	-	165	165
Trade payables	level 2	40,679	-	40,679
Total		**133,260**	**165**	**133,425**

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

10 Inventories

	31 December 2019	31 December 2018
Raw materials	9,062	18,287
Semi-finished products	1,326	1,846
Finished goods	130,519	122,379
Total inventories	**140,907**	**142,512**

The cost of inventories recognized as expense and included in cost of goods sold amounted to €587.4 million (2018: €600.8 million). As at 31 December 2019, the provision for write-down of inventories to net realizable value amounts to €2.9 million (2018: €4.1 million).

As at 31 December 2019, inventories with a book value of €109.9 million were pledged as a security for certain bank overdrafts (2018: €107.5 million).

11 Trade receivables

	31 December 2019	31 December 2018
Trade receivables	83,890	95,967
Less: provision for impairment	(1,083)	(732)
Total trade receivables, net	**82,807**	**95,235**

As at 31 December 2019, trade receivables were impaired for a total amount of €1.1 million (2018: €0.7 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 2019, trade receivables of approximately €5.9 million were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default.

The ageing analysis of these trade receivables is as follows:

Ageing receivables	31 December 2019	31 December 2018
Up to 1 month	76,891	88,073
1-2 months	1,775	3,881
2-3 months	687	1,098
Over 3 months	4,537	2,915
Total trade receivables, gross	**83,890**	**95,967**

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

Trade receivables – currency	31 December 2019	31 December 2018
Denominated in euros	29,730	34,688
Denominated in US dollars	53,368	60,067
Denominated in UK pounds	-	655
Denominated in other currencies	792	557
Total trade receivables, gross	**83,890**	**95,967**

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

Provision trade receivables	2019	2018
1 January	**732**	**835**
Write-offs	-	(312)
Charged/(released) to the income statement	355	205
Exchange differences	(4)	4
31 December	**1,083**	**732**

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.

As at 31 December 2019, trade receivables with a book value of €55.4 million have been pledged as a security for certain bank overdrafts.

12 Other receivables

	31 December 2019	31 December 2018
Prepayments	3,705	2,524
Tax and social securities	3,409	4,169
Other receivables	705	908
Total other receivables	**7,819**	**7,601**

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

13 Derivative financial instruments

Derivatives 31 December 2019	Assets	Liabilities
Cash flow hedges – foreign exchange contracts	515	454
Total derivatives	**515**	**454**

Derivatives 31 December 2018	Assets	Liabilities
Cash flow hedges – foreign exchange contracts	1,954	165
Total derivatives	**1,954**	**165**

Foreign exchange contracts relate for more than 95% to forward US dollar sales and purchases with a term of less than 12 months and relate to hedged items with a maturity of less than 12 months. Consequently, the net value of these derivatives is classified as a current asset or liability. The forex contracts are so-called Level-2 derivatives with banks which values are derived directly from foreign exchange rates and interest rate levels. The maximum exposure to credit risk at the reporting date is the fair value of the derivative assets in the consolidated balance sheet. The Group has no commodity-based derivatives (under the definition of IFRS 9).

Forward foreign exchange contracts

The total notional principal amounts of the outstanding forward foreign exchange contracts as at 31 December 2019 were $55.9 million bought and $43.6 million sold resulting in a total net amount of $12.3 million (2018: $9.3 million). Gains and losses recognized in the hedge reserve in equity (Note 16) on forward foreign exchange contracts as at 31 December 2019 are recognized in the income statement in the period or periods during which the hedged forecast transaction affects the income statement.

14 Cash and cash equivalents

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

15 Share capital and share premium reserve

The total authorized number of ordinary shares is 66.7 million shares (2018: 66.7 million shares) with a par value of €0.45 per share (2018: €0.45 per share). All 24.6 million issued shares (31 December 2018: 24.6 million) are fully paid.

During the year, the issued share capital increased by €1 due to issuance of 2,500 new ordinary shares of €0.45 each, as part of the exercise of share options (Note 17). New shares issued have the same rights as existing shares issued.

The movements during 2019 and 2018 were as follows:

Share capital and share premium reserve	Number of shares	Share capital	Share premium reserve	Total
1 January 2018	**24,624,060**	**11,081**	**61,658**	**72,739**
New shares issued	25,000	11	336	347
31 December 2018	**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**

16 Other reserves

	Currency translation reserve	Share option plan	Hedge reserve	Other reserves	Total
1 January 2018	**4,282**	**83**	**(240)**	**(324)**	**3,801**
Cash flow hedges	-	-	201	-	201
Employee share option scheme:					
• Transfer to other reserves	-	(9)	-	9	-
• Value of employee services	-	39	-	-	39
• Tax credit, 25%	-	(10)	-	-	(10)
Currency translation adjustments (CTA)	3,751	-	-	-	3,751
Remeasurement gains/(losses) on defined benefit plans	-	-	-	133	133
31 December 2018	**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**

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

Pursuant to Dutch law, limitations exist relating to the distribution of shareholders' equity of €21.6 million (2018: €19.1 million). Such limitations relate to share capital as well as to legal reserves required by Dutch law included under Other reserves.

17 Share-based payment

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

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

Total 2019 share-based payment expenses charged to the consolidated statement of income amounted to €35 (2018: €39).

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 2019	Granted 2019	Exercised 2019[1]	Cancelled 2019	Outstanding 31 December 2019	Exercise price per option (€)
2013	8 March 2019	8 March 2020	2,500		(2,500)	-	-	13.90
2014	1 December 2017	1 December 2021	12,000		-	-	12,000	17.00
	1 December 2018	1 December 2021	6,000		-	-	6,000	17.00
	1 December 2019	1 December 2021	10,000		-	-	10,000	17.00
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		-	-	5,250	21.30
	1 April 2023	1 April 2025	8,750		-	-	8,750	21.30
	1 April 2024	1 April 2025	10,500		-	-	10,500	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
Total			**115,500**	**107,500**	**(2,500)**	**-**	**220,500**	

[1] Exercised by a former director of the Group

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%

18 Bank borrowings

Non-current	31 December 2019	31 December 2018
Bank borrowings	2,858	9,264
Capitalized arrangement fees	(31)	(196)
Total non-current	**2,827**	**9,068**

Current	31 December 2019	31 December 2018
Bank overdrafts	59,959	81,400
Bank borrowings short-term part	6,225	2,113
Total current	**66,184**	**83,513**
Total bank borrowings	**69,011**	**92,581**

The carrying amounts of bank borrowings approximate their fair value due to the interest rates being variable. The interest rates are based on Euribor plus a margin.

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 2019	**9,264**	**83,513**
Transfer to short term	(6,225)	6,225
Repayments	-	(2,113)
Net changes in short-term borrowings	-	(23,399)
Other movements	(239)	-
Translation and currency differences	58	1,958
31 December 2019	**2,858**	**66,184**

Bank borrowings

As at 31 December 2019, the Group had the following long-term bank borrowings:

- A €3 million term loan (€2.1 million outstanding), repayable in 19 years and started at 1 January 2014.
- A €5 million and a €8 million (€6.1 million outstanding) drawing under the €50 million acquisition facility, repayable in five years with repayments of 15% per year, with a final payment of the remaining borrowing on 24 January 2020.
- A €0.9 million term loan, extended in January 2019 and repayable on 20 January 2024.

Non-current bank borrowings are secured by pledges on fixed assets of the relating group companies up to €3.0 million.

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

Non-current bank borrowings	31 December 2019	31 December 2018
Denominated in euros	1,953	8,178
Denominated in US dollars	905	1,086
Total non-current bank borrowings	**2,858**	**9,264**

The maturity of bank borrowings is as follows:

Contractual repayments	31 December 2019	31 December 2018
2019	-	2,113
2020	6,225	6,225
2021	163	163
2022	163	1,249
After 2022	2,533	1,628
Total contractual repayments	**9,083**	**11,377**

Total interest liabilities based on current interest rates, contractual terms and average 2019 working capital financial levels are approximately €3.4 million for 2020 and approximately €13.4 million in total for the years 2021-2024.

Bank overdrafts

As at 31 December 2019, the Group had the following bank overdrafts:

- A borrowing base consisting of a €200 million revolving credit facility (RCF) remains in place and was extended for one year in December 2019, with a maturity date on 24 January 2021.
- 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 €2.6 million and $28.8 million.

Financial covenants remained unchanged compared to previous years:

- Interest cover ratio must exceed 4.0x.
- Solvency must be 30% or higher, or 25% in a limited number of cases.

The Company complies with all covenants, with sufficient headroom.

The outstanding and undrawn amounts under the overdraft facilities as at 31 December 2019 were as follows:

	In local currencies			
Working capital overdraft facilities	Total lines	Outstanding	Undrawn	Available in €
RCF	200,000	58,901	141,099	141,099
Local US dollar lines	$28,797	$8,086	$20,711	18,471
Local euro lines	2,550	71	2,479	2,479
Total in euro equivalent				
Total	**228,232**	**66,184**	**162,048**	**160,050**

19 Deferred tax liabilities and assets

Deferred income tax position	31 December 2019	31 December 2018
Deferred tax assets	1,508	1,484
Deferred tax liabilities	(5,996)	(6,339)
Deferred tax liabilities, net	**(4,488)**	**(4,855)**

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

Total deferred income tax position	2019	2018
1 January	**(4,855)**	**(5,049)**
Recognized in OCI	112	(38)
Recognized in income	503	287
Currency translation effects	(122)	(185)
Other movements	(126)	130
31 December	**(4,488)**	**(4,855)**

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, is as follows:

Movements 2019	1 January 2019	Recognized in OCI	Recognized in income	Currency translation effects	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)**

Movements 2018	1 January 2018	Recognized in OCI	Recognized in income	Currency translation effects	Other movements	31 December 2018
Intangible assets	360	(26)	(90)	-	-	244
Property, plant and equipment	(4,841)	23	(243)	(222)	-	(5,283)
Inventories	(842)	-	680	14	-	(148)
Current assets and liabilities, net	447	(29)	137	9	-	564
Pension provisions	675	(18)	(230)	27	-	454
Other provisions	(758)	12	(8)	(13)	130	(637)
Long-term debt	(90)	-	41	-	-	(49)
Total	**(5,049)**	**(38)**	**287**	**(185)**	**130**	**(4,855)**

An amount of €0.9 million (2018: €0.9 million) is expected to be recovered within 12 months.

Deferred tax assets and liabilities relate to the balance sheet captions as at 31 December 2019 and 31 December 2018 as follows:

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)**

2018	Assets	Liabilities	Net
Intangible assets	289	(45)	244
Property, plant and equipment	-	(5,283)	(5,283)
Inventories	297	(445)	(148)
Current assets and liabilities, net	564	-	564
Pension provisions	454	-	454
Other provisions	10	(647)	(637)
Long-term debt	-	(49)	(49)
Total	**1,614**	**(6,469)**	**(4,855)**
Set-off	(130)	130	-
Net position	**1,484**	**(6,339)**	**(4,855)**

As at 31 December 2019 deferred income tax liabilities of €1.5 million (2018: €1.3 million) have not been recognized for withholding tax and other taxes that would be payable on the unremitted earnings of certain subsidiaries. Such amounts are permanently reinvested. Unremitted earnings totalled €16.8 million as at 31 December 2019 (2018: €14.8 million).

20 Retirement benefit obligations

The retirement benefit obligations are as follows:

Balance sheet obligations	31 December 2019	31 December 2018
Pension benefits – defined benefit plans	2,134	2,053
Pension benefits – defined contribution plans	137	97
Liability in the balance sheet	**2,271**	**2,150**

Income statement charges	Note	31 December 2019	31 December 2018
Pension costs – defined benefit plans	22	86	(2)
Pension costs – defined contribution plans	22	1,807	1,653
Pension costs in the income statement		**1,893**	**1,651**

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 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 are determined as follows:

Net pension liability	31 December 2019	31 December 2018
Present value of funded obligations	5,755	5,061
Fair value of plan assets	(3,621)	(3,008)
Deficit of funded plans	**2,134**	**2,053**
Other pension liabilities	137	97
Total net pension liability	**2,271**	**2,150**

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

Actuarial pension obligations	2019	2018
1 January	**5,061**	**5,857**
Current service cost	-	5
Interest cost	216	177
Benefit payments	(348)	(265)
Remeasurements	713	(286)
Effect change to defined contribution scheme	-	(660)
Exchange differences	113	233
31 December	**5,755**	**5,061**

Actuarial results mainly consist of changes in financial assumptions.

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

Value plan assets	2019	2018
1 January	**3,008**	**3,502**
Expected return on plan assets	130	105
Remeasurements	438	(209)
Employer contributions	327	221
Benefit payments	(348)	(265)
Effect change to defined contribution scheme	-	(484)
Exchange differences	66	138
31 December	**3,621**	**3,008**

The amounts recognized in the income statement are as follows:

Pension costs	Note	2019	2018
Current service cost		-	5
Interest cost		216	177
Return on plan assets		(130)	(105)
Release provision		-	(79)
Total pension costs, included in personnel costs	22	**86**	**(2)**

The principal actuarial assumptions were as follows:

Actuarial assumptions	31 December 2019	31 December 2018
Discount rate	3.2%	4.2%
Mortality table - correction	Pri-2012 Scale MP-2019	RP-2014 Scale MP-2018

Actuarial calculations indicate that a 0.5% decrease in the discount rate used would affect the total liability by approximately 5.3%.

Total employer contributions expected to be paid during 2020 are estimated at €0.2 million.

Historical data	31 December 2019	31 December 2018	31 December 2017	31 December 2016
Defined benefit obligations	5,755	5,061	5,857	5,501
Fair values of plan assets	(3,621)	(3,008)	(3,502)	(3,527)
Deficit of funded plans	**2,134**	**2,053**	**2,355**	**1,974**

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

21 Other provisions

	Legal	Other	Total
1 January 2019	**221**	**253**	**474**
Charged/(released) to the income statement	(166)	1,431	1,265
Exchange differences	2	-	2
31 December 2019	**57**	**1,684**	**1,741**

Analysis of total other provisions

Non-current	57	84	141
Current[1]	-	1,600	1,600
Total other provisions	**57**	**1,684**	**1,741**

[1] Included in current liabilities

Legal claims

The amounts represent a provision for certain claims brought against the Group by third parties, the outcome of which is uncertain. The provision charge is recognized in profit or loss within General cost. In management's opinion, taken into account all known facts and circumstances as at 31 December 2019 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 2019.

Other

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

22 Personnel costs

	Note	2019	2018
Wages and salaries including profit sharing		41,915	36,817
Social security costs		4,484	3,960
Pension costs – defined contribution plans	20	1,807	1,653
Pension costs – defined benefit plans	20	86	(2)
Share options – charge for the year	17	35	39
Other		1,645	736
Total personnel costs		**49,972**	**43,203**

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

Number of employees	2019	2018
Average number	699	650
Number as at 31 December	688	656

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

	2019	2018
Production	312	276
General	376	380
Total	**688**	**656**

23 General costs

	2019	2018
Indirect sales costs	3,824	3,253
Production costs	8,507	7,378
Other general costs	13,870	12,644
Total general costs	**26,201**	**23,275**

Indirect sales costs (mainly advertising costs) and production costs (amongst others maintenance and storage costs) are costs which are not directly linked to sales transactions.

24 Financial income and expenses

	2019	2018
Interest income on short-term bank deposits	48	42
Interest expense on bank borrowings	(4,288)	(4,053)
Interest expense on leases	(362)	-
Amortization arrangement fees	(165)	(165)
Net financial income and expenses	**(4,767)**	**(4,176)**
Other financial income and expense	150	143
Total financial income and expenses	**(4,617)**	**(4,033)**

25 Corporate income tax

	Note	2019	2018
Current income tax on profits for the year		10,892	10,485
Provisions (releases)		(117)	(165)
Adjustments in respect of prior years		(296)	(131)
Total current income tax expense		**10,479**	**10,189**
Deferred income tax expense/(income)	19	(503)	(287)
Total corporate income tax expense		**9,976**	**9,902**

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

Corporate income tax expense	2019	2018
Tax calculated at domestic tax rates applicable to profits in the respective countries	10,494	10,334
Tax effect of:		
• Non-taxable amounts and tax allowances	(186)	(483)
• Non-deductible expenses	60	351
• Adjustments previous years	(296)	(131)
• Provisions (releases, net)	(117)	(165)
• Effect of changes in tax rates	-	(120)
• Other items	21	116
Total corporate income tax expense	**9,976**	**9,902**
Average effective tax rate	23.7%	24.1%

The average effective tax rate decreased from 24.1% to 23.7% mainly due to a different country mix in combination with lower tax rates.

The weighted average applicable theoretical corporate income tax rate was 24.9% (2018: 25.2%).

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

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**

Tax components OCI 2018	Before tax	Tax	After tax
Cash flow hedges	268	(67)	201
Currency translation adjustments (CTA)	3,751	-	3,751
Remeasurement gains/(losses) on defined benefit plans	77	(17)	60
Release provision	97	(24)	73
Total	**4,193**	**(108)**	**4,085**

26 Earnings and dividends per share

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

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

Earnings used to calculate (diluted) earnings per share	2019	2018
Net profit attributable to shareholders	32,077	31,107
Share option plan cost, net	26	29
Basis for diluted profit	**32,103**	**31,136**

Number of shares, weighted and dilutive

Weighted average number of ordinary shares issued	2019	2018
Issued 1 January	24,649,060	24,624,060
New shares issued, weighted part	1,158	14,178
Total number of shares issued, weighted 31 December	**24,650,218**	**24,638,238**
New shares issued, unweighted part	1,342	10,822
Total number of shares issued 31 December	**24,651,560**	**24,649,060**
Share options deferred dilution effect	5,689	307
Total number of shares, dilutive 31 December	**24,657,249**	**24,649,367**

It is proposed to distribute a final dividend of €0.70 per share. Together with the 2019 interim dividend of €0.40 per share paid in August 2019, this brings the total 2019 dividend to €1.10 per share. The total number of issued shares is 24,651,560. The 2019 interim dividend amounted to €9.9 million, implying that the proposed dividend would lead to a total dividend 2019 of €27.1 million (total 2018: €24.6 million). These financial statements do not reflect a liability for this final dividend payable of €17.3 million.

27 Contingencies and commitments

The Group has contingent liabilities in respect of legal claims arising in the ordinary course of business. Beside the contingent liabilities provided for (Note 21), the Company is from time to time involved in liability disputes. Under certain circumstances, Acomo or our 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 material adverse effect on the financial position of the Company. Beside the legal provision (Note 21), the Company cannot reasonably predict potential financial losses to the Company arising from other disputes and/or claims.

Capital commitments

Capital expenditures contracted for at the end of the reporting period were €0.7 million.

28 Related party transactions

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

29 Subsequent events

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


MALAWI
INDONESIA

FINANCIAL STATEMENTS

COMPANY

Chamber of Commerce No. 24.191.858

BALANCE SHEET AS AT 31 DECEMBER

INCOME STATEMENT

NOTES TO THE COMPANY FINANCIAL STATEMENTS

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

COMPANY BALANCE SHEET AS AT 31 DECEMBER

(in € thousands, before profit appropriation)

Assets		31 December	31 December
Non-current assets	Note	**2019**	**2018**
Other intangibles		64	87
Property, plant and equipment		42	5
Right-of-use assets		853	-
Investment in subsidiaries and affiliates	1.1	216,524	194,334
Total non-current assets		**217,483**	**194,426**
Current assets			
Other receivables and prepayments	1.2	7,563	13,481
Total current assets		**7,563**	**13,481**
Total assets		**225,046**	**207,907**
Equity and liabilities			
Shareholders' equity			
Share capital		11,093	11,092
Share premium reserve		62,028	61,994
Legal reserves		10,489	8,136
Other reserves		87,255	81,193
Net profit for the year		32,077	31,107
Total shareholders' equity	1.3	**202,942**	**193,522**
Non-current liabilities and provisions			
Lease liabilities		665	-
Provisions for deferred income tax liabilities	1.2	262	855
Total non-current liabilities and provisions		**927**	**855**
Current liabilities			
Bank borrowings		2,525	285
Lease liabilities		199	-
Amounts owed to Group subsidiaries	1.2	16,678	11,719
Other liabilities and accrued expenses		1,775	1,526
Total current liabilities		**21,177**	**13,530**
Total equity and liabilities		**225,046**	**207,907**

The notes on pages 98 to 101 are an integral part of these company financial statements.

COMPANY INCOME STATEMENT

(in € thousands)

	Note	2019	2018
Other revenue		2,338	2,312
Total revenue		**2,338**	**2,312**
Personnel expenses		(1,650)	(1,333)
Depreciation		(222)	(27)
General and administrative expenses		(2,197)	(1,514)
Total costs		**(4,069)**	**(2,874)**
Operating income		**(1,731)**	**(562)**
Interest expenses		(322)	(319)
Result before income tax		**(2,053)**	**(881)**
Corporate income tax Acomo		609	377
Result subsidiaries and affiliates	1.1	33,521	31,611
Net profit		**32,077**	**31,107**

The notes on pages 98 to 101 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 including the change in accounting policies (IFRS 16) as described in the notes to the consolidated financial statements also apply to the Company financial statements unless indicated otherwise.

For an overview of the subsidiaries of the Company, see Note 2.4 of the consolidated financial statements.

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 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.

Investments in subsidiaries and affiliates	2019	2018
1 January	**194,334**	**174,110**
Net profit for the year	33,521	31,611
Dividends paid out	(13,263)	(15,481)
Currency translation differences	2,327	3,751
Pension movements through OCI	(212)	133
Other equity movements	(183)	210
31 December	**216,524**	**194,334**

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 2018 and 2019, which will be charged to the related subsidiaries in 2020. 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 2018	**11,081**	**61,658**	**4,365**	**75,475**	**32,472**	**185,051**
Net profit 2018	-	-	-	-	31,107	31,107
Dividends relating to 2017, final	-	-	-	(17,237)	-	(17,237)
Dividends relating to 2018, interim	-	-	-	(9,860)	-	(9,860)
Currency translation adjustments (CTA)	-	-	3,751	-	-	3,751
Appropriation of net profit	-	-	-	32,472	(32,472)	-
Transfer to other reserves	-	-	(9)	9	-	-
New shares issued	11	336	-	-	-	347
Employee share option scheme effects	-	-	29	-	-	29
Change in cash flow hedges	-	-	-	201	-	201
Remeasurement gains/(losses) on defined benefit plans	-	-	-	133	-	133
Balance 31 December 2018	**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)	-
Transfer to other reserves	-	-	-	-	-	-
New shares issued	1	34	-	-	-	35
Employee share option scheme effects	-	-	26	-	-	26
Change in cash flow hedges	-	-	-	(146)	-	(146)
Non-controlling interest	-	-	-	(37)	-	(37)
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**

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 2019, 24.6 million (2018: 24.6 million) shares were issued and fully paid. The issued share capital increased in 2019 by 2,500 shares (2018: 25,000) as a result of new shares relating to (former) employees exercising their vested options under the employee share option scheme.

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

1.4 Employee information

During 2019, the average number of employees employed by the Company was eight full-time equivalents (2018: seven), at year-end eight (2018: nine). All employees are based in the Netherlands.

1.5 Audit fees

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

Fees PwC 2019	In the Netherlands	Network outside the Netherlands	Total
Audit	305	186	491
Audit-related[1]	4	-	4
Tax[2]	-	50	50
Total fees PwC	**309**	**236**	**545**

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

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

Fees PwC 2018	In the Netherlands	Network outside the Netherlands	Total
Audit	281	176	457
Audit-related	9	-	9
Tax	-	4	4
Total fees PwC	**290**	**180**	**470**

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 2019 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 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 42 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 2019 and 2018 remuneration to the Executive Director is shown below:

Remuneration Executive Director

2019	Salary	Short-term bonus	Post-employment benefits	Share-based expenses	Total
Goldschmeding	275	438	25	12	750
Total Executive Director	**275**	**438**	**25**	**12**	**750**
2018					
Goldschmeding	275	390	25	20	710
Total Executive Director	**275**	**390**	**25**	**20**	**710**

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 2019 and will be paid out in 2020.

Executive Director	Year of grant	Outstanding 1 Jan 2019	Exercised 2019	Outstanding 31 Dec 2019	Exercise price (€)	Expiry date
Goldschmeding	2015	50,000	-	50,000	22.46	01-12-22

See Note 17 of the consolidated financial statements for a description of the share option plan.

Remuneration Non-Executive Directors	2019	2018
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 2019, the following Board members directly or indirectly owned Acomo shares: Mr Stuivinga (40,595) and Mr Niessen (3,665,008). No loans, advances or guarantees were granted to the Board. No share options were granted to the Non-Executive Directors of the Board.

1.8 Profit appropriation

In accordance with the resolution of the Annual General Meeting held on 25 April 2019, the profit for 2018 has been appropriated in conformity with the proposed appropriation of profit stated in the 2018 financial statements.

The net profit for 2019 attributable to the shareholders amounting to €32.1 million shall be available in accordance with Article 24 of the Company's Articles of Association.

The Board of Directors proposes to distribute a final dividend of €0.70 per share. Together with the 2019 interim dividend of €0.40 per share paid in August 2019, this brings the total 2019 dividend to €1.10 per share.

The residual profit is proposed to be added to reserves.

Rotterdam, 5 March 2020

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 2019

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 2019 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 2019 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 2019 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 2019;
- the following statements for 2019: 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 2019;
- 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, treatment, processing, packaging and distribution of (non-quoted) natural food products and ingredients for the food and beverage industry. The Group is comprised of several components and therefore we considered our group audit scope and approach as set out in the section 'The scope of our group audit'. We paid specific attention to the areas of focus driven by the operations of the Group, as set out below.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the Board of Directors made important judgements, for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. In Note 4 of the financial statements the Company describes the areas of 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 uncertainty in the timing of the delivery of the products and the credit risk of the debtors resulted in the collectability of trade receivables and the timing of recognition of revenue to be a key audit matter as well.

Other areas of focus, that were not considered as key audit matters were, the assessment of the impact of the new reporting standard IFRS 16 'Leases', fraud, uncertain tax positions and goodwill impairment testing.

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 million (rounded).

Audit scope
- We have audited the financial information of six components. For two other components we performed specified audit procedures.
- Site visits were conducted by the Group audit team to eight locations.
- Audit coverage: 90% of consolidated revenue, 89% of consolidated total assets and 90% 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 timing of recognition of revenue.

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 million (rounded) (2018: €2 million).
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).
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 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 €100,000 (2018: €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 17 and 18 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.).

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

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

Component	Significant component	Visited by 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.			Full scope audit
Delinuts B.V.		V	Specified audit procedures
Red River-van Eck B.V.		V	Specified audit procedures

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

Revenue	90%
Total assets	89%
Profit before tax	90%

None of the remaining components represented more than 4% 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 have visited all significant and certain smaller components in 2019, 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 (partly through calls) and reviewed selected working papers for the significant component audits.

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 implementation of IFRS 16, 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 whistleblower 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 or rebates 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 2.9 — 2.11, Note 10 and 13) It is the core business of Acomo to accept managed risks, by taking positions in different types of (non-quoted) commodities and contracts in different currencies. This is to a great extent done autonomously under the responsibility of local management with separate financial and operational systems. The Group has issued specific trading and financial guidelines and risk limits per operating company, per product and per category, which are monitored by the Acomo Board of Directors to mitigate the risk of management override of controls, error and volatility from product positions (for example monthly review of trading positions and segregation of duties). Certain operating companies 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. 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.	In our audit, we performed procedures, which allowed us to rely, to the extent possible, on internal controls at subsidiary and Group level for the purpose of our audit. We performed, amongst others, procedures designed to identify risks around segregation of duties for the trading activities between the front office and back office, authorization of trading transactions and accounting of these transactions in the financial and operational systems. As part of our audits of the operating companies, we have assessed that specific trading and financial guidelines and risk limits per operating company as set out by the Group, were applied. We assessed the Company's hedging policies 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, attending inventory counts on all significant locations and by testing 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 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	How our audit addressed the matter
Collectability of trade receivables and timing of recognition of revenue *(Note 2.12 / 2.21)* Trade receivable balances are significant to Acomo as they represent 23% of the consolidated balance sheet (refer to Note 11 to the financial statements). The collectability of trade receivables is a risk as Acomo is trading with customers worldwide and 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 timing of revenue recognition. Given the magnitude and judgement involved in the collectability, assessment of trade receivables and variety of shipping terms that impact the timing of revenue recognition, this is considered a key audit matter.	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 timing of 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.

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, Catz Charity Foundation, Letter from the Board, The Acomo Group, Risk management, Business performance, 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 six 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.

Rotterdam, 5 March 2020

PricewaterhouseCoopers Accountants N.V.

P.J. Robben RA

Appendix to our auditor's report on the financial statements 2019 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:

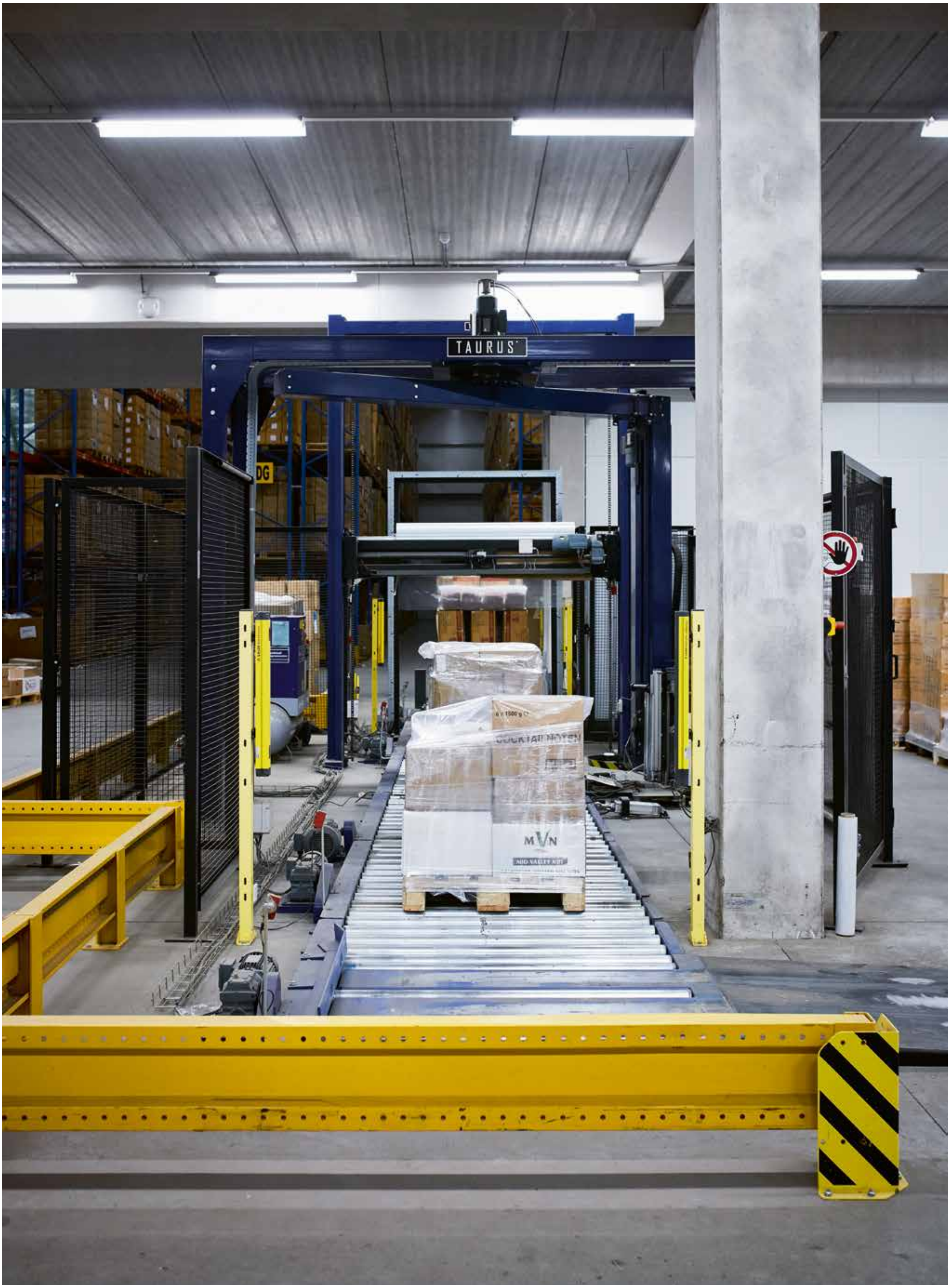
- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk 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.


TAURUS

LIST OF ACRONYMS AND ABBREVIATIONS

AFM	Dutch Authority for the Financial Markets
AGM	Annual general meeting
AScX	Amsterdam Small Cap Index
BRC	British Retail Consortium Global Standard for Food Safety
CAGR	Compound annual growth rate
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
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
GRI	Global Reporting Initiative
HACCP	Hazard analysis and critical control points
IAS	International accounting standard
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
IFS	International Food Standard
ISIN	International securities identification number
ISO	International Organization for Standardization
MRL	Maximum residue limits
MSC	Marine Stewardship Council
NGO	Non-governmental organization
OCI	Other comprehensive income
PPE	Property, plant and equipment
RA	Rainforest Alliance
RCF	Revolving credit facility
ROE	Return on equity
RONCE	Return on net capital employed
rPET	Recycled PET
RSPO	Roundtable on Sustainable Palm Oil
SDE	Sustainable energy production subsidy scheme
SDG	Sustainable Development Goals
Skal	Dutch control authority for organic production
The Code	Dutch Corporate Governance Code
TSR	Total shareholders’ return
UTZ	UTZ certified
WACC	Weighted average cost of capital
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 expenses minus interest income.

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

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

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

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

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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Red River-Van Eck's new and modern facility in Etten-Leur, the Netherlands.

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Preparing tea samples for a tasting session at the Van Rees office in Rotterdam, the Netherlands

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Preparing products for transport at Delinuts in Ede, the Netherlands

na
nationaal archief

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, it 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. The organization is the official archive 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**.

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Bridging your needs

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

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

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

ACOMO

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