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ÅRSREDOVISNING

för

Aviko Norden AB

Org.nr. 556271-9822

Styrelsen och verkställande direktören får härmed avlämna årsredovisning för räkenskapsåret 2022-01-01 – 2022-12-31.

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Aviko Norden AB
556271-9822

FÖRVALTNINGSBERÄTTELSE

Årsredovisningen är upprättad i svenska kronor, SEK.

Verksamheten

Bolaget förvaltar aktier i dotterbolag samt utför koncernledningstjänster och försäljningsarbete till dotterbolagen. Dotterbolagens verksamhet utgörs av förädling av potatis och rotfrukter. Aviko Norden har följande dotterbolag: 3N Produkter AB, Aviko Norden Fastighets AB samt Smålands Rotfrukter i Jönköping AB.

Företagets säte är Helsingborg.

Flerårsjämförelse*

	2022	2021	2020	2019	2018
Nettoomsättning	38 711 076	34 499 997	26 249 943	47 699 913	39 999 887
Res. efter finansiella poster	3 585 840	3 572 412	-515 647	17 379 607	14 412 022
Balansomslutning	106 465 250	113 515 966	107 752 669	62 177 048	48 815 381
Soliditet (%)	52,41	46,78	46,58	81,51	75,98

*Definitioner av nyckeltal, se not

Ägarförhållanden

Bolaget är helägt dotterbolag till Aviko Holding B.V (reg.nr. 24862695), Nederländerna.

Väsentliga händelser under räkenskapsåret och efter dess utgång

Dotterbolaget 3 N Produkter AB påbörjade under 2019 utbyggnad av befintlig fastighet. Utbyggnaden är på ca 5000 kvm och avser nytt kyllager, kontor samt produktionslokal. Utbyggnationen färdigställdes helt under 2022 och togs i bruk under det andra halvåret.
Dotterbolaget Aviko Norden Fastighets AB avyttrades i början av 2023.

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FÖRVALTNINGSBERÄTTELSE

Framtida utveckling samt risker och osäkerhetsfaktorer
Aviko Norden AB står för huvuddelen av försäljningsfunktionen inom koncernen. Aviko Norden AB fakturerar koncernbolagen för arbetet medan koncernbolagen fakturerar kunderna för produkterna.

Finansiell risk
Bolagets finansiella risker bedöms vara begränsade då det inte föreligger någon extern upplåning.

Operationell risk
Råvarupriserna fluktuerar väsentligt vilket är en betydande risk i verksamheten.

Strategisk risk
Exempel på frågor koncernen dagligen måste hantera är matsäkerhet, hygien, kylkedja och produktansvar för varor som kan orsaka sak- eller personskada. Skulle allvarliga brister uppdagas inom något av dessa områden föreligger risk för såväl ekonomisk förlust som för varumärkesskada.

Förändringar i eget kapital

	Aktiekapital	Reservfond	Fritt eget kapital
Belopp vid årets ingång	500 000	100 000	37 265 025
Årets vinst			4 299 974
Belopp vid årets utgång	500 000	100 000	41 564 999

Resultatdisposition

Förslag till disposition av bolagets vinst

Till årsstämmans förfogande står	
balanserad vinst	37 265 025
årets vinst	4 299 974
	41 564 999
Styrelsen föreslår att	
i ny räkning överföres	41 564 999
	41 564 999

Beträffande bolagets resultat och ställning i övrigt hänvisas till efterföljande resultat- och balansräkningar med tillhörande noter.

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Aviko Norden AB
556271-9822

RESULTATRÄKNING

		2022-01-01 2022-12-31	2021-01-01 2021-12-31
Rörelsens intäkter m.m.			
Nettoomsättning		38 711 076	34 499 997
Övriga rörelseintäkter	2	792 323	0
		39 503 399	34 499 997
Rörelsens kostnader			
Övriga externa kostnader		-17 642 374	-9 363 244
Personalkostnader	3	-17 289 776	-21 001 747
		-34 932 150	-30 364 991
Rörelseresultat		4 571 249	4 135 006
Resultat från finansiella poster			
Ränteintäkter		40 458	0
Räntekostnader och liknande resultatposter		-197 465	-5 947
Räntekostnader till koncernföretag		-828 402	-556 647
		-985 409	-562 594
Resultat efter finansiella poster		3 585 840	3 572 412
Bokslutsdispositioner			
Avsättning till periodiseringsfond		-2 100 000	-2 240 000
Återföring från periodiseringsfond		4 115 000	4 890 000
		2 015 000	2 650 000
Resultat före skatt		5 600 840	6 222 412
Skatt på årets resultat		-1 300 866	-1 384 470
Årets resultat		**4 299 974**	**4 837 942**

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BALANSRÄKNING

	Not	2022-12-31	2021-12-31
TILLGÅNGAR			
Anläggningstillgångar			
Finansiella anläggningstillgångar			
Andelar i koncernföretag	4	2 849 476	2 849 476
Fordringar hos koncernföretag	5	69 401 501	80 000 000
		72 250 977	82 849 476
Summa anläggningstillgångar		72 250 977	82 849 476
Omsättningstillgångar			
Kortfristiga fordringar			
Fordringar hos koncernföretag		2 727 892	25 639 774
Aktuell skattefordran		2 120 452	2 035 073
Övriga fordringar		639	243 750
Förutbetalda kostnader och upplupna intäkter		261 331	545 772
		5 110 314	28 464 369
Kassa och bank			
Kassa och bank		29 103 959	2 202 121
		29 103 959	2 202 121
Summa omsättningstillgångar		34 214 273	30 666 490
SUMMA TILLGÅNGAR		**106 465 250**	**113 515 966**

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Aviko Norden AB
556271-9822

BALANSRÄKNING

	Not	2022-12-31	2021-12-31
EGET KAPITAL OCH SKULDER			
Eget kapital			
Bundet eget kapital			
Aktiekapital		500 000	500 000
Reservfond		100 000	100 000
		600 000	600 000
Fritt eget kapital			
Balanserat resultat		37 265 025	32 427 082
Årets resultat		4 299 974	4 837 942
		41 564 999	37 265 024
Summa eget kapital		42 164 999	37 865 024
Obeskattade reserver			
Periodiseringsfond		17 178 000	19 193 000
Summa obeskattade reserver		17 178 000	19 193 000
Långfristiga skulder	6		
Skulder till koncernföretag		30 500 000	46 500 000
Summa långfristiga skulder		30 500 000	46 500 000
Kortfristiga skulder			
Leverantörsskulder		1 387 185	957 108
Skulder till koncernföretag		7 712 269	303 213
Övriga skulder		3 114 278	4 959 490
Upplupna kostnader och förutbetalda intäkter		4 408 519	3 738 131
Summa kortfristiga skulder		16 622 251	9 957 942
SUMMA EGET KAPITAL OCH SKULDER		**106 465 250**	**113 515 966**

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NOTER

Not 1 Redovisnings- och värderingsprinciper

Årsredovisningen är upprättad i enlighet med årsredovisningslagen och BFNAR 2012:1 Årsredovisning och koncernredovisning.

Principerna är oförändrade jämfört med föregående år.

Fordringar
Fordringar har upptagits till de belopp varmed de beräknas inflyta. Om inget annat anges ovan värderas kortfristiga fordringar till det lägsta av dess anskaffningsvärde och det belopp varmed de beräknas bli reglerade. Långfristiga fordringar och långfristiga skulder värderas efter det första värderingstillfället till upplupet anskaffningsvärde. Övriga skulder och avsättningar värderas till de belopp varmed de beräknas bli reglerade.

Övriga tillgångar, avsättningar och skulder
Övriga tillgångar, avsättningar och skulder har värderats till anskaffningsvärden om inget annat anges nedan.

Intäktsredovisning
Inkomsten redovisas till det verkliga värdet av vad som erhållits eller kommer att erhållas. Företaget redovisar därför inkomsten till nominellt värde (fakturabelopp) om ersättningen erhålls i likvida medel direkt vid leverans. Avdrag görs för lämnade rabatter.

Leasing
Samtliga leasingavtal kostnadsförs linjärt över leasingperioden.

Inkomstskatt
Aktuell skatt är inkomstskatt för innevarande räkenskapsår som avser årets skattepliktiga resultat och den del av tidigare räkenskapsårs inkomstskatt som ännu inte har redovisats.
Aktuell skatt värderas till det sannolika beloppet enligt de skattesatser och skatteregler som gäller på balansdagen.

Ersättningar till anställda
Pensioner
Avgiftsbestämda pensionsplaner
I företaget finns endast avgiftsbestämda pensionsplaner. Som avgiftsbestämda planer klassificeras planer där fastställda avgifter betalas och det inte finns förpliktelser att betala något ytterligare, utöver dessa avgifter. Utgifter för avgiftsbestämda planer redovisas som kostnad under den period de anställda utför de tjänster som ligger till grund för förpliktelsen.

Fordringar och skulder i utländsk valuta
Monetära fordringar och skulder i utländsk valuta har räknats om till balansdagens kurs.

Valutakursdifferenser som uppkommer vid reglering eller omräkning av monetära poster redovisas i resultaträkningen det räkenskapsår de uppkommer, antingen som en rörelsepost eller som en finansiell post utifrån den underliggande affärshändelsen.

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NOTER

UPPLYSNINGAR TILL ENSKILDA POSTER

Not 2	Övriga rörelseintäkter	2022	2021
	Övriga rörelseintäkter uppdelade på intäktsslag		
	Stöd för korttidsarbete och omställningsstöd	792 323	0
		792 323	0

Not 3	Medelantal anställda	2022	2021
	Medelantal anställda		
	Medelantalet anställda bygger på av bolaget betalda närvarotimmar relaterade till en normal arbetstid.		
	Medelantal anställda har varit	14,00	19,00

Not 4	Andelar i koncernföretag	2022-12-31	2021-12-31
	Ingående anskaffningsvärde	2 944 439	2 944 439
	Utgående ackumulerade anskaffningsvärden	2 944 439	2 944 439
	Ingående nedskrivningar	-94 963	-94 963
	Utgående ackumulerade nedskrivningar	-94 963	-94 963
	Utgående redovisat värde	2 849 476	2 849 476

Not 5	Fordringar hos koncernföretag	2022-12-31	2021-12-31
	Ingående anskaffningsvärde	80 000 000	0
	Tillkommande	0	80 000 000
	Avgående	-10 598 499	0
	Utgående ackumulerade anskaffningsvärden	69 401 501	80 000 000
	Utgående redovisat värde	69 401 501	80 000 000

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NOTER

Not 6	Långfristiga skulder	2022-12-31	2021-12-31
	Amortering inom 2 till 5 år	30 500 000	46 500 000

Not 7	Ställda säkerheter och eventualförpliktelser	2022-12-31	2021-12-31
	Generell borgen för kredittagare, 3 N Produkter AB nyttjad kredit	0	0
		0	0

Not 8 Koncernförhållanden

Bolaget är moderbolag, men med stöd av ÅRL 7 kap 2 § upprättas inte någon koncernredovisning. Moderföretag i den minsta och största koncernen där bolaget är dotterbolag och koncernredovisning upprättas är Koninklijke Cooperatie Cosun U.A med säte i Breda, Nederländerna, reg.nr 20028699.

Not 9 Definition av nyckeltal

Soliditet
Justerat eget kapital i procent av balansomslutning.

20230622224905

Aviko Norden AB
556271-9822

NOTER

Helsingborg 8/5 - 2023

Peter Eckerlund

Maarten van Delst

Jörgen Johansson
Verkställande direktör

Min revisionsberättelse har lämnats den 9/5 2023

Lars Starck
Auktoriserad revisor

20230622249O6

FASTSTÄLLELSEINTYG

Bolag: **Aviko Norden AB**

Organisationsnummer: **556271-9822**

Årsredovisning för : **2022-01-01—2022-12-31**

Undertecknad intygar härmed, dels att denna kopia av årsredovisningen överensstämmer med originalet, dels att resultat- och balansräkning fastställts på årsstämman den 2023-05-17.

Stämman beslöt tillika godkänna förslaget till resultatdisposition i förvaltningsberättelsen.

Helsingborg 2023-06-16

Jörgen Johansson

Styrelseledamot / VD

20230622224907

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Revisionsberättelse

Till bolagsstämman i Aviko Norden AB, org.nr 556271-9822

Rapport om årsredovisningen

Uttalanden

Jag har utfört en revision av årsredovisningen för Aviko Norden AB för räkenskapsåret 2022.

Enligt min uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Aviko Norden ABs finansiella ställning per den 31 december 2022 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Jag tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Jag har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Mitt ansvar enligt dessa standarder beskrivs närmare i avsnittet *Revisorns ansvar*. Jag är oberoende i förhållande till Aviko Norden AB enligt god revisorssed i Sverige och har i övrigt fullgjort mitt yrkesetiska ansvar enligt dessa krav.

Jag anser att de revisionsbevis jag har inhämtat är tillräckliga och ändamålsenliga som grund för mina uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Mina mål är att uppnå en rimlig grad av säkerhet om att årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller mina uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder jag professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer jag riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för mina uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar jag mig en förståelse av den del av bolagets interna kontroll som har betydelse för min revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala mig om effektiviteten i den interna kontrollen.
- utvärderar jag lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.
- drar jag en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Jag drar också en slutsats, med grund i de inhämtade revisionsbevisen, om det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om jag drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste jag i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Mina slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar jag den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Jag måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Jag måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som jag identifierat.

20230622224908

Building a better working world

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver min revision av årsredovisningen har jag även utfört en revision av styrelsens och verkställande direktörens förvaltning av Aviko Norden AB för räkenskapsåret 2022 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Jag tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Jag har utfört revisionen enligt god revisionssed i Sverige. Mitt ansvar enligt denna beskrivs närmare i avsnittet *Revisorns ansvar*. Jag är oberoende i förhållande till Aviko Norden AB enligt god revisorssed i Sverige och har i övrigt fullgjort mitt yrkesetiska ansvar enligt dessa krav.

Jag anser att de revisionsbevis jag har inhämtat är tillräckliga och ändamålsenliga som grund för mina uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Mitt mål beträffande revisionen av förvaltningen, och därmed mitt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Mitt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed mitt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder jag professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på min professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att jag fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Jag går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för mitt uttalande om ansvarsfrihet. Som underlag för mitt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har jag granskat om förslaget är förenligt med aktiebolagslagen.

Helsingborg den 9 maj 2023

Lars Starck
Auktoriserad revisor

20230817013730

2022

Annual Report

Cosun

20230817011731

Coöperatie Koninklijke Cosun U.A.

This Annual Report is published in both English and Dutch. In the event of inconsistencies between the English and the Dutch version the latter shall prevail. The Annual Report is also available on the internet: www.cosun.com

2022

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*These sections constitute the directors' report within the meaning of article 391, Book 2 of the Dutch Civil Code.

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Cosun at a glance

Profile

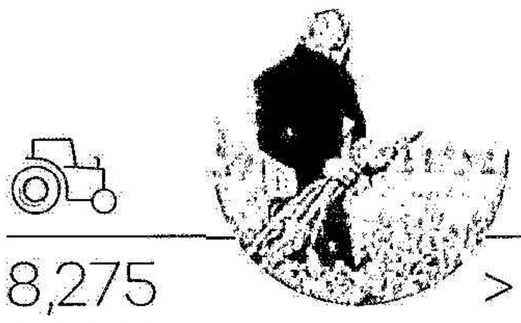
Royal Cosun is a leading international agricultural cooperative. Founded nearly 125 years ago, it is in the hands of its 8,275 members.

We develop food, food ingredients, animal feed, biobased ingredients and green energy. In doing so, we help mitigate the impact of climate change and encourage healthy lifestyles.

As an agrifood cooperative, we put crops – our plants – at the heart of everything we do. With respect for sustainability and the climate, we work on plant-based solutions that make a positive contribution to a good life. Agricultural crops are our starting point to create a sustainable future for generations to come. Together with our growers, suppliers and customers, we make the power of plants available to everyone. This is how we add value to the chain.

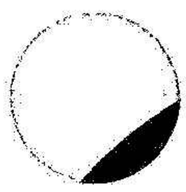
With a staff of more than 4,550 professionals, Cosun works with suppliers and growers in Europe, Asia and North America. The Cosun group is made up of five business groups Aviko, Cosun Beet Company, Duynie Group, Sensus and SVZ. Together, we earned an annual turnover of over EUR 3.0 billion in 2022.

The power of plants and people



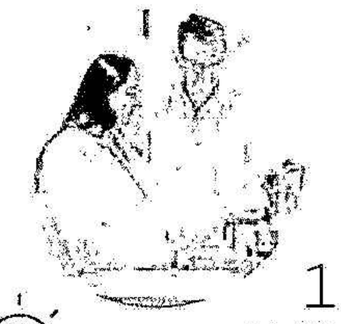
8,275
MEMBERS

1
GROEIKRACHT COSUN
collaborative initiative
for and by growers



11,000
GROWERS

> 23,000
PARTNERS



1
INNOVATION
ECOSYSTEM

4,558
EMPLOYEES

5
BUSINESS
GROUPS

29
PRODUCTION LOCATIONS
in 9 countries

11
MILLION TONNES OF RAW MATERIALS

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Our plants

We apply potatoes, sugar beet, chicory roots, fruit and vegetables and the co-products from our production processes in a wide variety of applications: from Aviko's potato-based meals and SVZ's fruit smoothies to Van Gilse's pancake syrup and Sensus's fibre-rich cereal bars with chicory inulin. They can also be found in non-food applications such as 100% circular egg boxes made from potato starch, a co-product from fries production, or green gas produced from sugar beet tops and tails.

We recognise the social challenges facing the environment and climate. Natural resources are coming under a great deal of pressure to continue meeting the needs of the growing world population. New solutions are required and we are convinced that we can provide them, thanks to the power of our crops. We understand the potential of plants and the endless opportunities they offer for a better future.

Purpose

Our purpose is to unlock the full potential of plants and create smart and sustainable solutions for current and future generations.

We are in the middle of a change process. We firmly believe responsible enjoyment of our food boosts wellbeing. But we can and will get more out of our plants.

We work hard every day to create a plant-based future that does not exhaust the earth because plant-based innovations are infinite and in theory 100% circular. We collaborate with our growers and other partners in the chain. And we are going to do this more often in the future.

Working on the future

Cooperation and sustainability are written into our cooperative's DNA. Together, we are working on a future-proof sustainable chain.

Innovation in the fields

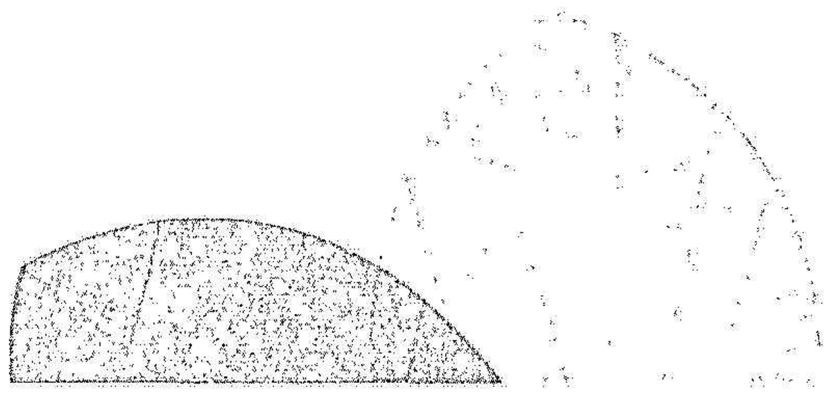
This starts with cultivation, where Cosun and the growers work together in the Groeikracht Cosun programme for profitable, innovative and sustainable arable farming.

Climate-neutral production

Our goal is a 100% circular and CO_2 neutral production process. We are working hard on energy savings, procuring green energy and producing our own renewable energy.

Sustainable growth

We are widening our portfolio to include more health-promoting and climate-friendly alternatives. We are sharpening our focus on the production of other nutritional fibres (inulin), plant-based proteins and biobased products.



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Key figures

as at 31 december 2022

As a cooperative of Dutch sugar beet growers, Cosun buys the sugar beet grown by its members at a price based in part on the group's results. The beet price is recognised in full in the profit and loss account as a cost of raw materials and consumables. The beet price therefore influences the operating result and the net result for the year.

HEALTHY PERFORMANCE

in millions of euros (unless stated otherwise)

Net turnover **3,047**	Gross margin **1,167**	Operating profit **112**	EBITDA **246**
Net result **76**	Investments **196**	Group equity **1,352**	Average beet yield* **5,505**
Quota sugar beet price** **68.75**	2022/23 Members' bonus*** **235**		

* Average beet yield per hectare in the Netherlands (in euros)

** Per tonne with average sugar content and average extractability

*** We introduced a new system to calculate the members' bonus in 2022. The members' bonus for beet supplied during a campaign is based in part on the result for the financial year just closed and in part on the sugar result expected for the next year (Q1 to Q3 inclusive). In consequence, the beet price better reflects the results earned on the beet supplied

PEOPLE

Average number of employees in FTEs **4,558**	Sickness absence (in percentages) **4.4**	Number of lost time incidents (per 1,000 employees) **15**

FUTURE PROOF, SUSTAINABLE CHAIN

CO_2-emission (in tonnes, (per tonne of product) **0.22**	Water consumption (in m^3, per tonne of product) **2.9**	Residual matter (in tonnes, per tonne of product) **0.01**

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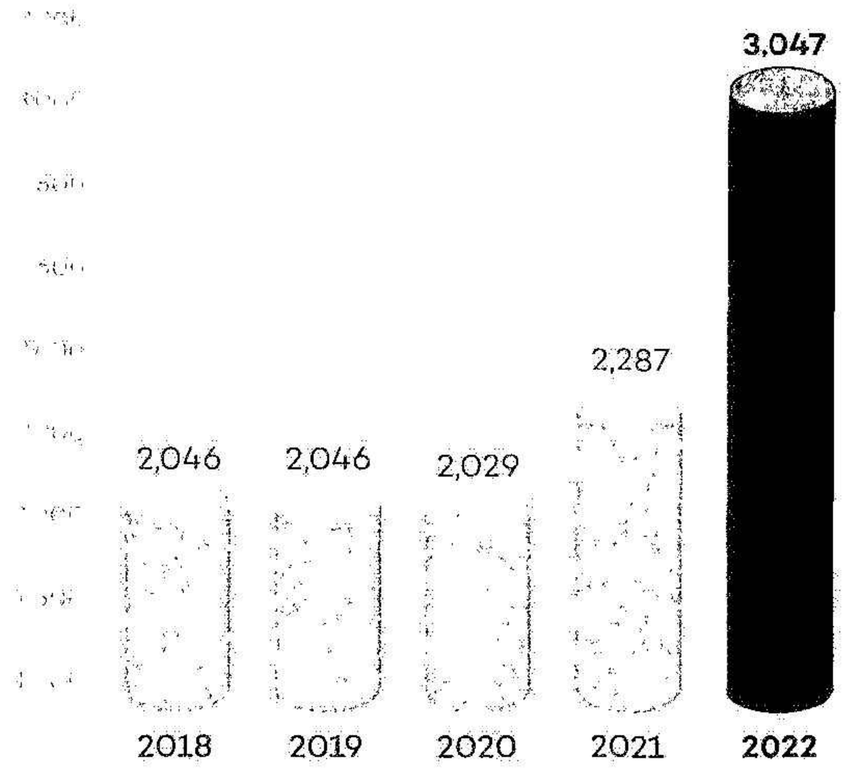
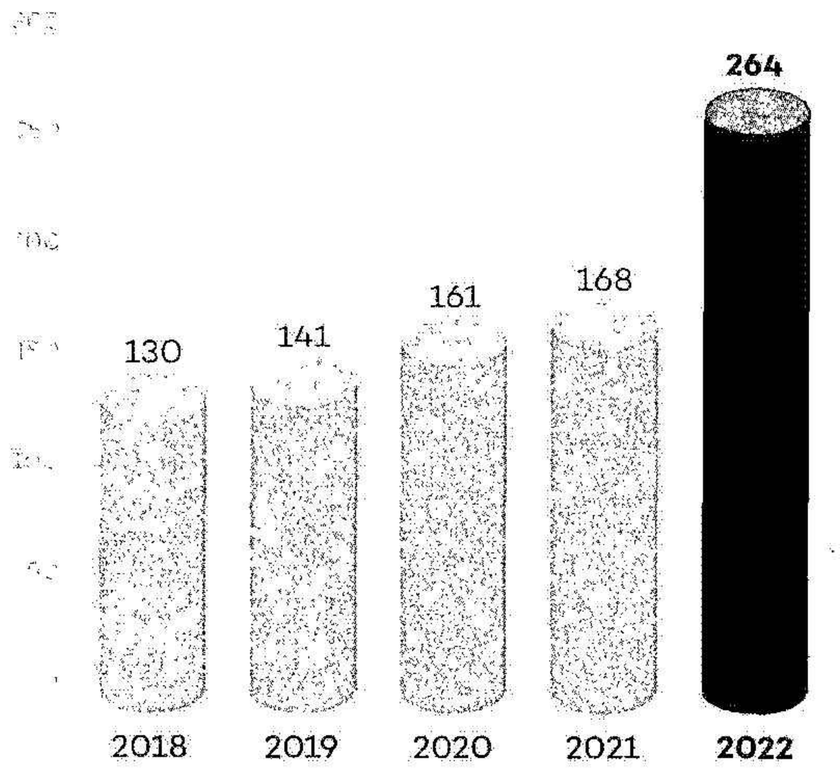
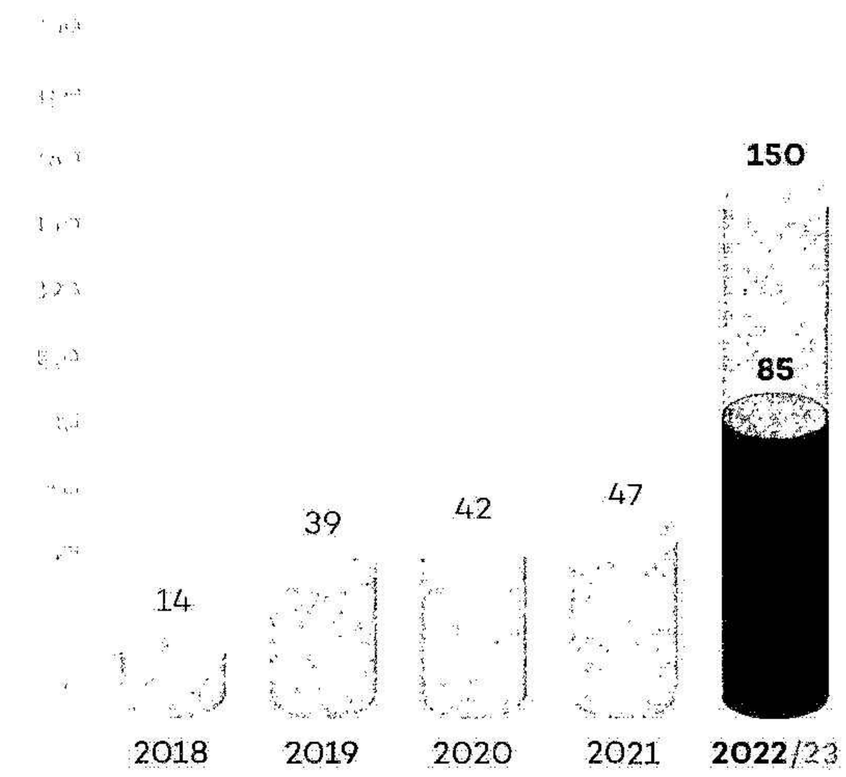
Net turnover
in millions of euros



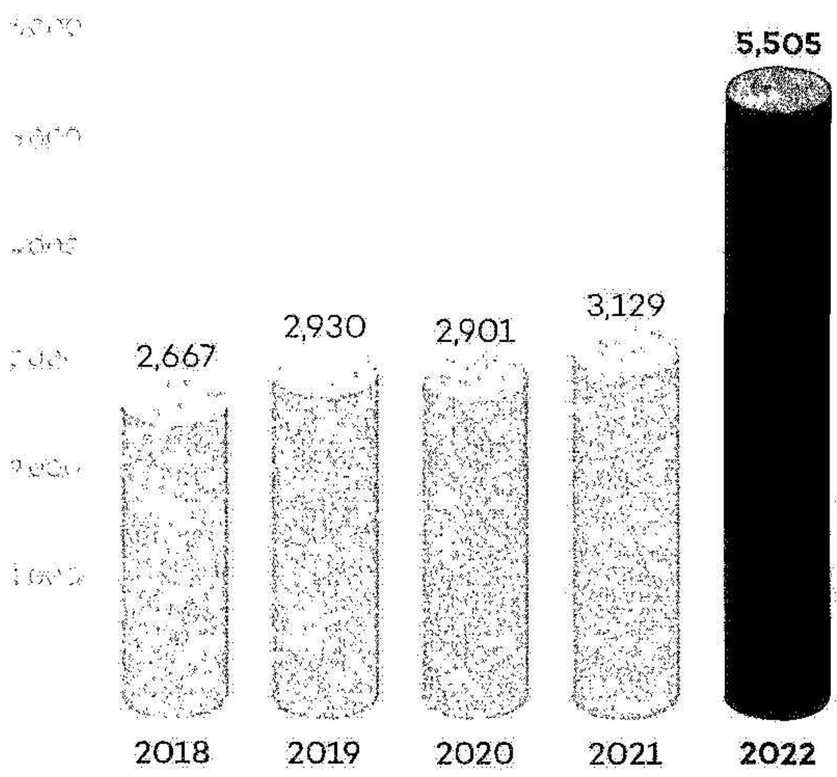
EBITDA
in millions of euros



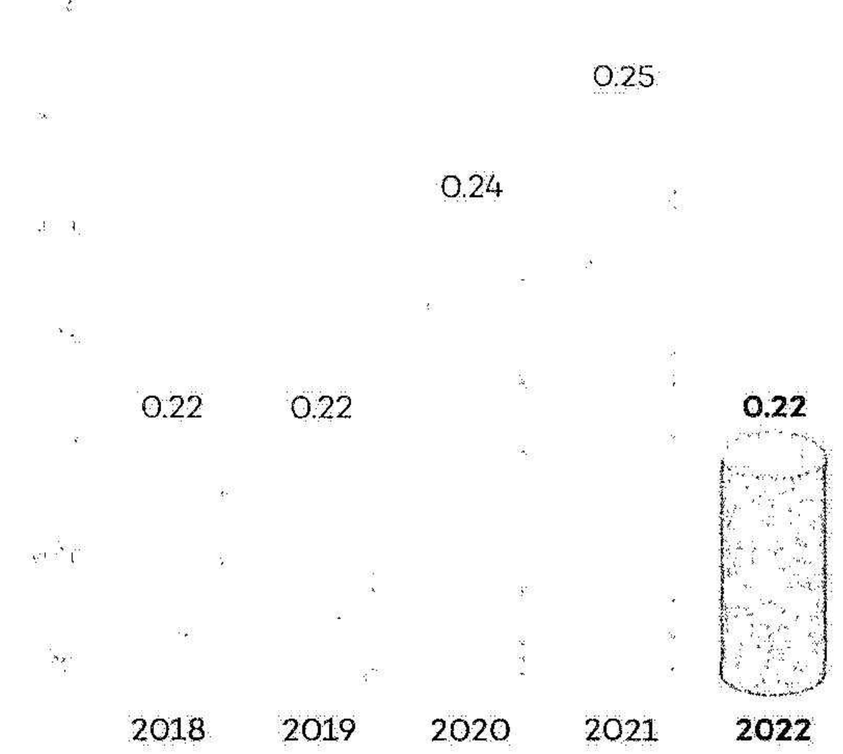
Members' bonus
in millions of euros



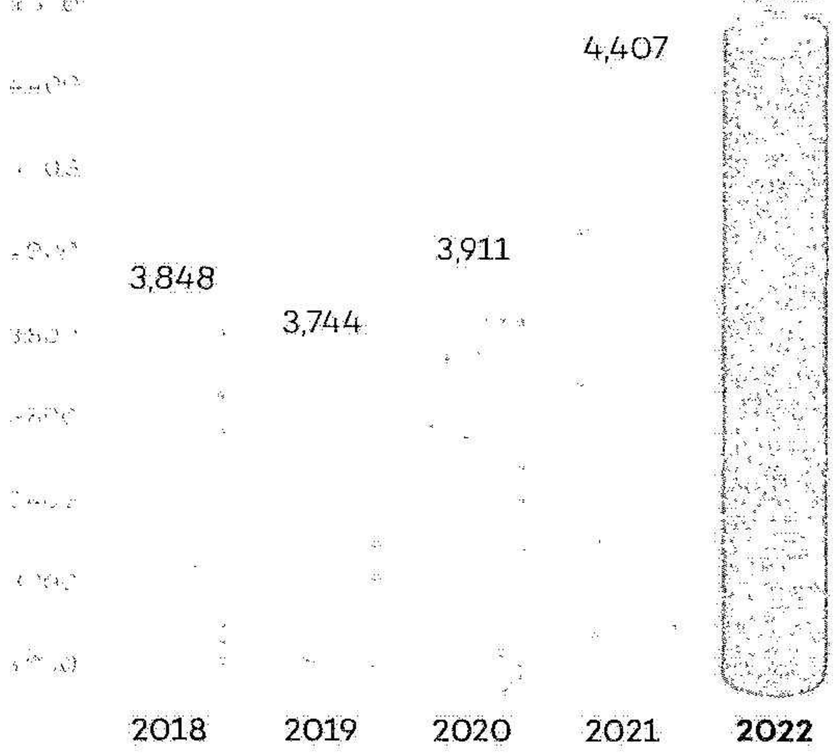
Average yield per hectare
in euros



CO_2-emission (scope 1)
in tonnes, per tonne of product



Average number of employees
average FTEs



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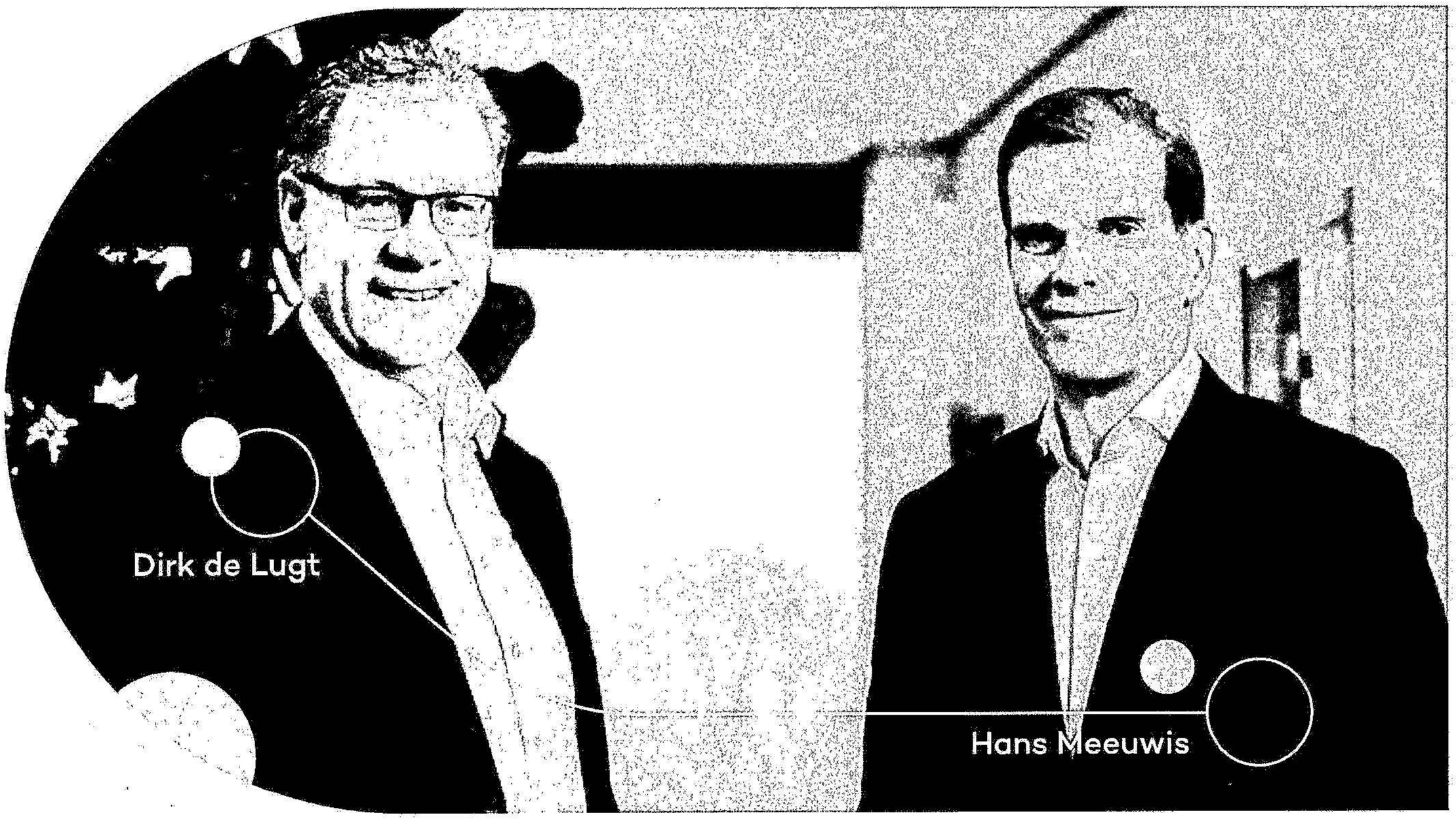
Report of the Board and Executive Board



Letter from the Chairman and CEO

2022 was a turbulent year for Cosun. The relentless war in Ukraine, the subsequent energy crisis and the inflationary pressure on raw material prices presented the business with tough challenges. The end of the COVID-19 crisis in 2022, in contrast, triggered a sharp rebound in our markets. The Netherlands' failure to reach an agriculture agreement created a great deal of uncertainty among our members. Good progress was made with the implementation of our Unlock 25 strategy. And positive steps were taken towards the necessary improvement in underlying results. Despite the many challenges, we closed the year with a significantly better operating result and beet price.

Our members need rapid clarification about the future of arable farming in the Netherlands. An agriculture agreement is needed for the longer term that explains how the Netherlands will realise its ambitions in the fields of water quality, plant health and climate change. Cosun has solutions but the government also has an important role to play. Cooperation, a fair revenue model and a targeted approach are essential. Cosun is a cooperative with its eyes set on the future. We have an unshakeable belief in the potential of our crops and the solutions plants offer. Important topics on the agendas of the sector tables are retention of land and a stronger revenue model. The sector is also waiting for ratification of the bespoke plan for the 7th Nitrates Action Programme, under which measures to improve water quality will be applied on a regional basis. The plan was drawn up in 2021 but still has to be ratified by the Ministry of Agriculture, Nature and Food Quality.

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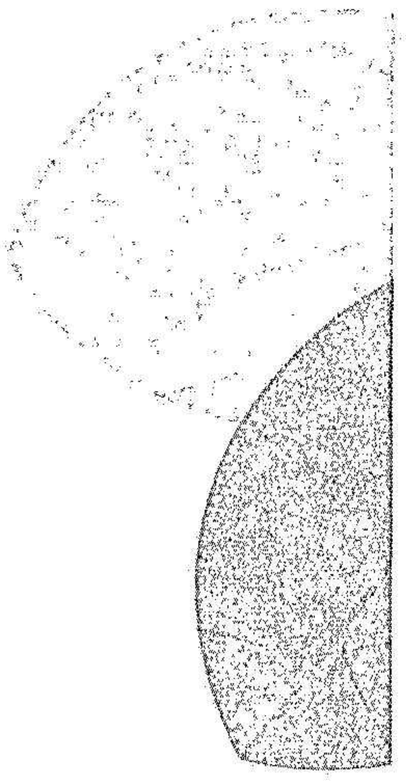

Mixed crop yields

2022 was a year of many faces, not only for Cosun as a whole but also for the beet campaign. The spring, summer and autumn seasons were predominantly warm and dry, although some growers had to contend with spells of heavy rainfall. The combination of rain followed by rapidly rising spring temperatures caused soil crustation and poorer yields in some growing regions. The dry, hot summer also had a marked impact on the crops, but the beet generally fared well. In the winter, frost took many growers by surprise and beet that were still in the field were badly damaged. In the interests of the cooperative, Cosun introduced a frost-damage scheme for the growers affected so that as many beet as possible could be processed.

The winter frost also reduced production volumes in the factories. The factories, moreover, were struck by several power failures. Thanks to the dedication of the employees and members, however, we nevertheless processed an average of 27,500 tonnes of beet per day in 2022, close to our target of 28,000 tonnes.

On the whole, we can look back on a good beet campaign. The area under beet totalled 83,700 hectares, 1.5% more than in 2021. We had a long campaign of 136 days, with an average sugar yield of 14.5 tonnes per hectare and an average sugar content of 16.5%. The sugar yield was thus well above the five-year average of 13.9 tonnes per hectare.

Strong improvement in operating result

Cosun's consolidated turnover rose from EUR 2,287 million in 2021 to EUR 3,047 million in 2022. This 33% advance was driven chiefly by positive volume growth of 6 percentage points and price movements of 27 percentage points. Sharp cost rises across the board were successfully passed on to the market to maintain margins. Hard work at all the business groups and market recovery triggered a significant and necessary improvement in results, also for the revenue model of our members. EBITDA before the members' bonus increased to 11% of turnover. The operating result before the members' bonus was EUR 153 million higher at EUR 197 million. After deduction of the members' bonus, the net result came to EUR 76 million, an improvement of EUR 83 million on 2021. This improvement was due in part to several impairments in value recognised in 2021.

Thanks to the improved result, the firm sugar price and the new system to calculate the members' bonus, the beet price was set at EUR 68.75 per tonne of standard quality (sugar content of 17% and extractability rate of 91). This is a significant improvement on the EUR 40.00 per tonne paid in the previous year. The new system introduced in 2022 bases the members' bonus for beet supplied during a campaign in part on the result for the financial year just closed and in part on the sugar result expected for the next year (Q1 to Q3 inclusive). The beet price accordingly better reflects the results earned on the beet supplied.

On course with Unlock 25

The good figures for 2022 are due in part to the progress made with our Unlock 25 strategy. It is our mission to unlock all the potential of our plants and co-products and convert it into valuable plant-based solutions. Cosun is thus responding to social challenges such as the growing demand for food and food ingredients, the need to replace fossil fuels with plant-based alternatives, and the protein transition.

To meet these needs and demands, we have set three priorities for Unlock 25. The first is a strong improvement in underlying short and medium-term results. The second is to create a future-proof sustainable chain. And the third is to achieve profitable growth in our four core segments: sugar beet, potato products, co-products, and green and health-promoting ingredients. This is how we will maximise value for our members.

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The priority for 2022 lay above all on the necessary improvement in underlying results. The sharp increase in costs was successfully passed on to the market in the form of higher prices. Group-wide initiatives to improve operational efficiency contributed to a further strengthening of underlying results. A raft of improvement programmes was launched and tough decisions were taken on investments, business expansions and the business groups' portfolios. The new potato factory in Poperinge, Belgium, for instance, allows us to benefit in full from the rapidly growing market for potato products. Furthermore, the organisation was strengthened to accelerate profitable growth. Cooperation between the business groups was significantly stepped up in important functional areas. Further development of One Cosun remains key to achieving our ambitions.

With Cosun Protein and Cosun Biobased Experts, we are organising ourselves for faster growth in plant-based proteins and biobased materials. Several promising plant-based innovations were brought to market in 2022. Cosun's sustainability ambitions and plans were also improved during the year.

New investments such as the 8-stage evaporator at Cosun Beet Company and the Cosun Solar Park in Puttershoek are contributing to our future-proof supply chain. We have set ourselves an ambition of reducing CO_2 emissions by 45% by 2030 relative to 2018. The Groeikracht Cosun programme was further fleshed out in 2022 with a view to supporting three themes: Soil & Fertilisation, Plant Health, and Climate & Energy. The Groeikracht Cosun programme will continue to work with our growers and support sustainability initiatives at their farms in the year ahead.

Prospects for 2023

We are positive about the business's performance going forward to 2023. We took decisive steps to implement the Unlock 25 strategy in 2022. Further improvement in underlying results and accelerated growth remain key to achieving the ambitions we have set for 2025. The turbulence seen in the past year will undoubtedly throw up challenges in the year ahead. The urgency to make the entire supply chain sustainable remains high. We will therefore continue to pursue our strategic course and the Unlock 25 priorities in 2023, with a focus on faster growth and further improvement in underlying results.

We would like to thank all our colleagues for their total dedication, commitment and the good results in a dynamic year. Many thanks, too, to our members and partners for their trust and cooperation throughout the year. Together, we are investing a great deal of energy to build on our plant-based future with a future-proof sustainable chain and a good revenue model. That's a bright outlook for our employees, our members and the sector.

Dirk de Lugt
Chairman
of the Board

Hans Meeuwis
President & CEO
of the Executive Board

Breda, 12 April 2023

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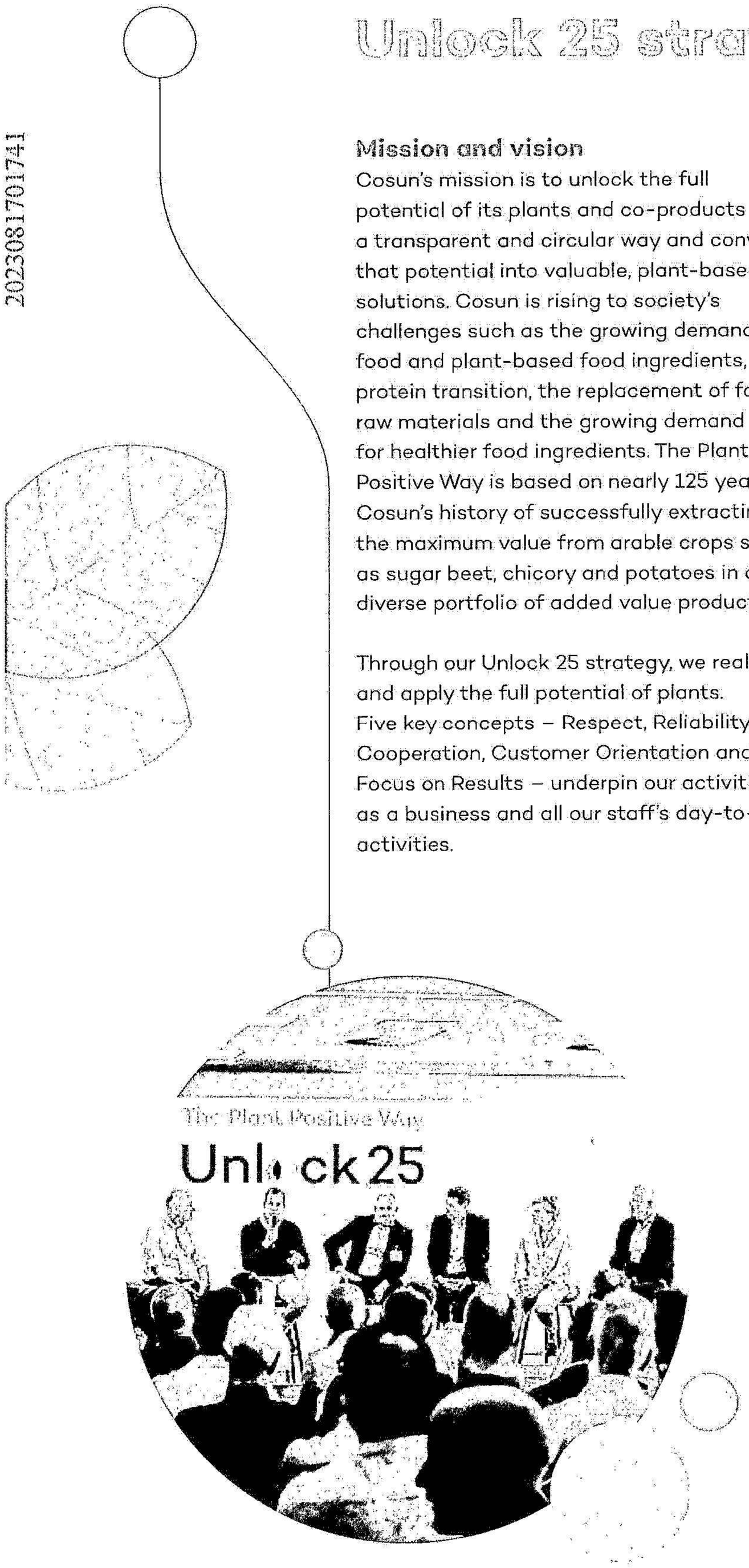
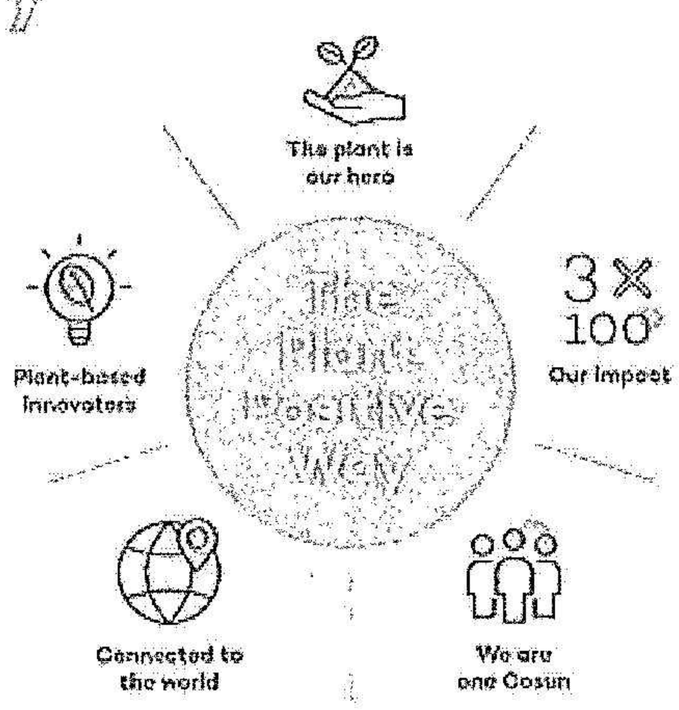


Unlock 25 strategy

Mission and vision

Cosun's mission is to unlock the full potential of its plants and co-products in a transparent and circular way and convert that potential into valuable, plant-based solutions. Cosun is rising to society's challenges such as the growing demand for food and plant-based food ingredients, the protein transition, the replacement of fossil raw materials and the growing demand for healthier food ingredients. The Plant Positive Way is based on nearly 125 years of Cosun's history of successfully extracting the maximum value from arable crops such as sugar beet, chicory and potatoes in a diverse portfolio of added value products.

Through our Unlock 25 strategy, we realise and apply the full potential of plants.
Five key concepts – Respect, Reliability, Cooperation, Customer Orientation and Focus on Results – underpin our activities as a business and all our staff's day-to-day activities.



Unlock 25 strategy

Cosun launched Unlock 25 at the end of 2021. This new strategy sets the direction and focus for all our people in all our business groups. We have made clear-cut decisions about our strategic priorities and identified what we need to achieve our goals. Our strategic priorities are:

1 to improve our results in the short and medium term,
2 to realise profitable growth in four core areas (Sugar Beet, Potatoes, Sustainable Lifestyle Ingredients and Co-products), and
3 to establish a future-proof sustainable chain.

Our goal for 2025 is an underlying operating profit of EUR 300 million with an appropriate beet price, an optimal portfolio focusing on four core areas and an improved, sustainable chain.

Improved results

Our highest priority for ourselves and our members is to improve our results. This is at the root of further growth. Despite the improvements seen last year, Cosun's revenue model is still not good enough to realise an acceptable beet price and also achieve the growth we seek in established and new activities. We are therefore doing our utmost to implement our continuous improvement programme and create more value from our current activities. This will require us to raise our commercial execution to a higher level, extract more value from our operations, improve our logistics and supply chains, strengthen our procurement processes, and further optimise our overheads and working capital.

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Portfolio: focus on profitable growth in four core areas

We have identified four core areas. In the years ahead we will focus on:

- extracting maximum value from the entire sugar beet, with cost control remaining a key priority;
- profitable growth in potato products, with a focus on added value growth in products such as coated potato fries and expansion in Eastern Europe and China;
- a new growth area in green and health-promoting ingredients, with a focus on plant-based proteins, fibres (including further growth in inulin) and biobased materials; our ambition is to grow this activity to 30% of the portfolio by 2030;
- growth in co-products, feed, food and non-food applications of residuals processor Duynie.

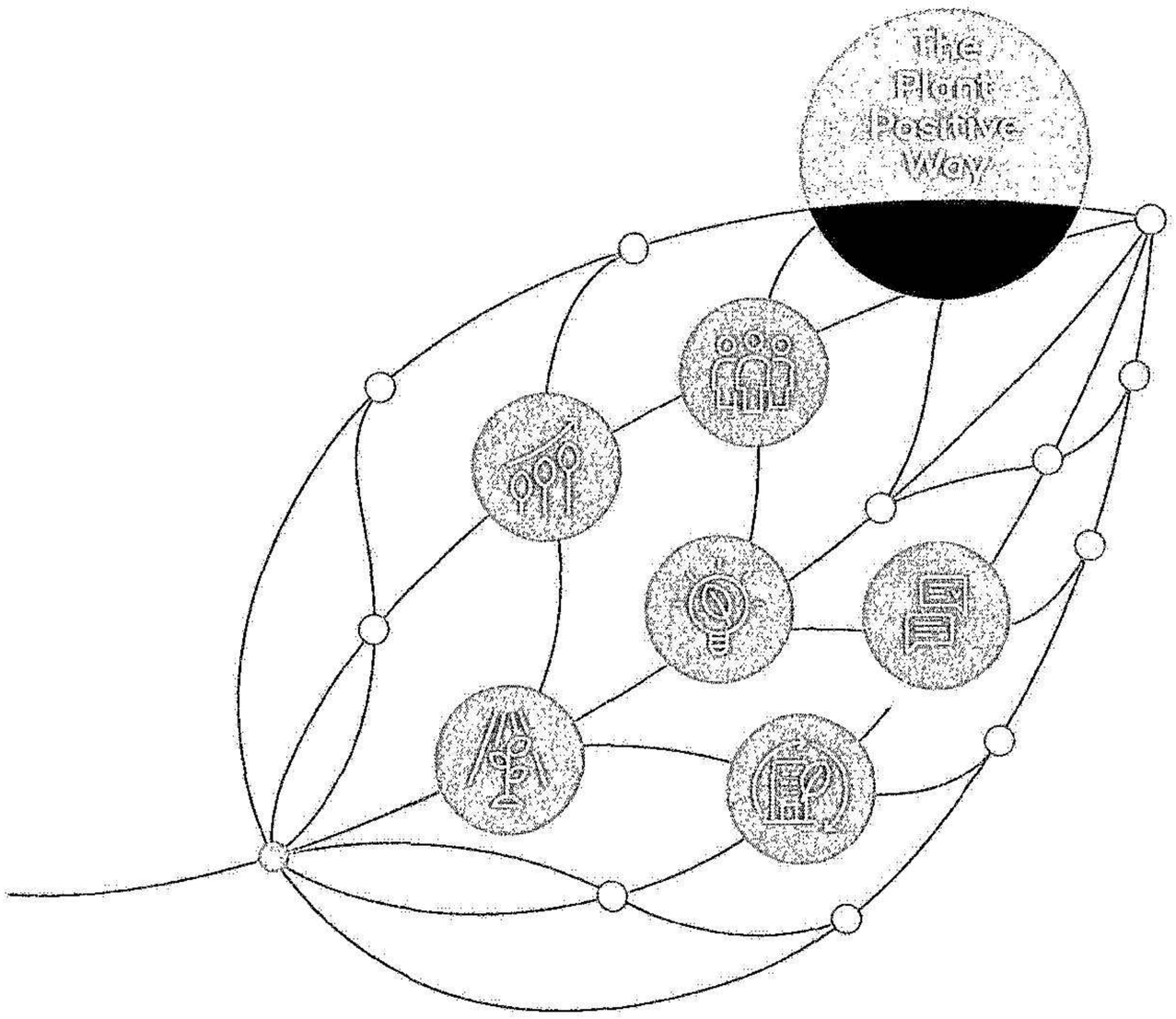
Through One Cosun, we are working in important expertise areas to create maximum value, effectiveness and the synergy we need to achieve our shared mission. The expertise areas include sustainability, innovation, safety (HRO) and procurement.

Future-proof sustainable chain

We have ambitious goals to increase the sustainability of our crops and reduce our emissions. Our target is a 45% reduction in total scope 1 and scope 2 CO_2 by 2030 relative to 2018. With initiatives such as Groeikracht Cosun and an extensive CO_2 reduction programme, we are working across the board on a future-proof sustainable chain. Our ultimate objective is to create value for our members, customers and other stakeholders and to maximise our beneficial impact on society in the longer term. The following sections explain our goals in each strategic pillar and the measures we are taking to achieve them.

Strong basis

Cosun is a plant-based business with a clear mission and an ambitious strategy in Unlock 25. In the years ahead we will work with and for our members, staff and partners on a future-proof business and supply chain, the Plant Positive Way.



What are our strategic priorities?

Results

Improving our results.

Continuous improvement is a key aspect of how we work. It provides our members with a good revenue model and Cosun with opportunities for further growth.

Portfolio

Focus on profitable growth in added value products that improve the wellbeing of people and animals and sustainable lifestyles.

We achieve this through the four pillars of our portfolio:

- Sugar beet
- Potatoes
- Sustainable lifestyle ingredients
- Co-products

Chain

Future-proof and sustainable.

As a cooperative we are ideally positioned to play a leading role in the transition to a future-proof, more sustainable agrichain.

What do we need?

People

Our success stands or falls on our people. We encourage our people to get the best out of themselves.

Innovation & Partnerships

Innovation is a key pillar in our strategy. Partnerships strengthen our innovative power.

Communication

Showing who we are, what we do and most importantly why we do it, in order to connect with each other and with the world around us.

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How Cosun creates value

The primary objective of Unlock 25 is long-term value creation for all Cosun's stakeholders. Our integrated value creation model explains how we process our raw materials and how we create value through our strategy, commitment and results.

The value creation model also links our sustainability strategy to the Sustainable Development Goals (SDGs) introduced by the United Nations in 2015 to combat poverty, inequality and climate change by 2030.

INPUT	ACTIVITIES	OUTPUT	OUTCOMES
People • 4,558 FTE • 8,275 members • > 30,000 growers • > 23,000 partners **Knowledge & expertise** • EUR 19 million invested in innovation **Natural resources** • 11,600 ktonnes plant based resources, of which 66 ktonnes co-product • ca. 11,600 TJ energy, of which 11% green • 8 million m^3 of water **Production process** • 29 production facilities • in 9 countries **Funds** • EUR 1.4 billion equity • EUR 1.7 billion invested capital	**Unlock 25** The Plant Positive Way Circular Innovation & partnerships Winning people Tell our story Transparent Plant-based	• Yield per hectare EUR 5,505 • Beet price of EUR 68.75 per tonne • EUR 3,047 million turnover • EUR 25 million EBIT improvement from healthy performance improvement program • 5% revenue growth health promoting & green alternatives • ± 740 ktonnes scope 1 & 2 emissions • Reduction scope 3 emissions • Groeikracht Cosun • Circularity • Water • Diversity en inclusivity	**Healthy performance** **Focused growth in well-being & green** **Future proof, sustainable chain**

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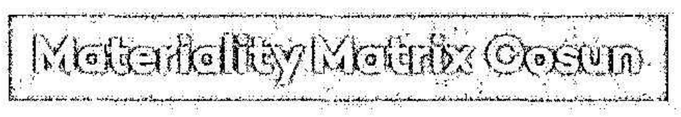
Materiality matrix

The materiality matrix below shows the aspects of corporate sustainability that are relevant to Cosun and its stakeholders. The Y axis shows the topics of greatest importance to our stakeholders and the X axis the topics on which Cosun can exercise the most influence.

The matrix is the outcome of a thorough materiality analysis we carried out in 2020. We updated the matrix on the basis of information newly received from stakeholders in 2022. We held talks with our growers as part of the Groeikracht Cosun programme, received information from partners in the Cosun Nutrition Center and held a reputation survey among stakeholders.

We will carry out a new materiality analysis in 2023 based on the double materiality principle to determine the topics' impact on our business and our business's impact on the topics.



1. Energy
2. Circular crop use
3. Innovation
4. Biodiversity
5. Sustainable soil use
6. Financial performance
7. Plant-based alternatives
8. Healthy plants & crop protection
9. Fair pricing
10. Health & safety
11. Water
12. Valuable partnerships
13. Sustainable sourcing & traceability
14. Food availability
15. Healthy food & diets
16. Product safety
17. Compliance with laws & regulations
18. Great workplace
19. Diversity & inclusion
20. Human rights
21. Local community engagement

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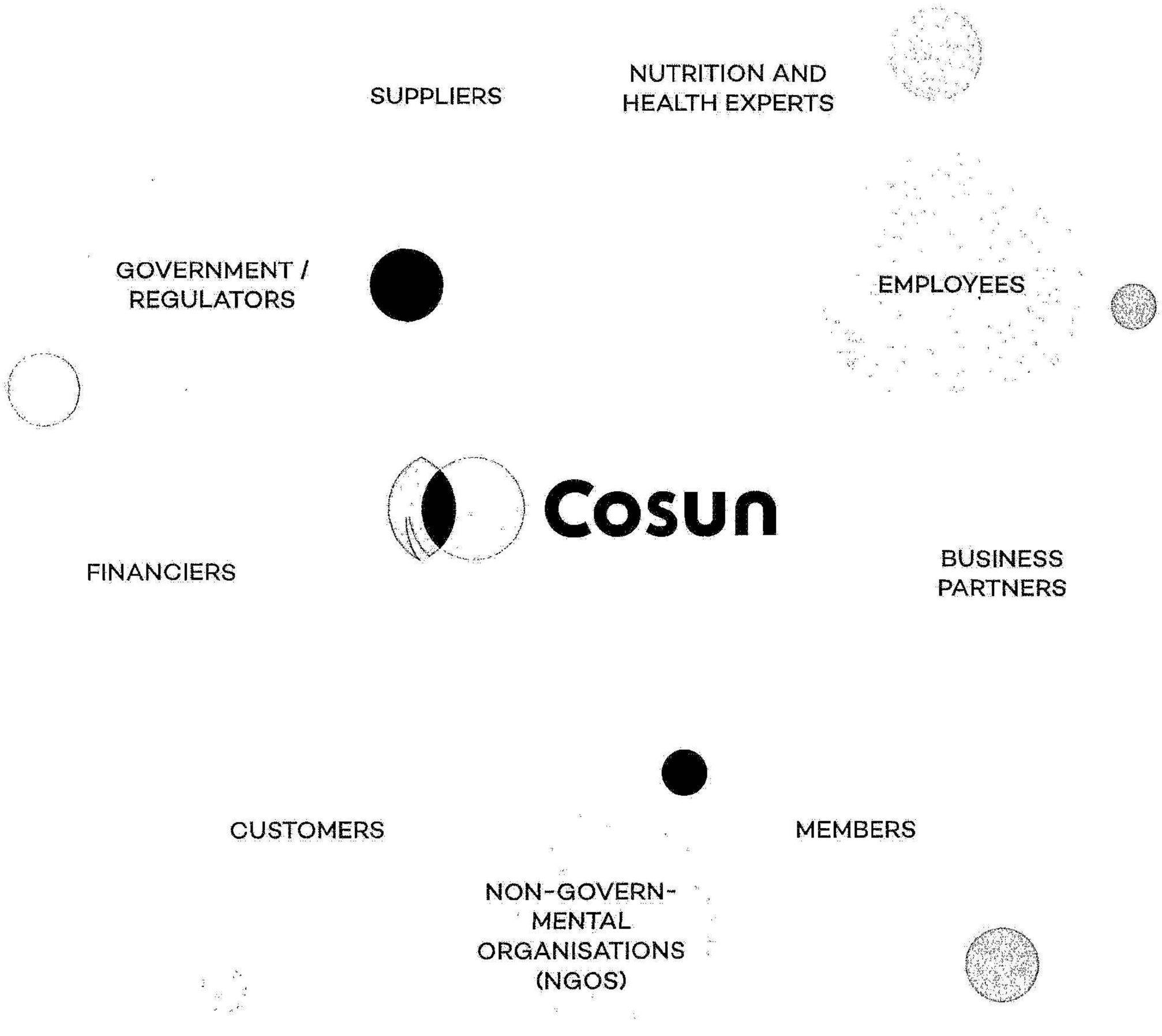
Stakeholder dialogue

As a cooperative, we are alive to the importance of cooperation and are in continuous dialogue with our members and other stakeholders. We discuss our internal and external stakeholders' expectations about material topics and together develop solutions to the main sustainability topics. The dialogues are part of our daily work and are held at various levels of the organisation. The outcomes enrich our strategy and policy. We seek an optimal balance that respects the diverse interests of our many stakeholders. Our most important stakeholders are shown in the figure below.



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Groeikracht Cosun
Groeikracht Cosun barn meetings were held to discuss sustainability and the topics we should prioritise with the growers. We shared our vision and took note of the growers' suggestions and comments. In the summer of 2022, we organised 25 barn meetings at several locations in the Netherlands. We also held dialogues to discuss priorities in smaller groups, such as the Board, the Members' Council and the Groeikracht Cosun focus group. Building on these dialogues, we identified three focus themes: Soil, Water and Fertilisers; Plant Health; and Climate and Energy. A leitmotif running through all three of these themes is biodiversity. The topics are key pillars in Cosun's strategy to realise a future-proof sustainable chain.

Cosun Nutrition Center
To position the new Cosun Nutrition Center in the market, we held talks with customers, educational and research institutions, public authorities, health institutions, industry associations and other stakeholders between May and October 2022. They shared their insights and advice with us and we evaluated their information and knowledge requirements and their willingness to work with us. We will continue this work in collaboration with the Slow Food Youth Network (SFYN) in the coming period. Its academy students will seek answers to the following question on our behalf: How can Cosun Nutrition Center become the owner of its own story and how will its shared scientific knowledge of plant-based products and ingredients be heard in society? More information on this subject is presented in the section, Focused growth in wellbeing & green.

Reputation survey
In 2022 we engaged an external agency to carry out a reputation survey among our stakeholders to determine where reputational improvements could be made and to evaluate our vision and strategy from a reputational angle. The target group included NGOs, environmental organisations, financial advisers, business partners, innovation experts, customers, public administrators and interest groups. We took to heart their recommendation that we should put our successes and challenges in the spotlight more often.

“ As a cooperative we are alive to the importance of cooperation and are in continuous dialogue with our members and other stakeholders. ”

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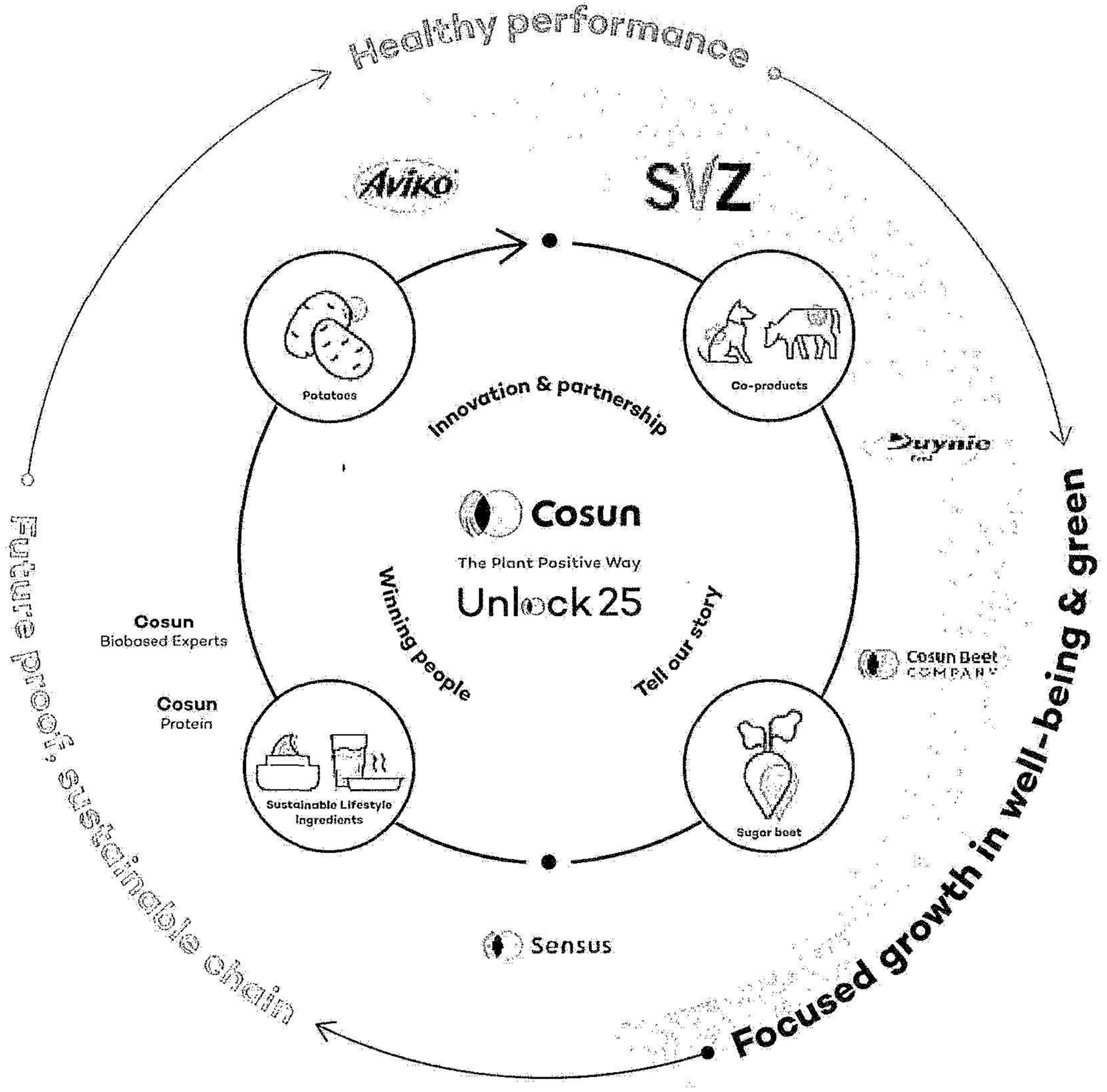
Results and impact in 2022

Through our Unlock 25 strategy we are working on a relevant and future-proof Cosun based on clear choices, a good revenue model and a portfolio that matters. We are doing this for our generation and for future generations.



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Healthy performance

Continuous improvement in our operational and financial performance ("healthy performance") is a key priority for our way of working. We aim to make optimal use of our people, raw materials and processing aids, resources and factories. We invest a great deal of energy in innovation and in exploring promising new sales markets. This all contributes to a good revenue model for our members and provides us with opportunities for further growth.

Results 2022 at a glance

EUR **3,047** million turnover

EUR **25** million structural EBIT improvement

7.6 Employee engagement score

Sugar beet price **€ 68.75** per tonne

Structural improvement in results
Target for 2025
(relative to 2020) in millions of euros in EBIT

+100

Actual in 2022
Structural improvement in the result in millions of euros

+25

Production
Optimisation of processes and higher efficiency and energy savings in our factories.

Actual saving in 2022
(relative to 2021) in millions of euros

+5

Supply chain & overhead
Such as joint procurement, lower storage and transportation costs and smarter organisation.

Actual saving in 2022
(relative to 2021) in millions of euros

+5

Commercial execution
Optimisation of the product portfolio and more value from co-products.

Actual saving in 2022
(relative to 2021) in millions of euros

+15

Improvement programme

As part of our Unlock 25 strategy, we launched a performance improvement during the year to improve our results. To arrive at the best possible result, we took advice from external organisations on how to identify high-potential projects, how to ensure the business groups successfully make the most of those innovations and how to monitor project progress. We can only benefit from best practices and a fresh look from outsiders.

Improving our commercial execution

One of our goals is to improve our commercial execution. To do so, we have to extract more value out of our co-products. We are already making good progress in this area. We are intensively studying the nutritional value that we can create in the market from our beet pulp and chicory root residues and exploring new sales markets in this area. At the same time, we are rationalising the products at the bottom of our product portfolio by phasing out those that add little value. We are working on the further sales growth and optimising sales across the most attractive customers and regions. By dedicating themselves in full to price improvements in 2022, our business groups could make up for the enormous cost increases seen during the year.

More value from the operation

We are also studying how we can generate more value from the operation. An optimisation programme at Duynie is taking a critical look at opportunities

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for volume and profitability growth and optimising the Novidon and Duynie Ingredients units. Aviko has launched the multiyear Upturn improvement programme for its fries business. Improvements were identified in the operation and the supply chain in 2022. Measures were taken chiefly to increase output, to get more out of the potatoes and to strengthen the maintenance organisation. There are opportunities in the logistics chain to optimise internal logistics and the product range.

In addition, our business groups introduced innovations in their factories. Cosun Beet Company, for example, invested in an 8-stage evaporator that produced a significant energy saving. In Belgium, Aviko's new deep-freeze warehouse meets very high sustainability standards. And we are increasingly applying smart production methods in our factories, using sensors and data analyses to make our processes smarter and more efficient.

Improving procurement

Procurement accounts for a substantial proportion of our costs. The main procurement categories are raw materials and production aids, transport and energy. Nearly all costs were significantly higher in 2022. The One Cosun procurement programme is studying how we can organise procurement more smartly by combining our strengths in order to gain procurement benefits. By collating all our business groups' procurement data, we are mapping out how we can control cost increases and further improve contract and category management. Investments were made in systems to facilitate the further strengthening of the procurement organisation.

Optimising working capital

To make sure we can finance our growth ambitions, we are optimising our working capital and borrowing capacity. We analysed the potential with all our business groups in 2022 and concluded that to realise their full potential we would need an improvement in results. We will take practical measures to make improvements in 2023.

Working environment

Cosun does all it can to offer all its employees a safe and healthy working environment. In 2022, we updated our safety policy, held our first Cosun-wide employee engagement survey and, as in previous years, invested in employee training and development.

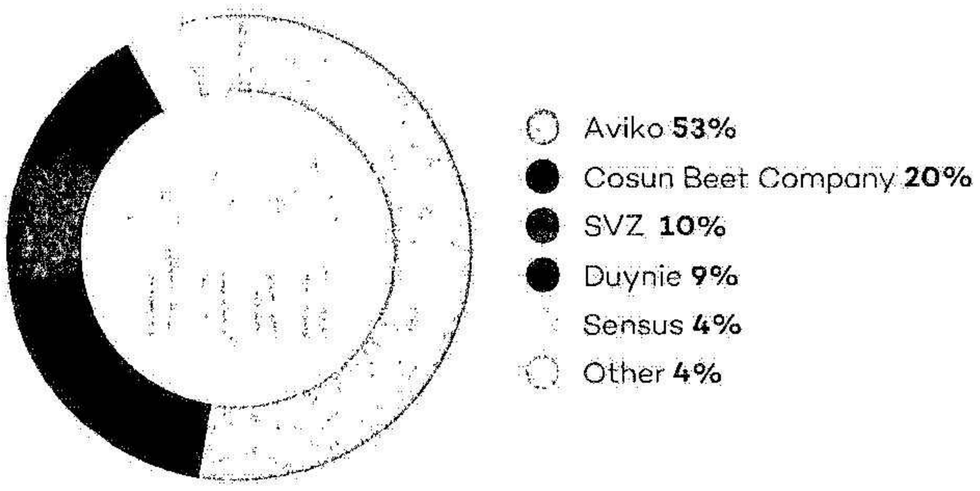
Results in figures

Sickness absenteeism declined from 4.8% in 2021 to 4.4% in 2022. This is below the national average calculated by Statistics Netherlands for the manufacturing industry.

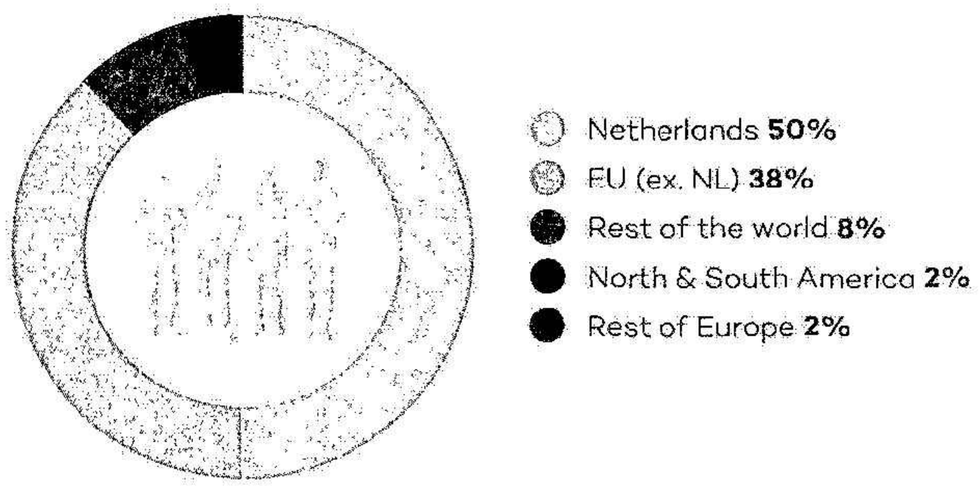
The number of employees increased from 4,407 full-time equivalents (FTEs) in 2021 to 4,558 FTEs in 2022. In both 2021 and 2022, 23% of the employees were female and 77% male.

The number of training days per employee rose to 4.9 in 2022, up from 3.4 in 2021.

Number of employees per business group
in percentages



Number of employees per region
in percentages



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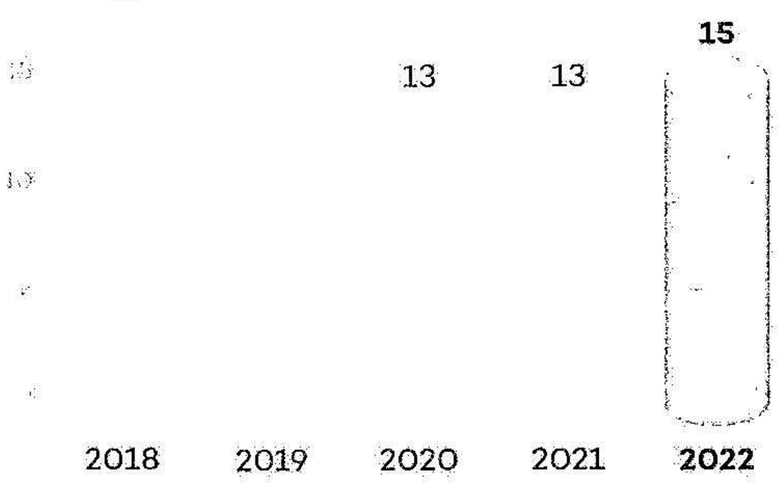

Employee engagement

Our success stands or falls on our people. With this in mind, Cosun set up the Winning People programme to implement a raft of initiatives. In autumn 2022, for instance, we held a employee engagement survey at all the business groups to ask the employees about the processes, opportunities and culture in their organisations. With its high esponse rate of 71% and the respondents' proactive suggestions, it proved to be a very valuable exercise. We received more than 30,000 comments. Such a demonstration of genuine employee engagement with our activities provides a handle to optimise the internal organisation. We will put more effort into talent development and personal growth and help teams and individuals in a variety of ways to flesh out the Unlock 25 strategy. The employees gave us an overall average score of 7.6; a good outcome that is equal to the benchmark's average score. We are pleased with the score and will now take a step to advance from being a good employer to being a top employer.

Workplace safety

At Cosun, we recognise the great importance of workplace health and safety. Highly developed safety awareness prevents accidents, emergencies and sickness absence.

All business groups work on safety by means of the Total Productive Maintenance system (TPM). At corporate level we manage safety through the TPM Safety Master Pillar, in which all business groups take part. We meet five times a year to share each other's knowledge and experience and prioritise safety topics for the group.

In 2022 we rolled out the Cosun Safety Rules across all business groups. The rules cover, among other things, use of the correct protective equipment and compliance with the safety procedures for machines. We also considered the requirements of individual factories, which we are now meeting where necessary.

We referred above to our One Cosun strategy to strengthen cooperation among the business groups. We are now also applying the One Cosun strategy for workplace safety: we are learning from each other and helping each other.

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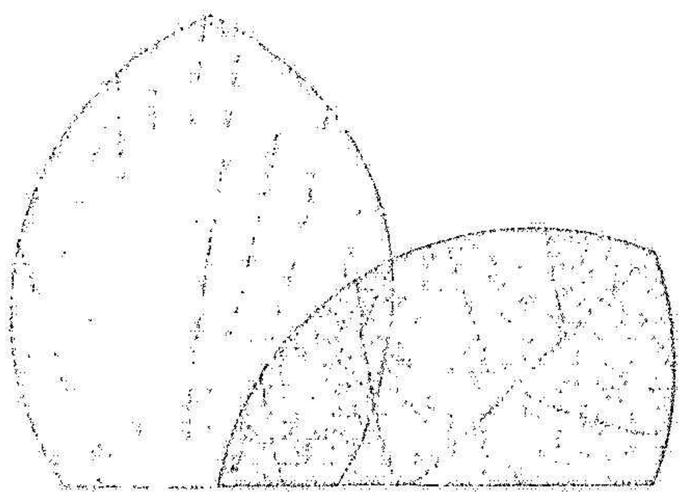
Challenges

2022 was a year of many operational challenges. COVID-19, the war in Ukraine, inflation: they all had an impact on our performance. Energy prices in particular, but also other cost increases, had an enormous impact on our cost base.
The business groups had to pass on the higher prices to the market and at some factories we built in facilities to switch from gas to flex fuel. We also took a more critical approach to mitigating inflation and scarcity risks when concluding new supply contracts. High energy costs, wage inflation and other cost increases have obscured some of the performance improvements. Our aim is to make a visible difference, also in challenging times.

Another challenge is to operate as One Cosun across all the business groups and disciplines throughout the chain. The Unlock 25 strategy and a comprehensive engagement programme help us steer one course.

2023 and further

In 2022 we focused on identifying opportunities; in 2023 we will put our plans into practice and develop new initiatives. Performance improvement is a continuous process. Smart production techniques are constantly advancing. We have identified more opportunities to save energy and make savings in our overhead. In brief we will continue to optimise.



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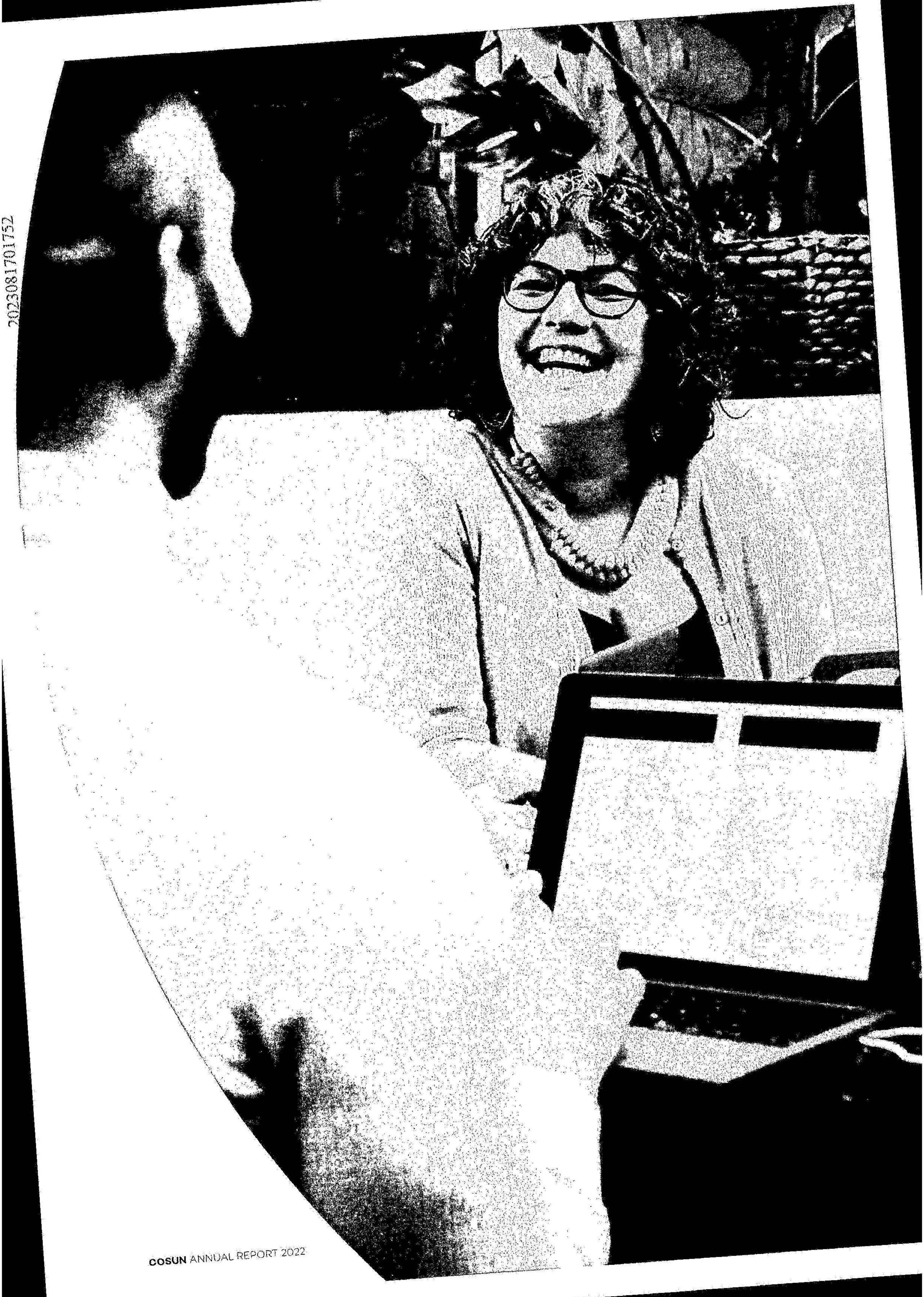

Focused growth in wellbeing & green

Our plant-based foods and food ingredients are a good complement for a sustainable and responsible dietary pattern. We extract all we can from our plants and we are going to do even more with them. We have ambitious goals to grow in the market for plant-based proteins, fibres and biobased materials. This is how we will improve our result and help preserve the earth.

2022 results at a glance

Sugar
952
million turnover

Potatoes
1,298
million turnover

Health-promoting and green
158
million turnover

Co-products
411
million turnover

Total turnover relative to 2021
+760
(+33%)

% total green and health-promoting turnover
5 %
(goal: 30% in 2030)

Investments in growth of core areas in 2022
38 %

Future-proof portfolio

We have a nice product portfolio with strong positions in our markets; we cherish our portfolio. Evenso the market is showing more interest in healthy products and is becoming more critical of sugar. To respond to this trend and spread risks, we intend to create more balance in the portfolio. We will focus more on green and health-promoting ingredients. With Sensus's inulin we already have a firm foothold in this market that we will build on with other products.

As part of our five-year strategy, we are pursuing profitable growth in four core areas: sugar, potatoes, green and health-promoting ingredients, and co-products.

Focus on efficiency in sugar production

To reduce our reliance on the volatile sugar market, we are seeking efficiency gains in sugar production. By innovating and making our working processes smarter, we can increase the volumes produced by our factories. We will also replace fossil ingredients in a range of products with plant-based ingredients extracted from our sugar beet. Cosun Beet Company has entered into a partnership with Avantium to convert sugar into glycols, an intermediate product in the production of plastic packaging materials, textiles, antifreeze products and the like. Cosun and Avantium are thus working towards a fossil-free future with new sales markets for Cosun.

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Expansion in potato products in Europe and China

In the potato market, we are seeking further growth in both Europe and China. The worldwide market for frozen potato products is continuing to grow at about 4% per annum. To profit in full from this rapidly expanding market, Aviko opened a new factory in Poperinge, Belgium, in 2022. It will supply frozen fries and potato flakes for the markets in Western Europe, Asia and South America. Aviko will also concentrate more on products with added value, such as coated fries: fries with a coating of extra crispy potato starch.

New growth areas in green and health-promoting ingredients

Cosun is entering a new growth market in green and health-promoting ingredients. We are focusing on plant-based proteins, fibres and biobased materials. Sensus is already active in the fibre market with inulin, which accounts for 5% of our portfolio's turnover. We are seeking a substantial increase in this percentage. Our aim is to have this new growth area account for 30% of our portfolio by 2030.

Proteins

The world population has been consuming more animal proteins such as meat, fish, milk and eggs in the past few decades. To continue feeding its growing population and create more sustainable dietary patterns, the world will have to transition towards plant-based proteins. To participate in this transition, Cosun established Cosun Protein in 2022.

Vegan strawberry ice cream

The neutral taste of protein from field beans means no artificial additives are required to make a neutral-tasting product. This makes it very suitable for vegan strawberry ice cream. The maker only needs to add strawberries to make perfect ice cream. Cosun Protein produces the protein for the dairy, ice cream and meat substitutes industries.

The substantial investments we have made in knowledge development in recent years produced one of the first ingredients in 2022: protein from field beans (Fava Protein Isolate). The protein is extracted from field beans using advanced techniques in a factory in Poland and is marketed to the dairy, ice cream and meat substitutes industries. We are also working on proteins from beet leaves (RuBisCo), an excellent replacement for chicken protein in meat substitute products. We will expand this portfolio further in the years ahead.

Fibres

In the fibres market, we are planning to expand our sales area. We already market the inulin we extract from chicory in more than 50 countries worldwide. This natural prebiotic fibre replaces sugar and fat in, for instance, baby food, pastas and pet food. The fibre also has a positive effect on our gut health. With several partners we are studying how we can process inulin into more foodstuffs and so contribute to a healthier dietary pattern.

Biobased materials

Through Cosun Biobased Experts, we supply sustainable ingredients for microplastics made from plant-based residual streams. For example, we have developed Betafib, a micro-cellulose fibre, from sugar beet pulp. In personal care products, Betafib ensures that exfoliant particles are distributed evenly throughout the jar or bottle. It is a good replacement for oil derivatives that are currently used in many of these products.

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A great advantage of our green ingredients is that they are degradable; they do not remain in the environment. Furthermore, by making them from residual streams we use all the components of our crops. We use chicory roots, for instance, to make inulin derivatives for application in shampoo and in scale-resistant dishwasher tablets. To increase our presence in this market, we worked out detailed plans to open a pulp refinery facility in 2022. We are also looking at takeover and acquisition opportunities.

Expansion of our circular activities in Europe

At Cosun, we think about every kilogram of our crops. Not everything in the crops and ingredients processed in the food industry ends up on a plate. What remains are co-products that are sent to, for instance, fermenters or used in animal feed, pet food ingredients and technical applications such as wallpaper paste. This is how we prevent waste and make optimal use of our plants. In the market for co-products, we want to grow further in Europe and are studying how we can make more use of residual streams in our new growth area of green and health-promoting ingredients.

Innovation

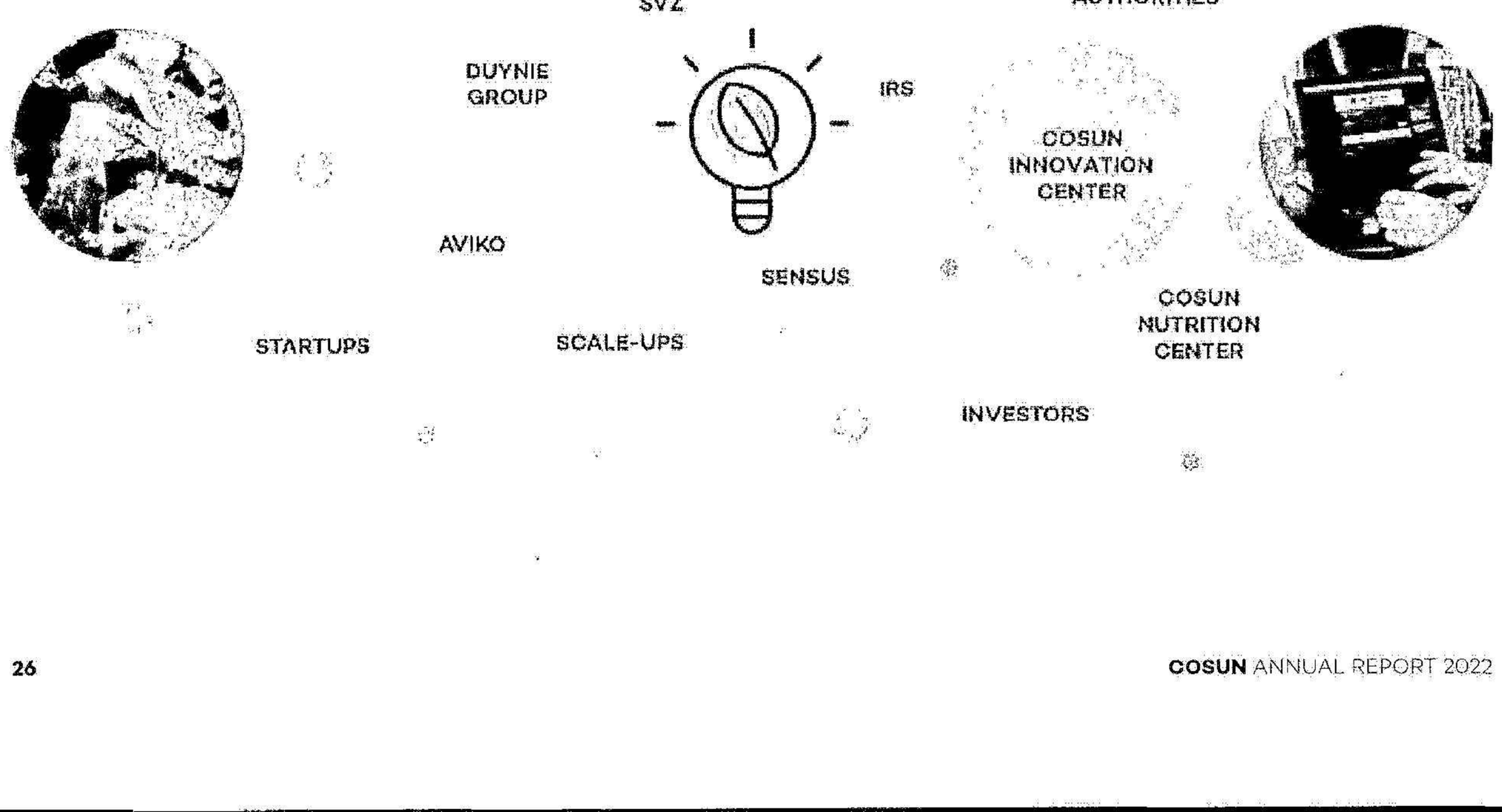
We want to set the pace in innovation that makes the world more sustainable. To fulfil this ambition, we are working more intensively with external parties, from customers and knowledge institutions to startups and investment funds. We also encourage and facilitate innovation through our investments and by setting challenges. Through effective cross-pollination and co-creation, we can realise our ideas faster.

Cosun innovation center

In our well-equipped Cosun innovation center, a team of experts is working on innovative food and non-food products. Their work extends from studying crop cultivation and testing new products to scaling up pilot projects and optimising production processes.

Partnerships

We are working with various partners to develop more and better plant-based solutions. One such partner is GPEC, the Green Protein Excellence Center, an innovation hotbed where we work with many organisations on new, high-potential applications for plant-based proteins.



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Other examples include our participation in venture capital funds Icos Capital and StartLife. They both support agrifood startups and scale-ups. A final good example is Fascinating, a collaboration by the four major agricultural cooperatives (Agrifirm, Avebe, Cosun and FrieslandCampina), LTO Noord (an association of and for agricultural entrepreneurs) and the province of Groningen. Together with the UMCG knowledge institution and a number of organisations in the food industry, chemical industry and the energy sector, we are studying how we can deliver the agriculture industry of the future.

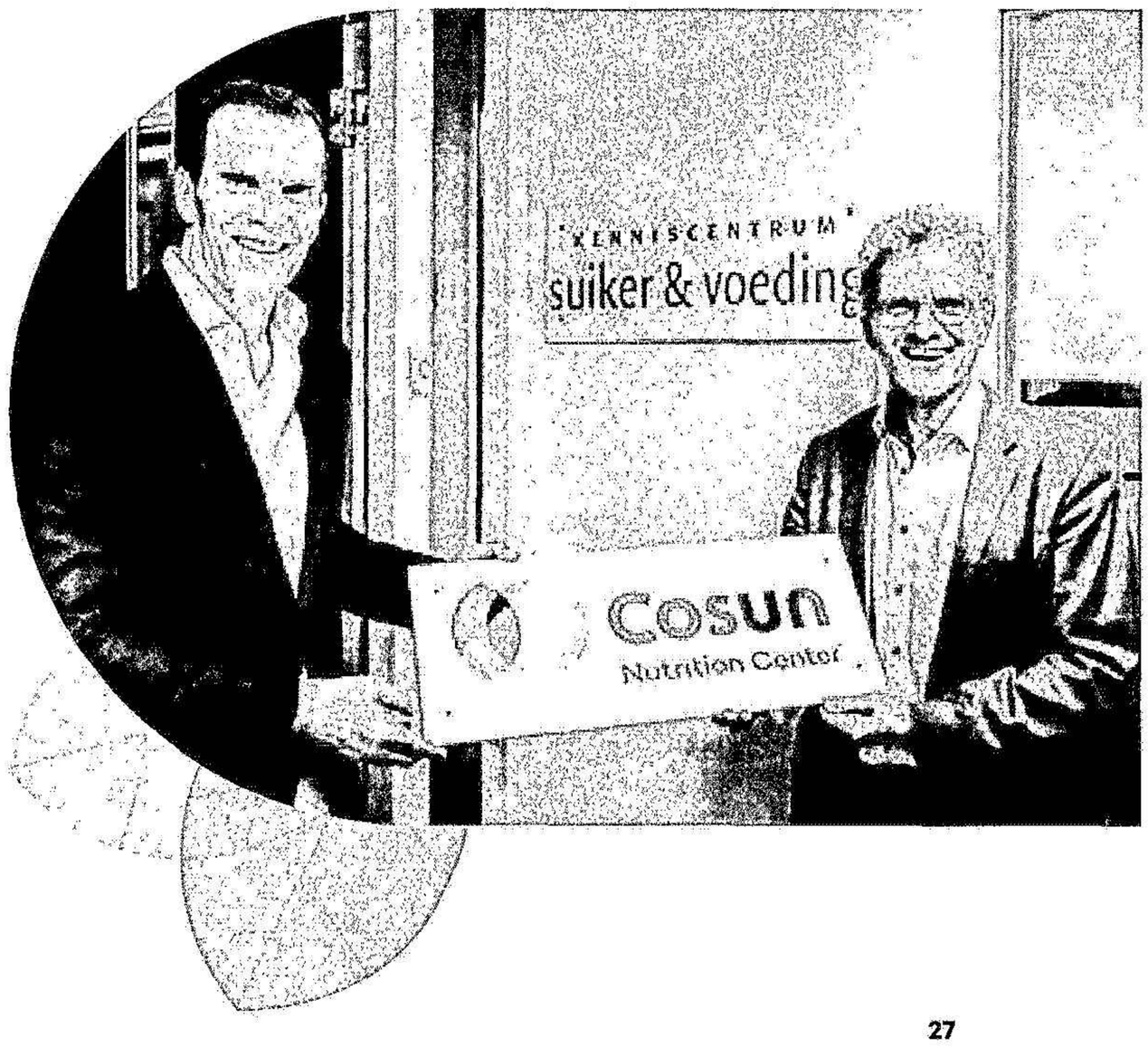
Cosun Nutrition Center

In July 2022 we set up the Cosun Nutrition Center to share knowledge with health professionals, scientists and other stakeholders and enter a dialogue on nutrition, health and sustainability. It is the successor to the sugar and nutrition knowledge centre and will focus on all plant-based products produced by the group. Besides sugar, they include potato products and our new growth areas of plant-based proteins, dietary fibres and plant-based substitutes for cheese and other products.

To feed the world population with a healthy diet and keep the environmental impact to manageable levels in 2050, we must consume fewer animal products and more plant-based products. As a producer, we can contribute to this transition, share our know-how and actively participate in the dialogue. The Cosun Nutrition Center will help us realise this ambition.

How do the foods and food ingredients we produce fit into a responsible and sustainable dietary pattern? This is an important question, but the answer is far from simple. To ensure the information we issue is complete and scientifically correct, we are supported by a scientific council with a wealth of experience in nutrition, health, sustainability and communication. The council is responsible for all Cosun Nutrition Center's scientific activities and communication.

“ Through the Cosun Nutrition Center, we are opening the dialogue on how our products fit into a responsible and sustainable dietary pattern ”



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Trends and developments

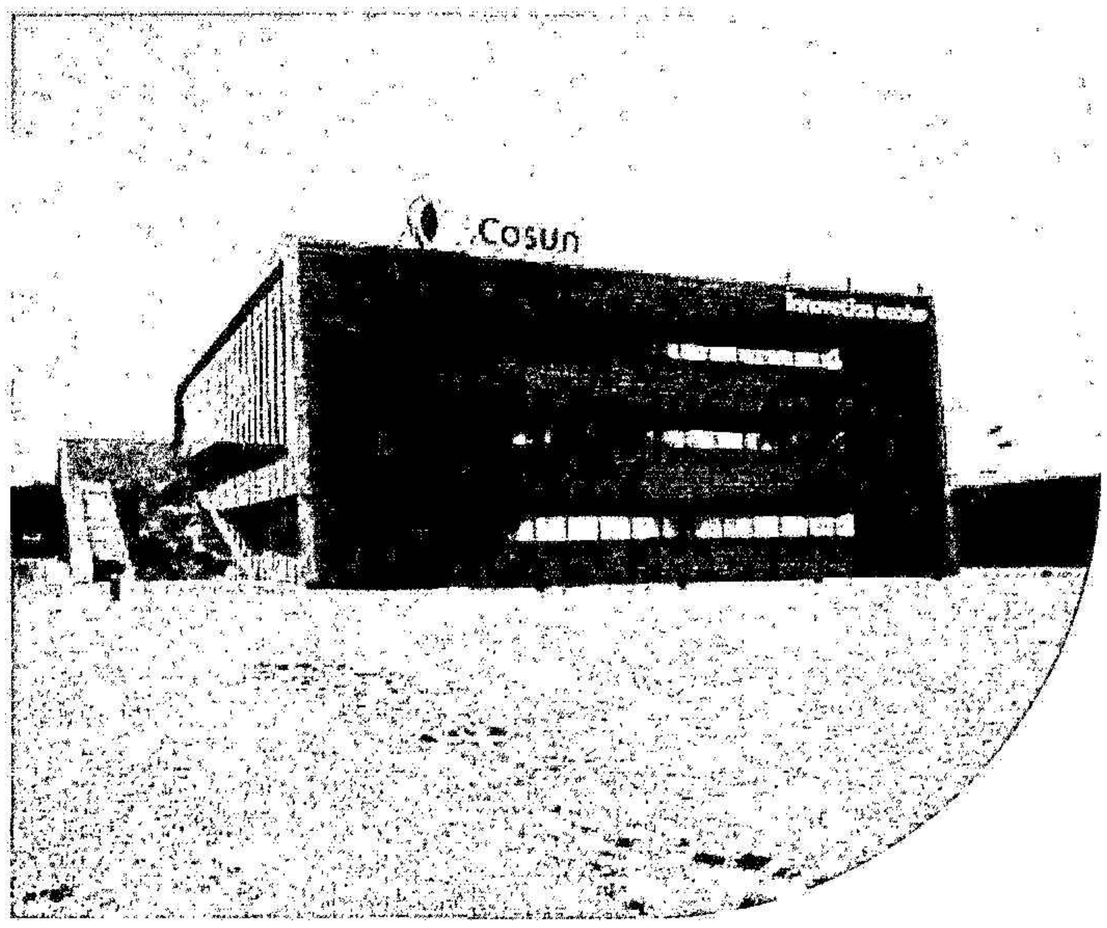
Cosun constantly responds to trends and developments that are relevant to the cooperative. The key entity for our response is the Cosun innovation center. Together with our business groups, customers, knowledge institutions and other stakeholders, we are developing innovations to contribute to our Unlock 25 strategy. To implement the strategy, we have made clear choices on which projects we will carry out and which we will not.

Transition to plant-based proteins

The transition from animal products to plant-based products is being accelerated by the environmental and health benefits of plant-based food. One of the ways Cosun is participating in this trend is by investing in plant-based proteins. To this end, we set up the Cosun Protein business group in 2022.

We have extensively studied the raw materials that are suitable for protein extraction. We initially extracted protein from potatoes and beet leaves. As beet leaves are not available all year round, we looked for a more suitable source so that we could make optimal use of our machinery. This led to successful tests with field beans in 2021 and to an accelerated and promising introduction of these proteins on the market such as on the FIE Global food ingredients fair in Paris.

A characteristic of field bean protein is its neutral taste, which makes it very suitable for dairy products such as yoghurt, mayonnaise and ice cream. Field beans also have many sustainability advantages. It is a GMO-free crop, needs little water and has a small carbon footprint.



CO_2 and energy reduction

Cosun wants to contribute to the climate goals and help preserve the earth. We are therefore taking measures to reduce our carbon footprint and energy consumption. The high gas, electricity and oil prices seen in 2022 also prompted Cosun to take great strides in this area.

We carefully analysed how much CO_2 we emit and how we could reduce the emission effectively. We looked not only at the current factories but, with a view to our growth ambitions, also at the impact of starting new business operations.

Computer models and sensor techniques measure our energy consumption more accurately and identify areas where we can make significant savings. The business groups have agreed how they will collect data so that we can make improvements efficiently.

Creating value from residual streams

We make optimal use of all parts of our crops. We reuse residual streams ourselves or market them as raw materials to other businesses. We made good progress in 2022 applying beet shreds in potting compost and paint.

We already use beet residues to produce biogas. Studies have shown that the compost residue in the fermenter is a good substitute for peat in potting compost. Peat is obtained by digging up nature, whereas our compost spares nature. We therefore started making peat-free compost in 2021 and stepped up its marketing in 2022.

Another good example of how we are creating value from residual streams is our cooperation with the paint industry to apply small fibres of beet pulp in paint. These small fibres (Betafib) have the same properties as certain oil-based additives currently used in most paints. The addition of small beet fibres thins the paint but does not make it drip.

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Future-proof sustainable chain

Society is facing major social challenges to protect the environment and preserve the earth. We are shouldering our responsibilities and are committed to the sustainability of farming and production. We will only succeed, however, if we and our farmers are commercially and financially healthy. Sustainability steps must go hand in hand with the profitable, future-proof production of our crops.

2022 results at a glance

CO_2 scope 1 and scope 2
– 8 %
(relative to 2018)

EcoVadis
Cosun Beet Company (platinum)
Sensus (gold)
SVZ (gold)

CO_2 scope 1
615 Ktonnes

CO_2 scope 2
67 Ktonnes

Sustainable chain

To measure our contribution to a sustainable chain, we use the EcoVadis rating system. EcoVadis awards four ratings from bronze to platinum.

2025 commitment: all business groups will have been awarded at least EcoVadis gold

2022 results per business group:
Aviko: first baseline measurement submitted
Cosun Beet Company: platinum (top 1%)
Duynie: action: plan drafted to prepare for certification
Sensus: gold (top 5%)
SVZ: gold (top 5%)

CO_2 reduction

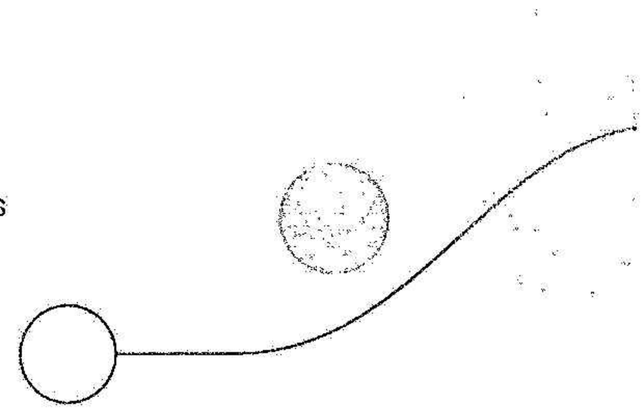
We are working on CO_2 reduction through the Cosun-wide SCO_2RE programme. We make a distinction between scope 1, scope 2 and scope 3 reductions.

As from 2023, SCO_2RE will also target other greenhouse gasses, such as methane, nitrous oxide and coolants.

2025 commitment:
- scope 1 emissions (from our own activities): a reduction of 15% relative to 2018
- scope 2 emissions (from purchased energy): a reduction to 0%

Targets and calculations for scope 3 emissions are being prepared. Scope 3 comprises a wide range of emissions in the entire chain of all the products we buy, produce and sell.

In 2022 we reduced our total CO_2 emissions by 8% relative to 2018.



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Future-proof cultivation

Through the Groeikracht Cosun programme, we are working with our potato, beet and chicory growers on future-proof farming: sustainable and profitable. A wide variety of projects was carried out in 2022 to improve soil and water quality, sustainable crop protection and biodiversity. A roadshow was held shortly before the summer to inform the growers of the projects' approach and priorities.

We reported in 2021 that the arable farming chain organised under BO Akkerbouw, the central platform and knowledge centre for arable farming in the Netherlands, had successfully produced an alternative plan to the 7th Nitrates Action Programme to improve soil and water quality. Groeikracht Cosun contributed to the new plan and in 2022 our influence provisionally helped remove some unfavourable measures. The arable farming sector has submitted the bespoke plan to the government but it still has to be ratified.

Together with our partners, we will continue to work on sustainable, future-proof farming methods. Our efforts range from lobbying to developing practical tools. Good examples of practical tools include the soil advisory calendar with advice for every month and a tear-off soil calendar for 2023 with a tip for every day. Both were produced by BO Akkerbouw with contributions from Cosun.

At the end of 2022, it was decided to monitor nitrogen (mineral) and nitrate levels in the soil in fields across the country over four years and then decide on targeted measures. The goal is to reduce nitrates in groundwater to less than 50 milligrams per litre in all areas.

Soil and water

Through Groeikracht Cosun we share our knowledge about measures to improve soil quality. Under the Cosun Beet Company banner, the Bewust Behoud Bodemstructuur project to maintain soil structure was completed in 2022. It has made sugar beet growers and contract workers more aware of the risks of soil compaction. A joint initiative with industry and knowledge organisations developed soil testing tools for growers and contract workers to assess soil quality and simulate the impact of mechanisation. A digital calculation model developed in Denmark, Terranimo, was made available to Dutch users. The programme calculates soil strength and, among other things, the wheel load of various machines.

Crop protection

Cosun's ambition is to use crop protection agents that produce virtually no environmental emissions and leave virtually no residues in the plants. We follow the ambitions from the Farm to Fork Strategy of the European Commission. At the same time, we are seeking to maximise the crop yield.

We want to apply crop protection agents where they are effective, on or close to the plants, not in the environment or in surface water or groundwater. Preventing emissions when machines are spray-cleaned in farm yards is a particular challenge.

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Two protocols offer arable farmers options to reduce emissions from crop protection agents in the farm yard or field. They provide an insight into the risks and explain what measures can be taken to manage them. Via BO Akkerbouw, the protocols were circulated among Cosun's growers in 2022. The protocols support the goals of the Plant Health Action Plan. This is how BO Akkerbouw and its members, including Cosun, are working on the sustainability of farming.

The Groeikracht Cosun Weed Platform organised demonstration days at three locations in the Netherlands in 2022 to demonstrate mechanical weeding methods and a combination of mechanical and chemical weeding. The machines on display used special cameras to distinguish weeds from crops and so control weeds very effectively. They can significantly reduce the use of herbicides.

In an experiment carried out as part of the Fast More Mechanical Weed Control project in 2022, a solar-powered robot bought by Cosun sowed and weeded chicory and beet fields. The driverless robot needs no fuel or herbicides. This successful experiment will be followed up to test its efficiency in other circumstances. Our ambition is to use an incentive scheme to place extra machines at five growers in 2023 in order to learn lessons about different soil types and different regions.

In keeping with the Farm to Fork strategy, at the end of 2022 we set a target of reducing the use of crop protection agents by 50% by 2030 relative to 2015-2017.

Biodiversity

Arable farmers can improve biodiversity in a variety of ways. They can plant flower margins along field edges, encourage soil life and enhance crop diversity. Under the name Nature Field 2.0, Groeikracht Cosun, the CZAV agricultural cooperative and an arable farmer in West Brabant began a seven-year strip cropping experiment in 2020. Ten crops are being grown in strips in one field. The results so far do not indicate that strip cropping is profitable or that the use of crop protection agents can be substantially reduced.

The sector has developed the Arable Farming Biodiversity Monitor to measure its biodiversity performance. About 25 farmers in the Southwest Netherlands tested the monitor in 2022. The monitor identifies eight key performance indicators to improve biodiversity in the fields, ranging from the organic matter balance and environmental impact to percentage of ground cover. Cosun is monitoring this initiative and is encouraging use of the monitor in the course of 2023.

Climate and energy

In addition to the above themes, Groeikracht Cosun will turn its attention to climate and energy in 2023. Climate change is having an enormous impact on arable farming, from drought to flooding. We will therefore launch the Climate Adaptation project in 2023 to increase our insight into the use of fertilisers, crop protection agents and energy in the fields. Under the Dutch Climate Agreement, the arable farming sector has been set a target of reducing CO_2 by 0.5 megatonne. Through Groeikracht Cosun, we will map out the carbon footprint of each crop and determine how it can be reduced.

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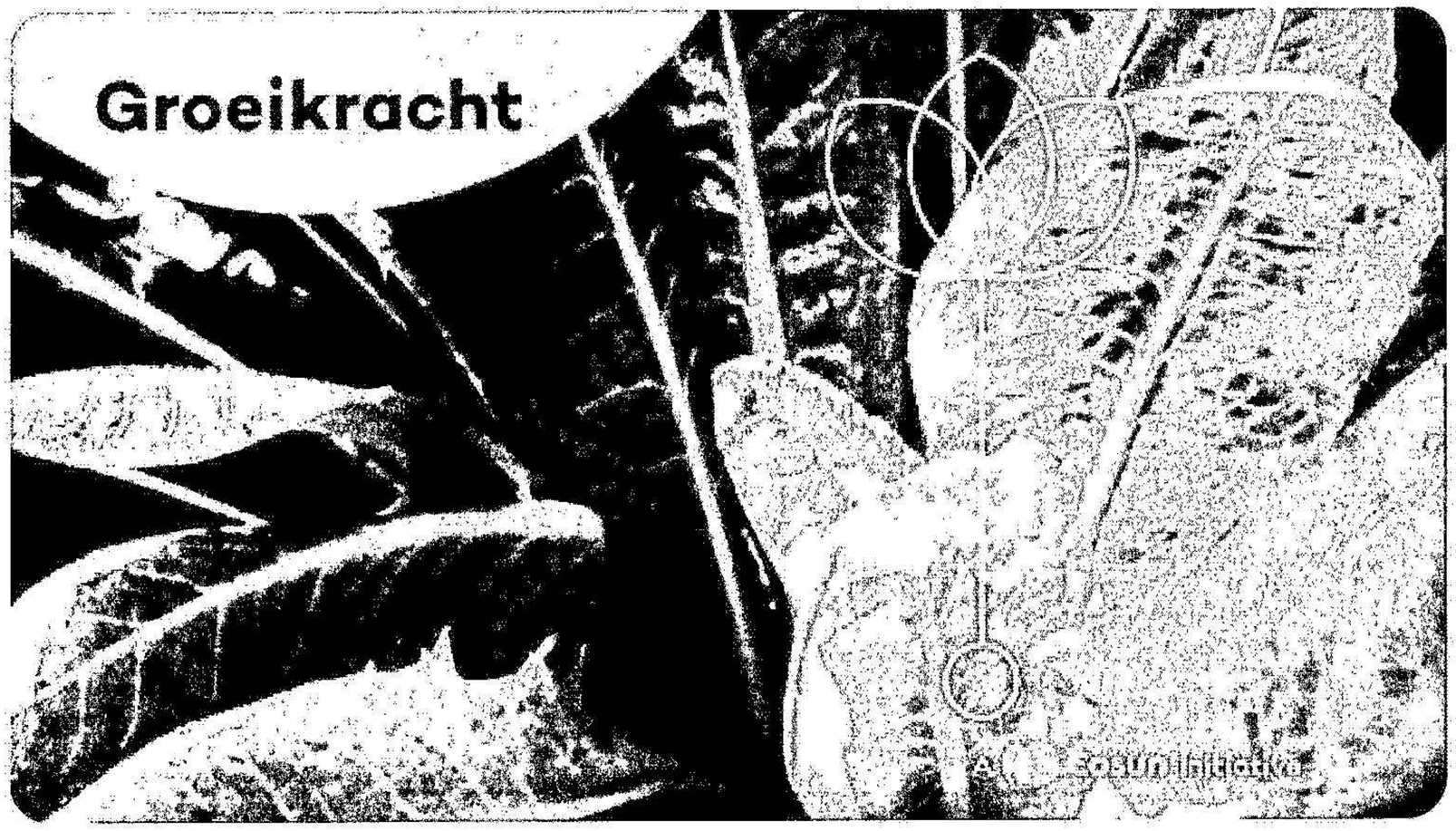


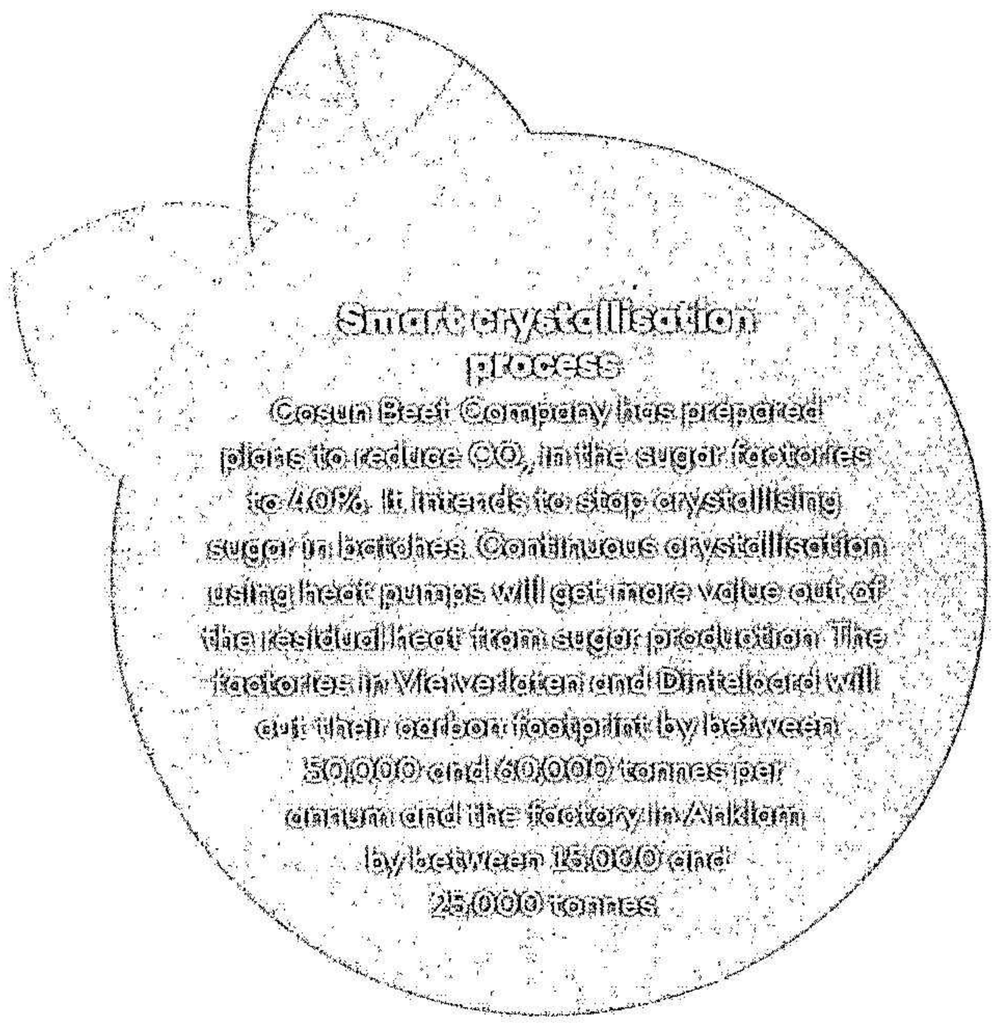
CO_2 reduction

Through the SCO_2RE programme, we are taking measures across the board to reduce our CO_2 emissions. Our target is to reduce scope 1 emissions by 15% reduction by 2025 and by 35% reduction by 2030 relative to reference year of 2018. To reduce scope 2 emissions to zero by 2025, we will buy only green energy for new projects as from 2022. For the scope 3 emissions, we will carry out a Cosun-wide analysis in 2023 and set targets in early 2024.

In 2022, our scope 1 emissions amounted to 0.22 tonne of CO_2 per tonne of product, down from 0.25 tonne of CO_2 per tonne of product in 2021. The absolute CO_2 emission was 615 Ktonnes, down from 620 Ktonnes in 2021. CO_2 reduction measures have had an unmistakable effect but the benefits are obscured in the overall figures on account of Aviko's opening of a new factory in Poperinge during the year.

Green energy

Cosun consumed approximately 11,600 TJ of energy in the form of electricity and heat in 2022, 11% of which was green energy. The Puttershoek Solar Park officially came on stream in September 2022. Part of the solar park is operated by Cosun Beet Company and generates electricity for the business group's factories and the electricity grid. This has reduced our CO_2 emission by 8,000 tonnes per annum. The solar park is the product of good cooperation with solar power company KiesZon, Climate Fund, the Hoeksche Waard municipality, the South Holland South environmental service and network manager Stedin.



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8-stage evaporator
The new 8-stage evaporator is also substantially reducing the carbon footprint of Cosun Beet Company's factory in Vierverlaten. The evaporator came into service in September 2022. It evaporates purified sugar juice into thick juice, which is then crystallised into sugar. The 8-stage evaporator is considerably more energy efficient and has cut the factory's CO_2 emission by about 10%, the equivalent of 12,000 tonnes of CO_2.

Upgrading residual heat
We are also reducing CO_2 emissions by upgrading residual heat. Aviko Rixona Warffum brought an industrial heat pump into operation in September 2022. At the relatively small location, it is cutting CO_2 emissions by more than 1,100 tonnes per annum. The residual heat that would otherwise have been lost is now replacing natural gas. This produces a saving of more than 600,000 m^3 of gas, about the same as the annual consumption of 400 households.

Reuse of residual products
By reusing residual products, Cosun is making a meaningful contribution to the circular economy. Duynie Group, for instance, made fruitful strides in 2022 to turn co-products from the beer industry into protein-rich juices. The business group is working closely with Heineken and Wageningen University & Research (WUR). Heineken produces an enormous amount of brewers' spent grain (0.5 million tonnes) every year that contains about 30% protein. WUR developed a new process to separate the proteins from the fibres in the spent grain. Following laboratory tests, Duynie Group is about to scale up the process to industrial level.

Residual products from our own crops are also being applied in new products, for example as healthy proteins and as cleaning agents, shampoo and other in household products. Showers are more enjoyable with our sustainable substitutes for the microplastics used in shampoos, lotions and shower gels.

Microplastics are not degradable and accumulate in the environment. They can even be found in food. Cosun offers a solution to this social problem in the form of functional ingredients made from residual sugar beet and chicory root streams. These ingredients have the same function as microplastics but are degradable and circular. Our residual streams are also used in paint and paper. We provide more information on this in the sections "Trends and developments" and "Focused growth in wellbeing and green".

Sustainability report
As from 2025, Cosun will be obliged to report on its activities' impact on people and the environment in accordance with the new EU Corporate Sustainability Reporting Directive (CSRD). We are seizing this initiative with both hands; it is an opportunity to analyse our business's environmental impact more precisely and to adjust our policies accordingly where appropriate.

In line with the CSRD, in 2023 we started to map out our impact by means of a double materiality analysis. Together with our stakeholders we will prioritise the issues that are material to Cosun. The issues will be environmental, social and governance, ESG in brief.

The double materiality analysis will follow up on our 2020 materiality analysis. The outcomes will underpin our further policy on ESG issues. We will adapt our reports accordingly in the years ahead in line with the CSRD and adopt the EU taxonomy, the EU's classification system for sustainable activities.

Dilemmas

Food, feed or fuel
There is regular discussion about what is best: add value to the residual streams produced when we process our crops into food for people, feed for animals or fuel (biomass to produce green energy). It is crystal clear that, with shrinking natural resources, the world is facing an enormous challenge to feed its growing population and simultaneously make the essential transition to green energy. Who is responsible and how can we produce as efficiently and responsibly as possible? At Cosun, we constantly balance our use of the crops for food, feed and fuel.

Growth versus limited environmental impact
Cosun has growth ambitions. Expanding our capacity, however, has an impact on the environment; we want to limit that impact. We have therefore opted for the green by design principle. We carefully calculate the environmental impact of all our projects and determine how we can design them to have minimal impact.

Climate rules versus food supply
More and more fertiliser, crop protection and climate-related rules are making our growers' operations a difficult puzzle. We are taking measures to minimise nitrate leaching, improve soil management and minimise the use of environmentally harmful herbicides and pesticides. Sustainable food, however, is only possible if we have a good revenue model for our growers.

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Financial performance

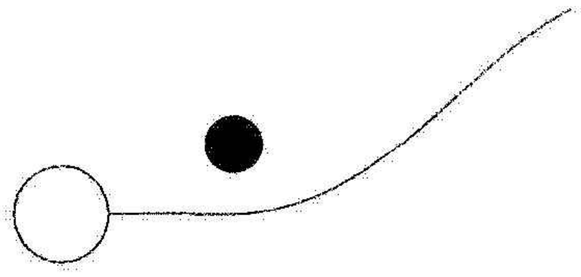
Cosun's consolidated turnover increased from EUR 2,287 million in 2021 to EUR 3,047 million in 2022. The operating result was EUR 115 million higher at EUR 112 million: a strong recovery in a turbulent year. All business units contributed to the improvement. The beet price was lifted in part by this improved result in combination with a new price calculation system and totalled EUR 68.75 per tonne of standard quality.

Results

Cosun's consolidated turnover rose from EUR 2,287 million in 2021 to EUR 3,047 million in 2022. This 33% advance was driven chiefly by favourable price movements (27%) and volume growth (6%). Price increases were necessary to counter the sharp rise in costs at our business groups and growers in the past year. The operating result was EUR 115 million higher at EUR 112 million in 2022: a strong recovery in a very turbulent year.

All business units contributed to the improvement. Exceptional items made a positive contribution of EUR 9 million to the operating result, mainly from the sale of land. In 2021, exceptional items had amounted to EUR 32 million negative, mainly on account of impairments in value. The operating result before the members' bonus advanced by EUR 153 million to EUR 197 million. EBITDA before the members' bonus came to EUR 328 million, equal to 11% of turnover.

Thanks to the improved result for 2022 and the adoption of a new system to calculate the members' bonus, an excellent beet price was realised of EUR 68.75 (2021: EUR 40.00); the members' bonus as a whole totalled EUR 235 million, of which EUR 85 million will be recognised in the 2022 financial year. The new system introduced in 2022 bases the members' bonus for the beet they supply partly on the result for the financial year just closed and partly on the sugar result projected for the next year. This improves the link between the bonus paid to members and the result actually earned on the beet supplied by the members. A sharp increase in sugar prices in 2023 will therefore boost the members' bonus and the price paid for their beet. The higher beet price will improve the return on beet farming, which is under pressure from cost increases in the fields. The EUR 68.75 paid to members for their beet was based on beet with standard sugar content of 17% and an extractability rate of 91. The price paid for beet of average quality (sugar content of 16.5% and extractability rate of 90.4) came to EUR 65.30 per tonne. The average financial yield per hectare was EUR 5,505 (2021: EUR 3,114). The net profit remaining for Cosun after the members' bonus amounted to EUR 75 million (2021: EUR 8 million net loss).



Amounts in millions of euros (unless otherwise stated)	2022	2021	Delta
Turnover	**3,047**	**2,287**	**760**
EBITDA *before members' bonus*	328	213	115
Operating result before members' bonus (including incidental items)	197	44	153
Incidental items in operating result	9	- 32	41
Members' bonus (portion for the financial year) charged to operating result	- 85	- 47	- 38
Operating result	**112**	**- 3**	**115**
Net result	**76**	**- 8**	**84**
Beet price (standard quality) EUR per tonne	**68.75**	**40.00**	**28.75**

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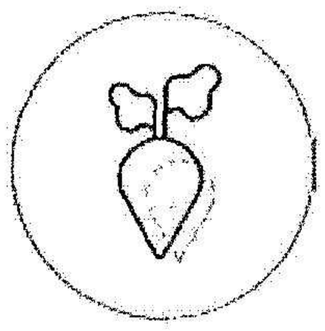
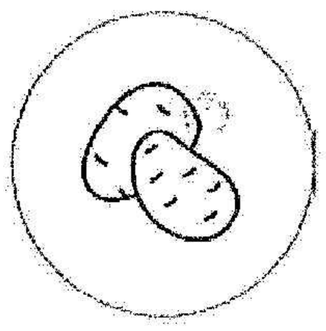


Sugar beet

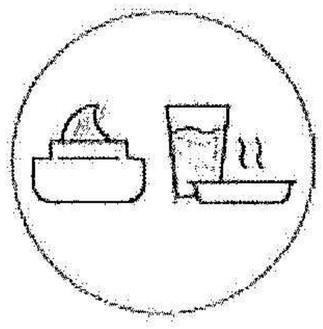
Cosun Beet Company turned in a good result for 2022 and advanced its turnover in spite of the higher energy prices. The beet campaign was completed reasonably smoothly despite the December frost in the Netherlands, which affected the quality of the beet towards the end of the campaign. In Europe, the sugar market is tight, prices are high, stock levels are low and projected EU sugar production has been adjusted downwards. Cosun Beet Company's green gas activities benefited from high gas prices in 2022. Cosun Beet Company extracts maximum value from the sugar beet, as illustrated by the partnership with Avantium and also by its own initiatives, such as the market introduction of Fidesse® (meat substitute ingredient made from beet pulp) at the end of 2022.



Potatoes

In the growing worldwide market for frozen and dried potato products, Aviko is our strategic growth platform within Unlock 25. Geographically it is focusing on Europe and Asia, in combination with growth in added value products. The opening of the new fries factory in Poperinge, Belgium, is an important step for further organic growth.

At Aviko Rixona, higher sales and prices triggered a recovery in the result after a difficult 2021. Capacity expansion is progressing according to plan. The development of Potato Cheezz® (a plant-based cheese substitute) complements Cosun's growth direction in plant-based solutions. In 2022, Aviko and Aviko Rixona made good progress with structural efficiency gains in their current factories and the overall production chain that will contribute to further improvements in results in the years ahead.



Green and health-promoting ingredients

Sensus (a manufacturer of inulin, a dietary food fibre extracted from chicory) booked good results and higher turnover in its European and US markets in 2022. The cultivation and supply of chicory were slightly disappointing in 2022 – despite the better contractual conditions agreed with the growers – while Sensus saw a strengthening in worldwide demand for inulin, driven by health trends and growing demand for sugar substitutes. Capacity expansion in Roosendaal is proceeding on schedule. For 2023, Sensus expects to see pressure on the demand for ingredients for premium consumer products.

Cosun Protein successfully introduced Tendra® (a biobased protein isolate made from fava beans) in 2022. With its unique properties, this protein is very suitable for use in ice cream, dairy and meat substitutes.

Cosun Biobased Experts continued to build up the market position of Betafib® (a biobased ingredient in personal & home care products) in 2022 and made preparations to invest in a factory; the investment decision will be taken in 2023.

All parts of SVZ reported a satisfying improvement in their results. The partnership strategy is expected to be completed in 2023.

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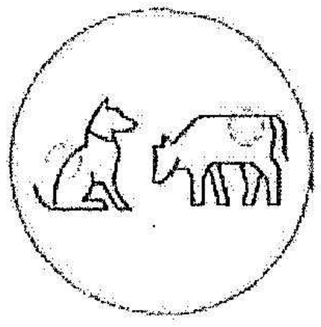


Co-products

Duynie Group is growing strongly in the European feed market by working in several partnerships to extract maximum value from co-products, including sugar beet pulp. All parts of Duynie Group turned in better results. Duynie Feed grew its market position further in Italy and the Balkans. The market for modified starch for technical applications developed well in 2022. Duynie Ingredients (active in pet food ingredients) turned in a profit after two loss-making years.

Financing

Cosun has flexible financing capacity of EUR 400 million in the form of a Revolving Credit Facility (RCF). The RCF was renewed for a term of five years in 2019 with options to extend for a further two years. The options have been exercised. The maximum drawdown on the RCF in 2022 was EUR 305 million; EUR 200 had been drawn down as at year end. Cosun comfortably satisfies the RCF's covenants. To finance the Unlock 25 growth plans, additional financing of EUR 205 million was attracted, with sustainability goals, in the form of an EU Private Placement and Schuldschein financing with a term of 3-10 years to serve as core financing alongside the RCF. As at year end 2022, the investors had deposited EUR 80 million of the principal. The remainder was deposited at the beginning of 2023.

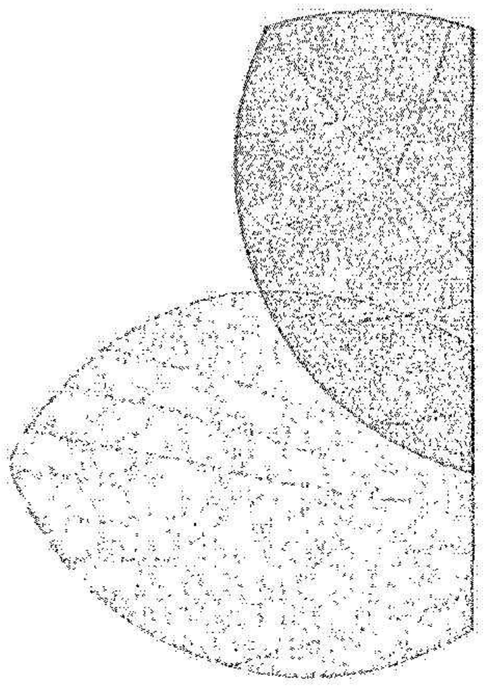
Under the Cosun member loan programme, the members of Cosun can lend part of their beet delivery/business termination payments to the cooperative for a fixed term of between two and five years. This loan is subordinated. In total, the members have lent approximately EUR 25 million. The new activity in China, Hongyuan Louis, and Aviko's joint venture in Poland were financed in part locally and largely with established banking relations. There was a net debt position of approximately EUR 210 million as at year end.

Cash flow

Cosun generated a positive cash flow from operating activities of EUR 115 million in 2022 (2021: EUR 100 million). The increase was the outcome chiefly of the improvement in the operating result, which was partially offset by higher working capital. Cash flow from investing activities was lower on account of, among other measures, a temporary deferment of capital expenditure at the beginning of 2022 in response to the uncertainties die to the outbreak of the war in Ukraine. Cash flow from financing activities declined on 2021, in part because of the decline in investments.

Investments

Investments in tangible and intangible assets amounted to EUR 196 million (2021: EUR 242 million). New investments in energy efficiency, such as the 8-stage evaporator at the Cosun Beet Company factory in Vierverlaten and the 67,000 solar panels at the Cosun Solar Park in Puttershoek, contribute to a sustainable future-proof chain. We are studying new technologies for the sugar factories to meet the 2030 CO_2 reduction targets. We also invested in the capacity of the electricity network at several locations. Various strategic investments to strengthen organic growth were initiated and completed in 2022. Aviko took a new factory into operation in Poperinge to meet the growing demand for frozen fries. Capacity was expanded further in China and at the joint venture in Poland. Aviko also invested in the further expansion of its factory in Venray, which produces mainly potato flakes. A multiyear expansion plan is being carried out for this factory. Aviko Rixona is thus responding to the growing demand for its products. Sensus took further steps in 2022 to increase capacity at its inulin factory in Roosendaal. Over a series of years, the factory will be enlarged in steps to meet the growing demand for inulin. Other investments related mainly to replacement projects at all business groups and smaller expansion and efficiency projects.



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Balance sheet

Total assets increased to EUR 2,601 million in 2022 (2021: EUR 2,220 million). The cash position was EUR 51 million higher. The profit for the year increased group equity to EUR 1,352 million (2021: EUR 1,278 million). Group equity as a percentage of total assets came to 52% as at 31 December 2022 and was thus lower than a year previously (31 December 2021: 58%). Both group equity and total assets were higher. The group nevertheless retained its strong financial position. The outlook is favourable and we expect the cash position to increase in 2023 despite the planned investments.

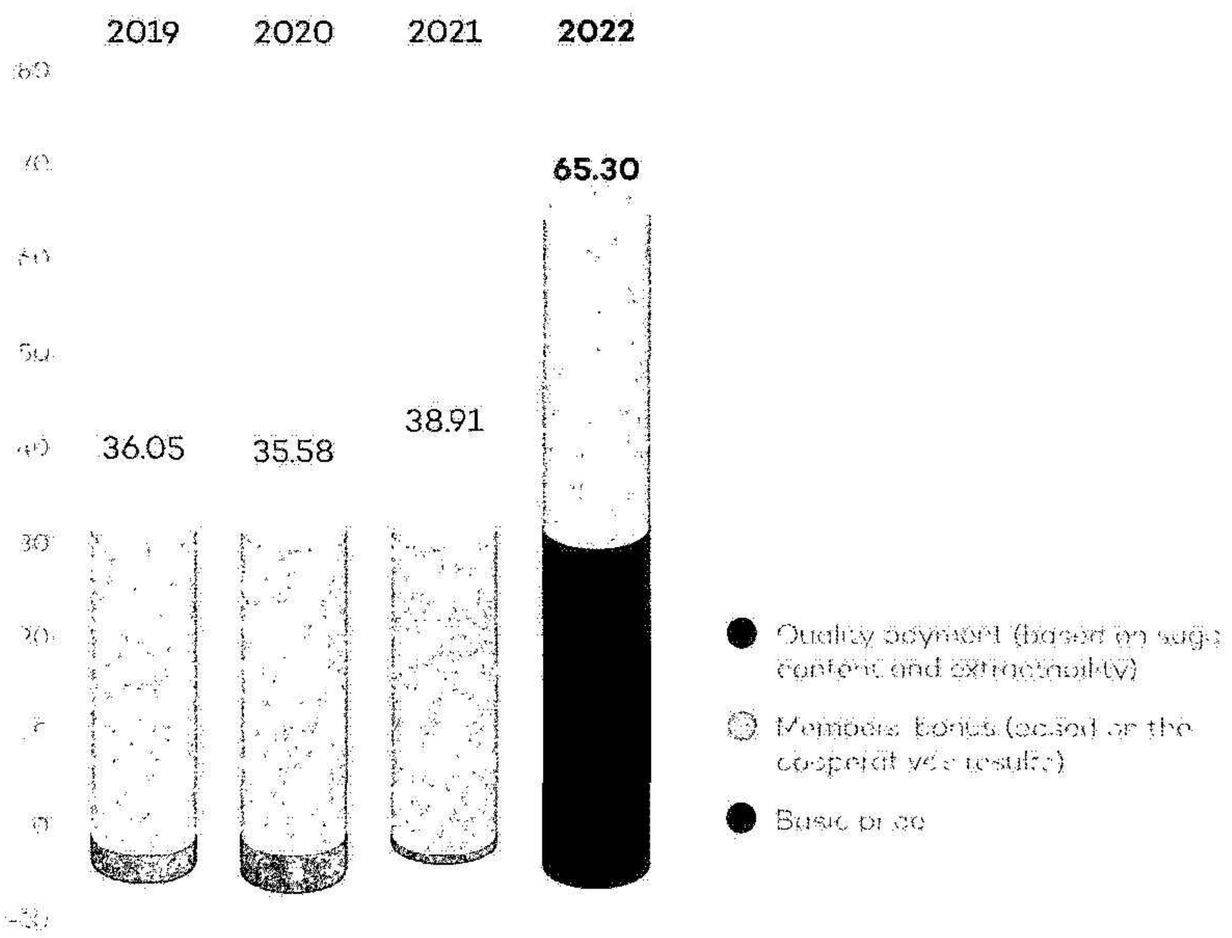
Beet price

The members' bonus for the 2022 campaign year has been set at EUR 235 million and will be paid as part of the quota beet price. A new system to calculate the members' bonus was introduced in 2022. The basic price for quota beet has been held at EUR 32.50 per tonne. The members' bonus amounted to EUR 36.25 per tonne.

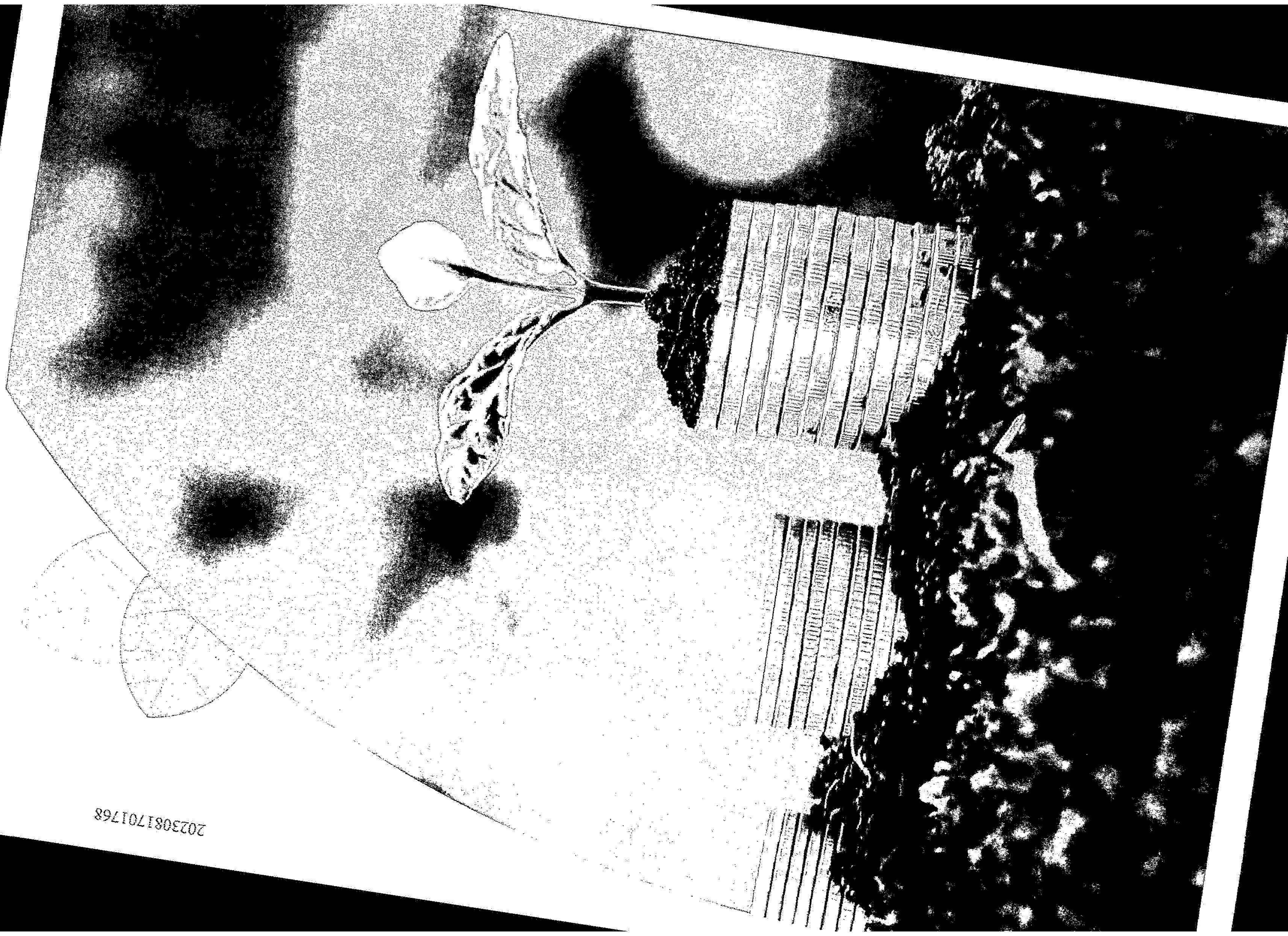
On balance, the price paid to members for quota beet with a sugar content of 17% and an extractability rate of 91 amounted to EUR 68.75. For beet with average extractability and average sugar content the members' quota beet price came to EUR 65.30. In 2021, it had been EUR 38.91. At 7.4 million tonnes, the volume of quota beet was 9% lower than in 2021. The average price paid for surplus beet in excess of the allocation was EUR 28.49. The average sugar yield per hectare was higher than in 2021 (14.6 tonnes versus 13.8 tonnes). The average financial yield for Dutch beet growers thus came to EUR 5,505 per hectare, an increase on the previous year (2021: EUR 3,114).

Quota beet price*

In EUR per tonne



* Price in euros per tonne of beet with average sugar content and average extractability.



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Prospects

In the coming period we will work intensively on implementing our Unlock 25 strategy. We are targeting further growth in underlying results, growth in our core areas and future-proofing a more sustainable chain.

The prospects for 2023 are predominantly favourable. We expect geopolitics to remain turbulent, however. This will have economic consequences and markets will continue to be volatile for the foreseeable future. As in 2022, passing on persistent cost inflation to the market will remain a key priority in 2023.

Sugar prices in Europe are significantly higher than in previous years on account of the tight market conditions brought about by disappointing harvests, relatively high world market prices and cost increases in the supply chain. Owing to the scale of our sugar factories and the high average yield per hectare, we are very competitive and expect to profit from the prevailing conditions.

We are investing in additional production capacity at Aviko and elsewhere that will drive further volume growth and profitable growth. A decision will be taken in 2023 on further expansion of Aviko's capacity in China. The long-term outlook for Sensus's inulin sales market is favourable. However, the attractiveness of alternative crops is exerting pressure on the area under chicory for the next campaign. We expect Sensus to temporarily report a slightly lower result partly because of this.

SVZ had an exceptionally good year in 2022. We expect this to normalize somewhat towards 2023. We are directing all our efforts at profitable growth, maximum value from raw materials, cost control and smart position management with the right stock positions. In keeping with SVZ's partnership strategy as part of the Cosun Unlock 25 strategy, SVZ is looking for new alliances to enable further growth and strengthen its position in the worldwide fruit and vegetable market. Reference is made to the notes to tangible fixed assets in the annual accounts.

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Duynie is expected to grow its volume further. We also intend to generate more added value from circular co-products. In addition, we will invest in the development and marketing of new products such as plant-based proteins and biobased materials.

In view of all these developments, we foresee a sharp increase in our result for 2023. Thanks in part of the new calculation system, our members have already seen the benefits in their bonus for beet supplied during the 2022/23 campaign.

Cosun will again pay continuous attention to all risks and developments in 2023.

With Cosun's healthy financial and cash positions, as disclosed in the annual accounts, in the Board and Executive Board's opinion the continuity of the business is assured. Our financial position is healthy.

For the longer term, we expect results to trend upwards, based on the execution of the Unlock 25 strategy and the realisation of our goals.

Cosun will continue to invest in strengthening its position in its various segments in the year ahead. We will do so by investing in organic growth, including efficiency gains and energy savings to meet our climate goals and innovation, and through strategic acquisitions where possible. As a result, we expect a further increase in employee numbers.

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Report of the cooperative

2022 was a turbulent year: war in Ukraine, new regulations, greater urgency to reduce the carbon footprint, sharp rise in sugar prices and high volatility, recovery of the fries market, strong increase in wheat prices, increasingly unpredictable climatic conditions, economic uncertainty, higher feed prices, and pressure on demand for premium products. In spite of this turbulence, Cosun reported strong growth in its turnover and significantly better results in comparison with 2021. The improved results and the change in the system to calculate the members' bonus laid the foundations for a considerably higher members' bonus for 2022. The Board has set the members' bonus based on the new system at EUR 235 million, equal to EUR 36.25 per tonne and a beet price of EUR 68.75 per tonne.

The Members' Council met on six occasions in 2022, in February, March, May, August and two times in November. Topics discussed during these meetings included the performance of the Cosun business groups, the impact of the Ukraine war and the energy crisis, the introduction of a new system to calculate the members' bonus and thus the beet price, and above all the progress of the Unlock 25 strategy.

The February Members' Council discussed the December estimate and expressed its support for the Board's decision on the beet price. The March meeting approved all amendments to the articles of association and the regulations concerning the new governance model. At the same meeting, Mr van Driel announced he would stand down as Chairman and member of the Supervisory Board. The annual accounts were approved at the annual general meeting in May and elections were held to reappoint members of the Board and Supervisory Board. During the meeting, the auditor explained the audit approach for the 2021 annual report. The meeting also discussed the proposal to introduce a new system to calculate the beet price. In accordance with the proposal and later decision by the Board, with effect from the 2022 harvest and campaign year the members' bonus will be based on the expected result on sugar activities in the Netherlands for the sugar year, i.e., from the fourth quarter of 2022 to the third quarter of 2023 inclusive, and on the result achieved on the other activities. In the period from October 2022 to the end of September 2023, the sugar produced from the beet grown and processed in 2022 is sold into the market. There is therefore a more direct relationship between the beet price and market developments. Also at the May meeting, the Members' Council, the Board and Supervisory Board split into groups to discuss sustainability, the 7th Nitrates Action Programme and raw material requirements.

Two additional digital meetings were held with the Members' Council in November to explain the amendment to the articles of association and the new beet pricing system. As a result of the amendment to the articles of association, the members' bonus is now charged to the correct financial year. That part of the bonus based on the result on other activities for 2022 and the result on sugar in the Netherlands in the fourth quarter of 2022 are recognised in the 2022 financial year. The members' bonus relating to the Dutch sugar result in the first three quarters of 2023 will be recognised in the 2023 financial year. The Members' Council's digital meeting of 15 November 2022 approved the

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amendment to the articles of association. With the approval of the King's Office, the amended articles were passed by the notary before the end of the year.

On 30 November 2022, the Members' Council met in the Cosun innovation center in Dinteloord to discuss administrative matters, Cosun's performance, an election to the Supervisory Board, developments in arable farming policy and Groeikracht Cosun. The members of the Members' Council also enjoyed a tour through the innovation center and took part in the following five workshops:

1. **Protein** with information on our crops, RuBisCo and other products made from beet leaves or alfalfa, and fava made from field beans and their market potential.
2. **Biobased** with information on our household and personal care products and Cosun's research into the effects of our products in everyday applications.
3. **Green chemistry** with information on the opportunities offered by sugar as an alternative to mineral oil in chemical applications.
4. **Sustainability and cultivation innovations** with information from the IRS and Groeikracht Cosun on research into cultivation and innovative cultivation applications.
5. **Sustainability, green energy and CO_2** with information on our customers' wishes, government requirements, Cosun's response to them and its obligations under the nitrogen and CO_2 policies and cultivation-based opportunities, such as carbon sequestration.

Board matters

Messrs Adrie Bossers and Ger Evenhuis were re-elected as internal members of the Board at the annual meeting. At the same meeting, Mr Edwin Michiels was re-elected as internal member of the Supervisory Board. At the meeting of the Members' Council on 31 August 2022, Mr Arwin Bos was elected as the new Chairman of the Board in anticipation of the current Chairman, Mr Dirk de Lugt, serving the maximum term of office in 2023.

The appointment will take effect in June 2023. At the Members' Council's meeting of 30 November 2022, Ms Liane den Besten was appointed internal member of the Supervisory Board.

Further to the new strategy, the Board carried out a self-assessment in 2022. What are we doing well, and what can we do better? How do we function as a team, how do we use the available competences and what do we miss? We then prepared a competence matrix for the appointment and reappointment of members of the Board. The Supervisory Board carried out a similar assessment.

Youth Council

The members of the Youth Council took part in the district committee meetings in 2022. The chair and secretary of the Youth Council also attended some of the Members' Council's meetings and discussed a variety of matters. The Youth Council itself met on three occasions. In February a meeting was held in the form of a webinar at which a representative of the Board discussed various issues concerning Cosun. In the second week of May, the Youth Council visited the Cosun innovation center, where young researchers explained their projects. They then took part in a brainstorming session to look forward to "Cosun in 2040" and learned about various food-related innovations. In August, the Youth Council visited a member's farm in the Southeast Netherlands and discussed the state of arable farming in general and in that growing region in particular. In the afternoon an experimental farm in Vredepeel was visited for a guided tour of trials growing sugar beet, potatoes, chicory and other arable crops.

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Cosun strategy – Unlock 25

Cosun launched its Unlock 25 strategy in 2021. The ambition for the strategic priority of improving results is to earn an additional EUR 100 million in underlying result by 2025. In 2022 we earned an additional EUR 25 million. Cosun also successfully passed on higher costs to the market in 2022. Steps were taken towards the profitable growth target during the year. We opened a new factory in Poperinge, the fries factory in China turned in a profit and we implemented master plans for Rixona and Sensus. Duynie made progress by concluding new contracts with major European partners. Cosun Protein was also introduced as a business group.

For the strategic theme of a future-proof sustainable chain, we drew up a comprehensive CO_2 reduction plan and carried out several specific projects in 2022, such as the 8-stage evaporator in Vierverlaten and the solar park in Puttershoek. Groeikracht Cosun set soil, plant health and climate priorities. Cosun and its members will be instrumental to accelerate their achievement, but support from the government will be essential. This will be discussed at the agriculture agreement tables. Cosun must still overcome daunting challenges to arrive at a future-proof sustainable chain. The challenges were discussed during the district committee meetings.

Sustainability and sustainable chain

Sustainability is written into the DNA of the Cosun cooperative, from the growers to the business groups. The subject is raised at all levels of management. The policy for the cooperative and the business groups is prepared and refined at Executive Board level in consultation with the Board and with advice from the Supervisory Board. It is also discussed with the auditor, EY. As part of the strategy for a future-proof sustainable chain, multiple talks were held with the Members' Council and district committee members during the year. Cosun will continue to support its members in their transition towards sustainable, profitable farming. But there are no simple solutions. *Groeikracht Cosun will assist the members* in this transition.

Sugar system

It was decided in the summer of 2022 to set the allocation of sugar supply certificates for 2023 at 108%. Cosun does not intend to expand or refine its market but intends to benefit from market growth. Cosun Beet Company's objective is to supply its regular customers with beet sugar. This will make more optimal use of the factories. The sugar market is picking up and prices are expected to remain at their current level both this year and next. The sugar business is aiming to have about 85,000 ha under sugar. Based on the seed orders, that area seems to be assured. In normal circumstances, Cosun Beet Company will therefore have enough sugar to supply its customers in 2023/2024. In the cooperative's interests, Cosun will hold its growers to the requirement to fulfil at least 85% of their supply obligation. If they are unable to do so, they must apply for an exemption in good time. If growers cannot give adequate reasons for not fulfilling their supply obligations, the Board can impose a sanction.

Participation in the Unitip programme has been compulsory since the 2018 campaign. By far the majority of the growers enter their data in the system punctually. Nearly all growers fulfilled the Unitip requirements for the 2022 season. Growers who do not enter all their data on time or in full risk having their final beet payment blocked.

Crop protection

The EU published proposals for a new directive on the sustainable use of pesticides on 26 June 2022. The proposals include targets to reduce the use of crop protection agents. Directives applying to users of crop protection agents, their advisers and the member states will be extended and tightened up. A decision on the proposed directive has not yet been taken. For the Netherlands, the proposals would entail a 53% reduction in the use of herbicides and pesticides.

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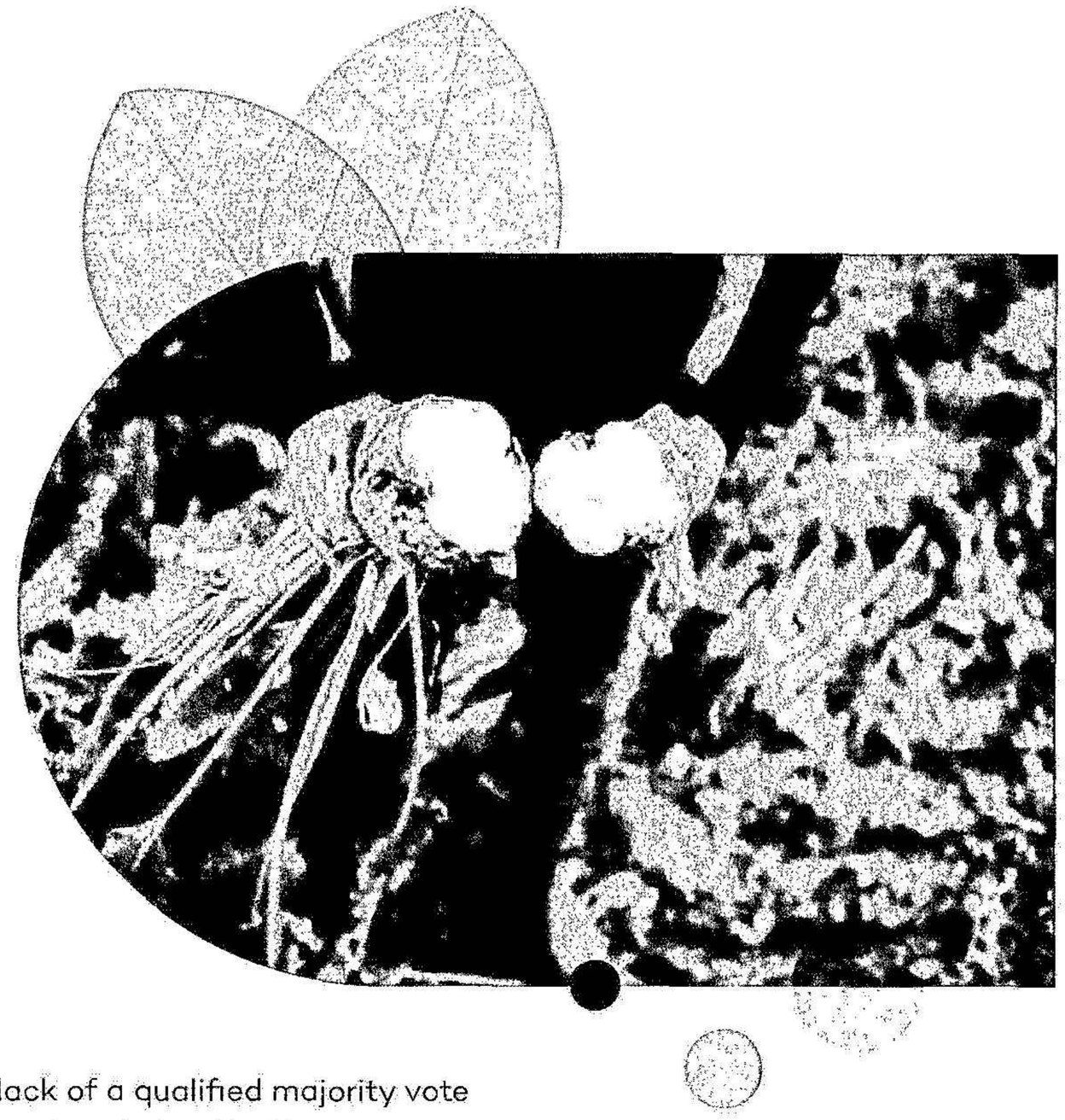
In "sensitive areas", chemical agents will no longer be permitted when the directive comes into force. The reassessment of crop protection agents permitted in the EU will reduce the package of available agents.

The European admission of benfluralin – the active substance in Bonalan, an essential herbicide for chicory farmers – has not been extended in view of the risks to birds, mammals and aquatic organisms. The Minister of LNV recognises the importance of benfluralin to the sector. He is therefore allowing the sector to raise the case in consultations with the government. This may result in a temporary admission of Bonalan in the Netherlands in 2023 and 2024 after its admission in the EU has expired. The admission of triflusulfuron (applied in Safari and other agents) has been extended to 31 December 2023 because its assessment was not completed in December 2022.



Despite lack of a qualified majority vote by the member states, the European Commission extended the admission of glyphosate in SCOPAFF by a year until 15 December 2023.

Members and supply certificates

	As at 31 December 2022		As at 31 December 2021	
DISTRICT / SECTION	**Number of members**	**Number of supply certificates**	**Number of members**	**Number of supply certificates**
Zeeuwsch-Vlaanderen	678	398,354	683	394,952
Zeeland-Midden	565	344,430	585	341,480
Zeeland-Noord	306	208,970	313	208,103
Goeree-Overflakkee	180	151,796	183	150,345
West-Brabant	710	442,315	720	439,191
Zuid-Hollandse Eilanden	310	231,226	309	230,965
Holland-Midden	204	147,241	206	149,904
Kop van Noord-Holland	384	295,954	392	299,146
Oostelijk Flevoland	305	340,536	311	345,009
Noordoostpolder	521	342,537	535	350,239
Zuidelijk Flevoland	123	164,105	126	170,329
Friesland	244	207,652	241	206,642
Groningen	982	991,873	994	992,939
Drenthe / Overijssel-Noord	905	1,103,650	916	1,099,322
Overijssel-Zuid / Gelderland	271	169,098	277	168,700
Maas&Meierij / Limburg-Noord	437	245,692	449	242,941
De Kempen	301	203,529	308	200,780
Limburg-Midden / De Peel	375	241,714	390	241,781
Limburg-Zuid	472	313,046	479	310,967
Netherlands	**8,273**	**6,543,718**	**8,417**	**6,543,735**

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Governance report

Risk profile

Cosun is active in the agrifood sector in a variety of markets and in several countries. It has to contend with strategic and sustainability-related, operational, financial and compliance risks that are inherent in its activities. Our strategy is to seek further growth in plant-based solutions that have a sustainable impact by means of a targeted product-market strategy, the development of new product-market combinations, innovative projects and sustainable farming and processing techniques. We limit the risks wherever possible but take maximum advantage of all the opportunities.

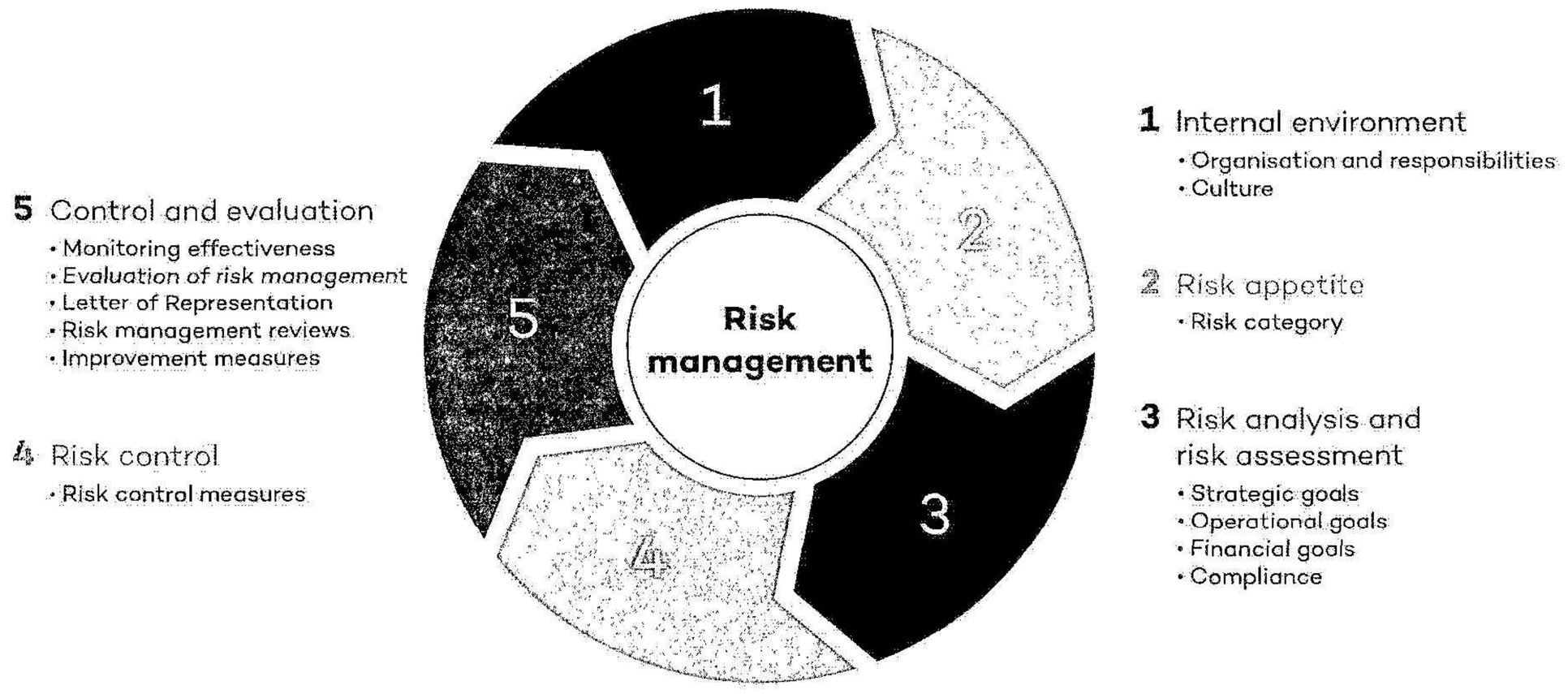
Risk management strategy

Cosun recognises the importance of risk management to identify and mitigate risks at an early stage wherever possible and desirable. It has adopted an integrated strategy to manage risks. All business groups periodically identify, analyse and evaluate potential risks with regard to both their likelihood and their impact. Risk management is based on the corporate governance code for cooperative enterprises (the NCR code). Risk management is an iterative process to identify, quantify and categorise risks. It is relevant to all the decisions we make. The results of this process are used to define actions to mitigate the main risks wherever possible and desirable.

In addition to risks, our strategy identifies opportunities in new plant-based products in response to trends in the market

Our risk management process is based on the following cycle:

1. Our internal environment, the way in which responsibilities are allocated and the organisational culture.
2. Definition of the risk appetite.
3. Risk analysis and risk assessment.
4. Risk control, taking action where desirable and necessary to control and/or mitigate risks that are not compatible with our risk appetite.
5. Risk control measures, reports and evaluations.



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Internal environment

Cosun observes the Cosun Principles. They direct our actions and are periodically brought to the staff's attention. They form a road map to a transparent culture, in which the employees are expected to be aware of the risks that arise in the performance of their work and to take responsibility for them. The staff's risk awareness is continuously raised by means of targeted communication and training courses. Cosun has an internal whistle blower scheme so that the employees can report cases that might conflict with the Cosun Principles, anonymously if they wish.

As well as the Executive Board, all the business groups' management teams have primary responsibility for the conduct of the risk management process and sign a Letter of Representation every year in respect of the entities for which they are responsible. In it, they declare that they have acted in accordance with the Cosun Principles and internal guidelines and rules arising from applicable laws and regulations.

Various group departments help the management teams develop, maintain and monitor the effectiveness of the risk management process. These departments support the development of the internal control framework and policies. Periodic risk analysis and risk assessment is supported by the corporate department. The group control department also carries out periodic internal assessments of the internal and administrative control of group entities and reports its findings and recommendations for improvement to the managers of the entities concerned and to the Executive Board. The treasury & risk management department sets frameworks for risks of a more operational nature and carries out risk assessments.

The Board has final responsibility for all aspects of risk management. The Supervisory Board is charged with overseeing the effectiveness of risk management, the internal control systems and the integrity and quality of financial reporting.

Risk appetite

Our risk management and controls are designed to strike the right balance between entrepreneurship on the one hand and an acceptable risk profile on the other. They are the starting point to assess and bear risks in order to achieve our strategic goals. The table below shows our risk appetite in the various risk categories.

2022 was the first year in which we actively worked on the implementation of our new strategy, Unlock 25. This strategy focuses on 1) improving our financial results, 2) targeted growth in plant-based solutions, in part through extracting the maximum value from our crops and further plant-based innovations, and 3) a future-proof sustainable chain.

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Risk category	Risk appetite					Note
	Very low	Low	Medium	High	Very high	
Strategic						• Medium: growth in established markets. • High: growth in new markets or with new products in new applications. Both with the right balance of risk and return.
Operational						• Low with regard to position management with a focus on awareness of potential risks. • Medium in other areas/issues, with alignment of goals and related costs and clear focus on profitability. • Very low to low with regard to employee safety and to product and food safety. Also with a view to our reputation.
Financial control						• Low with regard to financing, interest rate and foreign exchange risks.
Compliance						• Very low with regard to compliance with laws and regulations. • Very low (zero tolerance) with regard to fraud risks.

Our growth strategy also includes the development of new products for selected new markets. This has a higher than average risk profile. Growth in our established markets has a lower risk profile on average. All our activities take account of our impact on the climate, the sustainability of farming and processing and the interests of all our stakeholders, with whom we are in active dialogue. Our growth plans must contribute to our long-term sustainability goals. We will analyse our scope 3 impact in 2023.

Our operational risk appetite varies from very low / low with regard to safety risks to low with regard to managing our buying and selling positions.

With regard to financial risks, the risk appetite is low and we have a zero tolerance policy with regard to non-compliance with laws and regulations and fraud.

Risk analysis, assessment and control

Cosun analyses risks in accordance with its risk management process. We also monitor trends and developments that present opportunities or can have a negative impact on our activities. In 2022 we took the following additional or new measures in response to events during the year.

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Category	Events or trends with impact in 2022	Additional control measures
Strategic	Sharp increase in sugar price.	Shortages in the European market raised sugar prices to a higher level following several years of low average prices. This is a positive development. Harvests in many European markets were disappointing. We are responding to these favourable market conditions by increasing the allocation for the 2023/2024 growing season.
Strategic sustainability	Greater importance of sustainability and sustainability reporting (CSRD).	Sustainability is an integral part of our strategy. We have an active sustainability agenda with associated goals. A project to comply with new regulations on a timely basis has been started.
Strategic	Attractiveness of our crops is under pressure from increased regulation, cost increases in cultivation (inflation) and the higher prices paid for alternative crops (e.g. wheat).	Our highest priority is to improve profitability through our strategy so that we can pay a better price. This is a key condition to secure our raw materials. Research into medium and long-term security of our raw materials (potatoes, beet and chicory). Groeikracht programme to help growers meet sustainability goals and limit cultivation risks.
Operational	Sharp increase in inflation following outbreak of Ukraine war. Also a risk of natural gas not being available.	Cost increases passed on wherever possible to the market. Hedging policy reviewed and scenario management carried out. Factories converted wherever possible to use other fuels apart from natural gas to ensure continuity.
Compliance	Need to report fraud risk in society's interests.	Fraud risk is an integral part of our risk management system. We have a zero tolerance policy. The group periodically evaluates potential fraud risks. Several generic control measures have been taken, both preventive, in the detection (including a speak-up system) and in the response. No significant fraud risks have been detected so far.

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Cosun periodically analyses its risk exposure. We also monitor trends and developments that present opportunities or can impact our activities. The main risks and the risk control measures we took are shown in the table below.

RISK CATEGROY: STRATEGIC		
RISK	**DESCRIPTION OF THE RISK**	**RISK CONTROL MEASURES**
• Strong price fluctuations / fall in the price of sugar.	Movements in sugar prices in the EU and on the world market have a major impact on Cosun's results. We follow market in order to perform better than average.	• The business groups that make up the Cosun portfolio spread their activities across several raw materials and sales markets. • Continuous focus on product diversification, e.g. through innovation, to strengthen all activities in the portfolio. • Permanent attention to strengthening our cost position through the industrial scale of processing. • Continuous focus on improving the cultivation of sugar beet.
• Failure to achieve further growth in profitability.	Sustainable and profitable growth underpins the continuity of our business and thus of our members. There is a risk that the drivers of our growth, such as world population growth, economic growth and the biobased trend, do not sustain and thus demand for our products on the one hand and that our growth plans (organic growth in established activities, development of new products and markets and acquisitions to strengthen our activities) are inadequately profitable on the other.	• Spread of sales across different geographical markets and sales specifically targeted at growth markets. • Cooperation with partners, knowledge centres and strategic alliances to develop new product/market combinations based on agricultural raw materials processed by the Cosun business groups. • Periodic review of implementation and realisation of plans by the management teams of the business groups, Executive Board, Board and Supervisory Board as part of the planning & control cycle.
• Attractiveness of our crops to growers.	To secure sufficient raw materials in the long term it is of great importance that the growers earn an adequate return on the crops they grow and that we process. Inflation, pressure on the use of pesticides and herbicides and extreme weather conditions (e.g. drought necessitating irrigation) are increasing the cost of farming.	• Our strategy is to maximise the value of our crops and further optimise the yield in cooperation with our growers. • Study of medium and long-term supply of potatoes, sugar beet and chicory. • Through the Groeikracht Cosun programme, we are working on alternative farming techniques and sharing best practices.
• Changes in consumer food behaviour (health, sustainability). Changing perception of sugar.	Our products meet the growing demand for sustainable and healthy plant-based food and our innovations are directed at developing new healthy and green products. But we are aware that the changing perception of sugar may lead to lower food sales in the future.	• Building on the dialogue with our stakeholders, we are working on relevant themes and implementing our sustainability strategy. We provide transparent and straightforward information on the nutritional value and sustainability of Cosun's products (e.g. through the Cosun Nutrition Center). • We will communicate our new positive, sustainable, plant-based and circular Cosun vision more widely and better. We have started a public campaign: "The Future is Plant" • We will continue to develop innovative, healthy and green ingredients. • Business development with partners with sugar replacing oil-based ingredients in non-food applications. • We take initiatives to enhance food safety in the supply chain in cooperation with customers and suppliers.

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RISK CATEGORY: STRATEGIC		
• Climate change, energy transition.	Government measures (e.g. Paris Climate Agreement) can have major consequences for our activities but we recognise their importance. Significant investments are needed to meet our sustainability goals. A level playing field is essential if we are to achieve our goals. Distortions in the form of high energy taxes, a tariff on sustainable energy or local climate taxes that are higher than in other countries, must be avoided.	• Scope 1 and scope 2 CO_2 reduction plans have been drawn up for each location. Operational plans include projects to cut energy consumption Several plans are being implemented or have already been completed. An analysis of scope 3 emissions is planned for 2023. • We seek an active dialogue with the government in collaboration with out stakeholders.

RISK CATEGORY: OPERATIONAL		
RISK	**DESCRIPTIONOF THE RISK**	**RISK CONTROL MEASURES**
• *Employee and product safety.*	*Our employees run the risk of accidents.* The risk of a major food safety incident is low but both the financial and reputational impact could be high.	• *Focus on a safe workplace and safe working* practices through training courses, physical measures, procedures, targets and reports. • Certification, track and trace systems and HACCP procedures. • *Implementation of 10 Cosun safety rules.*
• Volatility of agricultural and other raw material prices and energy prices.	Price volatility is inherent in Cosun's campaign-related activities, especially in potato and fruit activities. Prices are highly reliant on harvesting conditions (surplus/shortage). Sharp rise in energy prices increases costs.	• Risks are appropriately controlled by means of position management. • Continuous focus on cost-efficient production to reduce energy consumption, transport movements and the use of packaging materials, combined with long-term price and volume agreements. • Higher energy costs and other cost increases passed on wherever possible to the market. • *Policy to hedge (longer-term) energy costs*
• Influence of the weather on availability and quality of raw materials (*harvest risks).*	Disappointing yields can lead to a shortage of raw materials and a fall in our sales. The quality of the raw materials can also influence our processing and *production, and the growers' financial return.*	• Spread of raw material procurement across several regions (also within countries) that grow sugar beet, potatoes, chicory roots, fruit and vegetables. • *Production facilities are equipped to adapt their* processes to variations in the quality of their raw materials • Support and advice provided to growers by the group and industry associations supported by *Cosun for specific growing and weather conditions* (e.g. spraying and lifting advice for growers).

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RISK CATEGORY: OPERATIONAL		
• Business continuity. disruption in the factory / cybercrime.	The risk of a major calamity and disruption to our business processes is limited/low but the impact could be very high.	• Specific risk management programmes, investments, inspections and maintenance to prevent disruption. • Insurance: Cosun has several general group insurance programmes to cover product liability, fire, consequential loss, etc. The consequential loss programme insures assets at appraised value plus appropriate, asset-specific cover for consequential losses. The financial strength of the insurers is periodically reviewed. Depending on the size of the risk, cover is arranged with several insurers. • Cybercrime: The Cosun IT shared service centre is ISO 27001 certified and there are ongoing programmes to increase our resilience.

RISK CATEGORY: FINANCIAL MANAGEMENT		
RISK	**DESCRIPTION OF THE RISK**	**RISK CONTROL MEASURES**
• Mismatch between buying and selling positions for raw materials and finished products	Owing to the price volatility of our raw materials and products, open positions represent a risk. The nature of our business means we sometimes have to take long positions during the year.	• Frequent monitoring of buying and selling positions by senior managers of the business groups.
• Financing and interest rate risk.	It is important that we have secure long-term financing and always have a sufficient cash position. There is a limited risk that we are unable to meet our bank covenants. In view of our healthy balance sheet, this risk is very improbable. Our debt position will rise as we implement our growth plans in the years ahead.	• In 2022, Cosun attracted EUR 205 million in additional financing with a term of 3-10 years. This financing is linked to sustainability goals. The term of the EUR 400 million revolving credit facility (RCF) is to March 2026. • Cosun has a central treasury organisation that acts as an in-house bank. The financing and cash management of subsidiaries, with the exception of joint ventures, is organised at group level. • Loans are spread wherever possible over a select group of counterparties with a short-term rating of at least A2 or equivalent. • All Cosun's business groups report their cash flow forecasts for the coming 12 months every month to reduce the risk of unforeseen liquidity shortages.
• Foreign exchange risk.	The greater part of turnover is earned in the eurozone. The main currency exposure is concentrated on the US dollar, the Polish zloty and the British pound.	• Internal policy is to hedge the foreign exchange risks arising from operating and financing activities wherever possible by means of forward exchange contracts arranged by our central treasury organisation. Forward exchange contracts concluded as at 31 December 2022 are listed in note 12 of the notes to the consolidated accounts.

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RISK CATEGORY: COMPLIANCE		
RISK	**DESCRIPTION OF THE RISK**	**RISK CONTROL MEASURES**
• Laws and regulations.	Abrupt changes in laws and regulations at European, national or local level can have consequences for Cosun and its business partners. Changes can relate to the environment, food safety, production processes and crop protection agents.	• We follow developments in current and future laws and regulations and take measures where necessary. • We try to influence the introduction of laws by holding an active dialogue with the government, in cooperation with interest groups and industry associations where necessary. • Annual signing of an internal Letter of Representation declaring that activities have been conducted in accordance with internal guidelines and rules arising from laws and regulations.
• Tax risks	Cosun is active in many countries. There is a risk of non-compliance with tax laws, for instance regarding transfer pricing in relation to corporate income tax or other taxes.	• Cosun seeks a transparent relationship with the tax authorities. Cosun has signed a horizontal supervision agreement with the Dutch tax authorities. • Activities are structured so that corporate income tax is coordinated centrally. Responsibility for VAT, pay-roll tax, social insurance contributions, etc. lies with the individual entities. The policy and related internal control procedures are periodically assessed. • Cosun publishes its tax policy on its website.

Controls, reports and evaluations

Risks are periodically considered in the reports prepared for the management boards of the business groups, the Executive Board, the Board and the Supervisory Board. Besides the risks and risk appetite we also periodically evaluate events and incidents to determine whether the controls are effective and take additional measures where necessary.

Recommendations arising from internal audit work are reported to and followed up by the Executive Board and the management boards of the business groups. The business groups' management boards report on their follow-up to the Executive Board and the Executive Board in turn reports to the Board and the Supervisory Board. The Supervisory Board oversees the follow-up on the recommendations.

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Corporate governance

To Cosun, corporate governance is the way in which it regulates relationships between the members of the cooperative, the Members' Council, the Board, the Supervisory Board, the Executive Board and the employees. Good entrepreneurship, integrity, respect, oversight, transparent reporting and accountability are the main pillars of Cosun's corporate governance policy. Cosun endorses and observes the NCR Governance Code for cooperatives.

Governance model

Cosun has a traditional governance model. Control of the cooperative lies with the members, in part through their election of the Board. On the principle that the members should have the final say, most members of the Board are also members of the cooperative. For the same reason, members of the cooperative also form a majority on the Supervisory Board. The external members of the Board and the Supervisory Board are nominated and appointed in recognition of their expertise and external networks. The Board has delegated day-to-day management to the Chief Executive Officer of the Executive Board.

Board

The Board's primary task is to run the cooperative and manage the group. It has final responsibility for the development and implementation of the policy of both the cooperative itself and the business groups that make up Cosun. The Board consists of nine members, six of whom are also members of the cooperative and three are external members.

Supervisory Board

The Supervisory Board is charged with overseeing the Board's policy and the general affairs of the cooperative, its business and its group. It independently advises the Board and the Members' Council on request and otherwise. The Supervisory Board examines the cooperative's annual accounts and reports on its findings. It has six members: four are members of the cooperative and two are external members.

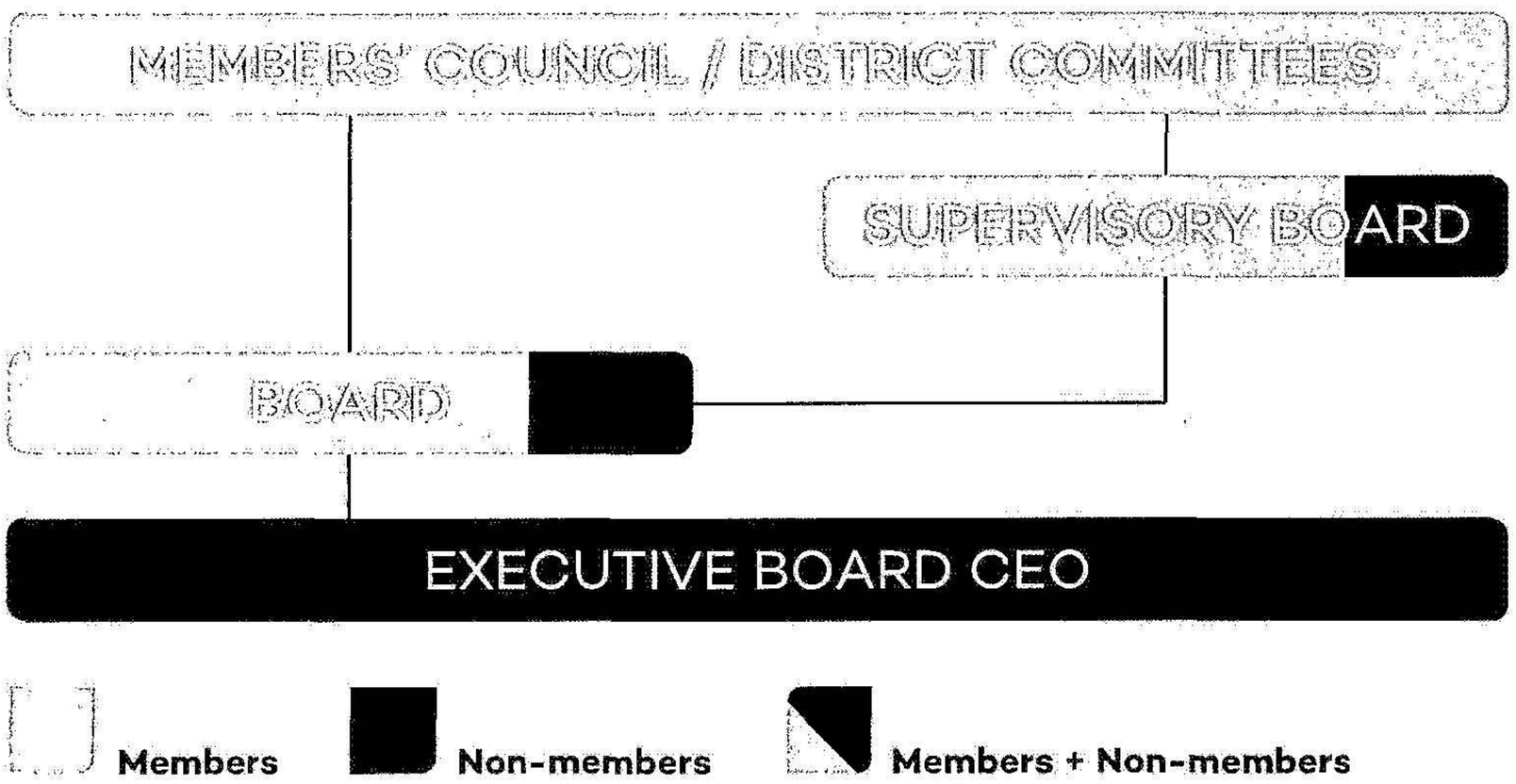
Chief Executive Officer

The Chief Executive Officer manages the day-to-day performance of the cooperative and its business groups. The Chief Executive Officer is responsible for:

- the preparation and implementation of the group strategy adopted by the Board to achieve the operational and financial goals;
- the preparation and implementation of the internal risk management and control system in place for Cosun and the business groups;
- day-to-day management of the Executive Board and group organisation.

The Chief Executive Officer is mandated to take specific decisions.

Governance structure of the cooperative



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Members' Council

The members of Cosun elect the management committees of the districts and sections in which their farms are located. All Cosun's district committees together make up the Members' Council. On a proposal from the Board, the Members' Council elects the members of the Board. On a proposal from the Supervisory Board, the Members' Council elects the members of the Supervisory Board. On a proposal from the Board, it adopts the annual report and accounts, the articles of association and the cooperative's regulations. It also acts as a sparring partner for the Board. The Members' Council has more than 60 members, all of whom are members of the cooperative.

Youth Council

The Youth Council consists of 15 members and serves as an incubator for management talent within the cooperative. It gives young members an important voice in the cooperative and acts as a sounding board. The members of the Youth Council represent candidate members and young members. In consultation with local district and section managers, the Youth Council itself is responsible for succession when necessary.

Governance

More information on these matters can be found on the website, www.cosun.com, under Corporate Governance. The Corporate Governance Code of the NCR is published (in Dutch) at www.cooperatie.nl, under 'Coöperatie Code 2019'. Cosun complies with this Code.

Although the NCR Code 2019 gave no cause to make any changes, Cosun periodically evaluates its corporate governance. The various tiers of Cosun's governance structure carried out an intensive joint evaluation under the supervision of the NCR in 2021 to examine all areas of the cooperative. The findings of the evaluation led to proposals to make better use of the Supervisory Board's expertise and to extend its mandate, to strengthen the Members' Council's role as an employer and to strengthen the links and cooperation among the governance tiers. The appointment of selection committees with representatives from the Members' Council for the appointment and reappointment of members of the Board and the Supervisory Board has led to a clear improvement in the application, selection and (re-)election process. These changes have strengthened the governance function.

Sustainability

Sustainability topics are discussed in all management tiers. Preparations are made at Executive Board level. The Executive Board has placed these topics on the agenda for the Board's meetings and has discussed them with it. The Board has consequently adopted the related policy for the cooperative and the business groups or intends to adapt the policy in certain areas. The Board has explained the strategy and the policy to the Supervisory Board and asked it for advice. The issue was discussed in detail at their joint meeting. The Executive Board is responsible for the implementation of this part of Cosun's strategy.

The sustainability topics were presented to and discussed with the Members' Council and Youth Council on 30 November 2022. The sustainability topics of a future-proof chain were discussed in the district committee meetings, especially the sustainability aspects of soil, crop protection and cultivation climate. All governance tiers of the Cosun cooperative are aware of the importance of the sustainability agenda and are motivated to tackle the challenges in this field together with the members and growers. The Groeikracht Cosun platform helps growers rise to the challenges by sharing know-how and experience and providing project-based support.

On behalf of the Board,

Dirk de Lugt	Arwin Bos
Chairman	Vice-Chairman

Breda, 12 April 2023

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Report of the Supervisory Board

The Supervisory Board oversees the conduct of the Board's policy and Cosun's performance in general. It advises the Board and the Members' Council on request and otherwise. The Board has consistently acted in the interests of Cosun, its members and its business groups, while taking account of third party interests and social aspects.

The Supervisory Board met on 12 occasions in 2022 (eight scheduled meetings and four additional meetings). Five meetings were held jointly with the Board. The Supervisory Board also attended the Members' Council's meetings. At eight regional district committee meetings in May, the Supervisory Board provided information on the annual accounts for 2021. The Supervisory Board's Chairman attended the annual meetings of the Board and the Central Works Council.

The joint meetings with the Board discussed the operational plans, the progress made with the strategy, the results and annual accounts for 2021, governance, innovation, integrated reporting, the use of Cosun products in non-food applications, Groeikracht Cosun and future-proof supply chains.

The Supervisory Board paid particular attention to its supervision of the further implementation of the strategy and improvements in the cooperative's revenue model for its members. The decisions Cosun will have to take in these areas were discussed in detail with the Board. With a view to the members' interests, we were asked to keep an eye on the raw material position. The impact of climate-related measures on Cosun is becoming clearer and are asking a great deal from the business. In so far as possible, the Supervisory Board asked whether its policy could include the contribution that members can make to resolving climate and energy questions. The Supervisory Board considered the impact of the new Common Agricultural Policy (CAP) and met with the Board to discuss the role Cosun could play for its members. The Supervisory Board discussed the activities that Groeikracht Cosun could take to help its members put the CAP into practice at their farms.

As well as the strategy, the Supervisory Board considered green financing and investment issues, integrated reporting, the operational plan 2022-2024 and risk management. With regard to risk management, the Supervisory Board drew attention to cyber security and, not least, the importance of assessing investment risks where relevant geopolitical questions may be at play. The Supervisory Board also assessed the decision-making process followed for policy decisions and investments and asked whether the interests of the cooperative and its members were adequately safeguarded. In our opinion, the decision-making process was followed conscientiously in 2022.

In its financial work, the Supervisory Board was assisted by Ernst & Young Accountants (EY). The cooperation was good and constructive.

Governance

The Supervisory Board carried out a self-assessment in 2022. At future meetings the Chairman of the Board will always be accompanied by another member of the Board. Experience with this has so far been positive. In May, members of the Supervisory Board attended the district committee meetings to provide information on and answer questions about the annual accounts for 2021.

To strengthen governance, selection committees were established in 2022 for appointments and reappointments to both the Board and the Supervisory Board. Depending on the appointment concerned, the committees' members will be drawn from the Board, the Supervisory Board and the Members' Council. Our experience with selection committees is positive; their members, input and cooperation with the Board and the Members' Council have significant added value.

Audit committee

The purpose of the audit committee is to widen and deepen the Supervisory Board's understanding of certain substantive aspects/subjects and so enrich its supervisory function. The committee consists of all members of the Supervisory Board. It is chaired by a member of the Supervisory Board. The CFO, group controller and auditor attend its meetings. The committee's work was evaluated in 2022. One of the points for improvement was the connection with the Board. One of the internal members of the Board started attending the meetings in 2022.

The committee met on four occasions in 2022. Topics discussed included the audit plan for 2022, integrated reporting, Cosun's financial results (interim reports), information security, the management letter, external (green) financing, tax policy, the 2022 annual report and the report of the auditor.

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Organisation

The Supervisory Board completed the process to appoint a successor to the Chairman of the Board. The selection committee made a unanimous recommendation to the Board. The Board then put a nomination to the Members' Council for the appointment of Mr Arwin Bos as Chairman of the Board with effect from June 2023. The Supervisory Board approved the re-appointment of Messrs Adrie Bossers and Ger Evenhuis to the Board.

Composition

In March 2022 the Chairman, Johan van Driel, announced he would end his work for and membership of the Supervisory Board. We would like to thank him whole-heartedly for his dedication to Cosun.

In the 2022 financial year, an appraisal interview was held with Mr Edwin Michiels, secretary to the Supervisory Board. He was re-elected at the annual meeting.

In consultation with the selection committee, consisting of two members of the Supervisory Board and one member of the Members' Council, a candidate was proposed in the person of Ms Liane den Besten to fill the vacancy that had arisen on the departure of the Chairman. She was elected unanimously as member of the Supervisory Board by the Members' Council meeting of 30 November. Now the composition of the Supervisory Board is complete, the process to appoint a new chair has commenced.

Financial performance

At the beginning of 2022, Cosun was still contending with the aftermath of the COVID-19 pandemic, which was followed in early 2022 by the Ukraine crisis. The crisis had a serious impact on energy and raw material prices. Cosun worked hard on passing on the higher costs to the market. The Supervisory Board is pleased with the improvement in results reported by all business groups for 2022. It is important to maintain the present course. But so are the choices we make. The Supervisory Board insisted on the need to achieve a stable beet price that is profitable to the members. It was involved in decision-making on the new system to calculate the beet price and members' bonus. It approved the new system as it better reflects actual developments in the sugar market. Safety (both physical safety and information security) was discussed on several occasions. The Supervisory Board named it as an important aspect of the operations and acknowledges the points for improvement.

It will continue to follow this issue. During the year, the Supervisory Board was involved in and was asked for its advice on the process to attract new green finance for Cosun. It can look back on a meticulous process with a positive result.

EY audited the accounts for 2022 and clarified the reasons for its auditor's report and audit opinion and discussed them with the Supervisory Board. The follow-up on the management letter was also discussed. The Supervisory Board received a reliable and complete picture of Cosun's financial performance. It also took note of the passages on fraud risks in the risk section of the directors' report and agreed with the content and conclusion.

The Supervisory Board can look back on an exceptional year in which all parts of Cosun reported a recovery. The organisation invested a great deal of time and effort in the launch and implementation of the new strategy. It has demanded a great deal from the organisation and the employees. The Supervisory Board has every confidence in the new strategy's results and positive impact, and thanks the employees wholeheartedly for their hard work in 2022.

On behalf of the Supervisory Board,

Theo Koekkoek	Edwin Michiels
Acting Chairman	Secretary

Breda, 12 April 2023

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Members of the Board, Supervisory Board, Executive Board and Works Council

as at 31 december 2022

Board

Chairman	Dirk de Lugt	De Cocksdorp
Vice-Chairman	Arwin Bos	Nieuw-Vennep
Deputy Vice-Chairman	Ben van Doesburgh	Loenen a/d Vecht
Members	Adrie Bossers	Langeweg
	Ger Evenhuis	Schoonoord
	Marianne van den Hoek-Huijbregts	Dreischor
	Pieter de Jong	Uden
	Freek Rijna	Den Dolder
	Sander Wijkstra	Zeist
Secretary	Maarten Boudesteijn	

Supervisory Board

Vice-Chairman/ Acting Chairman	Theo Koekkoek	Almkerk
Secretary	Edwin Michiels	Horst
Members	Liane den Besten	Winterswijk-Ratum
	Hans Huistra	Amsterdam
	Pieter van Maldegem	Vierhuizen
	Jacqueline Rijsdijk	Leiderdorp

Executive Board

Chairman	Hans Meeuwis	
Members	Iwan Blankers	Director, Sensus
	Anton van Dam	Director, Duynie Group
	Maarten van Delst	Director, Aviko
	Suzanne Jungjohann	Director, Human Resources
	Maaike van den Maagdenberg	Director, Corporate Development
	Paul Mesters	Director, Cosun Beet Company
	Frank van Noord	Director, Innovation
	Pieter Spanjers	Director, SVZ
	Hans Schuil	Director, Finance & Control

Central Works Council

Chairman	Fouad Ouled Ali	Cosun
Secretary	Manuel Bogers	SVZ
Members	Irene Christiaens	Aviko
	Rudi Hendriks	Cosun R&D
	Ayhan Kayabasi	Aviko Rixona
	Olaf Kleine	Cosun Beet Company
	Chris Kooiman	Duynie
	Henk Oostvogels	Sensus
	Chris Wijma	Cosun Beet Company
	Jeanet Wubs	Aviko
	Vacancy	Cosun Beet Company

More information is available at www.cosun.com under About Cosun – Corporate Governance. The website provides relevant personal details on the members, the principal and secondary positions they hold and – where applicable – the date of their appointment, term of office, eligibility for re-election, etc.

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2022

Annual Accounts

Cosun

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Consolidated balance sheet

(after profit appropriation; in EUR million)

	Notes	31-12-2022	31-12-2021
ASSETS			
Fixed assets			
Intangible fixed assets	(1)	82.9	94.8
Tangible fixed assets	(2)	995.4	930.1
Financial fixed assets	(3)	24.6	34.1
		1,102.9	1,059.0
Current assets			
Inventories	(4)	838.9	655.3
Trade and other receivables	(5)	516.4	415.6
Cash and cash equivalents	(6)	141.5	90.2
		1,496.8	1,161.1
Total assets		2,599.7	2,220.1
EQUITY AND LIABILITIES			
Group equity			
Capital and reserves	(7)	1,334.1	1,260.2
Minority interests	(8)	18.2	17.8
		1,352.3	1,278.0
Provisions	(9)	48.7	62.3
Non-current liabilities	(10)	141.6	63.1
Current liabilities	(11)		
Current liabilities to credit institutions and financing debt		227.3	198.5
Other current liabilities, accruals and deferrals		829.8	618.2
		1,057.1	816.7
Total equity and liabilities		2,599.7	2,220.1

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Consolidated profit and loss account

(in EUR million)

FOR THE FINANCIAL YEAR	Notes	2022	2021
Net turnover	(14)	3,046.9	2,286.7
Changes in inventories of finished products		158.9	66.0
Other operating income	(15)	33.2	26.5
Total operating income		**3,239.0**	**2,379.2**
Cost of raw materials and consumables	(16)	2,123.0	1,440.0
Cost of outsourced work and other external costs	(17)	529.7	456.9
Wages and salaries	(18)	255.1	236.0
Social security charges	(18)	83.8	77.5
Amortisation and depreciation on intangible and tangible fixed assets		133.7	128.4
Impairments and other changes in value of tangible and intangible assets	(19)	0.5	42.9
Other operating expenses		1.6	0.9
Total operating expenses		**3,127.4**	**2,382.6**
Operating profit		**111.6**	**-3.4**
Interest receivable and similar income		1.4	4.1
Interest payable and similar charges		- 8.4	- 5.3
Financial income and expense	(20)	- 7.0	- 1.2
Result from ordinary activities before taxation		**104.6**	**- 4.6**
Taxation	(21)	- 30.1	- 0.7
Share in results from participating interests		4.7	-
Result from ordinary activities after taxation		79.2	- 5.3
Minority interests		-3.5	- 2.4
Net result		**75.7**	**- 7.7**

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Consolidated cash flow statement

(in EUR million)

FOR THE FINANCIAL YEAR	Notes	2022	2021
Operating profit		111.6	- 3.4
Depreciation and amortisation		133.7	128.4
Other value adjustments		0.5	42.9
Gain/loss on disposal of intangible, tangible and financial fixed assets		- 18.7	- 4.4
Amortisation of negative goodwill		- 2.3	- 2.4
Changes in provisions	(23)	- 5.9	4.8
Changes in working capital (excluding cash and cash equivalents and short-term bank overdrafts)	(23)	- 90.1	- 56.5
Cash flow from business operations		**128.8**	**109.4**
Interest received / (paid)		- 7.7	- 4.9
Income tax received / (paid)		- 9.4	- 3.6
Dividends received / (paid)		4.7	-
Other movements		- 1.0	- 1.0
		- 13.4	- 9.5
Cash flow from operating activities		**115.4**	**99.9**
Investments in (in)tangible fixed assets		- 194.5	- 246.3
Proceeds from the sale of (in)tangible fixed assets		23.9	1.9
Changes in long-term receivables		- 1.4	- 1.3
Acquisition of group companies		- 0.3	- 9.2
Acquisition of non-consolidated participating interests		- 0.5	- 1.3
Divestment of group companies		0.3	14.8
Cash flow from investing activities		**- 172.5**	**- 241.4**
Gross distribution under sugar beet payment regulations and business termination scheme	(30)	- 1.2	- 2.7
Changes in long-term liabilities	(23)	80.8	10.1
Changes in current liabilities to credit institutions and financing debt		28.8	109.7
Cash flow from financing activities		**108.4**	**117.1**
Changes in cash and cash equivalents		51.3	- 24.4
Cash and cash equivalents at the beginning of the year		90.2	114.6
Exchange and translation gains and losses on cash and cash equivalents		-	-
Cash and cash equivalents at the end of the year		**141.5**	**90.2**

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Notes to the consolidated financial accounts

(in EUR million)

Translated financial statements

These Annual Accounts are an English translation of the original Dutch publication. In the event of textual inconsistencies between the English and the Dutch versions, the latter shall prevail.

General

Coöperatie Koninklijke Cosun U.A. (hereinafter: 'Cosun') has its registered office in Breda, the Netherlands. It is registered in the Chamber of Commerce under number 20028699. The group processes and prepares raw materials, mostly from agricultural sources, producing semi-manufactures for the international food and beverage industry and the food service industry (restaurants, caterers and wholesalers), and finished products that are sold to customers through retail outlets. The group also processes organic residual streams into, for instance, non-food applications, animal feed and bio-energy.

The activities are classified as follows:

- Sugar activities: sugar and bio-energy from residual currents (Cosun Beet Company).
- Potato activities: potato products, such as chilled, frozen and dried potato products and potato specialities (Aviko and Rixona).
- Sustainable lifestyle ingredients: inulin (Sensus), protein (Cosun Protein) and biobased products (Biobased Experts).
- Co-products: animal feed and starch (Duynie Group).
- Other activities: Fruit and vegetable products (SVZ).

Going concern

These accounts and financial statements have been prepared on a going concern basis.

Applicable standards

The annual accounts have been prepared in accordance with the legal requirements as set out in Title 9, Book 2 of the Dutch Civil Code. For the cooperative profit and loss account, Cosun has availed itself of the exemption available under Section 402, Book 2 of the Dutch Civil Code.

Change in accounting policies

No changes in accounting policies affected equity or results in 2022. The change in accounting policies as a result of the revised Guideline 270 for Annual Reporting in the Netherlands did not lead to a change in turnover for 2021 or the equity position as at 31 December 2021.

Use of opinions, estimates and uncertainties

In accordance with generally accepted accounting principles, preparation of the annual accounts makes use of opinions and assumptions that may determine the amounts disclosed. Actual results may differ from the estimates. A significant estimate relates to impairments in 2021 in the value of tangible fixed assets at SVZ and Duynie Ingredients B.V. (see note 2). This was not the case in 2022. There were no further significant opinions, estimates or uncertainties.

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Consolidation principles

The consolidated annual accounts include the financial data of Cosun and group companies controlled by the company. Group companies acquired during the year under review are included as from the date at which direct or indirect influence can be exercised on the commercial and financial policy. Account is also taken of financial instruments that give potential voting rights where they are of economic significance. Where financial instruments give potential voting rights that are not of economic significance, the respective third party interest is recognised as a commitment as at balance sheet date. The difference between the present value of the commitment and the classified third party interest is recognised as a direct change in group equity. Changes in the amount of the commitment are taken to group equity. The results of group companies sold are incorporated up to the moment the overriding control ended.

Intercompany payables, receivables and transactions, as well as profits already recognised on these within Cosun but not yet realised, are eliminated in the consolidated annual accounts. The group companies are consolidated in full with the third-party minority interest being presented separately. Joint ventures are consolidated proportionally.

List of participating interests

In accordance with Articles 379 and 414, Book 2 of the Dutch Civil Code, a list of data on group companies and other participating interests has been filed with the Chamber of Commerce.

Acquisitions and disposals

On 19 December 2022, Duynie Holding B.V. sold 100% of the shares in MijnVoer.nl B.V. In 2022, the interest in Rain Biomasse Wärmegesellschaft GmbH, Rain am Lech, Germany, was increased from 40.1% to 49%. In 2021, the interest in Rain Biomasse Wärmegesellschaft GmbH, Rain am Lech, Germany had been increased from 35.1% to 40.1%.

On 4 January 2021, Aviko Holding B.V. acquired Pfanni GmbH & Co. OHG, Stavenhagen, Germany, with related land and buildings being obtained by Aviko Rixona Real Estate B.V. for a total amount of EUR 5.2 million. A 100% interest was obtained. The factory in Stavenhagen processes potatoes into a variety of potato products.

On 17 May 2021, Coöperatie Cosun increased its interest in Limako B.V. to 100% through the acquisition of the outstanding 49% interest. On 23 July 2021, Duynie Holding B.V. increased its interest in Agri Bio Source Europe B.V. to 100% through the acquisition of the outstanding 10% interest The increase in these interests is accounted for in accordance with the purchase price accounting method without revaluation of the previously acquired interests.

The following group companies were disposed of in 2021:

- Cosun Puttershoek Vastgoed 1 B.V.
- Cosun Puttershoek Vastgoed 2 B.V.
- Cosun Puttershoek Vastgoed 3 B.V.

The entities sold in 2021 consisted of real estate held by the legal persons and did not involve the termination of business activities.

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Accounting policies

General

The accounting policies adopted for the valuation of assets and liabilities and determination of the result are based on the historical cost convention. Insofar as not stated otherwise, assets and liabilities are shown at nominal value. An asset is included in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be reliably measured. A liability is included in the balance sheet if it is expected to result in an outflow from the entity of resources embodying economic benefits and the amount of the obligation can be measured with sufficient reliability. The income and expenses are accounted for in the period to which they relate. The annual accounts were prepared on 12 April 2023.

Policies for the translation of foreign currencies

The reporting currency and the functional currency of the annual accounts of Cosun is the euro (EUR). The costs and income arising from transactions in foreign currencies or monetary receivables and payables, are translated at the functional exchange rate on transaction date or the rate prevailing at balance sheet date respectively. Translation gains and losses are taken to the profit and loss account. The net investment in foreign participating interests is translated at the exchange rate prevailing at balance sheet date. Foreign currency profit and loss account items of foreign participating interests are translated at the average exchange rate. Translation gains and losses are taken directly to the statutory reserve for exchange rate differences as part of Cosun's group equity, less tax effects if applicable.

Third party goodwill arising from the acquisition of an operation outside the Netherlands and subsequent adjustments of the book value of assets and liabilities to fair value are recognised as assets and liabilities of the operation outside the Netherlands and are translated at the rate ruling as at balance sheet date.

Where a foreign operation is fully or partially sold, the respective amount is transferred from the reserve for translation differences to the other reserves. Translation gains and losses on long- term financing and financial instruments used to hedge exchange rate risks arising from foreign participating interests are treated accordingly.

Netting

Assets and liabilities are shown net of each other in the annual accounts only if and in so far as:

- there is a reliable legal instrument to net and simultaneously settle the assets and the liability, and
- there is a firm intention to settle the net amount or the two items simultaneously.

Financial instruments

The financial statements include the following primary financial instruments: loans granted, trade and other receivables, cash and cash equivalents, loans received, other financing commitments, trade payables and other payables. The financial statements also include derivative financial instruments (derivatives).

Primary financial instruments

Primary financial instruments are initially recognized at fair value which includes the attributable transaction costs. After initial recognition, primary financial instruments are carried at amortised costs using the effective interest method, less impairment losses. The effective interest method is used to recognize transaction costs in the profit and loss account. Loans granted and other receivables are restated if there is objective evidence of an impairment. The fair value of cash and cash equivalents is equal to their nominal value; cash and cash equivalents are freely available to Cosun unless stated otherwise.

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Derivative financial instruments (derivatives)

Currency derivatives, interest derivatives and forward commodity transactions

Cosun uses derivatives to hedge the exchange rate, interest rate and price risk from balances and highly probable future sales and purchases. Forward exchange contracts, interest rate swaps, forward commodity contracts and other derivative financial instruments are used to hedge these risks. Derivatives are initially recognized at fair value. After initial recognition derivatives are stated at cost or lower fair market value unless cost price hedge accounting is applied. At initial recognition the cost price is equal to the fair value. Cosun applies cost price hedge accounting in order to simultaneously recognise both the results from changes in the value of the derivatives and the future transaction in the profit and loss account.

Cosun documents the following:

- the general hedging strategy, how hedges contribute to risk management objectives and the expected effectiveness of those hedges;
- the hedging instruments and positions hedged by the kind of hedge.

If derivatives qualify for cost price hedge accounting, they are recognised as follows:

- if the hedged item is recognised at cost price in the balance sheet, the derivative is also recognised at cost price;
- if the hedged item is not yet recognised in the balance sheet, neither is the derivative;
- if the hedged item leads to a primary financial instrument, the related profits or losses on the derivative not yet recognised in the result are recognised in the profit and loss account. These profits or losses are recognised in the same period(s) in which the primary financial instrument influences the result;
- Cosun periodically assesses the effectiveness of hedges. If the critical characteristics of a hedge and the hedged position are not or have not been equal to each other, this is an indication that part of the cost price hedge is ineffective;
- any ineffective part is calculated by means of the dollar offset method;
- profits or losses on the ineffective part of the hedge are taken directly to the profit and loss account;
- should the expected transaction no longer take place, and the derivative consequently no longer meets the conditions of cost price hedge accounting, or is sold, the cumulative profit or the cumulative loss is taken to the profit and loss account;
- profits or losses recognised on foreign currency translation of primary financial instruments are compensated for by changes in the value of foreign exchange contracts. The value of a forward exchange contract is the difference between the rate as at balance sheet date and the forward rate;
- the value of a forward exchange contract owing to a difference between the rate on the contract conclusion date and the contractual forward rate is amortised through the profit and loss account over the term of the forward exchange contract.

Intangible fixed assets

Goodwill is the excess of the purchase price and the fair value of the identifiable assets and liabilities of the acquired participating interest at the date of acquisition. Goodwill paid upon the acquisition of foreign group companies and subsidiaries is translated at the exchange rate applicable at the moment of acquisition. The capitalised goodwill is amortised according to the straight-line method over the estimated useful life, in general between 2 and 20 years.

Other tangible fixed assets (excluding CO_2 emission allowances) are carried at cost net of accumulated depreciation and other downward value adjustments. Other intangible assets are depreciated on a straight-line basis over their estimated useful lives, generally between three and five years.

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Cosun obtained CO_2 emission allowances at zero cost. The company has not recognized its surplus CO_2 emission allowances obtained for nothing. Cosun acquires emission allowances to meet future deficiencies. The acquired emission allowances are stated at cost and will be charged to the result at time of use.

Development costs (internally generated)
Development costs are capitalised if they meet the conditions set for them regarding their technical, commercial and financial feasibility. A legal reserve is formed equal to their balance sheet valuation. Development costs incurred to design a new product are written off on a straight-line basis over five years based on estimated useful economic life.

Tangible fixed assets
Land and buildings, machinery and equipment and other tangible fixed assets are stated at cost of purchase or manufacture, less accumulated depreciation and other downward value adjustments. Grants and subsidies are deducted from the cost of purchase or manufacture of the asset in question.

Depreciation is calculated as a percentage of the cost of acquisition or manufacture according to the straight-line method on the basis of useful life. Land, tangible fixed assets in production and prepayments are not depreciated. Changes over time regarding the depreciation method, useful life and/or residual value are recognised as changes in accounting estimates.

The cost of major maintenance is capitalised and written off in accordance with the component approach. All other maintenance costs are taken directly to the profit and loss account.

Financial fixed assets
Non-consolidated participating interests over whose financial and operating policies the group exercises significant influence are valued using the net asset value method. Under the net asset value method, participating interests are carried at the group's share in their net asset value plus its share in the results of the participating interests and its share of changes recognised directly in the equity of the participating interests as from the acquisition date, determined in accordance with the accounting policies disclosed in these financial statements, less its share in the dividend distributions from the participating interests. Account is also taken of financial instruments that give potential voting rights where they are of economic significance.

Where financial instruments give potential voting rights that are not of economic significance, the respective third party interest is recognised as an increase in the existing capital interest and as a commitment. The difference between the present value of the commitment and the increase in the existing capital interest is recognised as a direct change in group equity. Changes in the amount of the commitment are taken to group equity. The group's share in the results of the participating interests is recognised in the profit and loss account.

If and to the extent that the distribution of profits is subject to restrictions, these are included in a legal reserve. If the value of the participating interest under the net asset value method has become nil, this method is no longer applied, with the participating interest being valued at nil if the circumstances are unchanged. In connection with this, any long-term interests that, in substance, form part of the investor's net investment in the participating interest are included. A provision is formed if and to the extent that the company stands surety for all or part of the debts of the participating interest or if it has a constructive obligation to enable the participating interest to repay its debts.

A subsequently acquired share of the profit of the participating interest is recognised only if and to the extent that the accumulated share of the previously unrecognised loss has been compensated.

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Following application of the net asset value method, the group determines whether an impairment loss has to be recognised in respect of the participating interest. At each reporting date, the group assesses whether there are objective indications of impairment of the participating interest. If any such indication exists, the group determines the impairment loss as the difference between the recoverable amount of the participating interest and its carrying amount, taking it to the profit and loss account.

Participating interests over whose financial and operating policies no significant influence is exercised are carried at cost less any impairment.

Results on transactions with and between non-consolidated participating interests carried at net asset value are accounted for on a pro rata basis. Results on transactions with and between participating interests carried at cost of acquisition are accounted for in full unless they are not realised.

Other long-term receivables are carried at amortised cost, less a provision deemed necessary for uncollectibility.

Impairment or value adjustment of fixed assets

Cosun recognises intangible, tangible and financial fixed assets in accordance with accounting policies generally accepted for financial reporting in the Netherlands. Pursuant to these policies, assets with a long life should be subject to an impairment test in the case of changes or circumstances arising that lead to the suspicion that the book value of the asset will not be recovered. The payback opportunities of assets in use are determined by comparing an asset's book value with the higher of present value of future net cash flows that the asset is expected to generate and direct realisable value. Where book value is higher, the difference is charged to the profit and loss account. Assets available for sale are valued at the lower of book value and market value, less selling costs.

At each balance sheet date, Cosun assesses whether there are indications that a previous impairment of a fixed asset no longer exists or has declined. Where such indications are present, the recoverable value of the asset or cash-flow generating entity is determined. A previous impairment is reversed only if the assumptions used to determine recoverable value have changed since the previous impairment.

If it is established that an impairment recognised in the past no longer exists or has declined, the increase in the carrying amount of the asset is not recognised at a higher amount than the carrying amount that would have been recognised if the asset had not been impaired. Impairments of third-party goodwill are not reversed.

Inventories

Raw materials and consumables are carried at the lower of cost in accordance with the FIFO ('first in, first out') method. Finished products are valued on the basis of cost of manufacture, including the purchase costs of used raw materials and consumables and the other costs directly attributable to manufacture. In addition, part of the indirect costs over the period of manufacture is attributed to the cost of manufacture. Members' bonus is not included in the valuation of inventory. Goods for resale are valued at cost. Cost includes the purchase price plus additional related costs. Land designated as project development land is valued at the historical cost of acquiring the land and other costs, which are directly attributable to the development.
When valuing inventories, account is taken of any value adjustment occurring on the balance sheet date including, if applicable, lower net realisable value.

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Receivables

Short-term receivables that do not explicitly bear interest are initially measured at fair value and subsequently carried at amortised cost, less a provision for doubtful debts were necessary. Provisions are determined on the basis of individual assessment of the collectability of receivables.

Fair value

Fair value represents the amount for which an asset is traded or an obligation settled between properly informed independent parties prepared to enter into a transaction.

Amortised cost

Amortised cost is the amount at which a financial asset or financial liability is measured at initial recognition less repayments of the principal, plus or less the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount, and less any reduction (effected directly or through a provision being formed) for impairment and doubtful debt.

Equity

Under Reporting Guideline 620 of the Guidelines for Annual Reporting in the Netherlands, that part of the paid up share capital that members can call on demand (2%) and the related inseparable obligation to settle (2%) the right to a business termination payment in accordance with article 5.1 of the sugar beet payment regulations are recognised in the consolidated accounts as liabilities. As a result the consolidated equity differs from the equity in the cooperative annual accounts.

In so far as members have outstanding claims under the sugar beet payment regulations, they are charged to equity upon payment. Under article 5.3 of the regulations, the Board has discretionary power, after consultation with the Supervisory Board and the Members' Council, not to approve payments not relating to business termination. The Board did not exercise this power in 2022 or 2021.

Standard payment regulations are in place for members who are issued supply certificates. The present value of outstanding payments is recognised as a receivable.

Minority interests

The third-party minority interests are valued at the third parties' share of the net asset value.

Provisions

A provision is recorded when:

- There is a present legal or constructive obligation as a result of a past event.
- A reliable estimate can be made.
- It is probable that an outflow of economic benefits will be required to settle the obligation.

If the time value has a material effect, provisions are carried at present value.

The discount rate applied for taxes is 4% to 4.5% (2021: 0.5% to 1%), depending on the durations and the actual market interest rates and specific risks of the obligation concerned. Movements in the provision due to the addition of interest are recognised as interest expense under financial expense.

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Pensions and other deferred employee benefits

Dutch pension plans

The main principle is that the pension charge to be recognised for the reporting period should be equal to the pension contributions payable to the pension fund over the period. Insofar as the payable contributions have not yet been paid as at balance sheet date, a liability is recognised. If the contributions already paid exceed the payable contributions as at balance sheet date, a receivable is recognised to account for any repayment by the fund or settlement with contributions payable in future.

In addition, a provision is included as at balance sheet date for existing additional commitments to the fund and the employees, provided that it is likely that there will be an outflow of funds for the settlement of the commitments and it is possible to reliably estimate the amount of the commitments. The existence or non-existence of additional commitments is assessed on the basis of the administration agreement concluded with the fund, the pension agreement with the employees and other commitments to employees. The liability is stated at the best estimate of the present value of the anticipated costs of settling the commitments as at balance sheet date. For any surplus at the pension fund as at balance sheet date, a receivable is recognised if the company has the power to withdraw this surplus, if it is likely that the surplus will flow to the company and if the receivable can be reliably determined.

Foreign pension plans

Pension plans that are comparable in design and functioning to the Dutch pension system, having a strict segregation of the responsibilities of the parties involved and risk sharing between the said parties (company, fund and members) are recognised and measured in accordance with Dutch pension plans (see previous section). For foreign pension plans that are not comparable in design and functioning to the Dutch pension system, a best estimate is made of the commitment as at balance sheet date. This commitment should then be stated on the basis of an actuarial valuation principle generally accepted in the Netherlands.

Other deferred employee benefits

For other deferred employee benefits (such as jubilee) provisions are recorded. This provision is recorded at present value. The calculation of the present value is based on commitments, expected average remaining working period and age of the employees.

Negative goodwill

Given its long-term nature, negative goodwill is carried as a non-current liability. In so far as negative goodwill relates to foreseeable future losses or costs that were recognised in the acquisition plan and that can be reliably estimated, it is taken to the profit and loss account in proportion to the losses or costs as they are incurred. In so far as negative goodwill does not relate to foreseeable future losses, it is taken to the profit and loss account in proportion to the weighted average of the remaining life of the assets acquired.

Long-term lease obligations

Agreements are assessed as to whether they contain a lease on the basis of economic reality on the contract date.

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Cosun as lessee

In case of financial lease (where the costs and benefits of the asset leased are borne entirely or almost entirely by the lessee) the leased asset and the associated debt on the date on which the agreement is entered into are recognised in the balance sheet at the lower of the asset's fair value at the date on which the agreement was entered into and the present value of the minimum lease payments. The initial direct costs borne by the lessee are included in the initial recognition of the asset. Lease payments are broken down into interest expense and repayment and the outstanding obligation, using a constant rate of interest over the remaining net obligation.

The capitalised asset leased is depreciated over the shortest period of the lease term or the useful life of the asset if there is no reasonable certainty that the lessee will become the owner at the end of the lease term.

In case of operational lease, lease payments are charged to the profit and loss account on a straight-line basis over the lease term.

Non-current liabilities

On initial valuation, non-current liabilities are recognised at fair value. If non-current liabilities are subsequently not recognised at fair value with changes in value being taken to the profit and loss account, directly attributable transaction costs are deducted from the fair value of the initial valuation.

After their initial valuation, non-current liabilities are recognised at amortised cost in accordance with the effective interest method. Profits or losses are taken to the profit and loss account immediately the liability is no longer included in the balance sheet via the amortisation process.

Current liabilities

On initial valuation, current liabilities are recognised at fair value. If current liabilities are subsequently not recognised at fair value with changes in value being taken to the profit and loss account, directly attributable transaction costs are deducted from the fair value of the initial valuation.

After their initial valuation, financial obligations arising from the trading portfolio are carried at fair value after deduction of transaction costs on alienation. Profits and losses arising from changes in fair value are taken to the profit and loss account.

After their initial valuation, other current liabilities are carried at amortised cost in accordance with the effective interest method. Profits or losses are taken to the profit and loss account immediately the liability is no longer included in the balance sheet via the amortisation process.

Financial assets and obligations no longer included in the balance sheet

A financial instrument is no longer included in the balance sheet if a transaction leads to all or nearly all rights to economic benefits and all or nearly all risks arising from a position have been transferred to a third party.

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Determination of the result

Revenue
Net turnover concerns the income from goods and services delivered to third parties, less discounts awarded and turnover tax. Turnover is only recorded if there is reasonable assurance that future benefit will be accrued by the business and that such benefit can be estimated reliably. Income is recorded when the significant risk and rewards of ownership have been transferred to the buyer, receipt of the consideration is probable, and the associated costs and possible return of goods can be estimated reliably and there is no continuing involvement of the legal entity with the goods. Amounts received for own account are recognised as income. Amounts received for third parties are not recognised as income.

Transaction price
Income is recognised to the amount that Cosun expects to be entitled to in exchange for the transfer of promised goods or services. Where an agreement includes multiple performance obligations, the total transaction price is allocated to the performance obligations pro rata the value of the performance obligations.

Payments to buyers of goods and services
Payments made to buyers of goods and services are deducted from the transaction price, unless the payment to the buyer is made in exchange for a distinct good or service.

Operating grants
Operating grants are taken to the profit and loss account for the year in which the associated costs are incurred or the year in which the income for which a grant is awarded is foregone.

Costs
Expenses are determined with due observance of the aforementioned accounting policies and allocated to the financial year to which they relate. Foreseeable and other obligations as well as potential losses arising before the financial year-end are recognized if they are known before the financial statements are prepared and provided all other conditions for forming provisions are met. Members receive a members' bonus for the beet they deliver.
The members' bonus is recognised as cost of raw materials and consumables.

Wages, salaries and social security charges are recognized in the income statement according to the terms of employment to the extent they are due to either employees or the tax authorities.
The group recognizes an obligation if it has demonstrably committed paying a termination benefit or transition payment. If the termination is part of a reorganization, the group includes the costs of a termination benefit or transition payment in a provision for reorganization costs.

Interest is allocated to successive financial reporting periods in proportion to the outstanding principal. Period interest expenses and related expenses are recognized in the year in which they fall due.

Share in the results of participating interests
The share in the result of participating interests represents Cosun's share in the results of those participating interests (where the interest is carried at net asset value) or the dividend or other value adjustment received (where the interest is carried at cost of acquisition).

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Taxes

Taxation on the result comprises both taxes payable and deductible in the short term and deferred taxes, taking account of tax facilities and non-deductible costs. No taxes are deducted from profits if and insofar as these can be offset against losses from previous years and a deferred tax asset had not been recognized. Taxes are deducted from losses if these can be offset against profits in previous years. In addition, taxes will be deducted if and insofar as it may be reasonably expected that losses can be offset against future profits.

Deferred tax assets, including off-settable tax losses, are stated in so far as it is deemed probable that they will be realised in future and are calculated on the basis of the tax rate applicable at the time at which they are expected to be realised.

In so far as valuations for tax purposes differ from the policies described in this section, a provision is formed for any resultant deferred tax liabilities, calculated at the tax rate applicable at the time are expected to be paid. Deferred taxes are carried at nominal value.

Deferred tax assets are netted against deferred tax liabilities if and in so far as the following criteria are satisfied:

- Cosun has a reliable legal instrument to set off the tax receivable for a year against the tax payable for that year; and
- Deferred taxes relate to profit tax levied by the same tax authority on the same taxable legal person or the same tax group.

Cash flow statement

The cash flow statement has been prepared using the indirect method. Cash flows denominated in foreign currencies have been translated into euros at average exchange rates. Interest received and paid, dividends received and income tax received/paid are included under cash flows from (used in) operating activities.

The purchase of group companies and proceeds from sales of group companies are included under cash flow from (used in) investing activities, insofar as payment in cash has been made, net of cash and cash equivalents held by the group companies in question.

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Notes to the consolidated annual accounts

(in EUR million)

(1) Intangible fixed assets

Movements in intangible fixed assets were as follows:

	GOODWILL	OTHER INTANGIBLE FIXED ASSETS	TOTAL
At cost as at 1 January 2022	288.5	48.4	336.9
Accumulated amortisation and other value adjustments as at 1 January 2022	209.7	32.4	242.1
BOOK VALUE AS AT 1 JANUARY 2022	**78.8**	**16.0**	**94.8**
Movements:			
- Investments	-	6.6	6.6
- Disposals	-	- 3.0	- 3.0
- Consolidations and deconsolidations	-	- 0.4	- 0.4
- Reclassification to tangible fixed assets	-	0.6	0.6
- Amortization	- 11.9	- 3.8	- 15.7
BOOK VALUE AS AT 31 DECEMBER 2022	**66.9**	**16.0**	**82.9**
At cost as at 31 December 2022	282.2	52.1	334.3
Accumulated amortisation and other value adjustments As at 31 December 2022	215.3	36.1	251.4

Goodwill

Acquired goodwill is written off in at least 5 years and at most 20 years. The term is determined for each transaction individually based on expected economic life. A period of 20 years applies to investments that have a strategic character and an expected economic useful life of at least 20 years.

Goodwill to an amount of EUR 33.4 million is recognised in connection with Aviko's acquisition of the activities of Inner Mongolia Aviko Hongyuan Food Co. Ltd. in China in 2020. The acquisition price is based on a further expansion of production capacity. A decision will be taken in 2023.

Other intangible fixed assets

Other intangible fixed assets include software and licence fees and CO_2 allowances. Software and licence fees are amortised on a straight-line basis over a period of 3 to 5 years. CO_2 allowances are charged to the profit and loss account pro rata their actual use. The present value of the CO_2 allowances, including allowances acquired for no consideration, amounts to EUR 63.7 million (2021: 34.4 million) and the book value to EUR 2.2 million (2021: 2.4 million).

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(2) Tangible fixed assets

Movements in tangible fixed assets were as follows:

	LAND AND BUILDINGS	MACHINERY AND EQUIPMENT	OTHER TANGIBLE FIXED ASSETS	PREPAYMENTS AND IN PRODUCTION	NOT USED FOR OPERATIONS	TOTAL
At cost as at 1 January 2022	524.8	1,536.1	131.6	228.7	28.6	2,449.8
Accumulated depreciation and impairments as at 1 January 2022	282.3	1,123.1	94.1	-	20.2	1,519.7
BOOK VALUE AS AT 1 JANUARY 2022	**242.5**	**413.0**	**37.5**	**228.7**	**8.4**	**930.1**
Movements:						
- Investments	16.4	67.2	10.0	95.6	0.5	189.7
- Disposals	- 0.1	- 1.4	- 0.3	- 0.6	-	- 2.4
- Transfer	57.9	183.0	5.0	- 246.4	0.5	-
- Reclassification to intangible fixed assets	-	- 0.6	-	-	-	- 0.6
- Depreciation	- 18.1	- 88.8	- 11.1	-	-	- 118.0
- Impairments and other value adjustments	-	-	-	-	- 0.5	- 0.5
- Exchange differences	- 1.3	- 0.9	- 0.2	- 0.5	-	- 2.9
BOOK VALUE AS AT 31 DECEMBER 2022	**297.3**	**571.5**	**40.9**	**76.8**	**8.9**	**995.4**
At cost as at 31 December 2022	597.7	1,783.4	146.1	76.8	29.6	2,633.6
Accumulated depreciation and impairments as at 31 December 2022	300.4	1,211.9	105.2	-	20.7	1,638.2

	LAND AND BUILDINGS	MACHINERY AND EQUIPMENT	OTHER TANGIBLE FIXED ASSETS	PREPAYMENTS AND IN PRODUCTION	NOT USED FOR OPERATIONS	TOTAL
At cost as at 1 January 2021	490.6	1,431.2	119.0	122.2	27.8	2,190.8
Accumulated depreciation and impairments as at 1 January 2021	256.8	1,008.7	84.4	-	20.2	1,370.1
BOOK VALUE AS AT 1 JANUARY 2021	**233.8**	**422.5**	**34.6**	**122.2**	**7.6**	**820.7**
Movements:						
- Investments	8.0	46.9	11.9	161.6	6.3	234.7
- Disposals	- 0.8	- 1.9	- 0.5	- 0.2	- 4.6	- 8.0
- Consolidations and deconsolidations	10.9	18.6	0.4	-	-	29.9
- Transfer	13.7	39.4	0.5	- 52.7	- 0.9	-
- Reclassification to intangible fixed assets	-	-	-	- 2.2	-	- 2.2
- Depreciation	- 15.3	- 84.9	- 9.4	-	-	- 109.6
- Impairments and other value adjustments	- 10.2	- 29.5	- 0.3	-	-	- 40.0
- Exchange differences	2.4	1.9	0.3	-	-	4.6
BOOK VALUE AS AT 31 DECEMBER 2021	**242.5**	**413.0**	**37.5**	**228.7**	**8.4**	**930.1**
At cost as at 31 December 2021	524.8	1,536.1	131.6	228.7	28.6	2,449.8
Accumulated depreciation and impairments as at 31 December 2021	282.3	1,123.1	94.1	-	20.2	1,519.7

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The expected useful life and associated depreciation period is 10 to 40 years for the buildings, 10 to 20 years for the machinery and equipment and four years on average for the other tangible fixed assets. The insured value of the buildings, machinery, equipment and inventories is EUR 4.0 billion (2021: EUR 3.5 billion).

The group is the beneficial, not legal, owner of buildings with a book value of EUR 7.5 million (2021: EUR 8.3 million) and machinery and equipment with a book value of EUR 6.5 million (2021: EUR 7.1 million) under financial lease contracts.

An impairment of EUR 10 million was made at SVZ in 2021. Higher raw material, energy and other costs increased the amount of capital invested, chiefly on account of an increase in stock value. This in combination with lower than expected profitability in the years ahead, also on account of higher costs, resulted in an additional net impairment. Tangible fixed assets were written down by EUR 13.3 million, producing a deferred tax asset of EUR 3.3 million. The recoverable value is based on the cash flow forecast for 2022-2026. The business value is based on an improvement of approximately 50% in EBITDA in five years through growth in volume and thus turnover. The discount rate applied for taxes amounted to 8.7% in 2021. By way of indication of the estimation uncertainty, a EUR 0.1 million structural increase or decrease in the result has an impact of approximately EUR 1.1 million and a 0.1% change in the discount rate has an effect of approximately EUR 1.5 million on the value of assets.

SVZ reported a very good result in 2022. With a view to the partnership strategy, the carrying amount of fixed assets was assessed against their direct realisable value. To this end, the value of real estate was assessed. There was no cause for an additional impairment at year end 2022.

A net impairment of EUR 20.0 million was made at Duynie Ingredient B.V.'s ingredient factory in Cuyk in 2021. The gross impairment of the tangible fixed assets amounted to EUR 26.7 million and the deferred tax asset to EUR 6.7 million. The impairment was prompted by current market developments and actual realisation in the past year. The recoverable value is based on the cash flow forecast for 2022-2024. The discount rate applied for taxes is 8.5%. The business value is based on a recovery in the result through improved performance of the factory that started in 2021, growth in volume and thus a near doubling of turnover, and an improvement in the gross margin by more than 35%.

By way of indication of the estimation uncertainty, a EUR 0.1 million structural increase or decrease in the forecast result has an impact of approximately EUR 0.7 million and a 0.1% change in the discount rate has an impact of approximately EUR 0.3 million on the value of assets. In 2022 on the basis of an analysis carried out in accordance with the Guidelines for Annual Reporting in the Netherlands, there are no further indications of impairment and no indication that the impairment should be reversed. We have based this on the same principles as last year. Results are developing slightly higher than expected but there is still insufficient certainty that they will continue to do so and thus no reason to reverse the impairment.

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(3) Financial fixed assets

Movements in financial fixed assets were as follows:

	PARTICIPATING INTERESTS	RECEIVABLES FROM MEMBERS	DEFERRED TAX ASSETS	OTHER RECEIVABLES	TOTAL
Balance as at 1 January 2022	8.0	2.8	19.3	4.0	34.1
Movements:					
- Additions and issuances	0.5	1.3	-	1.2	3.0
- Repayments and releases	-	- 0.2	-	-	- 0.2
- Movements in favour of/ charged to the result	-	- 0.2	1.7	- 0.7	0.8
- Reclassified as short-term receivables	-	- 1.6	- 11.5	-	- 13.1
BALANCE AS AT 31 DECEMBER 2022	**8.5**	**2.1**	**9.5**	**4.5**	**24.6**

	PARTICIPATING INTERESTS	RECEIVABLES FROM MEMBERS	DEFERRED TAX ASSETS	OTHER RECEIVABLES	TOTAL
Balance as at 1 January 2021	6.8	6.0	10.7	20.1	43.6
Movements:					
- Additions and issuances	1.0	1.2	-	1.2	3.4
- Repayments and releases	-	- 0.3	-	- 0.8	- 1.1
- Movements in favour of/ charged to the result	-	-	8.6	-	8.6
- *Share in results of participating interests and* dividend received	0.2	-	-	-	0.2
- Reclassified as short-term receivables	-	- 4.1	-	- 16.5	- 20.6
BOOK VALUE AS AT 31 DECEMBER 2021	**8.0**	**2.8**	**19.3**	**4.0**	**34.1**

Participating interests

The participating interests relate, among other, to the non-consolidated interest in Aviko Kloosterboer Verpakkingen B.V. and in the Spanish potato specialities company Eurofrits, S.A. As significant influence can be exercised on these interests, they are stated based on net asset value.

The item participating interests includes an interest in a start-up collaborative venture fund to an amount of EUR 5.0 million. As no significant influence can be exercised, the interest is recognised at cost less any impairments in value.

Receivables from members

Non-interest-bearing receivables from members (EUR 2.1 million) relates to the net present value of the long-term portion of amounts still to be deposited for issued supply certificates (2021: EUR 2.8 million).

Deferred tax assets

The item deferred tax assets comprises the estimated value of available tax loss carry-forwards and timing differences between the valuation of assets for tax purposes and for accounting purposes.
The full amount of the deferred tax asset EUR 1.6 million (2021: EUR 6.6 million) is expected to be settled within one year. The tax loss carry-forwards, insofar as they are not included in the balance sheet under deferred tax assets, amounts to EUR 10.6 million gross (2021: EUR 9.5 million).

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Other receivables
Other receivables include a loan and equipment placed by Cosun and being repaid by suppliers pro rata products supplied.

(4) Inventories

	31-12-2022	31-12-2021
Finished products and goods for resale	716.6	554.5
Land	6.4	9.8
Raw materials and consumables	115.9	91.0
	838.9	**655.3**

Of the inventories EUR 19.9 million (2021: EUR 25.0 million) is stated at lower recoverable amount. The downward valuation charged to the profit and loss account amounts to EUR 8.1 million (2021: EUR 6.0 million).

The provision for obsolete inventories amounts to EUR 5.3 million (2021: EUR 5.6 million). The land included in inventory relates to grounds being developed for business park AFC Nieuw Prinsenland near Dinteloord. The fair value of this land, depending on its quality and location, amounts to at least EUR 26 million.

Inventories with a carrying value of EUR 3.4 million (2021: EUR 1.9 million) have been pledged as security to a bank.

(5) Trade and other receivables

	31-12-2022	31-12-2021
Trade accounts receivable	395.0	285.2
Receivable from participating interests	8.8	4.6
Receivables from members	1.6	4.2
Income tax receivable	2.2	1.4
Other tax receivables	47.9	41.2
Other receivables, prepayments and accrued income	60.9	79.0
	516.4	**415.6**

Trade accounts receivable
Trade accounts receivable are carried net of a provision deemed necessary for uncollectibility. The provision for uncollectibility amounts to EUR 4.6 million (2021: EUR 3.5 million).

Other receivables, prepayments and accrued income
This item relates to amounts receivable of EUR 47.8 million (2021: EUR 67.7 million) and advance payments of EUR 13.1 million (2021: EUR 11.2 million).

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(6) Cash and cash equivalents

An amount of EUR 2.2 million (2021: EUR 2.7 million) is not available on demand.

(7) Capital and reserves

For a breakdown of capital and reserves, please refer to the notes to the cooperative annual accounts.

The consolidated statement of total recognised gains and losses is as follows:

	2022	2021
Net result	75.7	7.7
Translation differences on foreign participating interests	- 1.2	3.2
Total result recognised by Cosun	**74.5**	**10.9**

(8) Minority interests

	2022	2021
Balance as at 1 January	17.8	17.5
Movements:		
- Share in results	3.6	2.6
- Capital movements and change in consolidation	0.4	- 3.7
- Dividend paid to minority interests and liquidation distributions	- 3.1	- 0.2
- Exchange differences and other movements	- 0.5	1.6
BALANCE AS AT 31 DECEMBER	**18.2**	**17.8**

The minority interest consists principally of third-party shares held in the potato processing factory Gansu Aviko Potato Processing Co. Ltd., Rain Biomasse Wärme GmbH and Eemshaven Sugar Terminal C.V.

(9) Provisions

	31-12-2022	31-12-2021
Deferred tax liabilities	12.1	19.8
Environmental and soil storage provisions	14.2	16.0
Pensions and other deferred employee benefits	17.1	19.7
Onerous contracts	3.6	4.8
Other provisions	1.7	2.0
	48.7	**62.3**

Of the provisions an amount of EUR 34.0 million (2021: EUR 43.8 million) has an expected term of more than one year.

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Movements in provisions were as follows:

	DEFERRED TAX LIABILITIES	ENVIRONMENTAL AND SOIL STORAGE PROVISION	PENSIONS AND OTHER DEFERRED EMPLOYEE BENEFITS	ONEROUS CONTRACTS	OTHER PROVISIONS	TOTAL
Balance as at 1 January 2022	19.8	16.0	19.7	4.8	2.0	62.3
Movements:						
- Reclassification	- 11.5	-	-	-	-	- 11.5
- Change in discount rate	-	- 2.3	- 4.3	-	-	- 6.6
- Additions	-	6.3	5.5	3.6	1.1	16.5
- Withdrawals	- 0.2	- 5.5	- 4.7	- 4.7	- 0.5	- 15.7
- Mutation to profit and loss account	4.0	- 0.2	0.9	- 0.1	- 0.9	3.7
BALANCE AS AT 31 DECEMBER 2022	**12.1**	**14.2**	**17.1**	**3.6**	**1.7**	**48.7**

Movements in the result relate mainly to releases from the items concerned.

Deferred tax liabilities

The provision for deferred tax liabilities arises from the timing differences between fiscal and commercial profit determination. Of the deferred tax liabilities, EUR 10.6 million (2021: EUR 16.8 million) are long term in nature. The provision for deferred tax liabilities is carried at face value.

Environmental and soil storage provisions

Environmental provisions have been formed mainly for risks relating to the demolition of assets, obligations to dispose of tare soil and other environmental risks.

Pensions and other deferred employee benefits

Several pension plans and other deferred employee benefits apply within Cosun. The life-long pension plans for the employees of Cosun Holding B.V., Coöperatie Cosun (including Cosun Beet Company) and Sensus B.V. are administered by the Cosun occupational pension fund.

OCCUPATIONAL PENSION FUND	ESTIMATED COVERAGE AS AT 31-12-2022	BASIC FEATURES PENSION SYSTEM 31-12-2022
Pension fund Cosun	127.5	Average salary scheme

The policy funding ratio is 128.6%.

The occupational pension fund has conditional indexation for inactive employees.

The pension scheme is based on a fixed contribution and average salary with conditional indexation. The employer has guaranteed the accrual and indexation of the assets for the members of the Cosun Pension Fund to the end of 2023 in so far as they cannot be funded from the contribution. The guarantee relates to 1.2% for the period to the end of 2023.

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As at 1 January 2023, an additional indexation commitment was recognised for active employees. Dutch reporting guidelines provide for the optional recognition of a provision for future years. A provision has not been formed for years in which there is no indexation commitment.

A number of schemes have also been implemented within an industrial-sector pension fund or own management (long service award and mortality schemes) by the company concerned. In the implementation of these various schemes, local legal frameworks are taken into account and the regulations are carried out as described in the terms and conditions of employment.

The main actuarial assumptions were:

	2022	2021
Discount rate	4.5%	1.0%
Future salary increases	2.1%	2.0%

The Cosun pension fund applies the AG2022 projection table (2021: AG2020), adjusted for age and income-related correction factors based on the Sprenkels & Verschuren model as its mortality table. The 2019 Mercer Model had been applied in 2021 (correction table 'High' and 'High – Average').

The value as at acquisition date and subsequent development of the pension provision and pension assets of the former and current defined benefit pension schemes for the current and former personnel of the activities acquired from Pfanni GmbH & Co. OHG Stavenhagen are not carried in the balance sheet in so far as they relate to past service commitments. This is because the selling party has stood guarantor for these commitments by means of a collateral agreement.

Onerous contracts

The provision for onerous contracts relates to sales contracts where the cost of sales is higher than the selling price and fulfilment of the contract cannot be avoided.

Other provisions

Other provisions include a reorganisation / restructuring provision to an amount of EUR 0.1 million (2021: EUR 0.8 million).

The discount rate to calculate the future cash flows applied for is 4.0% to 4.5% depending on the term (2021: 0.5% to 1.0% depending on the term).

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(10) Non-current liabilities

	31-12-2022	EFFECTIVE INTEREST RATE	31-12-2021	EFFECTIVE INTEREST RATE
Debts to institutional investors	80.0	4.0%	-	-
Debts to credit institutions	12.9	5.7%	5.7	5.2%
Debts to members	16.5	2.2%	17.4	2.2%
Negative goodwill	14.6	-	16.9	-
Lease obligations	14.4	6.0%	15.4	5.8%
Taxes and social insurance contributions	0.2	0.0%	4.5	0.0%
Other liabilities	3.0	0.0%	3.2	0.0%
	141.6		**63.1**	

Movements in non-current liabilities were as follows:

	DEBTS TO INSTITUTIONAL INVESTORS	DEBTS TO CREDIT INSTITUTIONS	DEBTS TO MEMBERS	NEGATIVE GOODWILL	LEASE OBLIGATIONS	TAXES AND SOCIAL INSURANCE CONTRI-BUTIONS	OTHER LIABILITIES	TOTAL
As at 1 January 2022	-	5.7	17.4	16.9	15.4	4.5	3.2	63.1
Movements:								
- Additions	80.0	7.2	-	-	-	-	-	87.2
- Releases	-	-	- 0.9	-	- 1.7	- 4.3	- 0.2	- 7.1
- Amortisation	-	-	-	- 2.3	0.7	-	-	- 1.6
AS AT 31 DECEMBER 2022	**80.0**	**12.9**	**16.5**	**14.6**	**14.4**	**0.2**	**3.0**	**141.6**

Debts to institutional investors

Debts to institutional investors consist entirely of loans contracted with Dutch, German, French, Spanish and American financial parties. As at year end 2022, loans had been contracted in the form of EU PP to an amount of EUR 60 million and Schuldschein to an amount of EUR 145 million. As at 31 December 2022, EUR 80 million of the Schuldschein loan had been deposited. The remainder of the Schuldschein loan and the EU PP will become available in 2023. The loans have terms of between 3 and 10 years. Repayments will be made on the Schuldschein loan in 2025, 2027 and 2029 and on the EU PP in 2030 and 2033. The loans are subordinated to the financing arrangement with the banking syndicate. An amount of EUR 66.5 million has a term of more than 5 years. Interest payable on the Schuldschein loan is based on Euribor plus a surcharge; interest is payable on the EU PP at a fixed rate plus a surcharge. The main condition for the provision of these loans is a leverage ratio that net debt may not amount to more than 4 times EBITDA. Aviko B.V., Aviko Belgium N.V., Duynie B.V., Duynie Ingrediënts B.V., Rixona B.V., Sensus B.V. and Cosun Beet Company GmbH & Co. KG stand guarantee for the debts arising from the Schuldschein loan and the EU PP. As at 31 December 2022, Cosun satisfied the agreed covenants.

Debts to credit institutions

Non-current liabilities to credit institutions have a remaining term of 1 to 3 years. None of the non-current liabilities bears variable interest.

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Debts to members

Debts to members relate to the members' loan programme introduced in 2015. Members of Cosun can loan to Cosun part of the payments which they receive from Cosun. The loan has a fixed interest rate and a term between 2 and 5 years. The loans are subordinated to other creditors.

Negative goodwill

The negative goodwill, relating to acquisitions is released to the result based on the weighted average remaining life of the acquired depreciable assets.

Lease obligation

This item relates chiefly to lease obligations in respect of a distribution centre, a groundwater treatment plant and a solar park. An amount of EUR 8.2 million has a term of more than 5 years.

Other liabilities

Other liabilities relate mainly to advance lease payments received. An amount of EUR 1.7 million has a term of more than five years.

(11) Current liabilities

	31-12-2022	31-12-2021
Debts to credit institutions	17.7	31.2
Financing debt	200.7	160.6
Debts to members	8.9	6.7
Total debts to credit institutions and financing debt	**227.3**	**198.5**
Payables to members	129.1	105.3
Payables to suppliers and trade creditors	429.0	303.9
Debts to participating interests	2.6	2.5
Corporation tax payable	27.2	8.8
Other taxes and social security charges payable	9.9	9.0
Other current liabilities and accruals	232.0	188.7
Total other current liabilities, accruals and deferrals	**829.8**	**618.2**

Debts to credit institutions and financing debt

Debts to credit institutions and debts of a financing nature relate to the current portion with a term of up to 1 year of the financing concerned.

The Revolving Credit Facility (RCF) with a banking syndicate amounts to EUR 400 million, with a term until March 2026. As at year end 2022, EUR 201 million had been drawn down (year end 2021: EUR 161 million). Interest is based on Euribor plus a surcharge. The main condition for the provision of these loans is a leverage ratio that net debt may not amount to more than 4 times EBITDA. Aviko B.V., Aviko Belgium N.V., Duynie B.V., Duynie Ingrediënts B.V., Rixona B.V., Sensus B.V. and Cosun Beet Company GmbH & Co. KG stand guarantee for the debts arising from the Schuldschein loan and the EU PP. As at 31 December 2022, Cosun satisfied the agreed covenants.

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Debts to members

Debts to members of a financing nature relate to the current portion of the members' loan programme, amounting to EUR 8.9 million (2021: EUR 6.7 million). Debts to members included under other liabilities and deferrals relate to beet supplied and debt payable in respect of the members' bonus, amounting to EUR 129.1 million (2021: EUR 105.3 million).

Other liabilities accruals and deferrals

Other liabilities and deferrals relate to interest payable to an amount of EUR 0.2 million (2021: EUR 0.9 million), leave entitlements to an amount of EUR 22.8 million (2021: EUR 33.8 million), bonuses to an amount of EUR 5.9 million (2021: EUR 5.2 million), advance payments received to an amount of EUR 3.9 million (2021: EUR 3.6 million) and other costs payable to an amount of EUR 199.2 million (2021: EUR 145,2 million).

(12) Derivative financial instruments

General

Cosun's treasury policy is aimed at hedging exchange and interest rate risks as much as possible. The exchange rate risk on financing contracts in foreign currency regarding group companies is hedged by currency swaps. Cosun neither holds nor issues derivatives for trading purposes.

Exchange rate risk and liquidity risk

Periodically, liquidity budgets are drawn up. Liquidity risks are managed through interim monitoring and possibly adjusted. The group's currency risk also runs through sell and purchase transactions that take place in a local currency than the reporting currency of the group. To hedge this currency risk, the group has the policy to enter into forward exchange agreements.

The following table shows the contract volumes and fair market value of the contracts outstanding at 31 December all of which have been concluded with financial institutions with a short term credit rating of A2 or higher.

	CONTRACT VOLUME 31-12-2022	BOOK VALUE 31-12-2022	FAIR MARKET VALUE 31-12-2022	CONTRACT VOLUME 31-12-2021	BOOK VALUE 31-12-2021	FAIR MARKET VALUE 31-12-2021
Forward exchange contracts and currency swaps:						
US dollar	- 146.9	0.7	- 0.3	- 142.4	- 0.5	- 5.9
Pound sterling	- 89.2	0.5	3.1	- 98.9	- 0.3	- 1.9
Polish zloty	12.1	0.2	0.4	15.9	-	0.1
Swedish crown	- 4.6	0.1	0.2	- 11.5	-	0.1
Australian dollar	- 12.4	0.1	0.5	- 5.0	- 0.1	- 0.3
Canadian dollar	1.3	-	- 0.1	1.4	-	-
Russian rouble	- 0.7	-	0.1	-	-	-
TOTAL	**- 240.4**	**1.6**	**3.9**	**- 240.5**	**- 0.9**	**- 7.9**

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The contract volume is the product of the contracted amount and applicable exchange rate as at the balance sheet date. The book value is the part of the contract volume for which the hedged position has resulted in a financial active or financial liability, and is carried as the difference between the exchange rate as at balance sheet date and the hedged exchange rate. The fair value pertains to the total contract volume.

As in the previous year, the forward exchange contracts and currency swaps have mainly a term shorter than one year. The contract volume with a term longer than one year amounts to EUR 11.0 million (2021: EUR 67.7 million).

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows from a financial instrument fluctuate as a result of movements in market interest rates. The exposure to the cooperative due to fluctuations in market interest rates relates chiefly to the variable interest rate payable on the cooperative's long-term obligations. The cooperative manages its interest rate risk by means of a balanced portfolio of loans with fixed and variable rates. The cooperative has set itself the goal of holding 50% to 100% of its loans at fixed interest rates. To this end, the cooperative concludes interest rate swaps.

As at year end the cooperative had several outstanding interest rate swaps. The interest rate swaps serve to hedge the cooperative's exposure to interest rate and cash flow risks. The swaps have terms of between 5 and 7 years. The critical characteristics of the swap do not agree with those of the loan in part because the principal, interest rate and duration are not entirely consistent with each other. An explanatory note on this loan is given in the notes to non-current liabilities.

As at year end, Cosun had a quantitative ineffectivity measurement performed by comparing movements in the fair value of a hypothetical derivative (perfect match with the hedged position) with movements in the fair value of the derivative actually held in order to determine whether there was an ineffective part in the interest rate swap. The quantitative analysis of the hedge and the dynamic and timing of the investment forecast indicate that the hedge is effective.

Interest rate swaps have a positive fair value of EUR 26.0 million (2021: EUR nil) and a carrying value of nil (2021: nil). The fair value consists for EUR 9.2 million (2021: nil) of the ineffective part of the hedge and for EUR 16.8 million (2021: nil) of the effective part. As cost price hedging is applied and the interest rate swaps have a positive cumulative value, they are not recognised in the profit and loss account.

Price risk

	BOOK VALUE 31-12-2022	FAIR MARKET VALUE 31-12-2022	BOOK VALUE 31-12-2021	FAIR MARKET VALUE 31-12-2021
Commodity futures contracts	-	- 32.5	-	29.2
Listed futures contracts	-	3.8	-	- 5.3
Emission allowances	-	-	-	-

As in the previous year, most commodity futures contracts had a term of less than one year. Some of these contracts had not been exercised as at 31 December 2021. Margin calls of EUR 2.7 million apply to the listed futures contracts (2021: EUR 5.3 million).

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Credit risk
Credit risks differ by country and individual counterparty and are managed by means of credit limits for each country and counterparty. The counterparty risk attaching to derivatives and other financial instruments is managed by means of contracts with financial institutions and counterparties with long-term ratings of at least A and short-term ratings of at least A2 or equivalent. There are no significant concentrations of credit risk within the group.

(13) Off balance sheet arrangements and obligations

Commitments securities provided
Financing agreements include negative pledges with pari passu clauses. A number of group companies have given security to credit institutions and tax authorities in the form of non-possessory pledges on inventories, machinery and business equipment, silent pledges on receivables and mortgages on a number of properties.

Claims
Cosun and/or its group companies are involved in a number of legal cases in connection with the group's ordinary activities. Although the outcome of these disputes cannot be predicted with any certainty, it is estimated – partly on the basis of legal advice – that the total obligations arising from these will not have any significant effect on the consolidated financial position. Provisions have been formed for all third party claims likely to be awarded for which the size of the potential settlement can be reasonably estimated.

Guarantees
Cosun has given guarantees to third parties to an amount of EUR 71.7 million (2021: EUR 44.4 million).

Long-term financial commitments
Long-term unconditional commitments have been entered into in respect of rent and operating lease. The obligations ensuing from this amount to EUR 23.4 million (2021: EUR 24.1 million). The rental and lease instalments payable within one year amount to EUR 10.5 million (2021: EUR 9.3 million). Instalments payable after five years amount to EUR 0.1 million (2021: EUR 0.1 million). Contingent investment liabilities amount to EUR 68.5 million (2021: EUR 49.5 million).

(14) Net turnover
The break-down of net turnover per product group is as follows:

	2022	%	2021	%
Sugar activities	951.8	31.3	777.5	34.0
Potato activities	1,298.4	42.6	906.6	39.6
Other activities	796.7	26.1	602.6	26.4
TOTAL	**3,046.9**	**100.0**	**2,286.7**	**100.0**

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Net turnover per geographical region can be broken down as follows:

	2022	%	2021	%
The Netherlands	795.5	26.1	674.1	29.5
Rest of the EU	1,488.8	48.8	1,034.8	45.3
Rest of Europe	303.3	10.0	225.2	9.8
North and South-America	200.9	6.6	146.3	6.4
Rest of the world	258.4	8.5	206.3	9.0
TOTAL	**3,046.9**	**100.0**	**2,286.7**	**100.0**

(15) Other operating income

Other operating income includes book profits on the sale of assets to an amount of EUR 0.6 million (2021: EUR 0.4 million), reimbursements received for services to third parties, rental income and subsidies received to an aggregate amount of EUR 3.3 million (2021: EUR 3.5 million).

A significant amount of other operating income in 2021 and 2022 was non-recurrent. It related to the sale of parts of the site around the former sugar factory in Puttershoek and land at AFC Nieuw Prinsenland to an amount of EUR 13.4 million (2021: EUR 13.4 million), compensation for energy expenses in Germany and the sale of CO_2 allowances to an amount of EUR 9.6 million (2021: nil).

(16) Cost of raw materials and consumables

This item includes the cost of raw materials and consumables, purchased finished goods and production-related energy costs. Sugar beet purchases from members amounted to EUR 326.4 million (2021: EUR 265.5 million). This amount includes EUR 84.6 million payable as members' bonus (2021: EUR 47.0 million).

(17) Cost of outsourced work and other external costs

This expense item includes, among other things, rental costs, research costs, repair and maintenance costs, indirect energy costs, transport costs, office expenses, selling expenses, insurance costs and IT costs, insofar as such expenses are charged by third parties.

The total Research & Development costs, including employee costs, amounted to EUR 19.1 million (2021: EUR 19.3 million).

(18) Wages and salaries and social security charges

Wages and salaries

Wages and salaries amounted to EUR 255.1 million (2021: EUR 236.0 million). The increase was a direct consequence of the increase in personnel.

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Number of employees

Expressed in full-time equivalents, the average number of employees at Cosun during the 2022 financial year was 4,558 (2021: 4,407). The employees were engaged in the following product groups (average number of employees):

	2022	2021
Sugar activities	916	900
Potato activities	2,415	2,299
Other activities	1,227	1,208
TOTAL	**4,558**	**4,407**
Of whom employed outside the Netherlands	2,269	2,205

Social security charges

	2022	2021
Social security charges	45.4	40.7
Pension costs	38.4	36.8
	83.8	**77.5**

(19) Impairments and other movements in value of intangible fixed assets

In 2022 the impairment on tangible fixed assets amounts to EUR 0.5 million negative (2021: EUR 42.9 million negative). For more information see note 1 and 2.

(20) Financial income and expense

Financial income and expenses include interest on interest bearing receivables and debts.

(21) Taxation on results from ordinary activities

The corporate income tax disclosed in the profit and loss account amounts to EUR 30.1 million (2021: EUR 0.7 million) on a result of EUR 109.3 million (2021: EUR 4.3 million negative). The effective tax rate was 27.6% (2021: 16.2% negative).

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The difference from the nominal tax rate can be specified as follows:

	2022	%	2021	%
Profit before taxation	109.3		- 4.3	
Income tax based on Dutch tax rates	28.2	25.8	- 1.1	25.0
Effect of foreign tax rates	- 0.9	- 0.8	- 1.0	23.0
Non-deductible charges / permanent differences	3.8	3.5	1.0	- 23.0
Effect of change in valuation of tax losses, assets or temporarily differences	- 0.3	- 0.3	0.3	- 6.9
Adjustment for prior periods	- 0.8	- 0.7	0.4	- 9.3
Other	0.1	0.0	1.1	- 25.0
TOTAL TAX BURDEN	**30.1**	**27.5**	**0.7**	**- 16.2**

The effect of change in the valuation of losses in 2022 (and 2021) was due largely to the losses of foreign entities not being valued. Non-deductible amounts / permanent differences relate mainly to the non-deductible part of the members' bonus, participation exemption, exempt profit components and the amortisation of goodwill.

(22) Fees of the auditor

The following fees have been charged by Ernst & Young Accountants LLP to the company, its subsidiaries and other consolidated companies, as referred to in article 2:382a (1 and 2) of the Dutch Civil Code.

In the year 2022 the following fees were charged to the company:

	ERNST & YOUNG ACCOUNTANTS LLP	OTHER ERNST & YOUNG NETWERK	TOTAL ERNST & YOUNG
Audit of the financial statements	0.9	0.4	1.3
Tax advisory services	-	0.3	0.3
Other non-audit services	0.1	-	0.1
TOTAL	**1.0**	**0.7**	**1.7**

In 2021 zijn de volgende honoraria ten laste gebracht van de onderneming:

	ERNST & YOUNG ACCOUNTANTS LLP	OTHER ERNST & YOUNG NETWERK	TOTAL ERNST & YOUNG
Audit of the financial statements	0.8	0.3	1.1
Other assurance services	0.1	-	0.1
Tax advisory services	-	0.2	0.2
Other non-audit services	-	0.1	0.1
TOTAL	**0.9**	**0.6**	**1.5**

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The total audit fee is based on the total fee for the audit of the annual accounts for the financial year covered by the annual accounts, regardless of whether the work performed by the external auditor and the audit firm was carried out during that financial year.

(23) Cash flow statement

Movements in the cash flow statement can be derived largely from the movements in the relevant balance sheet items. The balance sheet movement and the cash flow statement movement of certain items are reconciled below:

	WORKING CAPITAL	PROVISIONS	LONG-TERM LIABILITIES
Balance as at 1 January 2022	452.7	- 62.3	- 63.1
Balance as at 31 December 2022	525.5	- 48.7	- 141.6
Balance sheet movements	- 72.8	- 13.6	78.5
Adjustments for:			
- Changes in income tax	- 18.3	7.7	-
- Amortisation of negative goodwill	-	-	2.3
- Reclassification to current receivables from financial fixed assets	1.6	-	-
- Payable on call-put option for minority interest in participating interest	0.1	-	-
- Investment creditors unpaid	- 1.5	-	-
- Interest payable	0.7	-	-
CASH FLOW	**- 90.1**	**- 5.9**	**80.8**

(24) Subsequent events

In accordance with article 42, paragraph 1 of the Articles of Association, the Board decided on 25 January 2023 to charge EUR 150.3 million to the 2023 financial year. This amount will be distributed to those persons who were members of the cooperative at the beginning of the financial year and to the heirs who continued an ongoing supply agreement as legal successor of a member during the financial year in question, such in accordance with the quantity of beet supplied by them on the allocated supply certificates during the allocation year concerned and in accordance with the method of payment laid down in the Sugar Beet Regulations.

In mid-January 2023, Mongolia Hongyuan Agriculture Technology Company Limited informed Aviko Holding B.V. that it would exercise its unconditional put option to sell its 10% interest in Inner Mongolia Aviko Hongyuan Food Co. Ltd. to Aviko. An agreement on this was signed on 7 April 2023. The option will be exercised at a price higher than that agreed in the original contract and higher than the carrying value in Cosun's balance sheet. The impact will be limited.

On 20 March 2023, the participating interest Aviko Norden Fastighets AB was disposed of. This transaction realised a modest book profit.

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Cooperative balance sheet

(after profit appropriation; in EUR million)

	Notes	31-12-2022	31-12-2021
ASSETS			
Fixed assets			
Intangible fixed assets	(25)	25.0	30.9
Tangible fixed assets	(26)	229.4	237.0
Financial fixed assets	(27)	924.7	834.3
		1,179.1	1,102.2
Current assets			
Inventories	(28)	350.9	292.4
Trade and other receivables	(29)	465.1	409.9
Cash and cash equivalents		100.9	40.9
		916.9	743.2
Total assets		2,096.0	1,845.4
EQUITY AND LIABILITIES			
Shareholders' equity	(30)		
Capital		36.0	36.0
Share premium		32.3	32.3
Reserve for participating interests		13.9	11.6
Reserve for exchange differences		-3.1	- 1.9
Statutory reserve		8.0	2.0
Other reserves		1,252.4	1,185.9
		1,339.5	1,265.9
Provisions	(31)	21.8	25.9
Non-current liabilities	(32)	110.0	36.2
Current liabilities	(33)		
Current liabilities to credit institutions and financing debt		200.4	160.3
Other current liabilities, accruals and deferrals		424.3	357.1
		624.7	517.4
Total equity and liabilities		2,096.0	1,845.4

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Cooperative profit and loss account

(in EUR million)

FOR THE FINANCIAL YEAR	2022	2021
Cooperative result after taxation	6.6	- 6.0
Profit of participating interests after taxation	69.1	- 1.6
NET RESULT	**75.7**	**- 7.6**
APPROPRIATION OF PROFIT IN ACCORDANCE WITH ARTICLE 1 OF THE SUGAR BEET DELIVERY PAYMENT REGULATIONS		
Result of participating interests less dividends received	40.5	- 14.4
Cooperative result including dividends from participating interests	35.2	6.8

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Notes to the cooperative annual accounts

(in EUR million)

General

Insofar as notes on items in the cooperative balance sheet and profit and loss account are not provided below, reference is made to the notes to the consolidated balance sheet and profit and loss account.

Accounting policies

The cooperative balance sheet and profit and loss account are prepared using the same accounting policies as applied for the consolidated balance sheet and profit and loss account.

(25) Intangible fixed assets

Movements in intangible fixed assets were as follows:

	GOODWILL	OTHER INTANGIBLE FIXED ASSETS	TOTAAL
At cost as at 1 January 2022	174.6	5.8	180.4
Accumulated amortisation and other changes in value as at 1 January 2022	146.2	3.3	149.5
BOOK VALUE AS AT 1 JANUARY 2022	**28.4**	**2.5**	**30.9**
Movements:			
- Investments	-	1.0	1.0
- Divestments	- 0.1	- 1.4	- 1.5
- Amortisation	- 5.2	- 0.2	- 5.4
BOOK VALUE AS AT 31 DECEMBER 2022	**23.1**	**1.9**	**25.0**
At cost as at 31 December 2022	174.5	5.4	179.9
Accumulated amortisation and other changes in value as at 31 December 2022	151.4	3.5	154.9

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(26) Tangible fixed asset

Movements in tangible fixed were as follows:

	LAND AND BUILDINGS	MACHINERY AND EQUIPMENT	OTHER TANGIBLE FIXED ASSETS	PREPAYMENTS AND IN PRODUCTION	NOT USED FOR OPERATIONS	TOTAL
At cost as at 1 January 2022	166.3	593.2	31.7	10.5	7.7	809.4
Accumulated depreciation and other changes in value as at 1 January 2022	92.0	456.5	23.9	-	-	572.4
BOOK VALUE AS AT 1 JANUARY 2022	**74.3**	**136.7**	**7.8**	**10.5**	**7.7**	**237.0**
Movements:						
- Investments	4.1	19.1	2.2	8.6	0.1	34.1
- Disposals	-	- 0.2	-	- 0.4	-	- 0.6
- Depreciation	- 5.0	- 33.8	- 2.3	-	-	- 41.1
- Transfer	0.7	8.8	- 0.3	- 9.2	-	-
BOOK VALUE AS AT 31 DECEMBER 2022	**74.1**	**130.6**	**7.4**	**9.5**	**7.8**	**229.4**
At cost as at 31 December 2022	171.1	620.9	33.6	9.5	7.8	842.9
Accumulated depreciation and other changes in value as at 31 December 2022	97.0	490.3	26.2	-	-	613.5

	LAND AND BUILDINGS	MACHINERY AND EQUIPMENT	OTHER TANGIBLE FIXED ASSETS	PREPAYMENTS AND IN PRODUCTION	NOT USED FOR OPERATIONS	TOTAL
At cost as at 1 January 2021	163.3	569.4	26.8	4.5	5.8	769.8
Accumulated depreciation and other changes in value as at 1 January 2021	87.3	421.3	22.1	-	-	530.7
BOOK VALUE AS AT 1 JANUARY 2021	**76.0**	**148.1**	**4.7**	**4.5**	**5.8**	**239.1**
Movements:						
- Investments	3.7	22.5	4.9	7.3	6.3	44.7
- Disposals	- 0.7	-	-	-	- 4.4	- 5.1
- Depreciation	- 4.7	- 35.2	- 1.8	-	-	- 41.7
- Transfer	-	1.3	-	- 1.3	-	-
BOOK VALUE AS AT 31 DECEMBER 2021	**74.3**	**136.7**	**7.8**	**10.5**	**7.7**	**237.0**
At cost as at 31 December 2021	166.3	593.2	31.7	10.5	7.7	809.4
Accumulated depreciation and other changes in value as at 31 December 2021	92.0	456.5	23.9	-	-	572.4

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(27) Financial fixed assets

	31-12-2022	31-12-2021
Participating interests in group companies	329.1	294.1
Receivables from group companies	36.3	530.8
Receivables from members	2.1	2.8
Deferred tax assets	0.8	5.4
Other receivables	1.4	1.2
	369.7	**834.3**

Movements in financial fixed assets were as follows:

	PARTICIPATING INTERESTS IN GROUP COMPANIES	RECEIVABLES FROM GROUP COMPANIES	RECEIVABLES FROM MEMBERS	DEFERRED TAX ASSETS	OTHER RECEIVABLES	TOTAL
Balance as at 1 January 2022	294.1	530.8	2.8	5.4	1.2	834.3
Movements:						
- Share in result of participating interests	64.9	-	-	-	-	64.9
- Additions and issuances	-	90.6	1.3	0.4	0.7	93.0
- Repayments and releases	- 0.1	- 0.2	- 2.0	- 5.3	- 0.5	- 8.1
- Dividend	- 28.6	-	-	-	-	- 28.6
- Exchange results	- 1.2	-	-	-	-	- 1.2
- Reclassification to current	-	- 29.9	-	0.3	-	- 29.6
BALANCE AS AT 31 DECEMBER 2022	**329.1**	**591.3**	**2.1**	**0.8**	**1.4**	**924.7**

	PARTICIPATING INTERESTS IN GROUP COMPANIES	RECEIVABLES FROM GROUP COMPANIES	RECEIVABLES FROM MEMBERS	DEFERRED TAX ASSETS	OTHER RECEIVABLES	TOTAL
Balance as at 1 January 2021	302.2	495.0	6.0	7.3	1.4	811.9
Movements:						
- Share in result of participating interests	- 1.6	-	-	-	-	- 1.6
- Additions and issuances	3.2	61.0	1.2	-	-	65.4
- Repayments and releases	-	- 0.2	- 0.2	-	- 0.2	- 0.6
- Dividend	- 12.8	-	-	-	-	- 12.8
- Exchange results	3.1	-	-	-	-	3.1
- Movements in favour of / charged to the profit and loss account	-	-	-	- 1.9	-	- 1.9
- Reclassification to current	-	- 25.0	- 4.2	-	-	- 29.2
BALANCE AS AT 31 DECEMBER 2021	**294.1**	**530.8**	**2.8**	**5.4**	**1.2**	**834.3**

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Participating interests in group companies

Cosun Beet Company GmbH & Co. KG is a subsidiary of Coöperatie Koninklijke Cosun U.A. and is included in the consolidated financial statements of Royal Cosun as of 31 December 2022. Cosun Beet Company GmbH & Co. KG uses the exemption to prepare, audit and disclose the financial statement in accordance with article 264b German Commercial Code.

Receivables from group companies

As at year-end 2022 the balance related mainly to long-term loans granted to Cosun Holding (EUR 295 million), Rixona Venray B.V. (EUR 30 million), Sensus B.V. (EUR 5 million), Duynie Holding (EUR 35 million), Duynie Ingredients B.V. (EUR 10 million), Aviko Holding B.V. (EUR 60 million), Aviko B.V. (EUR 55 million), Aviko Belgium N.V. (EUR 80 million), Aviko Deutschland (EUR 15 million), Stichting IRS (EUR 0.8 million) and Cosun Strategic Ventures B.V. (EUR 5.4 million). As at year end 2022, the loan to SVZ International (EUR 30 million) was recognised as a current receivable as the on agreement will end in 2023.

Receivables from members

The non-interest bearing receivables from members (EUR 2.1 million) relates to the market value of the long-term portion of amounts still to be deposited for issued supply certificates (2021: EUR 2.8 million).

Other receivables

The other receivables relate to capitalised costs for the conclusion of a financing agreement expiring in March 2026.

(28) Inventories

	31-12-2022	31-12-2021
Finished products and goods for resale	330.4	271.1
Land	6.4	9.7
Raw materials and consumables	14.1	11.6
	350.9	**292.4**

The land inventory relates to land under development for the AFC Nieuw Prinsenland business park in Dinteloord. The valuation of inventories, finished products and goods for resale takes account of slow moving stocks. The provision for slow moving stocks amounts to EUR 1.6 million (2021: EUR 1.5 million). Inventory is recognised at lower market value to an amount of EUR 0.7 million (2021: EUR 1.7 million). An amount of EUR 1.0 million (2021: nil) was taken to the profit and loss account in 2022.

(29) Trade and other receivables

	31-12-2022	31-12-2021
Trade accounts receivable	125.2	79.7
Receivables from group companies	848.8	280.3
Short-term portion of amount still to be paid up for issued shares	1.6	4.2
Other tax receivables	19.8	19.4
Advance payments	2.1	6.2
Amounts to be invoiced	4.4	9.0
Other receivables and accrued income	18.2	11.1
	1,020.1	**409.9**

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(30) Capital and reserves

Issued capital and share premium

	SUPPLY CERTIFICATES	SHARE PREMIUM	TOTAL 2022	TOTAL 2021
Balance as at 1 January	36.0	32.3	68.3	68.3
Movements:				
- Issued supply certificates	1.3	-	1.3	1.3
- Redeemed and withdrawn supply certificates	- 1.3	-	- 1.3	- 1.3
BALANCE AS AT 31 DECEMBER	**36.0**	**32.3**	**68.3**	**68.3**

The total number of supply certificates in issue amounts to 6,543,718 (2020: 6,543,735), with a face value of EUR 5.50 per certificate. Under Reporting Guideline 620, EUR 1.1 million (2021: EUR 1.2 million) is recognised in the consolidated accounts as debt capital. The share premium reserve is recognised in full as paid-up capital for tax purposes.

Statutory reserves, other reserves and results

	RESERVE FOR PARTICIPATING INTERESTS	RESERVE FOR EXCHANGE DIFFERENCE	STATURORY RESERVE	OTHER RESERVES	TOTAL 2022	TOTAL 2021
Balance as at 1 January	11.6	- 1.9	2.0	1,185.9	1,197.6	1,204.0
Movements:						
- Profit appropriation	-	-	-	75.7	75.7	- 7.6
- Paid to members	-	-	-	- 0.9	- 0.9	- 2.0
- Additions	-	-	6.0	- 6.0	-	-
- Exchange differences	-	- 1.2	-	-	- 1.2	3.2
- Transfer	2.3	-	-	- 2.3	-	-
BALANCE AS AT 31 DECEMBER	**13.9**	**- 3.1**	**8.0**	**1,252.4**	**1,271.2**	**1,197.6**

Reserve for participating interests

The reserve for participating interests is that part of movements in equity that are not freely disposable as from the moment of consolidation.

Statutory reserve

The statutory reserve has been formed for capitalised software costs.

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Other reserves

Under article 46 of the Articles of Association, payments take place to members and contracted parties. Effective from January 2000, these payments are in accordance with the Sugar Beet Delivery Payment Regulations.
The payment amount depends on the average number of tonnes of sugar beets delivered, the average cooperative result including the dividend from participating interests per tonne of sugar beet for the seven previous financial years, and a factor per campaign. Payments are deducted from the other reserves.
The payment recognised in 2022 relates to the sugar beet supplied in the years to the end of 2021 in accordance with article 5.1 (i) of the sugar beet payment regulations.

If all members had claimed payments under the business termination regulations as at 31 December 2022, the total payment would have amounted to EUR 21.0 million (2021: EUR 18.6 million). In accordance with article 5.3 of the regulations, payment is subject to the approval of the Board.

Proposed profit appropriation

The net profit for 2021 (EUR 7.6 million negative) has been added to other reserves in accordance with the decision of the Board 22 March 2022.

In accordance with article 42, paragraph 3 of the Articles of Association, the Board intends to propose that EUR 75.7 million be added to other reserves. The annual accounts for 2022 have been prepared on the assumption that this proposal will be adopted.

Difference between consolidated and cooperative equity

Under Reporting Guideline 620 of the Guidelines for Annual Reporting in the Netherlands, that part of the paid up share capital that members can call on demand (2%) and the related inseparable obligation to settle (2%) the right to a business termination payment in accordance with article 5.1 of the sugar beet payment regulations are recognised in the consolidated accounts as liabilities. As a result the consolidated equity differs from the equity in the cooperative annual accounts. On 30 November 2020 Aviko Holding B.V. acquired 90% of the shares in Inner Mongolia Hongyuan Luyisheng Food Co., Ltd. Aviko has a three-year unconditional call-put option on the remaining 10% of the shares, which is recognised as an increase in the investment. The related commitment is included in other liabilities. This creates a difference in equity between the consolidated and cooperative accounts.

	31-12-2022	31-12-2021
Consolidated capital and reserves	1,334.1	1,260.2
Debt capital UB (Reporting Guideline 620)	1.1	1.1
Direct movement on account of acquisitions	4.3	4.6
COOPERATIVE CAPITAL AND RESERVES	**1,339.5**	**1,265.9**

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(31) Provisions

	31-12-2022	31-12-2021
Deferred tax liabilities	5.3	6.3
Pensions and other deferred employee benefits	8.7	11.5
Other provisions	7.8	8.1
	21.8	**25.9**

EUR 12.8 million (2021: EUR 18.4 million) of the provisions is long term in nature.

Movements in provisions were as follows:

	DEFERRED TAX LIABILITIES	PENSIONS AND OTHER DEFERRED EMPLOYEE BENEFITS	OTHER PROVISIONS	TOTAL
Balance as at 1 January 2022	6.3	11.5	8.1	25.9
Movements:				
- Change in discount rate	-	- 3.4	-	- 3.4
- Additions	-	3.0	5.3	8.3
- Withdrawals	- 1.0	- 3.5	- 5.4	- 9.9
- Release	-	1.1	- 0.2	0.9
BALANCE AS AT 31 DECEMBER 2022	**5.3**	**8.7**	**7.8**	**21.8**

Deferred tax liabilities

The provision for deferred tax liabilities has been formed for temporary differences in the recognition of profit for tax and financial reporting purposes. Of the deferred tax liabilities EUR 4.6 million (2021: EUR 4.9 million) is long term in nature and are carried at nominal value.

Other provisions

Other provisions include an environmental provision to an amount of EUR 7.2 million (2021: EUR 7.2 million) and a provision for loss-making contracts to an amount of EUR 0.3 million (2021: EUR 0.5 million).

(32) Non-current liabilities

	31-12-2022	EFFECTIVE INTEREST RATE	31-12-2021	EFFECTIVE INTEREST RATE
Debts to institutional investors	80.0	4.0%	-	-
Lease obligations	12.7	6.1%	13.7	5.9%
Debts to members	16.5	2.2%	17.4	2.2%
Other taxes payable	0.2	0.0%	4.4	0.0%
Other liabilities	0.6	0.0%	0.7	0.0%
TOTAL NON-CURRENT LIABILITIES	**110.0**		**36.2**	

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The item debts to members relates to the members' loan programme introduced by Cosun in 2015. The amount loaned bears interest, has a fixed term between 2 and 5 years and is subordinated to other creditors.
Lease obligations with a term of more than five years have been included to an amount of EUR 8.2 million. Other liabilities do not include amounts with a term of more than five years.

Debts to institutional investors

Debts to institutional investors consist entirely of loans contracted with Dutch, German, French, Spanish and American financial parties. As at year end 2022, loans had been contracted in the form of EU-PP to an amount of EUR 60 million and Schuldschein to an amount of EUR 145 million. As at 31 December 2022, EUR 80 million of the Schuldschein loan has been deposited. The remainder of the Schuldschein loan and the EU-PP will become available in 2023. The loans have terms of between 3 and 10 years. Repayments will be made on the Schuldschein loan in 2025, 2027 and 2029 and on the EU-PP in 2030 and 2033. The loans are subordinated to the financing arrangement with the banking syndicate. An amount of EUR 66.5 million has a term of more than 5 years. Interest payable on the Schuldschein loan is based on Euribor plus a surcharge; interest is payable on the EU-PP at a fixed rate plus a surcharge. The main condition for the provision of these loans is a leverage ratio that net debt may not amount to more than 4 times EBITDA. Aviko B.V., Aviko Belgium N.V., Duynie B.V., Duynie Ingrediënts B.V., Rixona B.V., Sensus B.V. and Cosun Beet Company GmbH & Co. KG are guarantors for the debts arising from the Schuldschein loan and the EU-PP. As at 31 December 2022, Cosun complies with the agreed covenants.

Movements in non-current liabilities were as follows:

	DEBTS TO INSTITUTIONAL INVESTORS	LEASE OBLIGATIONS	DEBTS TO MEMBERS	OTHER TAXES PAYABLE	OTHER LIABILITIES	TOTAL
As at 1 January 2022	-	13.7	17.4	4.4	0.7	36.2
Movements:						
- Additions	80.0	-	-	-	-	80.0
- Releases	-	- 1.5	- 0.9	-	- 0.1	- 2.5
- Amortisation	-	0.5	-	-	-	0.5
- Other movements	-	-	-	- 4.2	-	- 4.2
AS AT 31 DECEMBER 2022	**80.0**	**12.7**	**16.5**	**0.2**	**0.6**	**110.0**

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(33) Current liabilities

	31-12-2022	31-12-2021
Debts to credit institutions	200.4	160.3
Payables to group companies	84.9	84.5
Payables to members	138.1	112.1
Payables to suppliers and trade creditors	107.6	85.0
Other taxes and social security charges payable	12.6	5.0
Reserve for personnel obligations	17.7	18.1
Other current liabilities and accruals	63.4	52.4
TOTAL OTHER CURRENT LIABILITIES AND ACCRUALS	**424.3**	**357.1**

Debts to credit institutions

The Revolving Credit Facility (RCF) with a banking syndicate amounts to EUR 400 million, with a term until March 2026. As at year end 2022, EUR 201 million had been drawn down (year end 2021: EUR 161 million). Interest is based on Euribor plus a surcharge. The main condition for the provision of these loans is a leverage ratio that net debt may not amount to more than 4 times EBITDA. Aviko B.V., Aviko Belgium N.V., Duynie B.V., Duynie Ingrediënts B.V., Rixona B.V., Sensus B.V. and Cosun Beet Company GmbH & Co. KG are guarantors for the debts arising from the Schuldschein loan and the EU-PP. As at 31 December 2022, Cosun complies with the agreed covenants.

Other liabilities and deferrals

Other liabilities and deferrals relate to interest payable to an amount of nil (2021: EUR 0.5 million), advance payments to an amount of EUR 0.2 million (2021: EUR 0.4 million) and other costs payable to an amount of EUR 61.4 million (2021: EUR 51.5 million).

(34) Off balance sheet commitments

Several liability and guarantees

Cosun has given guarantees to third parties to an amount of EUR 71.2 million (2021: EUR 29.5 million).

Long-term financial commitments

Long-term unconditional commitments have been entered into in respect of rental and operating lease instalments. The associated obligations amount to EUR 5.1 million (2021: EUR 5.5 million). The rental and lease instalments falling due within one year amount to EUR 2.9 million (2021: EUR 1.9 million). Instalments payable after five years amount to nil (2021: nil). Contingent investment liabilities amount to EUR 14.8 million (2021: EUR 6.7 million).

(35) Other information

The remuneration of members of the Board for the 2022 financial year, including pension costs as referred to in article 2:383 paragraph 1 of the Dutch Civil Code, amounted to EUR 0.7 million (2021: EUR 0.7 million) and that of the members of the Supervisory Board to EUR 0.1 million (2021: EUR 0.1 million). The remuneration was charged to the result.

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(36) Subsequent events

In accordance with article 42, paragraph 1 of the Articles of Association, the Board decided on 25 January 2023 to charge EUR 150.3 million to the 2023 financial year. This amount will be distributed those persons who were members of the cooperative at the beginning of the financial year and to the heirs who continued an ongoing supply agreement as legal successor of a member during the financial year in question, such in accordance with the quantity of beet supplied by them on the allocated supply certificates during the allocation year concerned and in accordance with the method of payment laid down in the Sugar Beet Regulations.

Board	Supervisory Board
Dirk de Lugt	Theo Koekkoek
Arwin Bos	Edwin Michiels
Adrie Bossers	Liane den Besten
Ben van Doesburgh	Hans Huistra
Ger Evenhuis	Pieter van Maldegem
Marianne van den Hoek-Huijbregts	Jacqueline Rijsdijk
Pieter de Jong	
Freek Rijna	
Sander Wijkstra	

Breda, 12 April 2023

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Other information

Provisions in the Articles of Association governing the appropriation of profit

The appropriation of the profit for the year is laid down in the Articles of Association (Article 42, paragraphs 1 to 4) as follows.

1. Between the start of the financial year concerned and the end of the then allocation year, the Board shall determine what amount for the financial year shall be distributed to those persons who were members of the cooperative at the beginning of the financial year and to the heirs who continued an ongoing supply agreement as legal successor of a member during the financial year in question, such in accordance with the quantity of beet supplied by them on the allocated supply certificates during the allocation year concerned and in accordance with the method of payment laid down in the Sugar Beet Regulations.
2. Before adopting the cooperative's result for a financial year, the Board shall decide on the amount to be distributed to those persons who were members at the end of the financial year concerned or who had ceased to be members during or at the end of that financial year and to the heirs who continued an ongoing supply agreement as legal successor to a member during that financial year, such in proportion to the beet supplied on members' supply certificates in the allocation year that commenced during the financial year concerned and in accordance with the method of payment laid down in the Sugar Beet Regulations. Acting on a proposal by the Board, the Members' Council may decide on a different distribution.
3. The net result for the financial year remaining after application of paragraphs 1 and 2 of this article shall be added to reserves.
4. The distributions referred to in paragraphs 1 and 2 of this article shall, in accordance with a decision by the Members' Council, be made in cash or in another form. Distribution in another form shall be recorded in a register kept for that purpose.

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The following is an English translation of the independent auditor's report issued 12 April 2023.

Independent auditor's report

To: the members and the supervisory board of Coöperatie Koninklijke Cosun U.A.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS 2022 INCLUDED IN THE ANNUAL REPORT

Our opinion

We have audited the financial statements 2022 of Coöperatie Koninklijke Cosun U.A., based in Breda.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Coöperatie Koninklijke Cosun U.A. as at 31 December 2022, and of its result for 2022 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- The consolidated and company balance sheet as at 31 December 2022;
- The consolidated and company profit and loss account for 2022;
- The notes comprising a summary of the accounting policies and other explanatory information..

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the Our responsibilities for the audit of the financial statements section of our report.

We are independent of Coöperatie Koninklijke Cosun U.A. (hereafter: the cooperative) in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion and any findings were addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Our understanding of the company

Coöperatie Koninklijke Cosun is an international agricultural cooperative. The cooperative processes raw materials of mostly agricultural origin, such as sugar beets and potatoes, into products for the international food industry, catering industry and wholesalers or into end products for retail. In addition, the cooperative processes its agricultural residual flows. The cooperative has production locations and sales offices in the Netherlands, Belgium, Germany and China, among others.

We paid specific attention in our audit to a number of areas driven by the operations of the group and our risk assessment.

We determined materiality and identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error in order to design audit procedures responsive to those risks and to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

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Materiality

Materiality	€ 25 million (2021: € 21 million)
Benchmark applied	2.2% of the gross margin (2021: 2.2% of the gross margin) As explained in the 'Key figures' section of the annual report, the gross margin is the net turnover plus the change in stocks of finished products minus the costs of raw materials and consumables, adjusted for the members' bonus.
Explanation	The main users of the annual accounts are the members of the cooperative. From the members point of view, the focus is mainly on the level of the members' bonus. This members' bonus is directly related to the gross margin. Other metrics such as net income have proved to be too volatile to use as a base for our materiality. The way in which we determined the materiality is consistent with the previous financial year.

We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the supervisory board that misstatements in excess of € 1,250,000, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

Coöperatie Koninklijke Cosun U.A. is at the head of a group of entities ('group components'). The financial information of this group is included in the financial statements of Coöperatie Koninklijke Cosun U.A.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

The audit of the Dutch group entities within the scope of the group audit are performed by ourselves. The audits of the abroad group entities within the scope of the group audit are performed by local EY audit teams. We provided the component teams with detailed instructions and the component teams performed their audit procedures on the basis of those instructions and reported the results of their audit procedures to us. We interacted regularly with all Dutch and foreign EY component teams throughout the audit. In addition, we inspected the digital audit file of the EY component team in China. On this basis we directed and supervised the group audit and we were able to address the significant observations in our group audit. The procedures in relation to the consolidation of the group and the explanatory notes in the financial statements are performed by the primary team.

In total, the aforementioned procedures represent 82% of the total assets; 82% of the company's gross margin. By performing the procedures mentioned above at group entities, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion about the financial statements.

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Teaming, use of specialists

We ensured that the audit teams both at group and at component levels included the appropriate skills and competences which are needed for the audit of an international agricultural cooperative. We included specialists in the areas of IT audit, forensics, treasury and tax.

Our focus on fraud and non-compliance with laws and regulations

Our responsibility

Although we are not responsible for preventing fraud or non-compliance and we cannot be expected to detect non-compliance with all laws and regulations, it is our responsibility to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error. 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 override of internal control.

Our audit response related to fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the cooperative and its environment and the components of the system of internal control, including the risk assessment process and board's process for responding to the risks of fraud and monitoring the system of internal control and how the supervisory board exercises oversight, as well as the outcomes.
We refer to section 'Risk profile' of the annual report for the board's (fraud) risk assessment and section 'Report of the Supervisory Board' of the annual report for supervisory boards' reflection on this (fraud) risk assessment.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as the code of conduct, Regulations for reporting (suspected) misconduct and incident registration. We evaluated the design and the implementation of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption in close co-operation with our forensic specialists. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

As in all of our audits, we addressed the risks related to management override of controls. For these risks we have performed procedures among others to evaluate key accounting estimates for management bias that may represent a risk of material misstatement due to fraud, in particular relating to important judgment areas and significant accounting estimates as disclosed in 'Use of judgments, estimates and uncertainties' in the disclosures to the consolidated financial statements. We have also used data analysis to identify and address high-risk journal entries and evaluated the business rationale (or the lack thereof) of significant extraordinary transactions, including those with related parties.

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When identifying and assessing fraud risks we presumed that there are risks of fraud in revenue recognition. We designed and performed our audit procedures relating to revenue recognition responsive to this presumed fraud risk.

These risks did however not require significant auditor's attention. The following fraud risks identified did require significant attention during our audit.

Fraud risk Valuation of inventory finished products	
Fraud risk	The calculation method of the valuation of finished products is complex and sensitive to errors due to the high number of components of which the cost of manufacturing consists and due to manual calculations. Management of the business groups can experience pressure to meet the budget and the profit forecast, and in addition there are (partly) result-related remunerations. Management is directly involved in the determination of the allocation of cost components to inventory finished products and can manipulate the result by incorrect or incomplete allocation of costs to the production in order to manipulate the operating result.
Our audit approach	We refer to the key audit matter Valuation of inventory finished products in which we address this fraud risk and describe our audit approach.

We considered available information and made enquiries of members of the board, executive board, legal, compliance, human resources and the supervisory board.

The fraud risk[s] we identified, enquiries and other available information did not lead to specific indications for fraud or suspected fraud potentially materially impacting the view of the financial statements.

Our audit response related to risks of non-compliance with laws and regulations

We performed appropriate audit procedures regarding compliance with the provisions of those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. Furthermore, we assessed factors related to the risks of non-compliance with laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general industry experience, through discussions with the board and executive board, reading minutes and performing substantive tests of details of classes of transactions, account balances or disclosures.

We also inspected the confirmation letter of the legal department and we have been informed by the board that there has been no correspondence with regulatory authorities and remained alert to any indication of (suspected) non-compliance throughout the audit. Finally we obtained written representations that all known instances of non-compliance with laws and regulations have been disclosed to us.

Our audit response related to going concern

As disclosed in section 'Going concern' in the disclosures to the consolidated financial statements, the financial statements have been prepared on a going concern basis. When preparing the financial statements, the board made a specific assessment of the company's ability to continue as a going concern and to continue its operations for the foreseeable future.

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We discussed and evaluated the specific assessment with the board exercising professional judgment and maintaining professional skepticism. We considered whether the board going concern assessment, based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, contains all relevant events 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.

Based on our procedures performed, we did not identify material uncertainties about going concern. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.

Our key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the supervisory board, however the key audit matters are not a comprehensive reflection of all matters discussed.

The key audit matter 'Assumptions used in the valuation of tangible fixed assets' which was included in our last year's auditor's report is not considered a key audit matter for this year as in 2022 there were no significant impairments as in 2021 and the further implementation of the Cosun Unlock 25 strategy to date do not provide concrete triggers for an impairment of tangible fixed assets.

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Valuation of the inventory finished products

Risk

Finished products and goods for resale is the most extensive part of the account inventories. Finished products are valued at cost of production or lower realizable value. The production costs includes the purchase costs of raw materials, auxiliary material and other costs that are directly attributable to the manufacturing of finished products. In addition, part of the indirect costs over the period of production is attributed to the cost of production. We refer to the 'Accounting policies' for the accounting policy on inventories and the disclosure thereon in note 4 of the financial statements.

The calculation method of the valuation of finished products is complex and sensitive to errors due to the high number of components of which the cost of manufacturing consists and due to manual calculations. We also take into account the possibility that management overrides internal controls and other unauthorized ways of manipulation of the financial reporting process.
We therefore concluded the valuation of the inventory finished products to be a key audit matter.

Our audit approach

Our audit procedures included evaluating the appropriateness of the company's accounting policies with respect to the valuation of inventories to determine whether they comply with Part 9 of the Dutch Civil Code and DAS220 'Inventories'. We further assessed whether the methods used to determine the cost price or lower net realizable value are appropriate and applied consistently or, in case of changes in estimates, whether they are appropriate in the given circumstances.

As part of our audit of the valuation of finished products, we verified with a lower testing threshold per allocated other cost item whether under accounting standards it is allowed to allocate these to the cost price, and verified the parameters set by management per allocated cost item individually. Furthermore, we verified the allocation of other costs over the manufacturing period to the cost of manufacturing with a lower testing threshold.

We also verified the determination of the cost price for large stock items, by test of details on the costs used as the basis for the allocation to the inventory of finished products.
Finally, we evaluated the extent to which the realizable value of the inventory of finished products is lower.

Key observations

The other costs allocated to the production costs and other costs are, in our opinion, costs that are directly related to the manufacturing of finished goods, or are allocated over the correct period. We consider the parameters used to be adequate. In our view, the accounting principles for the valuation of inventories have been adequately applied.

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REPORT ON OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The annual report contains other information in addition to the financial statements and our auditor's report thereon.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements;
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code regarding the directors' report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

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

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

DESCRIPTION OF RESPONSIBILITIES REGARDING THE FINANCIAL STATEMENTS

Responsibilities of the board and the supervisory board for the financial statements

The board is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the board is responsible for such internal control as the board 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 is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the board should prepare the financial statements using the going concern basis of accounting unless the board either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The board should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

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We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. The 'Information in support of our opinion' section above includes an informative summary of our responsibilities and the work performed as the basis for our opinion. Our audit included among others:

- audit procedures responsive to the risks identified, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- 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
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

We provide the supervisory board 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 supervisory board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. 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.

Utrecht, 12 April 2023

Ernst & Young Accountants LLP

W.H. Kerst

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Apêndices

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Overview map

Head office and production facilities in the Netherlands, Europe, the USA and Asia.

MIX
Ondersteunt verantwoord bosbeheer
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