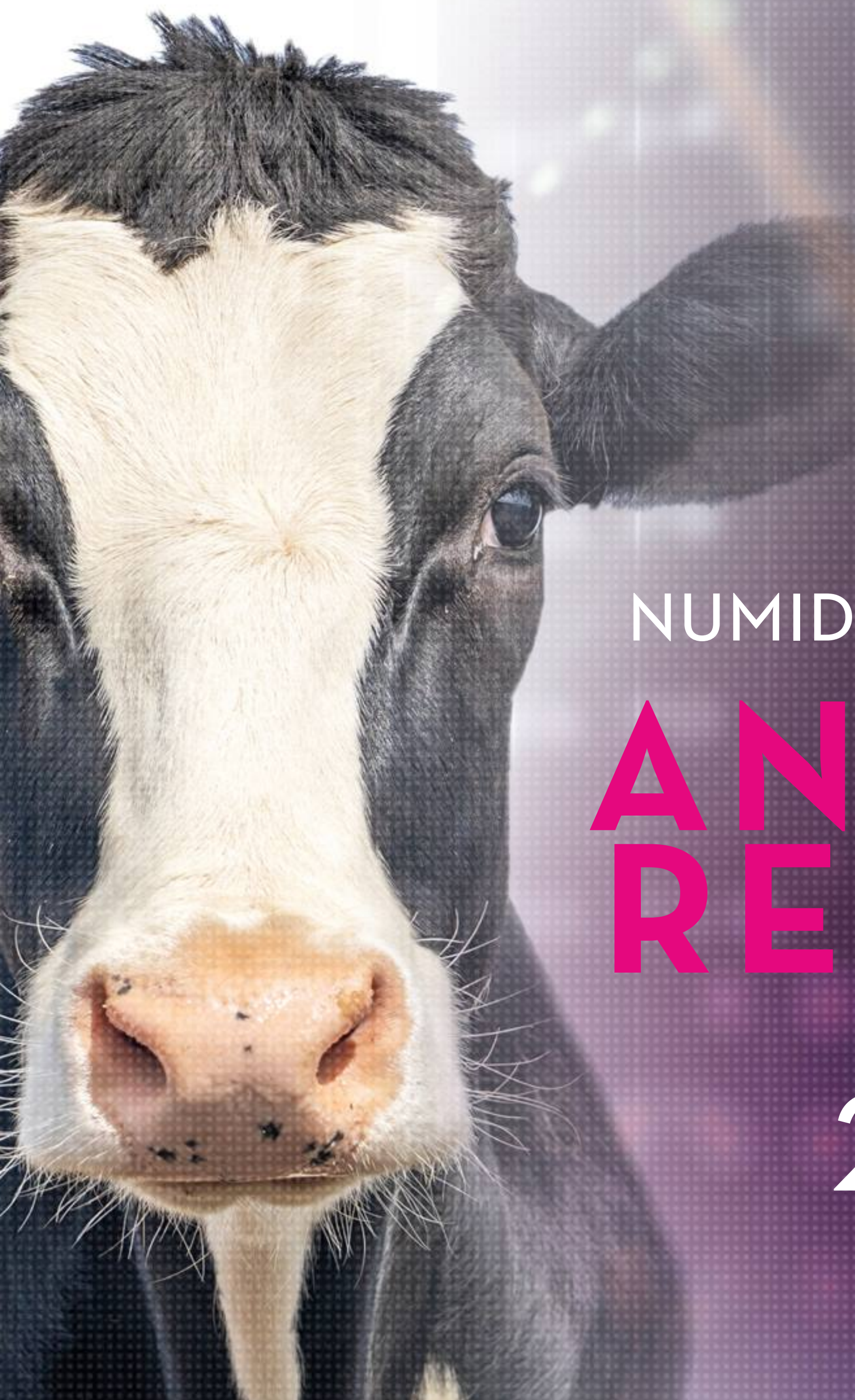
NUMIDIA



NUMIDIA HOLDING BV

ANNUAL REPORT

2022

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1 Introduction

NUMIDIA AT A GLANCE

Introduction Numidia

Numidia was established in the Netherlands in December 2011 and specializes in the international dairy trade. We rely on an extensive international network of customers, suppliers and distributors. Our main focus is the worldwide purchase, production and sales of standard dairy products (commodities) and related ingredients.

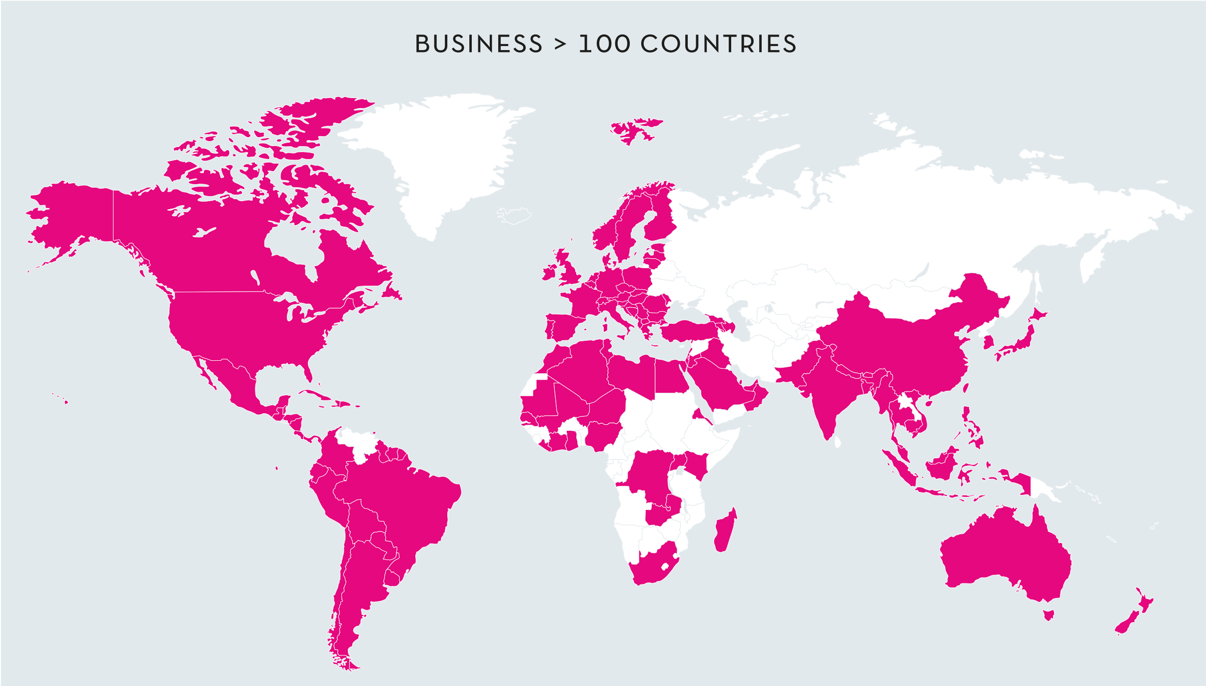
The Numidia philosophy is based on openness and transparency with producers and buyers by providing all relevant disclosures on our business activities. In addition, we support customers and suppliers with international market information, advise on opportunities for mitigating (price) risks and share our expert product knowledge.

In 2022, Numidia had approximately 88 employees representing more than 23 nationalities. We value the diversity of our team, and we strongly believe that we are more successful when we understand the cultures and backgrounds of our customers and stakeholders. Our company culture is inclusive of different views, and we do not look at the world exclusively from a "Western" perspective.

Numidia is a major player in the international dairy trade. In 2022, our turnover exceeded EUR 900 million.

GLOBAL PRESENCE

Numidia established a satellite company in Singapore in 2015 in order to serve the Asian market. Today, we also have offices in Uruguay (Montevideo) and the United States of America (Dallas), as well as commercial representatives in Poland, Italy, Argentina, Ireland and China. Because of our global network, we are able to anticipate and adapt to changes in the global dairy market and serve our customers at all times. Numidia holds 50% of the shares in the Belgian Vonk Culinary Cheese (VCC) joint venture. The investment marks our first step into dairy production.



CERTIFICATIONS AND MEMBERSHIPS

We strive to outperform our competitors in product and process management. This is demonstrated by our various certifications and memberships.

Numidia is a certified IFS Broker and BRC Agent and Broker for the food market. We hold a GMP+ certification for feed safety.

In the context of corporate social responsibility, we are a member of the Supplier Ethical Data Exchange (Sedex) and are "Great Place To Work" certified.

In terms of our environmental, social responsibility and corporate governance (ESG) performance, we were awarded the Gold Medal by EcoVadis, placing us among the top 1% of audited companies in our field. We have an ISO14001 certified Environmental Management System in place, including a CO_2 module.

We are recognized by the Dutch customs authority as an Authorized Economic Operator (AEO). We are also Skal certified, which allows us to trade in organic products.

MESSAGE FROM THE CEO

Your expert partner in dairy

We proudly present our 2022 annual report. For the first time, we have combined our annual financial reporting with an explanation of how we as an organization manage environmental, social responsibility and corporate governance (ESG) themes.

Previously we reported on these aspects through various means. This year we have combined them into one integrated report. We have made this decision in anticipation of the European Union's Corporate Sustainability Reporting Directive (CSRD), which will become compulsory in the next few years. And we have established a concrete link with the GRI (Global Reporting Initiative) standards, which ensures the completeness of our reporting.

Our mission is "to be the best and most sustainable supplier in the dairy industry." And perhaps we should also add "the most transparent." To be transparent means to be accountable for the full range of activities that we undertake as an organization. We do this not because our stakeholders ask for it, but because it has become an intrinsic motivation for our organization. Since our establishment more than eleven years ago, we have maintained a high degree of transparency with respect to our stakeholders.

We want to deliver a positive impact on the world around us. Not only for this present moment, but also with a look toward the future. We can only achieve this if we put sustainability front and center. It is no coincidence that we have been a sustainability frontrunner in the dairy market for more than five years. We are seen as an example not only within the dairy world, but also beyond. That is a position that we want to maintain. For that reason, we must take further innovative steps, which you can read more about in this report.

Our focus on long-term relationships – with employees, suppliers, customers, business partners and other people and organizations connected to Numidia – is evidence that we care about all of our stakeholders.

As you will read in this report, we are not only looking at the world of today. We also consider future generations. Through our Charity Foundation, we support children in need by giving them access to better living conditions and a proper education.

We want to be the most sustainable company in the dairy supply chain. In 2019, we became the first global dairy trading company to voluntarily compensate for its carbon footprint. Not only the carbon footprint resulting from our company's activities, but also from third-party warehousing and transports that we arrange for our customers.

2022 performance

The past year was a record year for Numidia in terms of turnover and profitability. This turnover was mainly driven by higher dairy prices. We have been quite selective in the physical trade that we engage in. The high prices made it necessary to make more balance-driven choices. We would like to strengthen our current position through controlled growth in profitability and volume.

Diversification of our activities contributed to our positive results. The trading in derivatives plays a progressively important role in our business. We address the growing complexity in the global dairy business by managing and leveraging our external and internal data. The use of artificial intelligence and business intelligence tools to support decision-making is unavoidable.

We achieved these results against the backdrop of an increasingly volatile world. The event with the biggest impact in the past year was, of course, Russia's invasion of neighboring Ukraine. It is regrettable what is happening there. Of a different order – but also with a major impact on the dairy world – were the COVID-19-related measures in China, the largest dairy-importing country in the world. The adoption of severe restrictions, followed by the sudden relaxation of the restrictions, had significant consequences on our industry.

Given this volatility, the role of dairy traders is becoming more and more valuable. They specialize in mitigating price risks over time and can help customers and suppliers through sophisticated risk management strategies.

Outlook

As indicated, traders will play an increasingly important role in the dairy market, especially those who, like Numidia, trade in both fat and protein products, are active worldwide and know how to combine derivatives and physical product positions. This is why we face the future with confidence.

The market will provide sufficient opportunities to grow steadily in the coming years. We also think this is important because it will provide opportunities for personal and professional development for our employees. And this in turn will enable us to continue to hire the best people. People who will make the difference for us in the market.

Thank you

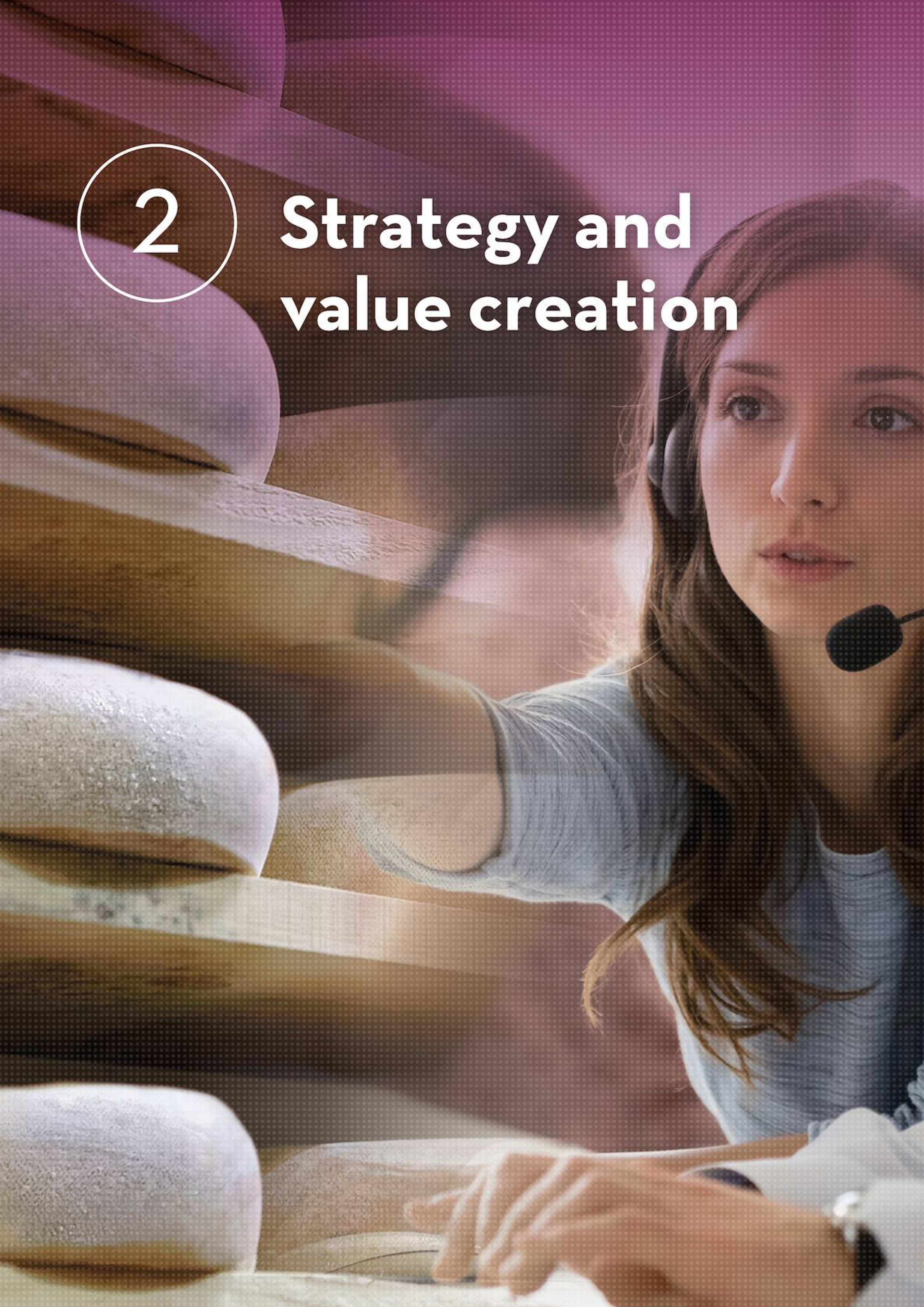
We would not be where we are today without the hard work and dedication of our employees, "The Numidians." We are grateful to them. And that is why our priority lies in creating a safe and inspiring work environment for our employees, whether they are working at the office, working from home or traveling to meet our business partners.

In addition, we would like to thank all our stakeholders for their cooperation over the past year and for the trust they have placed in us. That makes it worthwhile to commit ourselves 100% (and more) every day.

I hope you enjoy and feel inspired by reading this report. Please feel free at any time to contact me or one of my colleagues with questions, remarks or ideas which can make Numidia a better company.

Kind regards,
Han van Hagen
CEO

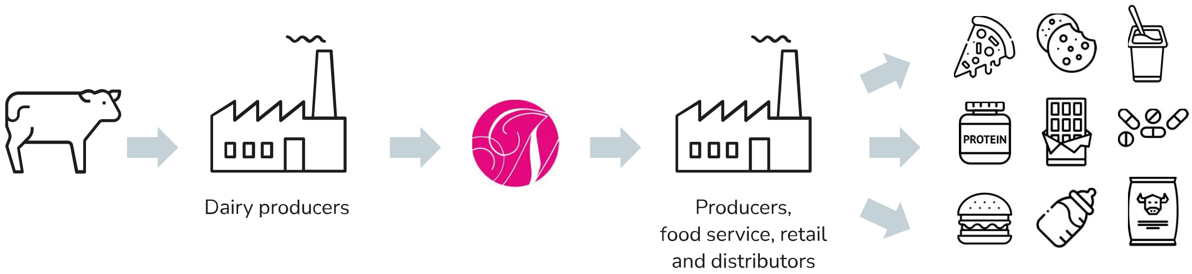
2 Strategy and value creation



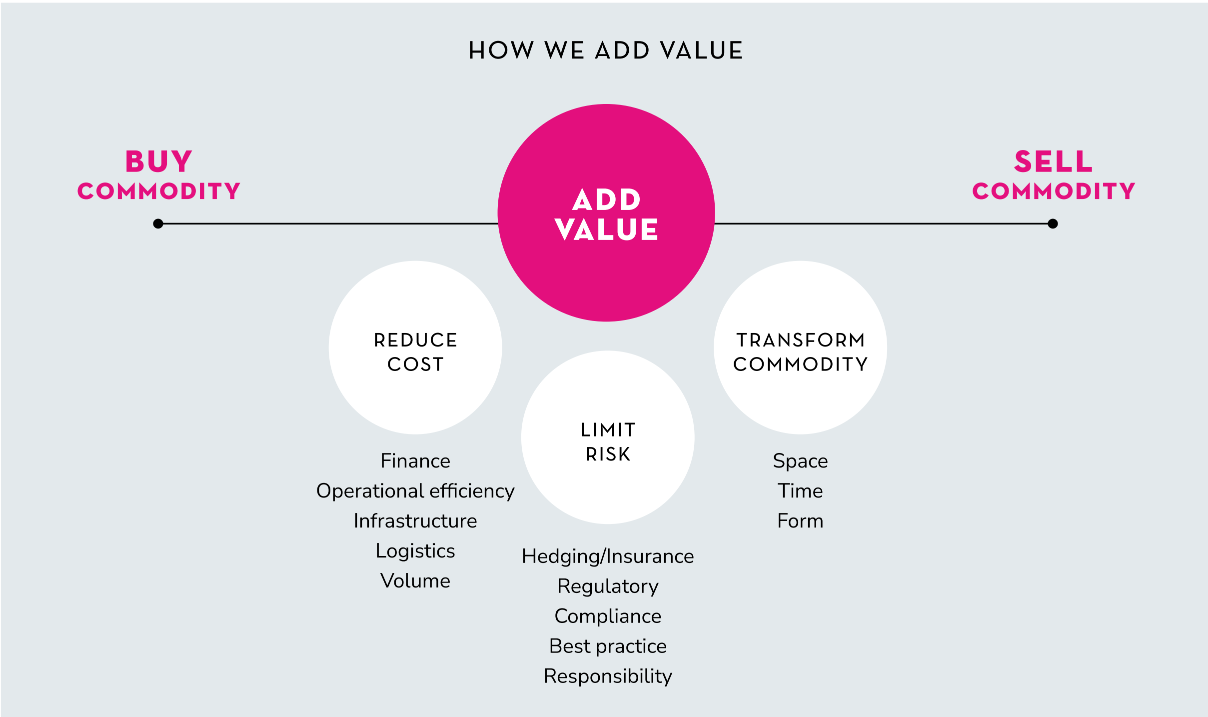
BUSINESS MODEL AND STAKEHOLDER ANALYSIS

Business model

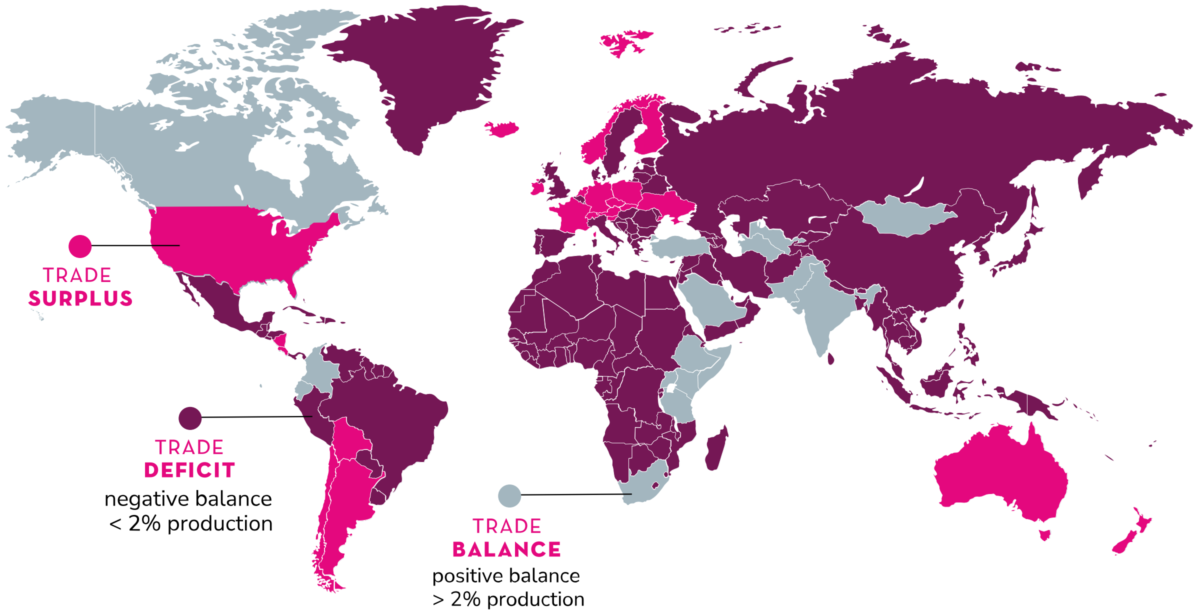
To understand who our key stakeholders are, it is crucial to understand our business model. Numidia acts as the link between dairy producers on the one hand, and producers, food service, retail and distributors on the other.



Traditionally, the ability of these parties to conduct business is restricted by their geographical footprint, their ability to finance working capital, a mismatch in product specifications, product knowledge, supply chain knowledge, shelf life of products, etc. As a trader, Numidia helps them overcome these restrictions, enabling the connection from supplier to distributor or producer globally.



The production of dairy products is unevenly spread across the globe. To ensure access to dairy products in all parts of the world, the industry requires parties with a global presence and a broad product portfolio.



PRODUCT PORTFOLIO

Our product portfolio offers a wide range of dairy commodity products, including fat and protein products. This offers several advantages:

- We can offer customers a one-stop shop for dairy commodities.
- We understand each product category's unique market dynamics. By trading in the full range of products, Numidia has expert market knowledge and opportunities to hedge. Combined with the ability to trade in derivative markets (through futures and options), this creates a very powerful combination.

Stakeholder analysis

The goal of the stakeholder analysis is to identify the needs and priorities of our key stakeholders to tailor our offering and strategy toward this. The topics included in the assessment are focused on the areas of sustainability and economic performance. Numidia has identified several key stakeholder groups. The overview of the stakeholders identified can be found in the appendix.

MATERIAL TOPICS

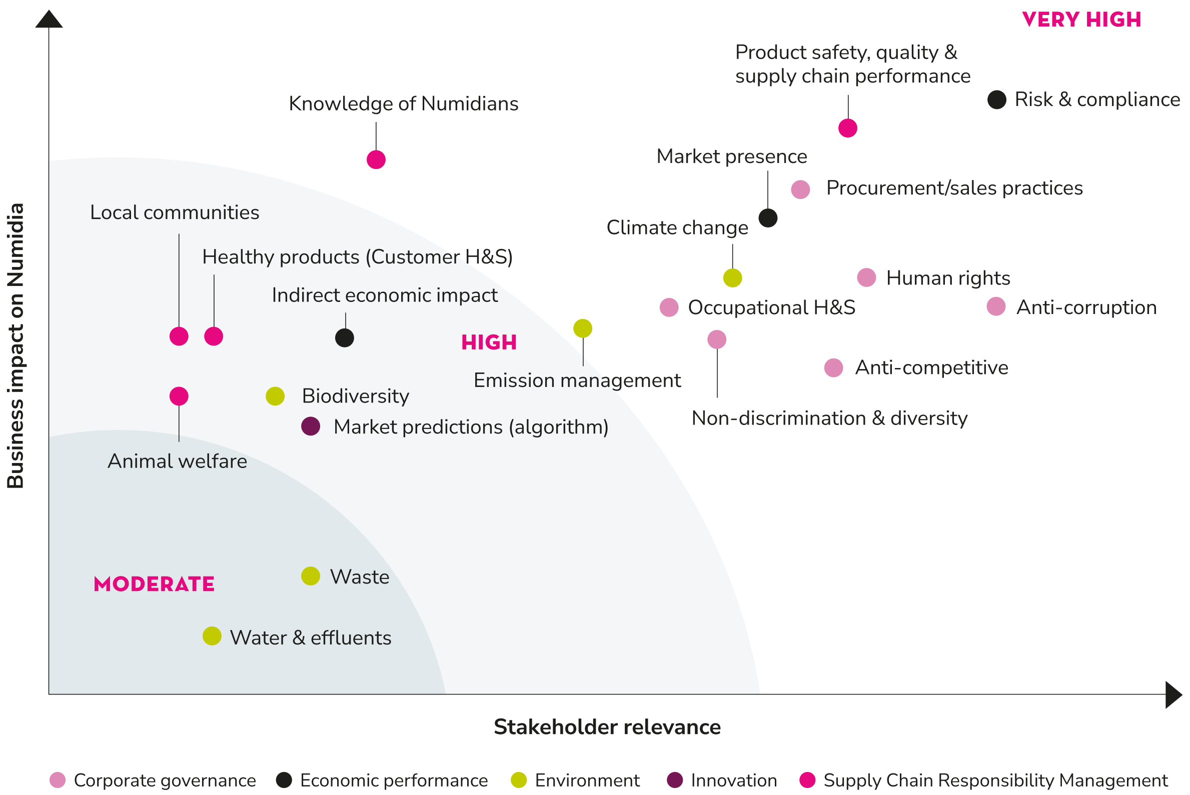
Numidia has determined its material topics by identifying actual and potential impacts, and assessing the significance of each of these topics. The assessment has been performed with support of internal as well as external stakeholders, taking into account factors such as regulations, trends or other drivers. The overview of the applicable material topics can be found in the appendix.

DOUBLE MATERIALITY STAKEHOLDER ASSESSMENT

We have applied the concept of double materiality in our approach.
The materiality analysis is double in the sense that it assesses the identification of material topics from two angles:

- The first angle is to identify the most significant risks for companies. This is also called the “outside-in” perspective, referring to external risks that can or already do affect internal business operations. This is reflected as “Business impact on Numidia” on the Y-axis of the stakeholder analysis.
- The second angle is to identify the impact the company has on sustainability and is known as the “inside-out" perspective. This is reflected as “Stakeholder relevance” on the X-axis of the stakeholder analysis.

The result of this double materiality test is the starting point for tailoring our value creation model to the needs of our stakeholders.



METHODOLOGY

We took a multifaceted approach to gathering input from our stakeholders. Our strategy focused on requesting input on material topics during existing and ongoing interactions with stakeholders as much as possible. In our experience, this leads to a higher response rate compared to stand-alone requests.

The stakeholder analysis was based on the following input and processes:

- Net promoter score (NPS) customer inquiry. This annual customer satisfaction survey was used to assess the importance that customers attach to material items.
- Many of our customers and suppliers use their own terms. Multinational companies in particular create their own terms and conditions and thereby have a leading role in setting the new standards for (among other things) sustainability requirements.
- Throughout the year, we conduct audits on suppliers and warehouses. These audits are primarily conducted on-site and include in-depth inquiries into the strategy and needs of the suppliers.
- Numidia is also audited several times per year. The scope of these audits varies among sustainability (e.g. EcoVadis), quality systems (e.g. BRC), financial statements (KPMG) and treasury processes (Deutsche Bank). The audit plans and auditor scopes provide a lot of information on the importance they attach to material topics.
- As part of the annual "Great Place To Work" process, an anonymous employee questionnaire is used to measure the overall satisfaction of employees on various topics (Trust Index). The material topics are embedded in the scope of the questions.
- In addition, a separate assessment was done to quantify the impact of the material topics on Numidia. The input was collected from all departments within Numidia.
- Last but not least, we maintain a continuous dialogue with all stakeholders throughout the year as part of our strategy and vision (long-term relationships).

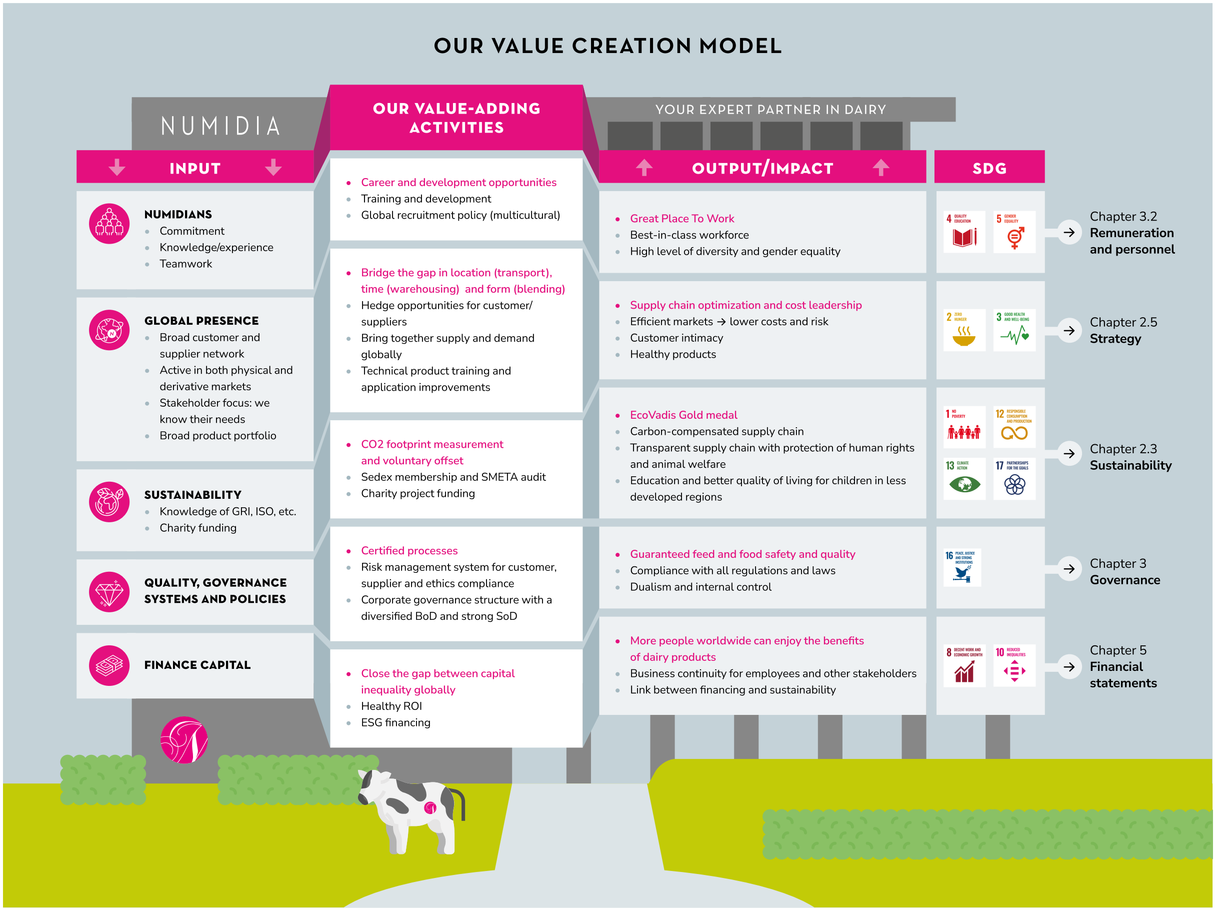
This combination of sources has enabled us to create a balanced and well-substantiated assessment of the material topics.

VALUE CREATION MODEL

Our value creation model demonstrates how we deliver value for our stakeholders and society. It provides insight into the forms of social, economic and environmental capital that enable our business model, the activities in which we engage and the value and impact we deliver through those activities.

The model is based on:

- The outcome of the stakeholder analysis
- Numidia's unique vision on the dairy market and the growing importance of sustainability in the supply chain
- The applicable GRI guidelines
- The applicable Sustainable Development Goals (SDGs) of the United Nations



The model emphasizes the most material topics as identified in the stakeholder analysis. The less material topics are featured less prominently. This does not mean that these topics are not important to us, but rather that they are less applicable to Numidia. Because we are a trading company, we have little direct impact on topics such as waste and water & effluents.

Numidia plays multiple roles in the (physical) supply chain. We serve as trader, producer, market maker, supplier, customer, professional business partner, financing partner, technical partner, risk management partner and developer of the sustainable dairy supply chain. This is part of our strategy, as these various roles will be key to our further success and the value delivered to and experienced by our stakeholders. In everything we do, we aim to deliver value for our employees, suppliers, business partners and our customers in the supply chain.

We deliver value by executing our core activities. Numidia's mission is to be the best and most sustainable supplier of standard dairy products for our customers, and that means we care about all our stakeholders. The value we generate differs by stakeholder group and is identified and recognized over the years. This value is also the benefit of working with Numidia.

The value we create demonstrates our commitment to long-term relationships, with employees, suppliers, customers, business partners and all other people connected to Numidia. We are not only looking at the world of today. We also have in mind the generations to come.

SUSTAINABILITY

General

Numidia is focused on reducing adverse effects on the environment caused by its processes or those of its business partners.

VALUABLE PARTNERSHIPS

Numidia is deeply reliant on its business partners for products and services. For Numidia to be the world's best, most sustainable supplier of standard dairy products for the food and feed market, it is very important that its suppliers are also committed to improving their level of sustainability wherever possible.

All our suppliers are therefore required to formally agree to abide by our Code of Conduct (CoC). All new (product and service) suppliers are screened according to how involved they are with the various sustainability programs that may also include environmental, social or ethical aspects. This might include certifications, documents or ratings such as Sedex, EcoVadis, GRI reports, SASB and any other platform designed to include aspects related to sustainability.

Based on this screening process, we create risk profiles for each supplier to assess their level of compliance with our sustainability standards. The aim is to prevent adverse consequences and improve their sustainability efforts. These risk profiles are frequently reviewed and can change positively as a result of improvements or negatively as a result of non-conformance with our sustainability standards.

SUSTAINABILITY GOALS

Reduce emissions of company cars
Since 2020, all new company cars are (semi-)electric vehicles. We have therefore managed to reduce the emissions originating from company cars. From 2025 onwards, all new company cars must be one of the following:
- Electric vehicle (EV)
- Fuel cell vehicle (FCV)
- Fuel cell electric vehicle (FCEV)

Minimize emissions from Numidia head office where possible
We aim to reduce any emissions emitted from our head office and to be as self-sustaining as possible.

Reduce emissions of truck & ship transportation
We are prioritizing collaborations with transport vendors that are making efforts to reduce their negative impact on the environment.

Raise environmental awareness of customers and suppliers
We make agreements with our suppliers that include conditions to ensure that they meet all our sustainability requirements. We also rate each supplier according to how closely involved they are with sustainability. Although we cannot directly influence customers in reducing their environmental impact, Numidia does believe it has a responsibility to promote the following goals:
- **CO_2 footprint for sales and the option to buy a CO_2 compensated product.**
  To provide all customers with a total CO_2 footprint of products purchased from Numidia, with the option of buying a fully CO_2 compensated product.

- **30% CO_2 neutral products sold by 2030.**
  By 2030, 30% of all products sold are to be CO_2 compensated with carbon credits.
- **Green Routing.**
  By the end of 2023, every customer will have the option of purchasing Green Routing. Green Routing will provide the option to purchase products with a lower CO_2 footprint compared to standard products.

Sustainable Dairy Partnership (SDP)

Since 2022, Numidia has been a SDP user to increase its focus on continuously improving the sustainability of the dairy supply chain. We aim for closer cooperation with producers and farmers to align with and improve the sustainability goals as mentioned in the Dairy Sustainability Framework (DSF). These include the following:

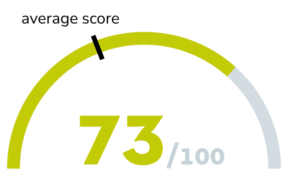
- Greenhouse Gas Emissions
- Soil Nutrients
- Soil Quality and Retention
- Water Availability and Quality
- Biodiversity
- Working Conditions
- Animal Care
- Waste
- Market Development
- Rural Economies
- Product Safety and Quality

EcoVadis

EcoVadis is one of the world's best-known providers of business sustainability ratings, as well as intelligent collaborative performance improvement tools for global supply chains. Many companies communicate their various goals or actions in relation to sustainability. However, it is often unclear exactly what or how extensively this is done. Numidia's EcoVadis rating and Gold Medal demonstrates that Numidia's level of sustainability (and social responsibility and governance) ranks in the top 1% in its field.

NUMIDIA BV (GROUP)

Rated in 2022 by EcoVadis in the Wholesale of food, beverages and tobacco industry



Overall score

NUMIDIA is in the **TOP 1%** of companies rated by EcoVadis in the Wholesale of food, beverages and tobacco industry

OTHER HIGHLIGHTS

Environment	Ethics
TOP 5%	**TOP 5%**
Sustainable Procurement	**Labor & Human Rights**
TOP 1%	**TOP 7%**

Environmental policy

Numidia wants the best for its employees, customers, suppliers and the world around it, today and in the future. We are committed to reducing our environmental impact, not only our direct footprint but also the footprint of our transport and warehousing operations.

We believe that we have a responsibility to contribute to CO_2 reduction and compensation and are therefore proud to be the first global dairy trader which (voluntarily) fully compensates for CO_2 emissions in its operations. We also practice continuous improvement in our environmental performance by setting objectives and targets in compliance with environmental management systems and EU legislation. This is done with a specific focus on the main sources of emissions, such as the transportation of products.

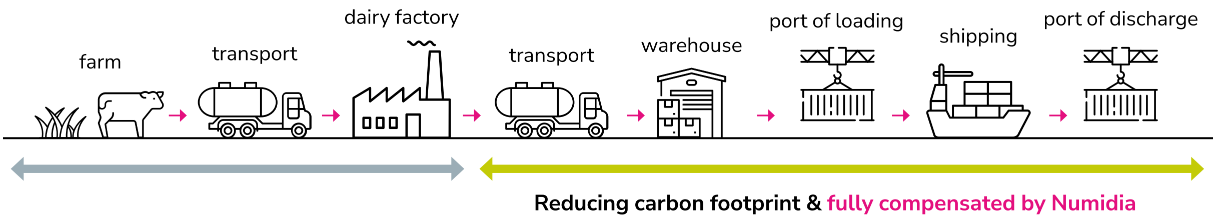
We are committed to continually improving our environmental performance. This policy is communicated to all staff and is available to the public, contractors and suppliers.

CO_2 footprint, reduction & offsetting

Numidia has determined its carbon footprint based on the GHG Protocol (https://ghgprotocol.org/) and focused on carbon dioxide or its equivalent (CO_2-eq). See Appendix A for the Numidia carbon footprint scopes and a percentage breakdown of the emissions within the total carbon footprint.

Numidia's carbon footprint includes scope 1, scope 2 and various scope 3 emissions. This means that CO_2-eq emissions have been identified not only from emission sources such as the various offices, business trips and employee commutes, but also from the product transport (by ship or truck) and storage and freezing operations organized by Numidia. All the emissions identified in Numidia's carbon footprint are offset using carbon credits from the VCS or Gold Standard platforms. For all scope 1 and scope 2 emissions, our goal is to only use carbon credits from carbon offset programs which have a positive impact on the environment of Numidia from a geographical or business process point of view.

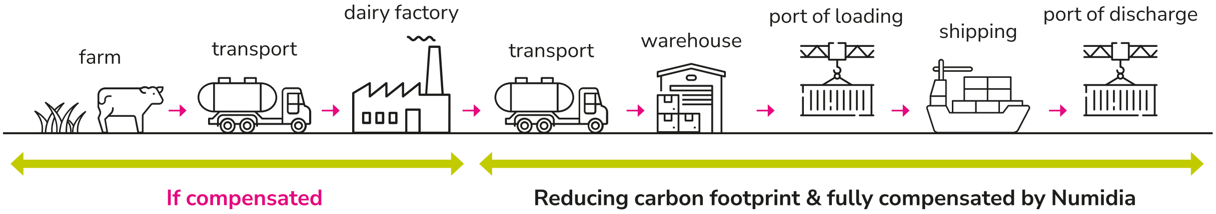
In addition, we have also calculated the scope 3 CO_2 emissions of farmers and producers from all our purchased products. However, unlike scope 3 emissions from sources within our area of responsibility, such as transporters or warehouses, the emissions from farmers and producers are not included in Numidia's carbon footprint.



We have been ISO 14001 certified since 2018 and maintain an Environmental Management System focused on the reduction of carbon emissions. And since 2020, CO_2 Reduction Management has been added to our ISO 14001 certification, verifying that we have conformed to all necessary standards.

CO_2-COMPENSATED PRODUCTS

Although we do not include the CO_2 emissions from farmers and producers in our own carbon footprint, Numidia does offer customers the option of receiving products with full carbon footprint compensation, covering emissions from the intial collection of the product at the farm until the delivery of the product to the customer. It is also possible to buy products which are fully carbon compensated.



Sustainable head office

We have calculated our energy usage for our head office as well as all other Numidia offices in the world. Our head office is situated in an almost self-sustaining building equipped with 110 solar panels, geothermal temperature conditioning, phase changing material ceiling (PCM) for cooling and various innovative systems designed to save energy. All our company cars are now either hybrid or electric vehicles, minimizing the adverse effects of emissions.

Although waste is a relatively small part of Numidia's environmental impact, we still make great efforts to reduce emissions from waste where possible and to separate waste for recycling purposes. This includes separating paper and PMD (plastic, metal & drink packaging) streams, but also reducing the volume of waste by, for example, replacing soda cans with water taps.

Animal welfare & biodiversity

Suppliers and other parties in the supply chain are to guarantee that animal welfare is in compliance with the following "Five Freedoms":

Freedom from hunger and thirst
By providing ready access to fresh water and a diet to maintain health and vigor.

Freedom from discomfort
By providing an appropriate environment, including shelter and comfortable resting area. This includes proper ventilation, temperature conditioning where necessary, and protection from direct sunlight and/or wind.

Freedom from pain, injury or disease
By sickness prevention or rapid diagnosis and treatment, ensuring the environment is kept hygienic, and the prohibition of physical abuse in any way.

Freedom to express normal behavior
By providing sufficient space, proper facilities and the company of the animal's own kind.

Freedom from fear and distress
By ensuring conditions and treatment which avoid mental suffering.

Safe & healthy products

Numidia wants everyone to enjoy the healthy benefits that dairy products provide. The following information on the benefits of dairy is from the British Dietetic Association.
For many people, milk and dairy play an important role within a healthy balanced diet. Milk and dairy foods are affordable, safe to consume daily, wholesome and a delicious source of essential nutrients. Milk and dairy typically provide almost one-third of our recommended calcium intake, but the nutrition provided by dairy products goes far beyond calcium alone. A single glass of semi-skimmed milk provides protein, phosphorus, potassium, iodine, riboflavin and pantothenic acid and a massive 72% of our daily need for vitamin B12. The main dietary source of B12 for vegetarians is dairy.

Together, the nutrients in milk and dairy benefit the body in a number of ways:
- Keep muscles, bones, nerves, teeth, skin and vision healthy
- Release energy from foods and reduce tiredness and fatigue
- Maintain healthy blood pressure
- Support normal growth and brain development
- Support the normal functioning of the immune system

Our employees

Numidia wants the best for its employees. We have been certified as a “Great Place To Work” with a score of 79% (2022) from our employees. This assessment will be carried out annually to monitor employee satisfaction. Each year, employees will also rate their level of satisfaction with Numidia as an employer. Last year, we achieved a score of 4.1 out of 5 (EOY 2022).

Our charity

As part of our vision to take care of the environment and the belief that everyone in the world should be able to enjoy the benefits of quality dairy products, Numidia Holding BV founded the Numidia Charity Foundation at the end of 2015. The chief aim of this foundation is to support underprivileged children and to help children in need all over the world. Since its inception, the foundation has taken part in various projects. Some examples of these projects can be found on the Numidia website (www.numidiadairy.com).

Roadmap

Numidia has determined three main sustainability goals to be completed in 2023. In Q1, we aim to complete the integrated sustainability report in accordance with GRI standards. In Q2, we will focus on elevating Numidia’s EcoVadis score to a minimum of 78 out of 100 points to achieve the Platinum Medal. At the end of Q3, we plan to initiate Green Routing. We have determined a first set of routes for delivering products that have a fully identified and/or reduced CO_2 footprint to our customers.

NUMIDIA SUSTAINABILITY ROADMAP 2023

MARKET TRENDS AND CONDITIONS

The global trade in dairy products is expected to increase by an average of 3% per year until 2030 (Rabobank, 2022). This increase is primarily driven by global population growth, growth in disposable income and urbanization in various regions. In comparison, annual dairy consumption is expected to increase by just 1.5 to 2%. This discrepancy can be attributed to changes in global supply and demand for dairy products.

New Zealand and the European Union are the main dairy exporters, followed by the United States where dairy exports continue to grow. Given the increasingly stringent environmental requirements set by New Zealand and the EU, the US will play an even more important role in the future.

The three main import markets are China, Southeast Asia and Africa. These three regions together account for 60% of the global demand for dairy between 2020 and 2030. These are also the regions with the highest population growth in the world.

The market for plant-based dairy alternatives is growing, but their market share remains limited. For all dairy alternatives combined, Rabobank foresees a market share of 2.3% in 2035.

The role of dairy products traders will change further in the coming years due to rapid developments in the dairy product stock markets. The variety of products being offered on the CME, EEX and SGX is growing, enabling dairy traders to use a more extensive range of risk management options for their customers and suppliers. Derivatives play a progressively important and relevant role in the trade strategy, as suppliers want to sell further ahead and customers want to buy further ahead.

Within the dairy supply chain, sustainability is becoming more important. Sustainability encompasses a variety of topics, from water management, energy consumption, fertilizer use, CO_2 emissions and animal welfare to CO_2-neutral delivery to end users.

Supply chain disruptions

Over the last three years, COVID-19 has had a considerable impact on (dairy) supply chains. In many parts of the world, ports operated at limited capacity because workers were sick or because governments completely or partially stopped work due to COVID-19 infections.

The impact of COVID-19 on freight varied. The demand for containers was high at the start of the corona crisis, which ultimately led to significant price increases and availability issues. In the past year, however, demand and prices have dropped, on some routes significantly.

Impact of the war in Ukraine

Numidia strongly disapproves of the war, and we express our sympathy with the Ukrainian people. Several of our employees or their families have been affected by the war.

The war has had a limited and indirect impact on Numidia. Our trading activities with relations in Russia have been on hold since 2014 due to import/export restrictions following Russia's invasion of Crimea. In addition, we engage in limited trade with customers and suppliers in Ukraine.

The war did result in price increases for energy, feed and fertilizers, which has increased the cost price for farmers and dairy producers. As a result, and despite historically high compensation for their milk, farmers decided to not increase milk production for the first quarters of 2022. We did see a change in this pattern in the last quarter.

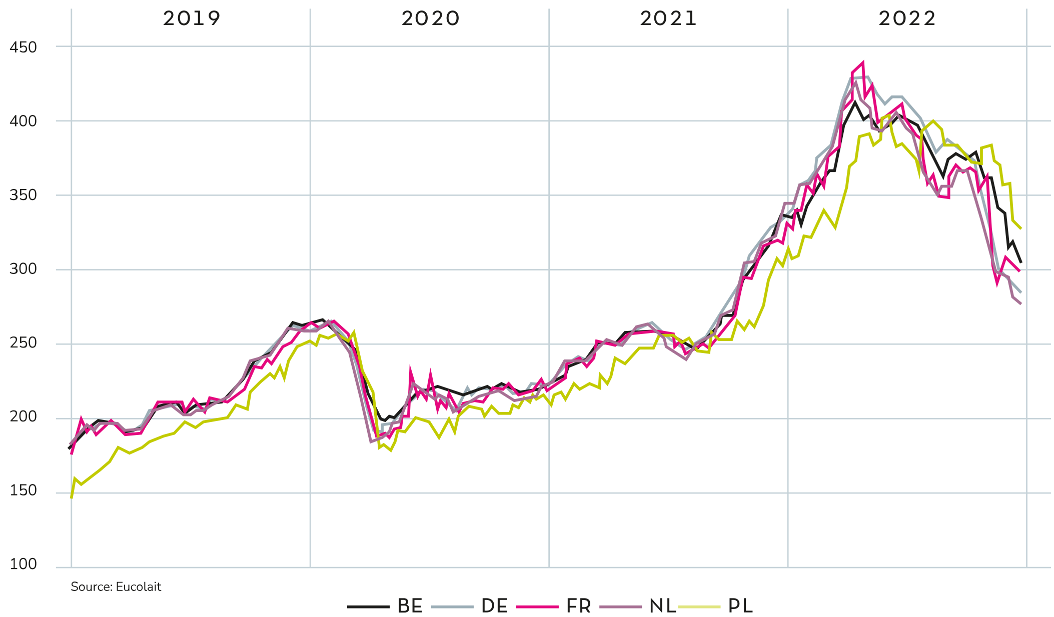
Dairy price development

Dairy prices, which had already been on the rise since the end of Q2 2021, continued to go up in early 2022. The price increase applied both to protein products, such as skimmed milk powder, and fat products, such as butter.

Although the price of butter remained relatively stable between April and October 2022, the price of protein products began to fall sharply in April. By October, the price of fat products began to trend downward as well. A major cause was the reduced demand due to (excessively) high prices. Demand was particularly low in China, the largest importer of dairy. In recent months, global production has started to increase again.

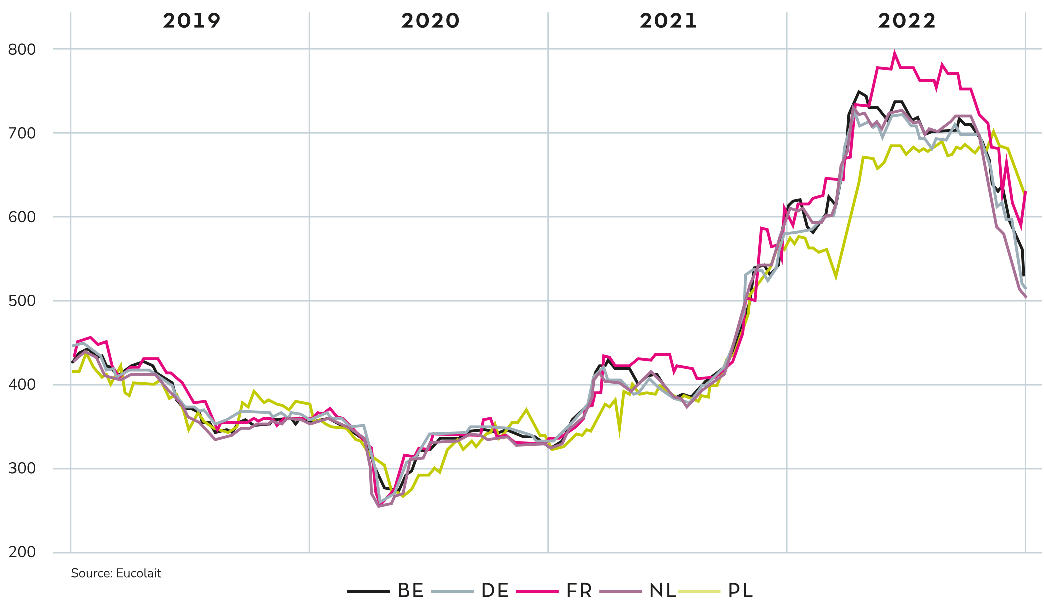
FOOD SKIMMED MILK POWDER QUOTATIONS 2019-2022

in € / 100 kg



BUTTER PRICE QUOTATIONS 2019-2023

in € / 100 kg



2023 outlook

The ongoing uncertainty in the world is expected to impact dairy prices globally. Due to the recent downward trend in dairy commodity prices, the current milk prices paid to farmers cannot be maintained and will be lowered by dairy producers. On the one hand, the combination of lower milk prices and increased cost price for farmers will most likely lead to a reduction in production. On the other hand, the rapid recovery of import markets such as China after COVID-19 may boost the demand for dairy products in the long term. All in all, we expect a level of volatility in the dairy market in 2023.

GROWTH OF DAIRY DERIVATIVES MARKETS

Dairy derivative contracts are listed on three exchanges around the world: CME, EEX and SGX. Each exchange has an extended product offering of futures and option contracts. Companies use these risk management solutions for hedging.

The Chicago Mercantile Exchange (CME) is the most mature and liquid exchange for dairy products, trading over 1,000,000 lots per year. Class 3 milk is actively used by farmers, producers and end users to cover risks.

The Singapore Exchange (SGX) began listing dairy derivative contracts in November 2021 in a strategic partnership with the New Zealand Exchange (NZX), which has listed dairy derivative contracts since 2010. In 2022, the SGX dairy contracts traded around 45,000 lots per month, for a total of almost 500,000 lots for the year.

The European Energy Exchange (EEX) has provided dairy futures contracts since 2015 and reached a new record in 2022 of more than 40,000 lots traded. In addition, there is an active "over the counter" (OTC) market that trades a multiple of the annual futures volumes.

Although volumes on CME for dairy are consolidating, the expectation is that volumes on EEX and SGX will grow by 30-40% per year over the next three years.

For Numidia, trading on all three exchanges is becoming increasingly important. It enables us to cover the risks of physical trading. In addition, these markets sometimes offer better trading opportunities than physical markets.

STRATEGY

Vision

We believe that everyone worldwide should be able to enjoy the benefits of quality dairy products. We see it as our task to contribute to making that happen!

Mission

We want to be the best and most sustainable supplier of standard dairy products in the world for the food and feed market. We want to add value (commercial, logistics, financial, risk management, administrative and technical) for our suppliers and our customers with whom we want to establish long-term relationships. Our people make the difference!

Our values

Transparency
We have an open and direct culture. We are down to earth, and we practice what we preach.

Long-term relationships
We are enthusiastic about our work, our business relationships and our colleagues.

Authenticity
People who are entrepreneurial and decisive make the difference for our suppliers and customers. They are empowered by the directors, who actively take part in commercial activities, which creates speed and flexibility.

Flexibility
We have employees that can take take most decisions themselves. Our directors are part of the team.

Reliability
Our main driver is to keep our promises.

Our strategic pillars

Our success strategy starts with the hiring and training of "world-class" employees. Our aim is to provide an average of 40-60 hours of training per year to strengthen an employee's development. We also invest a lot of time and attention on forging an excellent team. Our management style is "reversed accountability", which means that we believe our managers should be there for our employees, not the other way around. The better it works, the better employees will feel and the better they can perform. It is therefore not surprising that Numidia was certified as a "Great Place To Work."

Furthermore, we have defined five strategic pillars that determine our direction:

1. As stated in our mission, we want to be the most sustainable supplier in our business. We have already created our Environmental Management System (to the ISO 14001 standard) in 2018. Since 2019, we have voluntarily offset the emissions of our own activities and those of all transports and warehousing that we organize for our customers.
2. We want to excel in the customer and supplier experience. This includes understanding and taking care of the concerns of our business partners.
3. We strive for continued double digit growth. That keeps it interesting to do business with the larger companies in our supply chain. This growth also offers our employees the best opportunities for further development, enabling us to continue attracting the best available people. In addition, the larger the organization is, the more finely meshed the distribution of goods can take place. This will also improve the relative ecological footprint.
4. Running our business requires the processing of an enormous amount of data. But the great challenge of the future is to have access to the relevant data and to make the right (commercial) decisions. That is also the reason why Numidia set up a separate department for this purpose.
5. Last (but certainly not least), we want to deliver the best (most customer-oriented) products to the best customers. These are customers who have a good reputation in the market and with whom it is pleasant to do business.

STRATEGIC PILLARS OF NUMIDIA

MOST SUSTAINABLE	BEST EXPERIENCE	DOUBLE DIGIT GROWTH	DATA DRIVES US	THE BEST PRODUCTS FOR THE BEST CUSTOMERS
Remain the most sustainable dairy trading company in the world	Providing the best possible service to our customers and suppliers in order to grow our business with them	Continued double digit growth to grow our market share (for physical products and derivates)	We use data to manage our business, make better decisions and work more efficiently	Sourcing the best products in the world for the best customers in the market

OUR FOUNDATION: A WORLD CLASS TEAM, **THE NUMIDIANS**

The strategy for physical products has always been about operational excellence. To create a distinct market position through the delivery of standard dairy products (commodities) with outstanding operational performance.

In the coming year(s), we will focus even more on realizing the different expectations that customers and suppliers have of us. It will be a combination of operational excellence in controlling the supply chain and customer intimacy on the delivery of goods and related documents/information. An important tool when it comes to supporting the defined customer journey will be IT. The ERP system has been designed to achieve this.

In addition, we will be offering all of the above at the best possible price (cost leadership). The achievement of the latter is mainly due to the simplicity of Numidia's structure. Right from the start, we decided to have (and stick to) one order book worldwide. This enables us to immediately see our total product positions in detail, which means that we can concentrate our efforts on fully serving our customers and suppliers. After all, there is no internal trading between the various offices and everyone is working toward the same goal.

For managing our position and trading in derivatives, this operational excellence strategy only applies to the administrative process. Otherwise, the main strategy is the creative use of market intelligence – gathering all the available and most up-to-date (market) information and then translating it into concrete, successful actions using data analysis and market movements. The major advantage that Numidia has here is that it can combine the developments in its own physical order portfolio with the information that comes from the derivatives markets. This gives us a secure way to see the developments of the dairy market.

This advantage is further enhanced by the fact that Numidia trades both protein-dairy products and fat-dairy products. On the one hand, these products are linked in one way or another, but on the other hand, they can still show their own specific price development. Being able to see all these individual developments simultaneously creates a better overall picture, in which the most promising trading opportunities also become clear. In combination with its worldwide presence, this means that Numidia can take advantage of opportunities presented through geographical arbitrage.

Activities in research and development are limited given the nature of the company's business and operations. These are therefore not represented in the strategic pillars.

3 Governance

ORGANIZATIONAL STRUCTURE

Legal structure

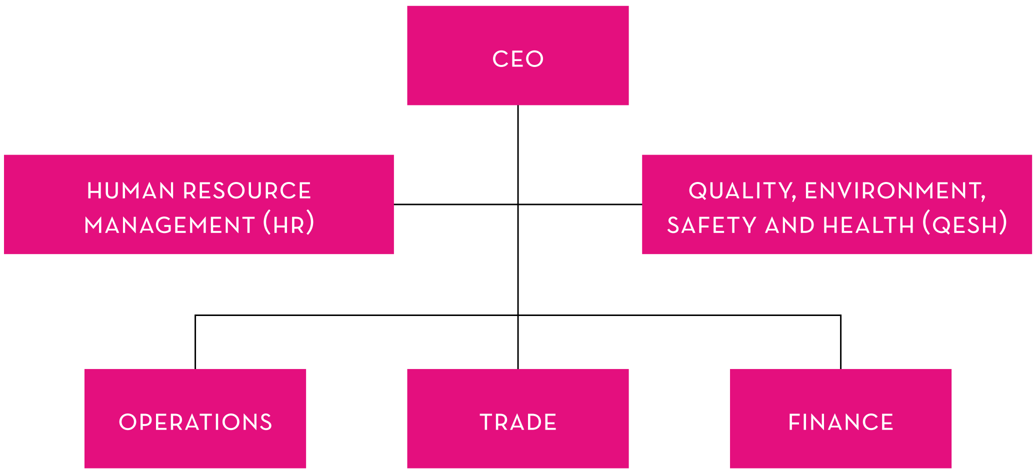
The Numidia group is headquartered in the Netherlands, with subsidiaries in the Netherlands, Singapore, the United States of America and Uruguay.

We have provided a complete overview of the legal entities included in our financial report in Note 6 of our 2022 separate financial statement. All group companies are limited liability companies and (indirectly) owned by Numidia Holding B.V.

Pursuant to Section 2:403 of the Netherlands Civil Code, Numidia Holding B.V. has issued a liability declaration and therefore accepts full liability for all Dutch legal entities within the Numidia group. The Vonk Culinary Cheese joint venture, in which Numidia holds 50% of shares, is not considered a group company for reporting purposes.

Management structure

Our management structure is based on the main functions and processes within our company and the required segregation of duties (SoD).



BOARD OF DIRECTORS

The CEO, CFO, CCO (2x) and the HR Director make up our Board of Directors (BoD). All members are employed in the Netherlands. The statutory directors and Ultimate Beneficial Owners (UBO) of Numidia Holding are members of the BoD.

The main functions of the BoD are strategy, capital allocation and investments, risk management, sustainability and governance.

Han van Hagen
Chief Executive Officer since 2015

Additional activities: Board member Numidia Charity Foundation

Paul Hawinkels
Chief Financial Officer since 2018

Har Daamen
HR Director since 2011

Additional activities: Board member Numidia Charity Foundation

Aziz Mahin
Chief Commercial Director and Statutory Director since 2011

Additional activities: board member of the "Sporten en Bewegen Swalmen/Boukoul" foundation

Maurice Daamen
Chief Commercial Director and statutory Director since 2014

Additional activities: board member of the "LMC topvolleybal" foundation

Governance

Our governance policy is based on the following:
- applicable Dutch legislation
- applicable local legislation of our foreign subsidiaries
- applicable GRI disclosures
- ownership structure of the group and the articles of association

The BoD is responsible for the governance structure.

In our company structure, the Ultimate Beneficial Owners are part of the management structure. This poses an inherent risk of management override and conflicts of interest. We have the following safeguards in place to mitigate these risks:
- Differentiation between statutory directors and board members. The statutory directors are part of the BoD but report to the CEO.
- The BoD is multidisciplinary and representative of the organization.
- Below the BoD, a management team is in charge of operational matters.
- A structured decision-making process, including BoD meetings, monthly management team meetings, quarterly business reviews and daily commercial meetings.

Taken together, the BoD and management team are 60% male and 40% female. Both statutory directors are male. The Dutch Management and Supervision Regulations Act ("Wet bestuur en toezicht") advises for at least 30% of seats to be held by women and 30% by men. We meet and exceed these gender diversity targets on a company and managerial level (BoD and management team).

The management team is 67% female and 33% of male. The Dutch Management and Supervision Regulations Act advice is thereby met on this level.

All 5 seats in the BoD are held by males, including both statutory directors. The Dutch Management and Supervision Regulations Act advice is thereby not met. As Numidia meets the advised ratio on company and management team level and invests highly in training and education we foresee the ratio to change in the years to come. However, due to the ownership structure, 30% is not expected to be accomplished on the short term.

On a statutory level, the gender ratio is not met (100% male) as this ratio is dependent on the ownership structure.

REMUNERATION AND PERSONNEL

Numidia is a "Great Place To Work"

In 2021 and 2022, Numidia took part in the Great Place To Work (GPTW) program. GPTW is an external company whose methodology helps companies assess whether their employment practices contribute to the well-being of the company and employees alike. By participating in the program, companies have a chance to certify themselves as a Great Place To Work. First, GPTW conducts an anonymous survey (Trust Index) with all employees of the company. In the Trust Index, GPTW measures how satisfied employees are on the following points: Credibility, Respect, Fairness, Pride and Camaraderie.

In addition, the company writes a Culture Audit on how things are done within the company. This audit addresses the following subjects: Trust, Meaningful Values, Effective Leadership, Maximizing Everyone's Potential, Innovation, and Bold Leadership.

Numidia is proud to have been certified as a Great Place To Work in both years. Having said that, we also value the feedback of our employees on how we can further improve.

The Numidians

Our employees, "Numidians" as we call them, are our most valuable asset. They are the ones who purchase a product from a supplier, sell that product to a customer and arrange its transportation. Numidians make the difference for all of our stakeholders. Our task is to give our employees all the tools they need to optimize the experience of the supplier, customer or other external partner.

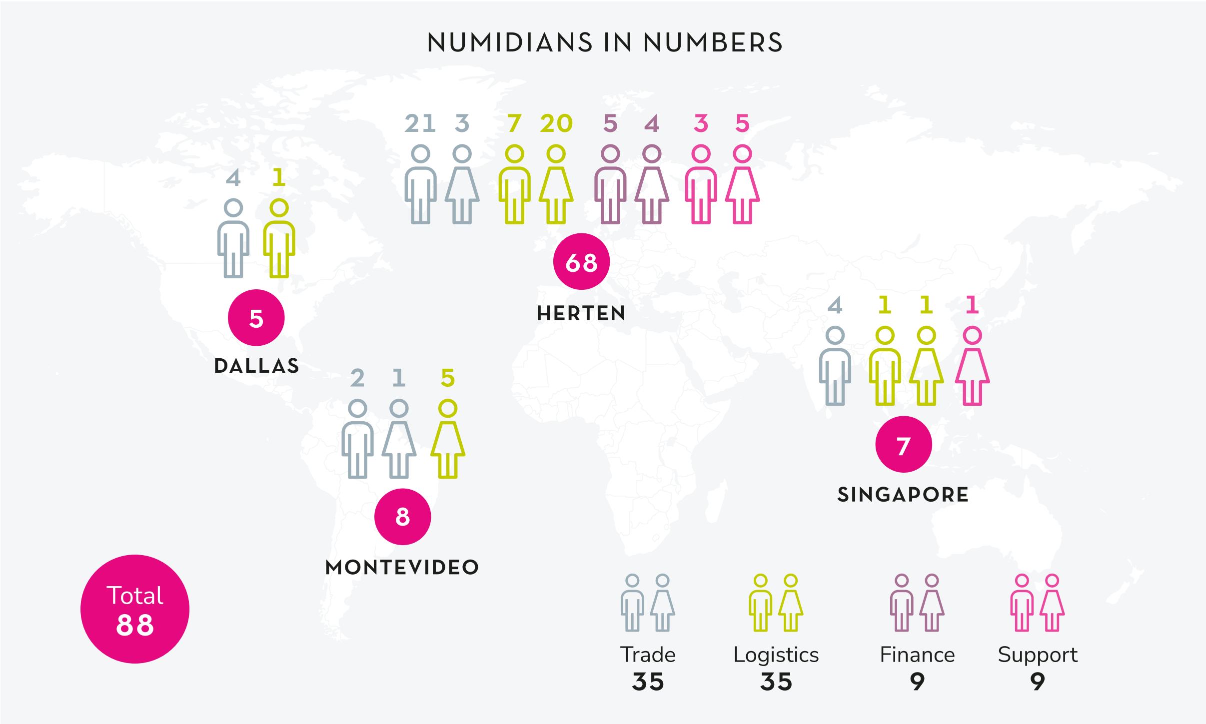
Stephen R. Covey once said, "Strength lies in differences, not in similarities." Our employees reflect just that. You will see this in the variety of backgrounds, levels of experience, nationalities, and the many languages spoken within our company. That is why we don't select a specific education or experience in our recruitment process (although, it is of course important to have a background in finance when applying for a controller position). Our selection process focuses more specifically on a person's ambition, personality and skills like teamwork mentality, analytical strengths and attention to detail.

As stated above, Numidians represent many different nationalities. In fact, as of 31 December 2022, we had 23 different nationalities in total. That is something we are very proud of. We celebrate this diversity on our Cultural Day. Four times a year, we come together to highlight the home country of one of our employees by enjoying traditional food, music and learning interesting things about that country.

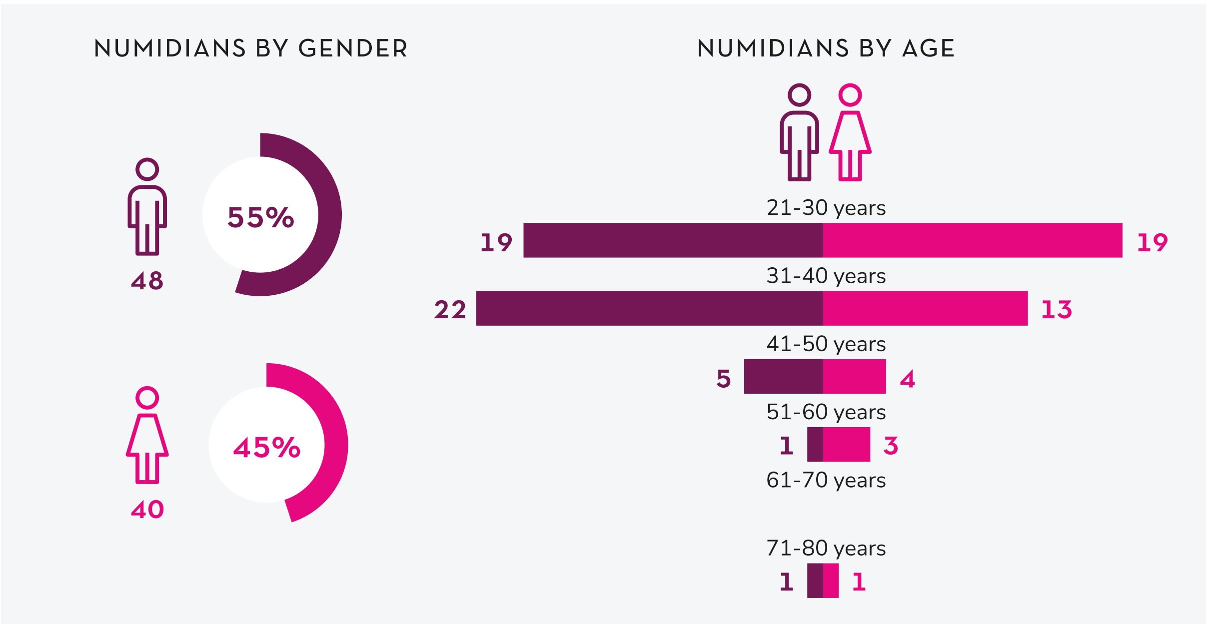
Because our employees come from so many different cultures, respect for those cultures is very important. We do not tolerate discrimination or any other undesirable behavior. That is why we have a policy in place to prevent and combat undesirable behavior both at the office and outside of the office, for example on social media. If, despite this policy, an employee experiences undesirable conduct, he or she can contact internal and/or external confidants. Confidants are trained to assist an employee by explaining their options and discussing possible solutions.

An employee (or anyone else connected to the company) who suspects illegal activity or misconduct can follow the whistleblower procedure. This procedure can be found in our Staff Handbook (or in our Code of Conduct for external parties), which is available online 24/7. The employee can choose to share their concerns with both internal confidants as well as external parties.

The picture below shows the statistics of our Numidians and our important locations (offices) as of 31 December 2022. [1]

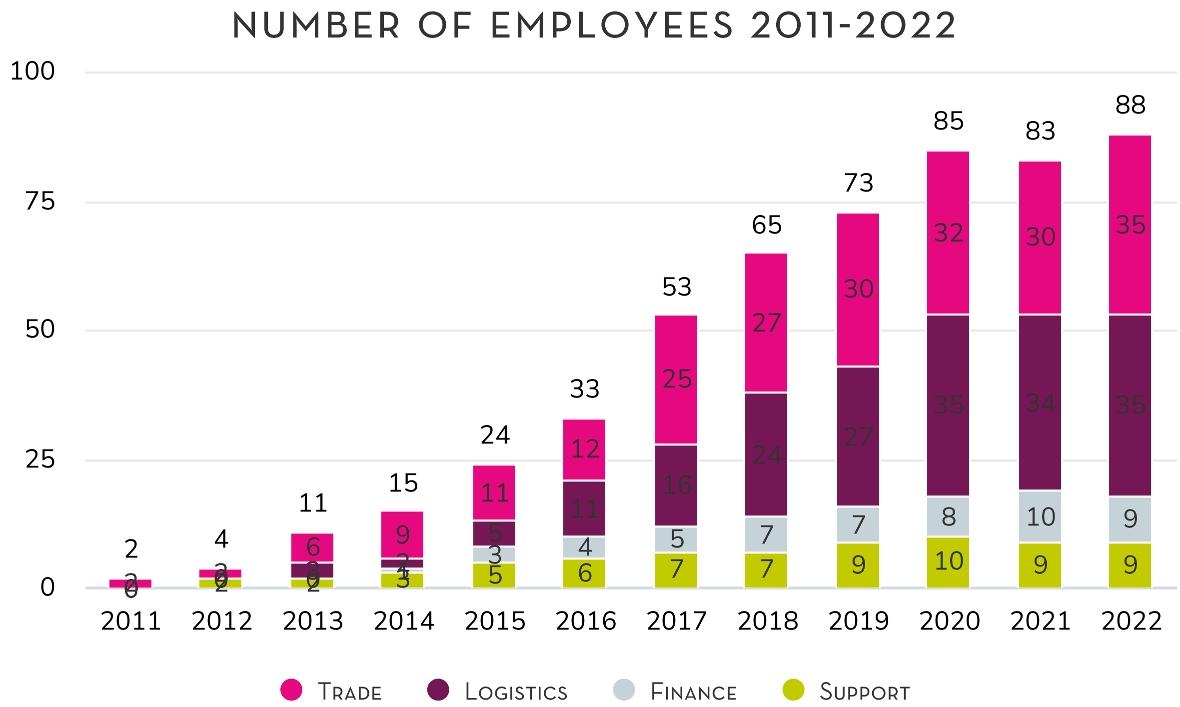


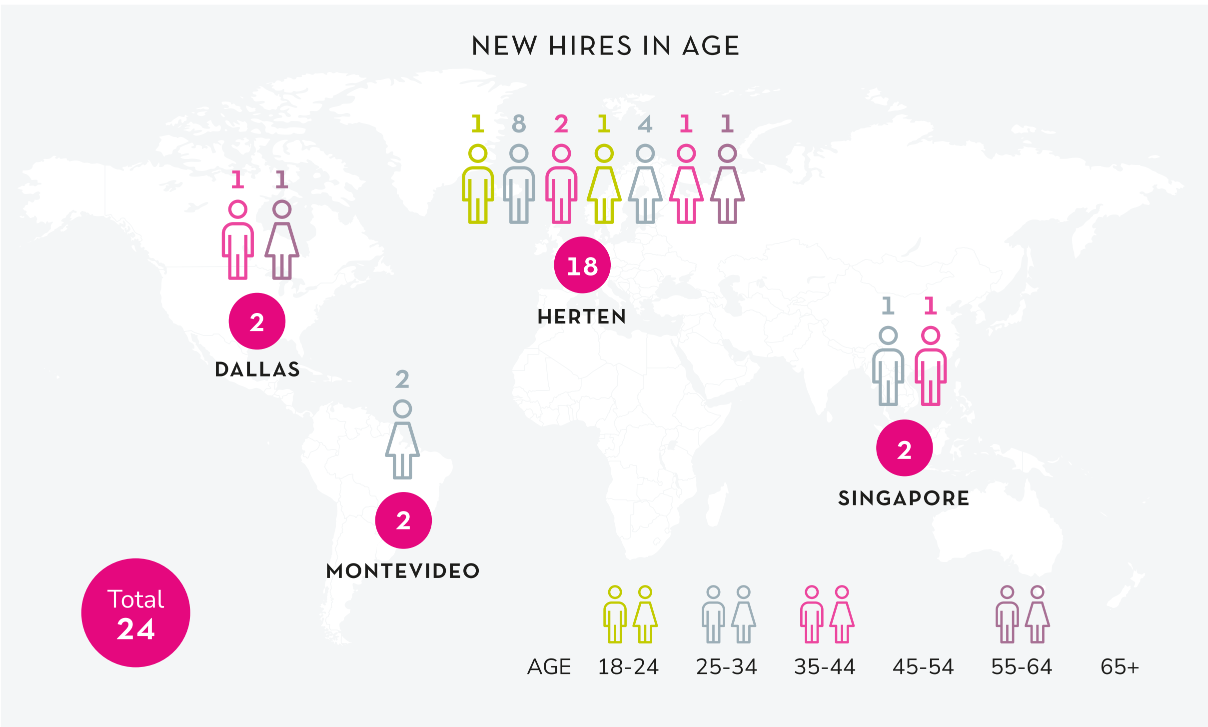
The number of Numidians is fairly divided between males and females. We also have a nice spread across age categories.



Since our founding in 2011, we have grown considerably in a number of ways. This is also true of the number of Numidians: between 2021 and 2022, our workforce grew by 6%. The graph below shows the number of employees at year-end. It includes: interns, seasonal workers and statutory directors. Agents, independent sales representatives and VCC employees are excluded.

The average number of FTEs employed is reported in chapter 5.





In 2022, we hired 24 new employees in total. The table below indicates the location, gender, and age categories of the new hires. These numbers show an employee turnover of 18.7%. (20 leavers / (83 employees 31-12-2021 + 24 new hires)).

Core values

We have five core values: Transparency, Reliability, Authenticity, Long-Term Relationships and Flexibility.

TRANSPARENCY RELIABILITY AUTHENTICITY LONG-TERM RELATIONSHIPS FLEXIBILITY

TRANSPARENCY

To underline the transparency of our open and direct culture, we have one work floor (per office) where we all work. All directors, managers, staff, interns and seasonal workers are on the same floor; there are no separate offices. Employees are encouraged to approach each other with questions and ideas, or if they need help. In person if possible, or via phone, email or Teams message if someone is not at their desk. There are also several meeting rooms available to sit and talk in private. Transparency also means that feedback is given on a regular basis. In addition, short- and long-term plans and goals are shared during quarterly information sessions that are open to all employees.

RELIABILITY

We say what we do, we do what we say, and we have the evidence to prove it (i.e. certificates). We keep the promises we make to our customers, suppliers, business partners and each other. We formalize personal goals and plans, and we review them twice a year. You can find more about this in "Reviews and Development."

AUTHENTICITY

We make sure that all Numidians are heard. We value their opinions and views; in other words, we value their authentic selves. This is true for all employees: those who are still at Numidia and those who are leaving us. When an employee leaves, he or she is offered an exit interview with HR. There they have the opportunity to speak freely about their time at Numidia: the good things, but also the things that could be better. In this way, we gain insight into our areas of improvement. While the individual interviews are kept confidential, the overall results from multiple exit interviews are included in a report to the Board of Directors.

LONG-TERM RELATIONSHIPS

We are in it for the long haul. In other words, we always strive for long-term relationships with our employees and our business partners. Honesty is the key to good relationships. That is why we conduct performance reviews twice a year. As part of the review, we also ask employees to review Numidia as an employer and to provide feedback on their manager and position within Numidia. You can find out more about the review process in the section "Reviews and Development."

In addition, we are not afraid of commitment: we offer employees an indefinite employment contract after only nineteen months, and we invest in our employees. Out of 88 employees, 25 (39.7%) have temporary contracts. All other employees have indefinite contracts. You can find out more about how we invest in our employees in "Reviews and Development."

We value good relationships; between employees and Numidia as an employer, but also among our employees. That is why we have the "Numidia Party Squad" to organize fun and informative events for Numidians around the world. To improve the bonds between our employees, we also organize an annual party in July. All employees, including those abroad, are invited to spend a week in the Netherlands. During this special week, they also undergo training and get to spend time with colleagues in person. In addition, directors pay regular visits to our Numidia offices abroad.

FLEXIBILITY

If COVID-19 taught businesses one thing, it is that employees are flexible. Of course, we knew this already. We are not confined to a set of rules and measures. Instead, if there is a better way to do something, we do it. That is why we love good ideas. As a flat organization, we are agile and able to make changes quickly and easily, without having to navigate unnecessary bureaucracy.

Employees have the flexibility to work from home one or two days a week and to plan their own working day. Employees can start their working day as early as 7:30 a.m. and finish at 4:30 p.m. They can also choose to start at 9 a.m. and finish at 6 p.m., or choose any hours in between. We offer our employees 25 days of paid leave per year, along with the official holidays. If an employee wants to take additional days off, he or she can take them as unpaid leave.

Working conditions and terms of employment for all employees are covered in the Staff Handbook. But based on the results of the internal semi-annual reviews with all employees and the external research of Great Place To Work, we keep a finger on the pulse of what is going on among our employees, and where possible we improve the working conditions for them. In addition, we have an active Health and Safety organization (consisting of four employees) that also comes up with good proposals for improvement from time to time.

Salary and other rewards

Numidia uses salary scales. These scales are based on an individual's position, responsibilities and years of experience. Salaries are paid at least once a month. All employee salaries are far above the minimum wage for each country. (In 2022, the minimum wage per country: Netherlands, EUR 1,756.20 gross per month, US, USD 7.25 per hour, Uruguay, 10,000 Pesos per month; Singapore does not have a minimum wage.) We follow the labor laws of the countries in which we have an office. In the Netherlands and Uruguay, the law requires us to pay our employees an annual holiday allowance.

PENSION

Numidia takes care of its employees and looks not only at the present, but also at the future. That is why the organization contributes financially to the pension plan in accordance with the local customs of its employees around the world. In 2022, all employees participated in the applicable plans that are facilitated by Numidia.

BONUSES

Like most commercial businesses, we care about getting results. To incentivize employees, we celebrate their successes and share them through SharePoint. And when Numidia is successful, we reward our employees with an end-of-year bonus. We believe that when Numidia does well, our employees should also benefit. The amount of each individual employee's bonus is determined by the following:

- the gross margin of the company vs. gross margin budget of the company
- if applicable, the individual trade results vs. individual trade budget
- the employee's individual performance

We also like a challenge. So in 2022, the management set an extra goal for the third quarter. That goal was reached, which meant that every Numidian was rewarded with the latest iPad.

REFERRAL BONUS

We are always interested in recruiting new employees, which is why we introduced the referral bonus. Employees who successfully refer someone to Numidia – resulting in the hiring of that person – receive a referral bonus of EUR 1,000.

At the end of the year, we like to thank our Numidians for their efforts. So all Numidians (including seasonal workers and interns) receive the same end-of-year gift. In addition, we organize an end-of-year dinner so that everyone can enjoy each other's company, look back on the past year and look forward to the new year.

Numidia strives to offer all its employees the same kind of benefits. Because local laws and customs differ by country, there may be subsequent differences in benefits. For part-time employees, the benefits are calculated pro rata when it comes to bonus entitlements and annual leave entitlements.

Reviews and development

Twice a year, every employee receives a performance and career development review. Within Numidia, we call them the mid-year review and the end-of-year review. There are some employees who are exempted from the standard review:

- Board of Directors members (who instead have a personal review with the shareholders)
- Employees who have recently joined Numidia*
- Employees who have resigned (and who will have a more specific exit interview)

** New employees have a one-month evaluation and a three-month evaluation to discuss their progress and onboarding.*

In October 2022, we sent out the invitations for the end-of-year review, which then took place in November and December. We have listed the number of employees who did not receive the invitations, and the reasons why, below:

- Six were Board of Director members
- Eleven had only recently joined Numidia and had their one- or three-month evaluation in the period October-December 2022
- Two resigned
- One was on sabbatical leave

NUMIDIA ACADEMY

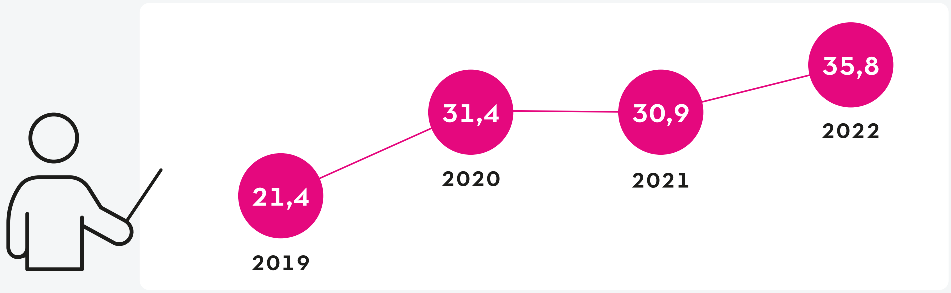
As mentioned above, we strive for long-term relationships. That requires an investment. Through the Numidia Academy, we invest in the development of all our employees. The Academy starts with an onboarding program so that new employees can get to know Numidia. This consists of classroom introductions, e-learning courses and training on the job. Each new employee is assigned a tutor who will coach him or her in the basics. After three months, the onboarding program is finalized with the three-month evaluation. In the months thereafter, we further develop the skills of new employees with Excel, Power BI and communication training courses. Further down the line, employees participate in a negotiation training course, time management training, leadership training courses and account management training courses. Visits to trade fairs and business partners and participation in projects and Lean Belt activities can also be part of the Numidia Academy's contribution.

Some employees may have individual requirements, such as needing to learn a particular language, assertiveness training or internal audit training. As we become aware of these requirements, we look at possible ways of addressing them.

In addition to external training opportunities, employees can also learn from each other. That is why we organize internal training courses on subjects like VAT and Health & Safety to keep employee knowledge up to date.

In 2022, our employees received an average of 36 hours of (fully paid) training per person. Male and female employees received an equal amount of training.

AVERAGE TRAINING HOURS PER ACTIVE NUMIDIAN



There are no clawbacks for the training courses in the Numidia Academy. For those with individual needs, alternative agreements can be made.

After some time (and training), an employee will naturally be ready for a new challenge. We encourage employees to express their personal ambitions, whether they are inside or outside Numidia, and we try to facilitate them by providing extra tasks, projects, training and Dutch lessons. If an employee is not sure where their ambitions are, we offer career advice through an external party, even if this might lead to the Numidian leaving us. In 2022, seven employees made a change within the company: some became managers, while others changed departments or locations.

Family

Numidia began as a family company and despite having grown considerably, that atmosphere is still alive at Numidia today. That is why a sense of family, in particular the families of our Numidians, are important to us.

In 2022, nineteen employees were entitled to (partially paid) parental leave. These employees had one or more children aged eight years or younger. Twelve of these employees were male, the other seven were female. Four of the employees entitled to parental leave (maternity/paternity/post-birth leave is not taken into account) took (partially paid) parental leave in 2022. Three of them were female, and one was male. All are still employed at Numidia. In 2021, one person took parental leave. He is still employed at Numidia. This makes the return to work and retention rate 100%.

ETHICS AND ANTI-CORRUPTION

Employee health & safety

Numidia wants the best for its employees. The wages and benefits of Numidia employees, as well as contractual working hours, meet all legal standards and industry benchmark standards. Abuse in any form toward employees within Numidia or through its external relationships is not tolerated. We maintain an open structure in which every Numidian is encouraged to address any topic they want relating to mental and physical health. We believe that this benefits both Numidia as a company and the employees themselves.

We believe that the health and safety of Numidia employees is a top priority. To that end, the health & safety team performs audits to ensure that our employees have a safe, hygienic working environment. A preventive medical examination is offered to all employees every three years. We also promote healthy food consumption. Once a week, Numidia prepares a joint lunch for all employees, using fresh, nutritious ingredients. In addition, fresh fruit is delivered several times a week and all available sodas are sugar-free drinks.

We improve our employee workplaces wherever possible, providing the tools they need and focusing on maintaining or improving the social environment between everyone. This is true for office spaces, but it also applies to work-from-home environments.

Forced & child labor

We guarantee that our processes and suppliers are entirely free of any involvement with child labor or any other form of misconduct. The requirements underlying this guarantee are described in Numidia's Code of Conduct. We maintain a zero tolerance policy for any business relations that do not respect this Code of Conduct. As part of the supplier and customer onboarding process, we perform various checks to ensure compliance with this Code of Conduct.

Corruption, bribery & fraud

Numidia does not tolerate any type of corruption, bribery or fraud. This applies to all employees, but also to all of our business relations. We make sure that all employees are fully aware of these topics through various means of communication and mandatory training programs.

We are certified by IFS Agents & Brokers and BRC, both of which require risk assessments related to food fraud and food defense.

All of Numidia's suppliers, including warehouses, transporters or product suppliers, are required to formally agree to our Code of Conduct before the onboarding process can begin. This means that they are to conduct their businesses in compliance with the applicable anti-corruption laws and anti-bribery laws in each relevant jurisdiction, but also in accordance with the rules for anti-bribery. During the onboarding process of any supplier, we perform a risk assessment which focuses on any fraud risks specific to their type of business. This risk assessment is also subject to a yearly review.

Every new customer is screened by an independent third party. This third party traces the Ultimate Beneficial Owner (UBO) and screens for Politically Exposed Persons (PEP) and Special Interest Persons (SIP). Persons holding or connected to important political positions will be reviewed by Numidia for possible risks and the suitability of our involvement with them. In the case of a person being on a sanctions list (e.g., international sanction lists), we will not engage with this party in any way.

Numidia Charity Foundation

Numidia cares about more than Numidians. We also care about our environment and underprivileged children. That is why we initiated the Numidia Charity Foundation. Numidia is the source of funding for this foundation. The Numidia Charity Foundation helps children in need all over the world with education, nutrition and financial aid. These projects are proposed by the Numidians themselves and they also play an active role in the projects they propose.

Our contributions are limited to foundations and associations, and the budget for any project is agreed upon in advance. All contributions require official confirmation to show that a budget has been used for its intended purpose.

CHARITY PROJECTS IN 2022

Fundación Florecer (2022) (Trinidad, Uruguay)

The purpose of the Fundación Florecer is to promote educational freedom by supporting investments and modern forms of administration for public and private schools, especially those in deprived areas. The focus is on incorporating the latest teaching techniques to promote social and cultural development, youth entrepreneurship and local employment. The Numidia Charity Foundation supports the Fundación Florecer with equipment for a virtual classroom so that they can offer virtual classes for those lessons that do not have an assigned teacher.

House of BOEN BIO (Indonesia)

The foundation has supported a project to restore a temple in Indonesia to its former glory. One of its tasks will be to share the teachings of Confucius with people to build an ecosystem for sustainable growth and cross-cultural harmony. This encompasses education, social activities, sports, culture and art.

Care2Communities (Haiti)

One of our Numidians is from Haiti, where it is generally difficult for people to make a decent living. She and her siblings were fortunate enough to receive a solid education that led them to where they are today, but unfortunately the same cannot be said for thousands of families who live below the poverty line, struggling every day to make ends meet. This Numidian's brother is a medical doctor who was educated partly in Haiti and partly in France. He is currently working in the northern part of Haiti at Care2Communities, managing seven clinics that provide high-quality healthcare services to vulnerable families in remote areas.

According to the UNICEF database, the infant mortality rate in Haiti is the highest in the Latin America region. If we compare it with the infant mortality rate in the Netherlands, Haiti has 60.5 deaths per 1,000 live births, while the Netherlands has 4.2 deaths per 1,000 live births. The Numidia Charity Foundation supported this Haitian organization with an ultrasound machine, supplies and funding for healthcare personnel. We believe that a child who is properly taken care of today could be a future leader of tomorrow for a different Haiti.

Sedex

Numidia is committed to focusing on ethics when entering into collaborations with other parties. Since 2018, Numidia B.V. has been a member of Sedex, demonstrating its commitment to responsible sourcing. Sedex is a global organization dedicated to driving improvements in responsible business practices in global supply chains.

Sedex is one of the world's leading organizations when it comes to helping companies manage responsible sourcing. It operates a collaborative online platform that enables members to collect and share ethics data and identify risks in their supply chain. The collaborative approach enables buyers and suppliers to work together to better manage their social and environmental performance and to protect people working in their supply chains.

Sedex tools and services are used by more than 50,000 members in more than 150 countries. Sedex works in 35 industry sectors, including food, agriculture, clothing, packaging and chemicals. Sedex also owns SMETA (Sedex Members Ethical Trade Audit), one of the most widely used social audit methodologies in the world. In 2021, the SMETA audit was completed without any non-conformances.

The company reference number of Numidia B.V. is ZC403665132. Numidia has not been involved in any issue or non-conformity related to any of the topics discussed in this chapter.

TAXATION

Approach to tax

Numidia’s strategy for the group taxation structure is "tax follows the business," meaning that the optimal business structure prevails over the optimal tax structure. The BoD evaluates the tax strategy on an annual basis.

The goals of this strategy are as follows:
- facilitate the optimal business structure
- be compliant with all applicable legislation
- ensure that all stakeholders receive a fair share of tax income
- avoid the risk of tax evasion

Corporate income tax and transfer pricing

The Numidia group operates in five jurisdictions with respect to corporate income tax:
- The Netherlands (all Dutch entities form a fiscal unity for corporate income tax purposes)
- Singapore
- United States
- Uruguay
- Australia

Because we operate on a global scale, we follow the OECD guidelines for transfer pricing. We have taken the following steps to determine our transfer pricing strategy:
- An independent tax advisory firm has been engaged to set up the right structure and ensure compliance with all OECD and local tax requirements.
- The OECD arm’s length standard and methods for testing the arm’s length nature of intercompany transactions have been evaluated. The OECD guidelines do not prescribe a strict hierarchy of applicable methods. They do, however, require that the selected method provide the best estimation of an "arm's length" price.
- A benchmark study has been conducted to determine the estimation applied.
- Master files, local files and country-by-country reporting have been set up for all applicable countries in line with the requirements. These files are available at Numida’s headquarters upon request of tax authorities and taxation stakeholders.

As a result, we are confident that we meet all applicable tax legislation:
- OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations published in July 1995 and subsequently updated in 1996, 1997, 2010, 2017 and 2022.
- Dutch legislation: Article 29G of the Dutch Corporate Income Tax Act and the Dutch transfer pricing decrees of 4 June 2022, no. IFZ 2022/16685 and 30 December 2015, no. DB/2015/462M.
- Local Singapore, US and Uruguay requirements not covered by the OECD or Dutch guidelines.

Corporate income tax charges are accounted for on a monthly basis on both the local and consolidated levels through the use of accruals.

During 2022, we submitted CIT filings in all five jurisdictions within the required deadlines and within local standards and requirements. We engaged local tax advisory companies in all jurisdictions to support and prepare the filings.

RISK MANAGEMENT

Risk management policy

Numidia has a risk management policy in place and assesses applicable risks on an ongoing basis. Dairy commodity training poses an inherent and relatively high risk due to thin margins. In addition, our global presence makes us vulnerable to political and macro-economic conditions, weather conditions and seasonality.

We prioritize business continuity and maintain a low risk appetite. Therefore, we:

- implement measures and controls to reduce risk as much as possible, within a reasonable cost-benefit trade-off
- allow medium risk only to maintain our trade position and to execute our core business
- mitigate high-risk items
- mitigate all other risks to an acceptable level

Our risk policy addresses all applicable risk areas and their associated measures and controls, which are implemented throughout the organization.

STRATEGIC RISK

Our subsidiaries serve a strategic purpose by limiting our dependence on the European market and creating a global footprint. We are able to reach and serve our customers all over the world, 24/7. In addition, we significantly reduce the risk and impact of currency fluctuations, weather conditions, seasonality, and country- or product-specific sanctions. Our business structure provides a strong foundation for business continuity and growth. We also invest significant effort in business planning. Our 2020-2025 strategic plan provides long-term direction and informs our 2022 operational goals and budget.

FINANCIAL RISK

Currency risk

We mitigate currency risk by using forward foreign transaction (FX) contracts. These contracts fix the currency exchange rate, protecting us against potential margin losses when trading in USD and GBP.

Working capital risk

We continuously monitor and assess working capital risk in relation to our current trade position, inventory projections and commitments, equity position, budget and strategic planning. We have a financing facility in place with Deutsche Bank and ING Bank to meet our working capital requirements. This EUR 120.0 million asset-based facility was extended for a three-year period in July 2021 and expires in August 2024.

Interest rate risk

We are exposed to interest risk on all loans with variable interest rates. The main interest risk relates to the asset-based credit facility for financing working capital. This risk is not hedged, as the (expected) interest costs are discounted into our sales price setting.

OPERATIONAL RISK

Trade risk

We have four levels of trade limits in place to manage risks related to market fluctuations:

1. Position limits (total and per product limits in metric tons) based on the maximum exposure Numidia is willing to take without jeopardizing business continuity.

2. Sub-limits (total and per product limits in metric tons) for commodity futures and options contracts. These contracts apply to the CME, EEX, SGX and OTC exchanges and are used for risk mitigation by hedging physical positions and for generating profit.
3. VAR (Value at Risk) limits for commodity futures and options contracts to manage and mitigate the risk on margin calls.
4. Inventory limits to ensure a high level of turnover on inventory, low risk of inventory write-offs and limited capital employment.

We continuously monitor position limits using real-time information systems, and senior management conducts daily reviews.

Counterparty risk

We regularly assess counterparty risk related to customers (mainly credit risk) and suppliers (mainly food and feed safety risk) using a rating system. The system takes into account a company's financial situation, country of residence, payment performance, contract performance, claim history and credit rating. In addition, we have a Know Your Customer (KYC) process in place to screen all customers for sanctions.

We use several different instruments to manage credit risk, including credit insurance (Credendo), letters of credit (LC), cash against documents delivery (CAD), avalized drafts, prepayment or a combination of these instruments. These instruments cover approximately 94% of our trade receivables.

Our Quality Department must approve all product suppliers, transportation providers and warehouses prior to doing business. Suppliers must meet a minimum set of requirements, such as quality certifications, service level agreements and signed supplier inquiry/identification forms. Finally, all suppliers and agents must sign our Code of Conduct.

Liability

Our insurance policies cover (among others) liability risk, recall risk, transport risk and inventory storage risk.

NON-COMPLIANCE RISK

Employee risk

We established our Code of Conduct in 2016 to manage employee and management risk. The Code of Conduct defines our standards and rules with regard to integrity, compliance with laws and regulations, fraud and conflicts of interest.

We have been a member of the Supplier Ethical Data Exchange (Sedex) since 2018. Sedex is a not-for-profit membership organization that works with buyers and suppliers to implement responsible and ethical business practices in global supply chains.

Corruption risk

We have corruption risk measures in place, including but not limited to the following:

- Blacklisted country list
- KYC screening
- No cash policy

FRAUD RISK

Financial reporting risk

Each month, we conduct a hard close on all Numidia entities and consolidate numbers into a company result and balance sheet for review and discussion in the monthly management team and BoD meetings. Budget and year-over-year variances are analyzed and explained. We have embedded segregation of duties (SoD) is our ERP system to limit management override risk and unauthorized transactions.

Asset misappropriation

We manage the risk of asset misappropriation, mainly related to outgoing payments, by maintaining strict controls on vendor bank account mutations and SoD on outgoing bank payments.

Food fraud risk

We have all quality certifications in place to be a supplier of choice in the dairy market. Numidia is a certified BRC agent & broker and IFS broker for the food market and GMP+ for the feed market. Our food defense & food fraud mitigation plan is based on the following:

- a vulnerability analysis and critical control point (VACCP)
- a threat assessment and critical control point (TACCP)

The TACCP & VACCP analyses are reviewed annually and are included in the internal audit procedure. Further details are provided under Ethics and anti-corruption

CYBER SECURITY RISK

We continually update our cyber security policy based on the latest developments. Our policy is built on three cornerstones:

- **Prevention:** access control management, data and privacy protection, continuous updates
- **Monitoring and detection:** malware protection, intrusion detection, various audit tools
- **Response:** cyber security insurance policy, fallback environment, backup recovery

In control statement

The BoD is responsible for the design, implementation and effectiveness of the risk management policy and internal controls. The BoD has performed an assessment of the effectiveness of our risk management system. Based on this assessment, the BoD is of the following opinion:

- There are no material failures in the effectiveness of Numidia's internal risk management and control systems.
- Numidia's internal risk management and control systems provide reasonable assurance that the Annual Report does not contain material errors.
- Based on the current conditions, it is justified that the financial reporting is prepared on a going concern basis.
- There are no material risks or uncertainties that could reasonably be expected to have a material adverse effect on the continuity of Numidia in the coming twelve months.

The above statement does not imply that our risk management system provides absolute assurance, nor that it can prevent all misstatements, inaccuracies, errors, fraud and non-compliances with legislation, rules and regulations.

4 Results

FINANCIAL RESULTS

Turnover and net result

2022 was a record year for Numidia, both in terms of sales and net result:

- Full-year sales grew by 5% year-on-year (YoY) to a total of EUR 939 million.
- The turnover by main product groups was: powders 74% (78% in 2021), fat 13% (10% in 2021), cheese 11% (9% in 2021) and liquids 2% (3% in 2021).

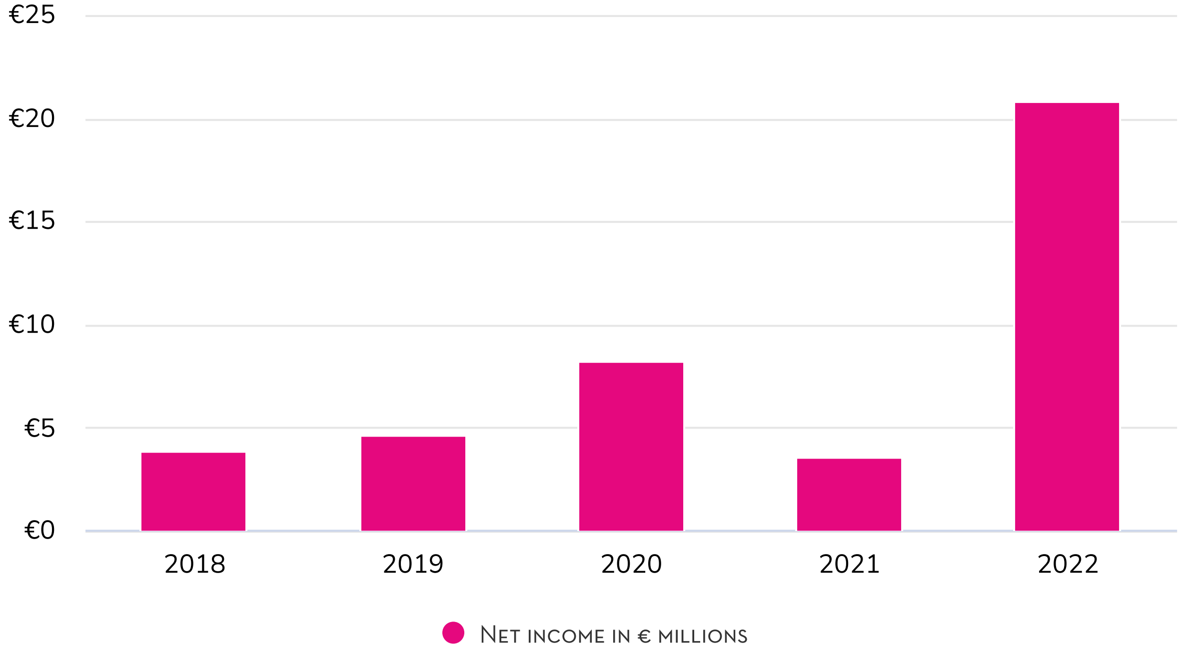
We made a conscious decision to limit volume and sales growth in a market characterized by extremely high prices and volatility. We focused on long-term continuity.

- The 2022 average sales price per Mt is EUR 3,099 compared to EUR 2,256 for 2021 and EUR 2,046 for 2020.

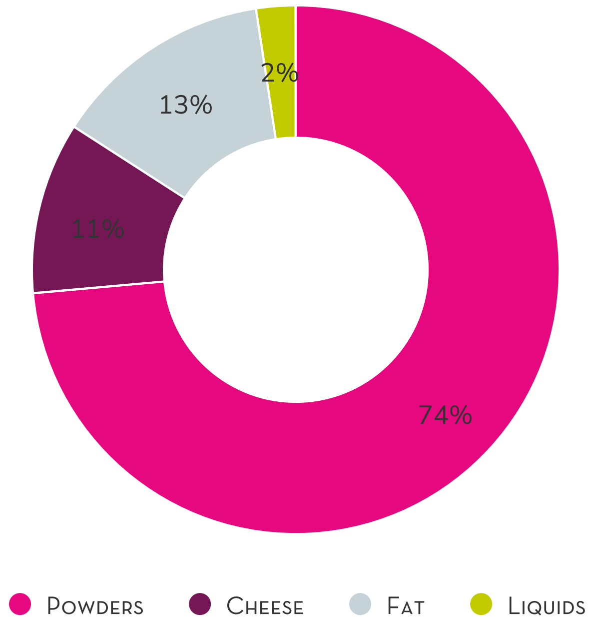
The 2022 net result was EUR 20.8 million, which is an increase of 487% YoY. This record net income is the result of a combination of strong gross margins from physical sales and profits from commodity derivative trading.

In the dairy market, derivative trading is becoming just as important as physical trading. Therefore, we believe that trading in dairy commodity derivatives cannot be seen separately from physical sales gross margins. Instead, we believe that a good integration between the two is necessary to be a leader in our industry.

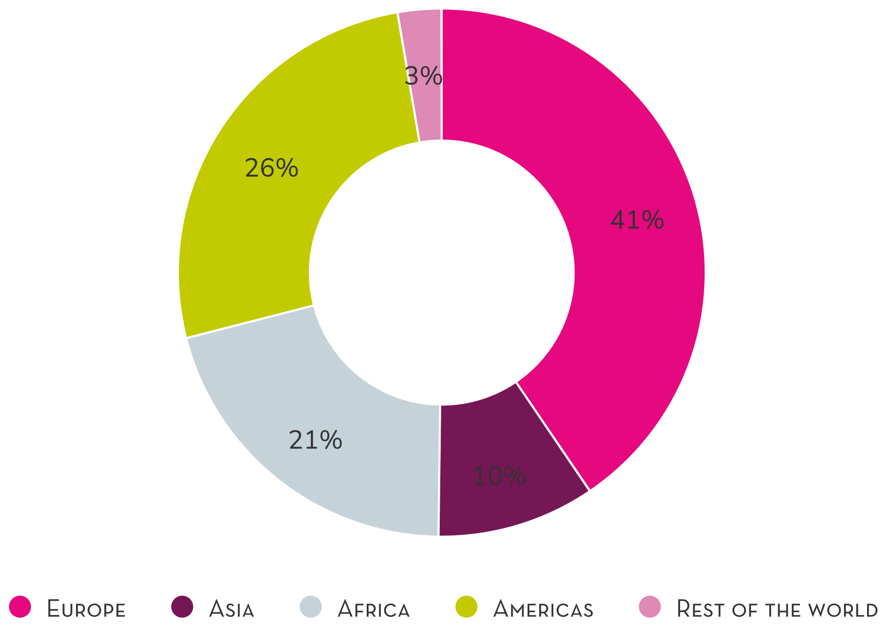
Net income 2018-2022



2022 Turnover by product



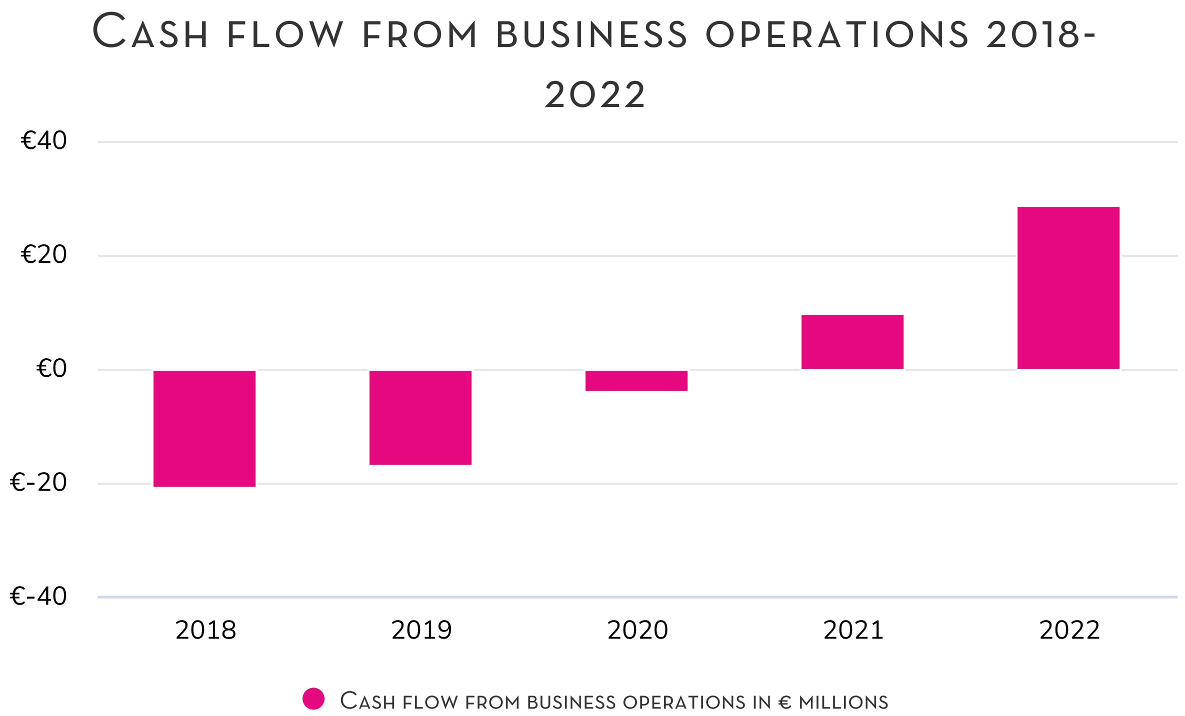
2022 TURNOVER BY CUSTOMER REGION

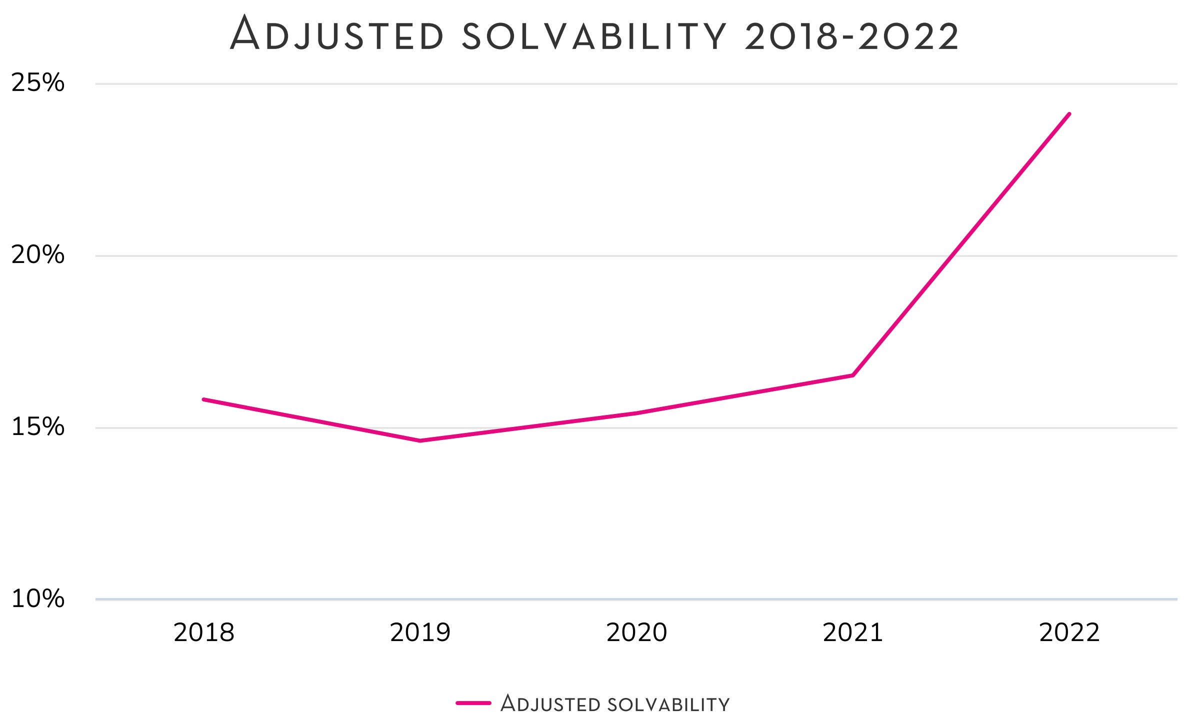


Balance sheet

We accomplished our 2022 priority to achieve profitability while controlling our working capital and improving our solvability:

- Working capital remained stable from December 2021 to December 2022, while sales and market prices increased. working capital is calculated as current assets minus current liabilities excluding debts to credit institutions.
- The cash conversion cycle was 43 days at the end of 2022 compared to 47 days at the end of 2021. The cash conversion cycle is calculated as: Days of Sales Outstanding (DSO) + Days of Inventory Outstanding (DIO) -/- Days of Payable Outstanding (DPO).
- Solvability increased from 15.8% at the end of 2021 to 24.1% at the end of 2022. The adjusted solvability is calculated by dividing the Tangible net worth (TNW) by the adjusted balance sheet total. The TNW has been calculated in line with the bank covenants. The balance sheet total used for the solvability calculation was adjusted for the impact of unrealized commodity derivatives results under cash flow hedge accounting.
- The current ratio ultimo 2022 is 1.26 (1.17 ultimo 2021).





Cash flows

The 2022 cash flow from business operations was EUR 28.9 million. This cash flow was used to repay long-term loans, invest in tangible fixed assets (ERP implementation mainly), pay dividends in the amount of EUR 1.2 million and reduce the amount drawn under the asset-based credit facility.

Financing and related requirements

The operations of Numidia are largely financed through an asset-based credit facility with Deutsche Bank and ING Bank. The total committed credit line amounts to EUR 120 million. On 31 December 2021, a total of EUR 63.9 million was utilized and all related bank covenants were met.

Outlook

Over the years, we have built a very strong foundation for growth. We are ready to take the next step toward becoming a leader in the global dairy industry and increasing our control over the supply chain. We aim to combine this growth with the following:

- Positive cash flow from business operations
- Investments in employee development and being the employer of choice in our industry and region
- Extending our leading position in sustainability within the dairy trade. Having achieved an EcoVadis Silver Medal in 2021 and a Gold Medal in 2022, we strive for a Platinum Medal in 2023.
- Investments in IT, automation, and market and business intelligence
- Targeted strategic investments

We are confident that we have all the conditions in place to achieve our ambitions:

- A best-in-class workforce
- A very solid balance sheet and solvability
- A committed credit facility through August 2024, providing sufficient room for growth
- A strong presence in the global physical and derivatives dairy markets
- A diversified customer and supplier base
- A diversified and broad product range
- The most advanced sustainability structure

And we can, because we are Numidians!

NON-FINANCIAL RESULTS

The impact that companies' business operations have on the environment is becoming increasingly transparent, as are the (financial and non-financial) consequences of this impact. The EU's recently approved CSRD guidelines provide insight into these consequences. When the CSRD goes into effect, auditors will begin auditing compliance with these guidelines, implying that there will be an independent opinion on the level of compliance.

On the one hand, non-compliance could impact companies' ability to do business in the future. It may, for example, affect a company's chances of attracting financing, as banks take into account non-financial results into their review process. On the other hand, companies like Numidia that have an adequate policy in place may have a competitive advantage. We also believe that given the growth of the organization, we should set an example within our industry.

Sustainability results

CO_2 FOOTPRINT 2022: VOLUNTARILY FULLY COMPENSATED

We distinguish between scope 1, 2 and 3 in reporting emissions resulting from our business operations. Scope 1 includes direct GHG emissions from owned equipment and the use of lease cars. Scope 2 includes indirect emissions related to energy consumption in our office buildings, emissions from business travel and employee commuting. Scope 3 includes indirect GHG emissions related to warehouses, transport and freezing processes.

In tCO_2-eq		2022	2021
Scope 1		5	9
Scope 2		265	297
Scope 3		15478	20228
	Total CO_2 emission	**15748**	**20534**

Numidia applies a three-step policy: we measure and calculate emissions, share this information with our business partners to drive transparency and awareness within the supply chain, and then provide insight into and implement prevention and reduction measures. We have taken the extra step of mapping the so-called upstream emissions, which arise during the production and processing of the dairy products that we buy and sell. Mapping provides us with additional insight into the value chain and potential savings. The objective is to offer our customers the option of offsetting these emissions in the future. All the emissions identified in Numidia's carbon footprint are offset using carbon credits from the VCS or Gold Standard platforms.

ECOVADIS RATING: GOLD MEDAL

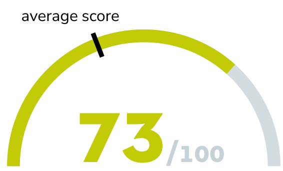
When we initiated our sustainability efforts in 2018, we focused on the environment and specifically on the CO_2 footprint of Numidia and of our supply chain. We gained insight into the journey from collecting products from suppliers to the delivery of products to customers. Our environmental policies related to energy consumption and GHGs have proven very effective. We will continue to improve our insight into carbon emissions by extending our scope to additional components of our supply chain.

The first EcoVadis sustainability assessment in 2021 demonstrated that Numidia, even prior to adopting additional measures, scored among the top 25% of companies across all industries. Our score of 56 out of 100 points earned us a Silver Medal. In 2022, Numidia showed significant improvements on the topics of environment, labor & human rights, ethics and sustainable procurement. Our score increased by 17 points to 73 out of 100 points, earning us a Gold Medal. Our score also places us among the top 5% of companies in terms of the quality of our sustainability management system.

NUMIDIA BV (GROUP)

Rated in 2022 by EcoVadis in the Wholesale of food, beverages and tobacco industry

GOLD 2022 ecovadis Sustainability Rating



Overall score

NUMIDIA is in the **TOP 1%** of companies rated by EcoVadis in the Wholesale of food, beverages and tobacco industry

OTHER HIGHLIGHTS

Environment	Ethics
TOP 5%	**TOP 5%**
Sustainable Procurement	**Labor & Human Rights**
TOP 1%	**TOP 7%**

Compliance results

RISK RATING OF SUPPLIERS: 100% SCREENING

At the start of any collaboration, Numidia initiates an assessment of the impact of a supplier on the topics of quality, environment and sustainability. The quality impact of a supplier is assessed based on the food and/or feed safety certificates they hold, the products and/or services they are going to deliver and other details. Whereas the environmental impact is mainly focused on emissions and other direct environmental risks, the sustainability impact focuses on social and governance themes. This assures that 100% of suppliers are assessed. Suppliers are evaluated on an annual basis and the risk ratings are adjusted as needed.

The assessment is based on the information provided by the supplier through Numidia's Supplier Management Portal. Here, the supplier provides information through questionnaires, as well as any applicable certifications. After the supplier provides the onboarding information, Numidia uses the assessment to assign a complete risk rating, which is added to the database. The risk rating informs the follow-up actions, if any, to improve the risk rating.

KNOW YOUR CUSTOMER: 100% SCREENING OF NEW CUSTOMERS

New customers are screened for:

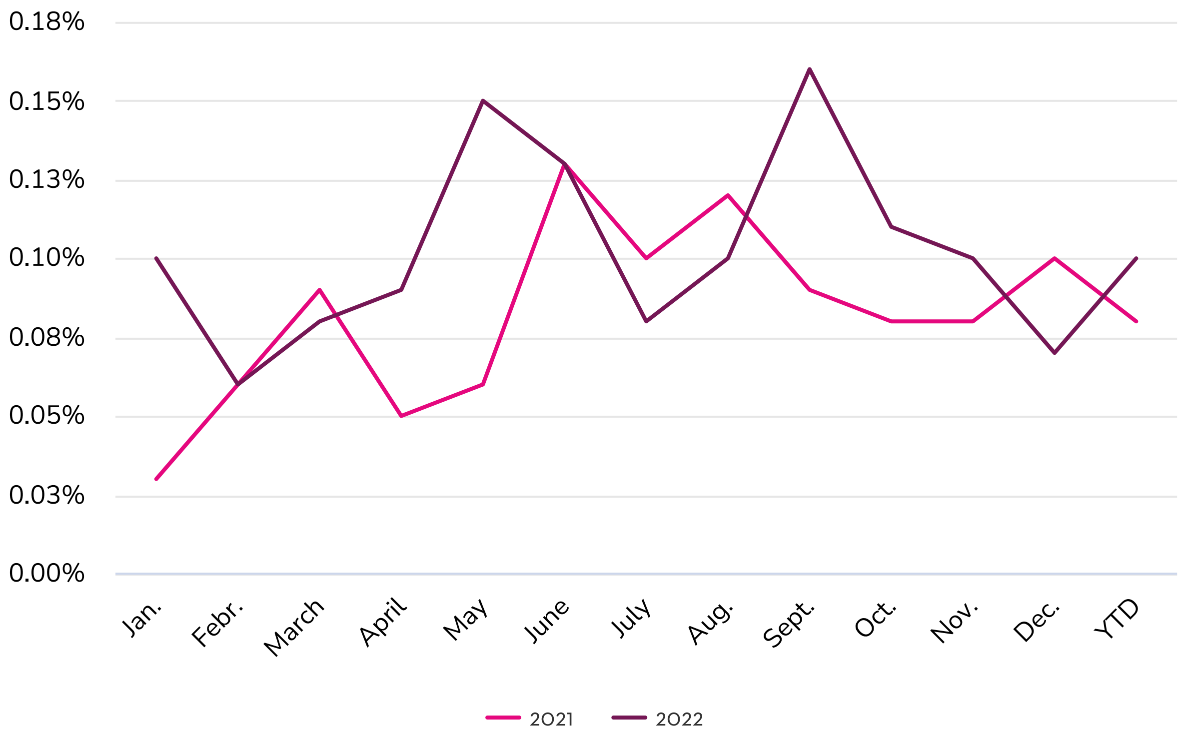
- Ultimate Beneficial Owner (UBO) identification
- Sanctions
- Political exposure

We engage with an external party to conduct these investigations. The level of screening depends on the availability of information. Various international sanctions lists are consulted. The most commonly screened lists are the OFAC (Office of Foreign Assets Control), the BIS (agency of Industry and Security) and the European Union Restrictive measures (sanctions) list.

NON-CONFORMITIES: 0 SAFETY INCIDENTS

Numidia's management system is also used to register any issues related to, among other topics, services, products, environment, health & safety and working conditions. These issues are logged as non-conformities. Issues that pose a threat to public safety are called food or feed safety issues. The non-conformance team meets at least bi-weekly to discuss all non-conformities. The purpose of these frequent meetings is to respond quickly and take the necessary actions to manage incidents and/or potential emergency situations that impact product safety, legality and quality effectively and to enable the effective withdrawal and recall of products.

In 2022, a total of 308 non-conformities were submitted. Only four non-conformities were identified as a potential food or feed safety issue. Ultimately, these four non-conformities were determined to not involve a food or feed safety issue. As a result, zero food and feed safety incidents were recorded. Numidia measures the non-conformity ratio by dividing the number of non-conformities by the total volume per month.



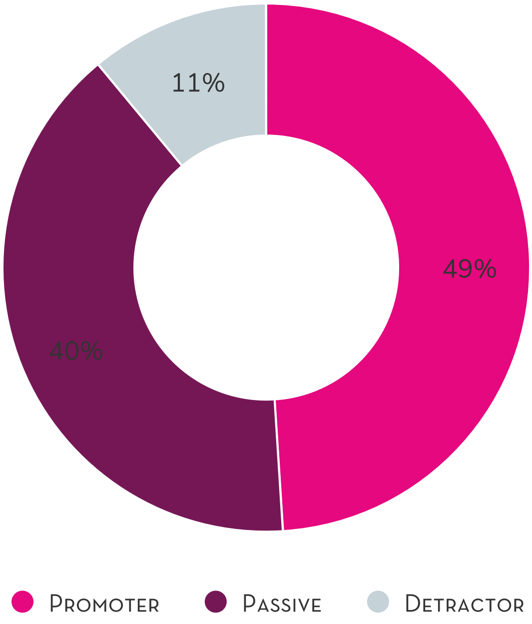
Numidia also operates an active whistleblower program, whereby both internal and external whistleblowers have the opportunity to report irregularities to Numidia's confidential advisers or even to the external confidential advisers of the company.

Commercial results

NPS SCORE FOR CUSTOMERS: 38

49% of customers are likely to recommend Numidia to a business relationship. Customers mention the product and service level of Numidia, as well as the communication with Numidia as reasons for their response. The NPS score is calculated by subtracting the Detractor percentage from the Promoter percentage.

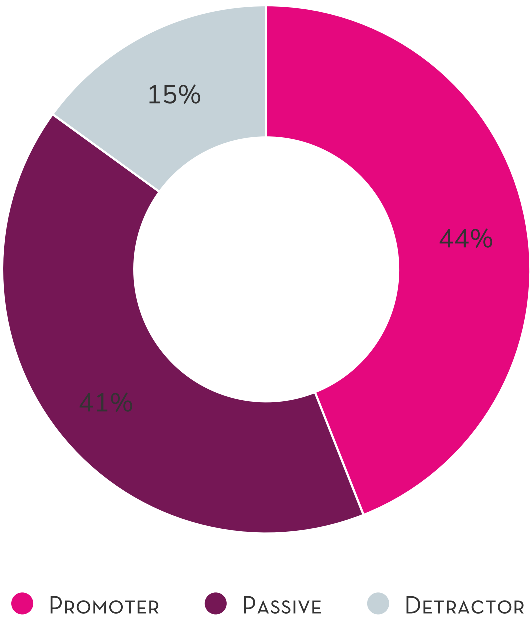
NPS score Customers



NPS SCORE FOR SUPPLIERS: 29

44% of suppliers are likely to recommend Numidia to a business relationship. Suppliers mention the market knowledge of Numidia and communication with Numidia as reasons for their response.

NPS score suppliers



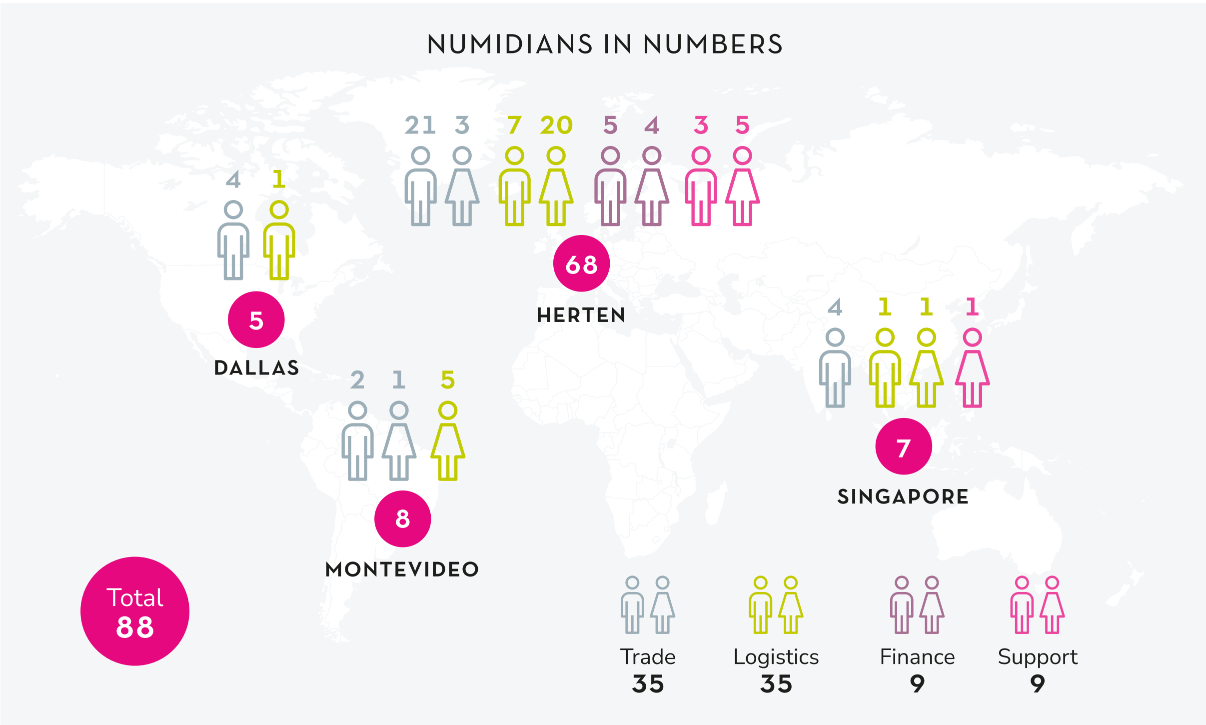
People results

GREAT PLACE TO WORK: 2 YEARS IN A ROW

Numidia participated in the Great Place To Work program for the first time in 2021. We were granted the GPTW certification in both 2021 and 2022. In 2022, we achieved the following results:

- 92% overall response rate
- 81% positively responded to the question: "Taking everything into account, I would say this is a great place to work."
- 79% score on the Trust Index

HIRING: 24 NEW NUMIDIANS



5 Financial Statements

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2022

(before profit appropriation)

In thousands of euros			**31 December 2022**		**31 December 2021**
Fixed assets					
Tangible fixed assets	(1)		3,955		4,210
Financial fixed assets	(2)		194		94
Current assets					
Inventories	(3)	42,776		21,655	
Trade and other receivables	(4)	191,134		180,399	
Cash and cash equivalents	(5)	541		76	
			234,451		202,130
			238,600		**206,434**
Equity					
Shareholders' equity	(6)		51,130		30,546
Non-current liabilities	(7)		1,775		2,865
Current liabilities	(8)		185,695		173,023
			238,600		**206,434**

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR 2022

In thousands of euros			2022		2021
Net turnover	(11)	939,146		893,568	
Cost of sales		(911,629)		(875,115)	
Gross margin on turnover			27,517		18,453
Selling and distribution expenses	(12)	(16,068)		(8,955)	
General and administrative expenses	(13)	(2,707)		(2,141)	
Total operation expenses			(18,775)		(11,096)
Other operating income	(14)		22,853		(205)
Net result on turnover			31,595		7,152
Interest receivable and similar income	(15)	7		(471)	
Interest payable and similar charges	(16)	(2,223)		(1,492)	
			(2,216)		(1,963)
Result before tax			29,379		5,189
Tax on result	(17)		(7,519)		(1,267)
Share of result from participating interests			(1,050)		(378)
Result after tax			**20,811**		**3,544**

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT FOR 2022

The cash flow statement has been prepared in accordance with the indirect method.

In thousands of euros			**2022**		**2021**
Net result on turnover			31,595		7,152
Adjusted for:					
Depreciation	(1)	578		504	
Changes in working capital		(3,303)		2,017	
			(2,725)		2,521
Cash flow from business operations			28,870		9,674
Interest received	(15)	7		-	
Interest paid	(16)	(2,210)		(1,500)	
Income tax paid		(2,637)		(1,507)	
			(4,840)		(3,007)
Cash flow from operating activities			24,030		6,667
Investments in:					
Tangible fixed assets	(1)	(325)		(460)	
Financial fixed assets	(2)	(194)		-	
Disposals of:					
Tangible fixed assets	(1)	21		39	
Cash flow from investing activities			(498)		(421)
Redemption of long-term debt	(7)	(590)		(515)	
Take-up or (redemption) of credit facility	(8)	(21,893)		(5,738)	
Dividend paid	(24)	(1,180)		-	
Share Premium Reserve	(24)	583		-	
Cash flow from financing activities			(23,080)		(6,253)
Net cash flow			452		(7)
Exchange rate and translation differences on cash and cash equivalents			13		1
Changes in cash and in cash equivalents			**465**		**(6)**
Cash and in cash equivalents start of year			76		81
Cash and in cash equivalents end of year			541		76
Changes in cash and in cash equivalents			**465**		**(6)**

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR 2022

In thousands of euros			**2022**		**2021**
Net result			20,811		3,544
Realized revaluation gain charged directly to equity		388		49	
Translation differences on foreign operations		31		23	
Total of direct movements in the equity as part of group equity	(24)		419		71
Comprehensive income			**21,230**		**3,615**

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO THE 2022 CONSOLIDATED FINANCIAL STATEMENTS

General

Numidia Holding B.V. (“the Company”, “Numidia” or “the Group”), having its corporate seat in Roermond, is located at Boven de Wolfskuil 6 in Herten. Numidia Holding B.V. is a private limited liability Company under Dutch law and is listed under number 54253594 in the Trade Register. These financial statements contain the financial information of both the Company and the consolidated companies of the Company ("the Group"). The Company is a holding company. The main activities of the group of which the Company is the parent consist of trades in dairy goods on the worldwide dairy goods market and operate worldwide. Dairy goods are purchased and sold both within Europe and outside Europe. Shipments can either be on order (back-to-back) or on stock (temporary storage in external warehouses).

Financial reporting period

These financial statements cover the year 2022, which ended at the balance sheet date of 31 December 2022.

Basis of preparation

The financial statements have been prepared in accordance with Title 9, Book 2 of the Netherlands Civil Code. The accounting policies applied for measuring assets and liabilities and the determination of result are based on the historical cost convention, unless otherwise stated in the further principles.

Application of Section 402, Book 2 of the Netherlands Civil Code

The financial information of the Company is included in the consolidated financial statements. For this reason, in accordance with Section 402, Book 2 of the Netherlands Civil Code, the Company profit and loss account of the Company exclusively stated the share of the result of participating interests after tax and the general result after tax.

Going concern

These financial statements have been prepared on the basis of the going concern assumption.

Accounting policies

GENERAL

Assets and liabilities are measured at nominal value, unless otherwise stated in the further principles.

An asset is recognized 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 costs of the asset can be measured reliably. Assets that are not recognized in the balance sheet are considered as off-balance sheet assets. A liability is recognized in the balance sheet when it is expected to result in an outflow of resources embodying economic benefits and the amount of the obligation can be measured reliably. Provisions are included in the liabilities of the Company. Liabilities that are not recognized in the balance sheet are considered as off-balance sheet liabilities.

An asset or liability that is recognized in the balance sheet, remains on the balance sheet if a transaction (with respect to the asset or liability) does not lead to a major change in the economic reality with respect to the asset or liability. Such transactions will not result in the recognition of results. When assessing whether there is a significant change in the economic circumstances, the economic benefits and risks that are likely to occur in practice are taken into account. The benefits and risks that are not reasonably expected to occur are not taken into account in this assessment.

An asset or liability is no longer recognized in the balance sheet when a transaction results in all or substantially all rights to economic benefits and all or substantially all of the risks related to the assets or liability being transferred to a third party. In such cases, the results of the transaction are directly recognized in the profit and loss account, taking into account any provisions related to the transaction. If assets are recognized of which the Company does not have legal ownership, this fact will be disclosed.

Income is recognized in the profit and loss account when an increase in future economic potential related to an increase in an asset or a decrease of a liability has arisen, providing the size can be measured reliably. Expenses are recognized when a decrease in the economic potential related to a decrease in an asset or an increase of a liability has arisen, providing the size can be measured with sufficient reliability

Revenues and expenses are allocated to the period to which they relate. Revenues are recognized when the Company has transferred the significant risks and rewards of ownership of the goods to the buyer.

FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in euros (EUR), which is the Company's functional currency. All amounts have been rounded up or down to the nearest thousand.

USE OF ESTIMATES

The preparation of the financial statements requires the management to form opinions and to make estimates and assumptions that influence the application of principles and the reported values of assets and liabilities and of income and expenditure. Actual results may differ from these estimates. The estimates and the underlying assumptions are constantly assessed. Revisions of estimates are recognized in the period in which the estimate is revised and in future periods for which the revision has consequences.

CONSOLIDATION PRINCIPLES

The consolidated financial statements include the financial data of the Company, its subsidiaries in the group, other group companies and other companies over which the Company can exercise control or of which it conducts the central management. Subsidiaries are participating interests in which the Company (and/or one or more of its subsidiaries) can exercise more than half of the voting rights in the general meeting, or can appoint or dismiss more than half of the managing directors or supervisory directors. Group companies are participating interests in which the Company has a majority interest, or in which it can exercise decisive influence (control) by other means. In assessing whether its controlling interest exists, potential voting rights are taken into account that can be exercised in such a way that they will provide the Company with more or less influence.

Newly acquired participating interests are consolidated as from the date that decisive influence (control) can be exercised. Participating interest disposed of remain included in the consolidation until the date of loss of this influence.

CONSOLIDATION METHOD

The consolidated financial statements are prepared by using uniform accounting policies for measurement and determination of result of the Group.

In the consolidated financial statements, intragroup shareholdings, debts, receivables and transactions are eliminated. Also, the results on transactions between group companies are eliminated to the extent that the results are not realised through transactions with third parties outside the group and no impairment loss is applicable.

Subsidiaries are consolidated in full, whereby the minority interest is presented separately within group equity. If losses to be allocated to the minority interest exceed the minority interest within equity of the consolidated entity, the difference, including any further losses, is fully charged to the majority shareholder, except to the extent that the minority shareholder has the obligation to, and is able to, make good the losses. The minority interest in the result is deducted from group result on a separate line item in the consolidated profit and loss account.

PRINCIPLES FOR THE TRANSLATION OF FOREIGN CURRENCY

Transactions in foreign currencies

Transactions denominated in foreign currency are translated into the functional currency of the Company at the exchange rate applicable on the transaction date.

Monetary assets and liabilities denominated in foreign currency are translated at the balance sheet date into the functional currency at the exchange rate applicable on that date. Exchange differences resulting from the settlement of monetary items, or resulting from the translation of monetary items denominated in foreign currency, are recognized in the profit and loss account in the period in which they arise.

Non-monetary assets and liabilities denominated in foreign currency that are stated at historical cost are translated into euros at the exchange rates applicable on the transaction date.

Foreign operations

The assets and liabilities that are part of the net investment in a foreign operation are translated into euros at the exchange rate prevailing at the balance sheet date. The revenues and expenses of such a foreign operation are translated into euros at the exchange rate on the transaction date. Currency translation differences are recognized in the translation reserve within equity. A group Company that has received a loan from the parent recognises any translation differences in the profit and loss account, even if the loan is regarded by the parent as part of a net investment in a foreign operation. When a foreign operation is fully or partially sold, the corresponding cumulative amount is transferred from the translation reserve to the profit and loss account.

FINANCIAL INSTRUMENTS

Financial instruments include investments in shares and bonds, trade and other receivables, cash items, loans and other financing commitments, derivative financial instruments, trade payables and other amounts payable. These financial statements contain the following financial instruments: trade and other receivables, cash items, loans, trade and other amounts payables and derivative financial instruments.

Financial and non-financial contracts may contain terms and conditions that meet the definition of derivative financial instruments. An embedded derivative in these contracts is separated from the host contract if its economic characteristics and risks are not closely related to those of the host contract. A separate instrument with the same terms and conditions as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value with changes in fair value recognized in the profit and loss account.

Derivatives separated from the host contract are, in accordance with the measurement policy for derivatives for which no cost price hedge accounting is applied, measured at cost or lower fair value.

Financial instruments are initially stated at fair value, including discount or premium and directly attributable transaction costs. However, if financial instruments are subsequently measured at fair value through profit and loss, then directly attributable transaction costs are directly recognized in the profit and loss account at the initial recognition. After initial recognition, financial instruments are valued in the manner described below.

Financial assets and liabilities are recognized in the balance sheet at the moment that the contractual risks or rewards with respect to that financial instrument originate. Financial instruments are derecognized if a transaction results in a considerate part of the contractual risks or rewards with respect to that financial instrument being transferred to a third party. Financial instruments (and individual components of financial instruments) are presented in the consolidated financial statements in accordance with the economic substance of the contractual terms. Presentation of the financial instruments is based on the individual components of financial instruments as a financial asset, financial liability or equity instrument.

TRADE AND OTHER RECEIVABLES

Trade and other receivables are carried at amortized cost on the basis of the effective interest method, less impairment losses.

NON-CURRENT AND CURRENT LIABILITIES AND OTHER FINANCIAL COMMITMENTS

Non-current and current liabilities and other financial commitments are stated after their initial recognition at amortized cost on the basis of the effective interest rate method. Redemption payments regarding non-current liabilities that are due next year are presented under current liabilities.

DERIVATIVES

After their initial recognition, FX forward and swap contracts are carried at the lower of cost or market value, except if the cost price model for hedge accounting is applied.

Commodity future and option contracts are carried after their initial recognition at fair value.

Cost price hedge accounting

If the cost model for hedge accounting is applied, then no revaluation of the derivative instrument takes place, as long as the derivative hedges the specific risk of a future transaction (in the case the derivative transaction is being related to financial assets or liabilities) that is expected to take place. As soon as the expected future transaction leads to recognition in the profit and loss account, then the profit or loss that is associated with the derivative is also recognized in the profit and loss account.

If the hedged position of an expected future transaction results in the recognition in the balance sheet of a non-financial asset or a non-financial liability, then at initial recognition the cost of this asset or liability is adjusted for the hedge results that have not yet been recognized in the profit and loss account.

If the hedged position of an expected future transaction results in the recognition in the balance sheet of a financial asset or a financial liability, the hedging results not yet recognized in the profit and loss account are recognized in the profit and loss account in the period(s) that the acquired asset or liability incurred affected profit or loss.

If forward exchange contracts are concluded to hedge monetary assets and liabilities in foreign currencies, cost hedge accounting is applied. This is done to ensure that the gains or losses arising from the translation of the monetary items recognized in the profit and loss account are offset by the changes in the value of forward exchange contracts arising from the difference between the exchange spot rates as at inception of the contract and the exchange spot rates as at the reporting date. The difference between the exchange spot rate at the inception of the contract and the forward rate is amortized via the profit and loss account over the term of the contract.

When a derivative expires or is sold, the accumulated profit or loss that has not yet been recognized in the profit and loss account prior to that time is included as a deferral in the balance sheet until the hedged transactions take place, consistent with the accounting policy of the initial hedged transaction in the profit and loss. If the transactions are no longer expected to take place, then the accumulated profit or loss is transferred to the profit and loss account.

If a derivative no longer meets the conditions for hedge accounting, but the financial instrument is not sold, then the hedge accounting is also terminated. Subsequent measurement of the derivative instrument is then at the lower of cost or market value.

To hedge the foreign exchange risk resulting from transactions in foreign currencies, Numidia uses derivative financial instruments such as forward foreign-exchange (FX) contracts. In addition, Numidia uses commodity forward and future contracts to offset their risk from fluctuations in commodity prices.

Numidia applies cost price hedge accounting in order to prevent an accounting mismatch in the income statement. The hedge results for the foreign-exchange (FX) contracts are recognized in the income statement within the Cost of sales.

Cash flow hedge accounting

If cash flow hedge accounting is used, the effective portion of the fair value changes of the derivatives is initially recognized in the revaluation reserve. As soon as the expected future transactions lead to the recognition of gains or losses in the profit and loss account, the respective amounts are transferred from the revaluation reserve to the profit and loss account.

If a hedged position in respect of an expected future transaction leads to the recognition in the balance sheet of a non-financial asset or a non-financial liability, the Company adjusts the cost of this asset or this non-financial liability by the hedging results. This is done through a transfer from the revaluation reserve of the results that have been deferred in this reserve until such time.

If the hedged position of an expected future transaction results in the recognition in the balance sheet of a financial asset or a financial liability, the hedging results not yet recognized in the profit and loss account are recognized by a transfer from the revaluation reserve to the profit and loss account in the period(s) that the acquired asset or liability incurred affected profit or loss.

If a derivative no longer meets the conditions for hedge accounting, expires or is sold, or if the Company has decided to no longer apply hedge accounting, the hedging relationship is terminated. The deferred gains or losses recognized at the time of the termination of the hedging relationship remain in equity until the expected future transaction takes place in the profit and loss statement. If the transaction is no longer expected to take place, the deferred gain or loss on the hedge recognized in equity is transferred to the profit and loss account.

The hedge results of the commodity forward and future contracts are recognized in the income statement within the Other operating income.

All transactions of hedged commodities contracts will be settled within a period of 1 to 12 months. There are no transactions for which previously hedge accounting was used, but will no longer be expected to occur.

Conditions for hedge accounting

The Company documents its hedging relationships in generic hedging documentation and regularly checks the effectiveness of the hedging relationships by establishing whether the hedge is effective or that there is no over-hedging.

At each balance sheet date, the Company assesses the degree of ineffectiveness of the combination of the hedge instrument and the hedged position (the hedging relationship). The degree of ineffectiveness of the hedging relationship is determined by comparing the critical features of the hedging instrument against the hedged position.

If the critical features, assessed in the context of the hedging relationship, match (or matched) each other, there is (or was) no ineffectiveness. If the critical features, assessed in the context of the hedging relationship, do not (or did not) match each other, there is (or was) ineffectiveness. In that case, the degree of ineffectiveness is determined by comparing the fair value change of the hedging instrument with the fair value change of the hedged position.

If there is a cumulative loss on the hedging relationship for FX Derivatives (cost price hedge accounting) over the period between initial recognition of the hedging instrument and the balance sheet date, the ineffectiveness (loss) is directly recognized in the profit and loss account.

Losses and gains on the hedging relationship for FX Derivatives (cash flow hedge accounting) over the period between initial recognition of the hedging instrument and the balance sheet date, the ineffectiveness (loss) is directly recognized in the profit and loss account.

Offsetting financial instruments

A financial asset and a financial liability are offset when the entity has a legally enforceable right to set off the financial asset and financial liability and the Company has the firm intention to settle the balance on a net basis, or to settle the asset and the liability simultaneously.

If there is a transfer of a financial asset that does not qualify for derecognition in the balance sheet, the transferred asset and the associated liability are not offset.

IMPAIRMENT OF FINANCIAL ASSETS

A financial asset that is *not* stated (1) at fair value with value changes reflected in the profit and loss account, or (2) at amortized cost or lower market value, is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, with negative impact on the estimated future cash flows of that asset, which can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, indications that a debtor or issuer is approaching bankruptcy.

The entity considers evidence of impairment for financial assets measured at amortized cost (loan and receivables) both individually and on a portfolio basis. All individually significant assets are assessed individually for impairment. Those individually significant assets found not to be individually impaired and assets that are not individually significant are then collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Company uses historical trends of the probability of default, the timing of collections and the amount of loss incurred, adjusted for by the management's judgement on whether current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss in respect of a financial asset stated at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

Losses are recognized in the profit and loss account and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognized by using the asset's original effective interest rate.

When, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the decrease in impairment loss is reversed through profit or loss (up to the amount of the original cost).

TANGIBLE FIXED ASSETS

Office equipment and buildings are stated at cost, less accumulated depreciation and impairment losses. Land is stated at cost, less impairment losses.

The costs are comprised of the price of acquisition plus, if applicable, other costs that are necessary to get the assets to their location and the conditions for their intended use.

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each item of the tangible fixed assets. Depreciation starts as soon as the asset is available for its intended use and ends at decommissioning or divestment.

- For all office equipment, a depreciation rate of 20% - 33% is applied;
- For buildings, a depreciation rate of 3% is applied;
- Land is not depreciated.

IMPAIRMENTS OF FIXED ASSETS

Tangible fixed assets are assessed at each reporting date to see whether there is any indication of an impairment. If any such indication exists, the recoverable amount of the asset is estimated. The recoverable amount is the higher of value in use and net realisable value. If it is not possible to assess the recoverable amount for an individual asset, the recoverable amount is assessed for the cash-generating unit to which the asset belongs.

When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, an impairment loss is recognized for the difference between the carrying amount and the recoverable amount. If there is an impairment loss for a cash-generating unit, the loss is first allocated to goodwill and then allocated to the cash-generating unit. Any residual loss is allocated to the other assets of the unit pro rata to their book values.

Subsequently, at each reporting date, the entity assesses whether there is any indication that an impairment loss that was recorded in previous years has decreased. If any such indication exists, then an estimate is made on the recoverable amount of the asset or cash-generating unit.

Reversal of a previously recognized impairment loss only takes place when there is a change in the assessment used to determine the recoverable amount since the recognition of the last impairment loss. In such a case, the carrying amount of the asset (or cash-generating unit) is increased to its recoverable amount, but not higher than the carrying amount that would have applied (net of depreciation) if no impairment loss had been recognized in previous years for the asset (or cash-generating unit).

FINANCIAL FIXED ASSETS

Participating interests

Participating interests where significant influence can be exercised over the business and financial policy are valued according to the equity method on the basis of net asset value. If measurement at net asset value is not possible because the information required for this cannot be obtained, the participating interest is measured according to the visible equity.

The net asset value is calculated on the basis of the Company's accounting policies.

If the Company transfers an asset or a liability to a participating interest that is measured according to the equity method, the gain or loss resulting from this transfer is recognized to the extent of the relative interests of third parties in the participating interest (proportionate determination of result). Any loss that results from the transfer of current assets or an impairment of fixed assets is fully recognized. Results on transactions involving transfer of assets and liabilities between the Company and its participating interests and mutually between participating interests are eliminated to the extent that these cannot be regarded as having been realised.

Participating interests with a negative net asset value are valued at nil. This measurement also covers any non-current receivables on the participating interests that are, in substance, an extension of the net investment. This particularly relates to loans for which settlement is neither planned nor likely to occur in the foreseeable future. A share in the profits of the participating interest in subsequent years will only be recognized if and to the extent that the cumulative unrecognized share of loss has been absorbed. If the Company fully or partially guarantees the debts of the relevant participating interest, or if it has the constructive obligation to enable the participating interest to pay its debts (for its share therein), then a provision is recognized accordingly to the amount of the estimated payments by the Company on behalf of the participating interest.

Joint ventures

Participating interests where the Company exercises control along with other participants, such as in joint ventures, are valued according to the equity method on the basis of net asset value. In case of contribution in or sale of assets by the Company to a joint venture, the Company recognizes the part of the result in the profit and loss account that corresponds to the relative share of the other participants in the joint venture. No result is recognized if the non-monetary assets contributed by the participants approximately equal each other in terms of type, use (same business activity) and fair value. Any unrecognized results are charged to the net asset value of the joint venture. Any losses on current assets or impairments of fixed assets are recognized immediately and in full. In case of sale of assets by the joint venture to the Company, the Company recognizes its share in the profit or loss of the joint venture on that sale in its profit and loss account only when the asset is (re)sold to a third party. However, the Company immediately recognizes its share in losses on current assets or impairments of fixed assets.

INVENTORIES

Goods available for sale are carried at cost of purchase or lower net realisable value. The costs of purchase include the purchase price and additional expenditure, such as import duties, transportation, and other costs directly attributable to the acquisition of inventory.

Net realisable value is based on the most reliable estimate of the amount the inventories would generate at the most, less costs still to be made.

Trade discounts, rebates and indemnities (to be) received in connection with purchasing are deducted from the costs of purchase.

TRADE AND OTHER RECEIVABLES

The accounting policies applied for the valuation of trade and other receivables are described under the heading 'Financial instruments'.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents are stated at nominal value and includes bank balances. If cash is not freely disposable, this is taken into account in the valuation. Cash and cash equivalents denominated in foreign currencies are translated at the balance sheet date in the functional currency at the exchange rate applicable at that date. Reference is made to the accounting policies for foreign currencies.

SHAREHOLDERS' EQUITY

Financial instruments that are designated as equity instruments by virtue of the economic reality are presented under shareholder's equity. Payments to holders of these instruments are deducted from the shareholder's equity as part of the profit distribution.

Financial instruments that are designated as a financial liability by virtue of the economic reality are presented under liabilities. Interest, dividends, income and expenditure with respect to these financial instruments are recognized in the profit and loss as financial income or expense.

NON-CURRENT LIABILITIES

The valuation of non-current liabilities is explained under the heading 'Financial instruments'.

CURRENT LIABILITIES

The valuation of current liabilities is explained under the heading 'Financial instruments'.

LEASING

The Company may enter into financial and operating leases. A lease agreement under which the risks and rewards of ownership of the leased object are carried entirely or almost entirely by the lessee are classified as finance leases. All other leases are classified as operating leases. For lease classification, the economic substance of the transaction is considered conclusive rather than the legal form. At the inception of an arrangement, the Company assesses whether a lease should be classified as a finance lease or operating lease.

Operating leases

If the Company acts as lessee in an operating lease, the leased property is not capitalised. Benefits received as an incentive to enter into an agreement are recognized as a reduction of rental expense over the lease term. Lease payments and benefits regarding operating leases are recognized on the profit and loss account on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern of the benefits from the use of the leased asset.

The Company did not enter into any financial lease agreements.

REVENUE RECOGNITION

The Company usually recognizes revenue at the level of separate contracts. If it is necessary to reflect economic reality, revenue is recognized at the level of a group of contracts, for example where the Company has entered into several separate contracts, which have been negotiated as a total, separating the individual contracts in terms of pricing and profit margin that are closely related and are performed simultaneously or immediately after each other. Amounts that the Company receives for its own account (as principal) are recognized as revenue. Amounts that the Company receives for third parties (as an agent) are not recognized as revenue. Revenues only include the gross increases in economic potential that the Company has received or has receivable for its own account.

The Company recognizes revenue for the amount to which the Company expects to be entitled in exchange for transferring promised goods or services, which is the transaction price. This amount excludes amounts received on behalf of third parties. The transaction price may consist of a fixed fee, a variable fee or a combination thereof. When determining the transaction price, the Company does not take credit risk into account. Any write-downs as a result of the credit risk are charged to the profit and loss account. In determining the transaction price, the Company assumes that the goods or services will be provided in accordance with the relevant agreement and that this agreement will not be cancelled, extended or otherwise modified. The Company measures a non-monetary consideration at fair value. When determining the transaction price, the Company takes into account, among other things, the effects of :

1. Variable fees, due to discounts, returns, refunds, price concessions, performance bonuses, penalties or other similar elements that may vary in size. The Company estimates the amount of variable compensation as part of the total compensation and applies the prudence principle in doing so;
2. Major financing components, where the Company adjusts the transaction price for the effects of the time value of money. In doing so, the Company applies an interest rate that is determined at the generally applicable interest rate for a comparable financing instrument of an issuer with a comparable credit rating or an interest rate that, when discounting the transaction price, results in the current spot selling price of the goods and services; and
3. Payments to buyers of goods and services, which are accounted for as a reduction in the transaction price and therefore as a reduction in revenue, unless the payment to the buyer is made in exchange for a distinct good or service.

No revenue is recognized for all amounts received – or receivable – to which the Company does not expect to be entitled. The Company treats these received – or receivable – amounts in these cases as a repayment obligation . For the goods that are expected to be returned, the Company recognises a return asset, which is presented as an accrual.

Sale of goods

Revenue from the sale of goods is accounted for in net turnover at the fair value of the consideration received or receivable, net of returns and allowances. Revenue from the sale of goods is recognized in the profit and loss account when the significant risks and rewards of ownership have been transferred to the buyer, the amount of the revenue can be determined reliably, recovery of consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing involvement with the goods.

The transfer of risks and rewards varies according to the conditions of the relevant sales contract. For the sale of dairy products, transfer of risk and rewards usually occurs upon shipment of the products to the customer's warehouse. For certain international shipments transfer of risk and rewards occurs upon receipt by the customer. Cost price of the goods is allocated to the same period as the related turnover.

The Company does not recognise revenue from services rendered.

Commissions

Revenue from transactions is recognised for the amounts received by the Company on its own account. Amounts received by the Company on behalf of third parties are not recognised as revenue. When the group acts in a transaction in the capacity of an agent rather than of a principal, the revenue recognised in the profit and loss account is the net amount of commission received by the group in respect of the transaction.

COST OF SALES

Cost of sales consist of the purchase costs of goods available for sale, commission fees, transportation costs, storage and other costs. All these costs are directly attributable to the goods sold.

SELLING EXPENSES, AND GENERAL AND ADMINISTRATIVE EXPENSES

Selling expenses and general and administrative expenses comprise of costs incurred during the financial year and are not directly attributable to the cost of the goods sold.

EMPLOYEE BENEFITS

Employee benefits are charged to the profit and loss account in the period in which the employee services are rendered and, to the extent not already paid, as a liability on the balance sheet. If the amount already paid exceeds the benefits owed, the excess is recognized as a current asset to the extent that there will be a reimbursement by the employees or a reduction in future payments by the Company.

For benefits with accumulating rights, sabbatical leave, profit-sharing and bonuses, the projected costs are taken into account during the period of employment. An expected payment resulting from profit-sharing and bonus payments is recognized if the obligation for that payment has arisen on or before the balance sheet date and a reliable estimate of the liabilities can be made.

If a benefit is paid in the case of non-accumulating rights (e.g. continued payment in the case of sickness or disability), the projected costs are recognized in the period in which such benefit is payable.

Pension plan

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

If there are adjustments to rights accrued as at the balance sheet date arising from future salary increases that are already committed to at the balance sheet date and which shall be paid by the Company, a provision is recognized.

In addition, a provision is included as at the balance sheet date for existing additional commitments to the fund and the employees, provided that it is probable that there will be an outflow of funds for the settlement of the commitments and it is possible to reliably estimate the amount of said 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 (explicit or implicit) commitments to the employees. The provision is stated as a best estimate of the present value of the anticipated costs of settling the commitments as at the balance sheet date. The pre-tax discount rate reflects the market interest rate at the balance sheet date of high-quality corporate bonds/yield on government bonds. Risks that have already been taken into account in estimating future expenditure are not included in the discount rate. As at the balance sheet date, no such additional commitment exists.

For any surplus at the pension provider as at the balance sheet date, a receivable is recognized 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.

INTEREST RECEIVABLE, SIMILAR INCOME AND INTEREST PAYABLE, AND SIMILAR CHARGES

Interest income is recognized in the profit and loss account on an accrual basis, using the effective interest rate method. Interest expenses and similar charges are recognized in the period to which they belong.

Premium, discount and redemption premiums are recognized as interest expense in the period to which they belong. The allocation of these interest expenses and the interest income on the loan is the effective interest rate that is recognized in the profit and loss account. On the balance sheet, the amortized value of the debt(s) is recognized (on balance). The amounts of the premium that are not yet recognized in the profit and loss account and the redemption premiums already recognized in the profit and loss account are recognized as an increase in the debt(s) to which they relate. Amounts of the discount that are not yet recognized in the profit and loss account are recognized as a reduction of the debt(s) to which they relate.

Additional costs associated with the use of more than customary supplier credit are recognized as an interest expense.

TAXATION

Corporate income tax comprises the current and deferred corporate income tax payable and deductible for the reporting period. Corporate income tax is recognized in the profit and loss account, except to the extent that it relates to items recognized directly to equity, in which case it is recognized in equity, or to business combinations.

Current tax comprises the expected tax payable or recoverable on the taxable profit or loss for the financial year, calculated using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years. If the carrying amount of assets and liabilities for financial reporting purposes differ from their values for tax purposes (tax base), this results in temporary differences.

For taxable temporary differences, a provision for deferred tax liabilities is recognized.

For deductible temporary differences, available tax losses and unused tax credits, a deferred tax asset is recognized, but only to the extent that it is probable that future taxable profits will be available for set-off or compensation. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The measurement of deferred tax liabilities and deferred tax assets is based on the tax consequences following from the manner in which the Company expects, at the balance sheet date, to realise or settle its assets, provisions, debts and accrued liabilities. Deferred tax assets and liabilities are measured at nominal value.

SHARE IN RESULT OF PARTICIPATING INTERESTS

The share in the result of participating interests consists of the share of the group in the results of these participating interests, determined on the basis of the accounting principles of the group. Results on transactions where the transfer of assets and liabilities between the group and the non-consolidated participating interests, and mutually between the non-consolidated participating interests themselves, are not recognized as they can be deemed as not realised.

CASH FLOW STATEMENT

The cash flow statement is prepared using the indirect method. Cash flows in foreign currency are translated into euros using the weighted average exchange rates at the dates of the transactions.

Cash flows from derivative financial instruments that are accounted for as fair value hedges or cash flow hedges are classified in the same category as the cash flows from the hedged balance sheet items. Cash flows from derivative financial instruments from which hedge accounting is no longer applied are classified in accordance with the nature of the instrument, from the date at which the hedge accounting ended.

DETERMINATION OF FAIR VALUE

The fair value of a financial instrument is the amount for which an asset can be sold or a liability settled, involving parties who are properly informed of the matter, willing to enter into a transaction and independent of each other.

- The fair value of listed financial instruments is determined on the basis of the exit price.
- The fair value of non-listed financial instruments is determined by discounting the expected cash flows to their present value and applying a discount rate that is equal to the current risk-free market interest rate for the remaining term, plus credit and liquidity surcharges.
- The fair value of derivatives involving the exchange of collateral is determined by discounting the cash flows to present value. This is done using the (Eonia) swap curve, because the credit and liquidity risk is mitigated by the collateral exchange.
- The fair value of derivatives that do not involve an exchange of collateral is determined by discounting the cash flows to present value, taking into account its own and counterparty spread.

RELATED PARTIES

Transactions with related parties (refer to note 18 for the identified related parties) are disclosed if they have not been entered into at arm's length. To be disclosed are the nature and amounts involved with such transactions, and other information deemed necessary for an insight into the transactions.

SUBSEQUENT EVENTS

Events that provide further information on the actual situation at the balance sheet date and that appear before the financial statements are prepared are recognized in the financial statements.

Events that provide no information on the actual situation at the balance sheet date are not recognized in the financial statements. When those events are relevant for the economic decisions of users of the financial statements, the nature and estimated financial effects of the events are disclosed in the financial statements.

NOTES TO THE CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2022

1. TANGIBLE FIXED ASSETS

In thousands of euros	Office Equipment	Land	Building	Total
Balance as at 1 January 2022				
- Purchase price	2,411	601	2,892	5,904
- Accumulated depreciation and impairment	(1,335)	-	(359)	(1,694)
- Carrying amount	1,076	601	2,533	4,210
Changes in carrying amount:				
- Investments	311	-	14	325
- Disposals	(21)	-	-	(21)
- Depreciation	(481)	-	(97)	(578)
-Translation differences	19	-	-	19
- Balance	(172)	-	(83)	(255)
Balance as at 31 December 2022				
- Purchase price	2,507	601	2,906	6,013
- Accumulated depreciation and impairment	(1,603)	-	(456)	(2,058)
- Carrying amount	**904**	**601**	**2,450**	**3,955**
	%	%	%	
Depreciation rates	20 - 33	0	3	

Building has been pledged in full to the mortgage loan under note 7.
Land has been pledged for an amount EUR 282 thousand to the mortgage loan under note 7.

2. FINANCIAL FIXED ASSETS

In thousands of euros	Participating interests	Long term loans	Total
Balance as at 1 January 2022	94	-	94
Long term loan issued	-	194	194
Result participating interest	(1,050)	-	(1,050)
Reported under current liabilities (accumlated losses)	955	-	955
Balance as at 31 December 2022	**-**	**194**	**194**

The group has the following capital interests:

Name	Seated	Country	Shareholding
NV Vonk Culinary Cheese	Zonhoven	Belgium	50% interest

The participation in NV Vonk Culinary Cheese is classified as a joint venture in light of the cooperative agreement that the Company has concluded with the other shareholder of NV Vonk Culinary Cheese. In this joint venture, the Company is entitled to 50% of the profits and losses (constructive obligation).

The long term loan had been provided to a certificate holder for a tenure of 10 years. 3.5% interest is being charged on this loan. No collateral has been provided.

3. INVENTORIES

In thousands of euros	31-12-2022	31-12-2021
Goods for sale	42,776	21,655
Less: Provision for obsolescence	-	-
	42,776	**21,655**

Goods for sale are pledged to credit institutions for the amount of EUR 9 million (2021: EUR 6 million). The pledged amount to credit institutions is determined by the pledging conditions of the asset-based facility.

4. TRADE AND OTHER RECEIVABLES

In thousands of euros	31-12-2022	31-12-2021
Trade receivables	142,920	161,004
Receivables from related parties	1,319	175
Prepayments and accrued income	546	332
Other receivables	46,349	18,888
	191,134	**180,399**

Trade receivables

In thousands of euros	31-12-2022	31-12-2021
Outstanding trade receivables	142,920	161,004
	142,920	**161,004**

All trade and other receivables are due within one year.

Trade receivables EUR 55 million (2021: EUR 80 million) have been pledged as collateral for current liabilities to credit institutions as part of the asset-based facility. The pledged amount to credit institutions is determined by the pledging conditions of the asset-based facility.

Numidia B.V. has a credit insurance agreement with Credendo as a coverage for non-payment by customers. With this insurance, 90% of the risk with debtors is covered.

Other receivables

In thousands of euros	31-12-2022	31-12-2021
VAT	2,139	478
Security Deposits	92	113
Claim Receivables	1,439	4
Collateral at brokers	6,439	3,207
Unrealized gain on commodity derivatives	36,240	14,951
Unrealized currency revaluation	-	135
	46,349	**18,888**

StoneX, Marex and Macquarie are the Company's brokers for commodity futures, options and over-the-counter instruments. In order to eliminate the variability of cash flows in commodity contracts, the Company hedges its exposures with the aforementioned derivatives. (Cash flow hedge accounting is applied.) The amount included in the current account serves as collateral for margin calls.

5. CASH AND CASH EQUIVALENTS

In thousands of euros	31-12-2022	31-12-2021
Credit balances on bank accounts	541	76

All credit balances on bank accounts are at the free disposal of the Company. The Company maintains a minimum cash position, as the asset-based facility allows the Company to withdraw from the amount available within the facility.

6. SHAREHOLDERS' EQUITY

For disclosure of the shareholders' equity reference is made to note 24 on the Company financial statements.

7. NON-CURRENT LIABILITIES

In thousands of euros	31-12-2022	31-12-2021
Subordinated loan Nilina Holding B.V.	250	250
Subordinated loan Loma Holding B.V.	250	250
Subordinated loans	-	1,000
Mortgage loan	1,275	1,365
	1,775	**2,865**
Outstanding principal amount as at 1 January 2022	3,455	
Take up mortgage loan in 2022	-	
Repayment mortgage loan in 2022	(90)	
Repayment subordinated loan in 2022	(500)	
Outstanding principal amount as at 31 December 2022	2,865	
Current as at 31 December 2022	1,090	
Non-current as at 31 December 2022	**1,775**	

Subordinated loans

Nilina Holding B.V. and Loma Holding B.V. are the shareholders of Numidia Holding B.V. Repayment of the subordinated loans totalling EUR 500 thousand will commence from 29 September 2026 linear onwards over a period of ten years. 4.5% interest is being charged on this loan. No security has been provided. The loans are subordinated to the ING Bank.

The subordinated loan of EUR 1.0 million is provided by a third party. The full amount is presented as current.

The total loan amount of EUR 2.0 million is to be repaid in four instalments of EUR 0.5 million, of which the second installment was paid in 2022. The last of the remaining two instalments is due on 30 June 2023. 4.5% interest is being charged on this loan.

Mortgage loans

In 2016, the Company entered into a mortgage agreement with the ING Bank for the financing of the Company building in the Netherlands. The building and land will act as security for this mortgage.

Repayment of the mortgage loan began on 1 March 2018 and will continue up to 1 August 2026. Repayment will be made through monthly instalments of EUR 7,500 thousand and a one-time repayment of the remaining debt (EUR 1,042 thousand) on 1 August 2026. 2.34% interest is being charged on this loan.

8. CURRENT LIABILITIES

In thousands of euros	**31-12-2022**	**31-12-2021**
Debts to credit institutions	63,899	85,792
Short-term part of long-term loans	1,090	590
Accounts payables to suppliers and trade creditors	72,378	65,738
Payables to related parties	140	382
Income tax liability	6,133	1,251
Other taxes and social security contributions due	84	1,358
Pre-invoiced sales	886	-
Accruals and deferred income	41,085	17,912
	185,695	**173,023**

The current liabilities all have a remaining term shorter than 1 year.

Debt to credit institutions

On 13 July 2021, the Company extended the working capital financing facility with Deutsche Bank and ING Bank. The extended facility has a tenure of 3 years (up to August 2024) and consists of:

- A committed asset-based lending facility of EUR 120 million
- A bank guarantee facility of EUR 10 million

The credit facility bears an effective interest rate of 5.0% per 31 December 2022. The effective interest rate is calculated on the one-month EURIBOR (for EUR utilisations) or LIBOR (for USD/GBP utilisations) plus a fixed mark-up.

In connection with the asset-based facility, the following securities are provided:

- Joint and several liability.
- Subordination, in respect of Deutsche Bank, of the amounts provided by a third party totalling EUR 4.2 million (of which 1.0 million is as yet unpaid).
- Pledge of accounts receivable amounting to EUR 55 million (2021: EUR 80 million).
- Pledge of stocks amounting to EUR 9 million (2021: EUR 6 million).

- Security by Intercreditor Agreement with Numidia Holding B.V. and group companies, Deutsche Bank AG, ING Commercial Finance, Nilina Holding B.V., Loma Holding B.V. and external investor (subordinated creditors).

At year-end, all debt covenants were met.

Accruals and deferred income

In thousands of euros	31-12-2022	31-12-2021
Accrual for leave hours and holiday pay	319	286
Employee bonus	4,202	513
Audit fee	140	145
Interest and bank charges	17	17
Credit and transport insurances	1,729	986
Unrealized loss on commodity derivatives	32,658	15,853
Other	2,020	112
	41,085	**17,912**

9. OFF-BALANCE SHEET ASSETS AND LIABILITIES

Rental commitments for immovable property

The Company has entered into a long-term financial commitment with regard to the rental of business premises. The rental costs are recognised on a straight-line basis in the profit and loss account over the lease period. The remaining term can be specified as follows:

Overview of movements in rental commitments	
In thousands of euros	
< 1 year	282
1 - 5 year	207
> 5 year	-

Lease commitments with regard to movable property

The Company has entered into long-term financial commitments with regard to lease cars, printers and office supplies. The related costs are recognised on a straight-line basis in the profit and loss account over the lease period. The remaining term can be specified as follows:

Remaining term lease commitments	
In thousands of euros	
< 1 year	160
1 - 5 year	426
> 5 year	-

The Company does not make any use of contingent lease payments.

In addition to this, bank guarantees in the form of performance bonds were issued to customers at year-end 2022, on behalf of consolidated participating interests, for EUR 8.5 million (2021: EUR 9.6 million).

10. FINANCIAL INSTRUMENTS

General

During the normal course of business, the Company uses various financial instruments that expose it to market, currency, interest, cash flow, credit, and liquidity risks. To control these risks, the Company has instituted a policy, including a code of conduct and procedures, that are intended to limit the risks of unpredictable adverse developments in the financial markets and thus for the financial performance of the Company.

The Company uses derivatives, including forward, future and option commodity contracts and forward exchange contracts, to control its risks. The Company does not trade in financial derivatives.

Currency risk

The Company is exposed to currency risk on sales and purchases that are denominated in a currency other than the Euro. The main currencies in which these transactions are denominated are USD and GBP. The net currency position (EUR) as of 31 December 2022 is presented below:

2022

In thousands of euros	**Assets**	**Liabilities**	**Hedging Instruments**	**Forecasted transactions hedged**	**Net position**
USD	80,107	(78,057)	(43,852)	57,911	16,109
GBP	2,217	(2,882)	(2,279)	2,656	(288)
NZD	927	(4,233)	-	-	(3,306)
	83,251	**(85,172)**	**(46,131)**	**60,567**	**12,515**

2021

In thousands of euros	**Assets**	**Liabilities**	**Hedging Instruments**	**Forecasted transactions hedged**	**Net position**
USD	121,871	(97,231)	(67,049)	36,769	(5,641)
GBP	840	(791)	(440)	380	(11)
NZD	-	-	-	-	-
	122,711	**(98,022)**	**(67,489)**	**37,149**	**(5,651)**

The contracted transactions that have been hedged cover the period 1 January 2023 – 27 December 2023.

In the case of the exchange rate of the Euro against USD and GBP strengthening by 10 percent and leaving all other variables constant, the pre-tax result as of 31 December 2022 would be EUR 1,138 thousand higher.

In the case of the exchange rate of the Euro against USD and GBP weakening by 5 percent and leaving all other variables constant, the pre-tax result as of 31 December 2022 would be EUR 659 thousand lower.

As per 31 December 2022 the outstanding foreign exchange contracts are:

In thousands of euros	Bought	Sold	Net	EUR 1)	Fair value 2)
	£/$ 000	£/$ 000	£/$ 000	€ 000	€ 000
GBP forwards	2,067	(4,345)	(2,278)	(2,570)	121
USD forwards	7,000	(50,852)	(43,852)	(40,882)	1,340
					1,461

1) Contract values
2) Delta Fair Value FX contracts per currency per end of year

All outstanding foreign exchange contracts have a remaining duration of less than one year and mature in 2023.

Commodity risk: futures and options

Numidia uses future and option commodity contracts in order to hedge the risk of commodity price fluctuations on commodity purchase contracts. The fair value of these commodity contracts is EUR 8,908 thousand (2021: EUR 182 thousand) as a result of lower commodity market prices than agreed upon with the derivative commodity contracts. Future and option commodity contracts for which no hedge accounting is applied have a total fair value of EUR 8,520 thousand (2021: EUR 133 thousand) and are fully accounted for in the profit and loss account. This accounts for 96% of the net position (2021: 73%).

The total fair value of the futures and option contracts for which hedge accounting is applied amounts positive EUR 388 thousand (2021: positive EUR 49 thousand). There are no contractual provisions that affect the value, timing and certainty of future cash flows.

The mark-to-market of FX derivatives and commodity derivatives are calculated based on observable market date (on the reporting date) for the derivatives, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

2022

In thousands of euros	Hedged	Unhedged	Net position
CME	(48)	3,169	3,121
EEX	436	3,788	4,224
NZX	-	1,563	1,563
	388	**8,520**	**8,908**

Credit risk

Credit risk arises principally from the receivables presented under trade and other receivables, cash, and the positive fair value of derivatives. The Company has drawn up guidelines for limiting the credit risk associated with each financial institution and debtor. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, the management also considers the demographics of the Company's customer base, including the default risk of the industry and country in which those customers operate, as these factors may have an influence on credit risk. There is no concentration of credit risk.

The company has a risk management policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer, which represent the maximum open amount without requiring approval from the management, and these limits are reviewed every quarter. Customers who fail to meet the Company's benchmark of creditworthiness may only transact with the Company on the basis of prepayment.

The maximum amount of credit risk that the Company incurs is 6.2% of trade receivables. Trade receivables are covered by a credit insurance company and the use of open letters of credit and documentary credits on behalf of third parties which are not credit insured. Numidia B.V. has a credit insurance agreement with Credendo to cover non-payment by customers. This insurance covers 90% of the risk with debtors and 95% of the political risk.

Interest rate and cash flow risks

The Company runs an interest rate risk on interest bearing liabilities and on the refinancing of existing loans. For liabilities with variable interest rate agreements, the Group runs a risks of future cash flows and for fixed interest rate loans, a fair value risk. The Company does not use any interest rate derivatives to reduce the interest risk of variable interest rate loans. The interest rate risk is presented by the interest payment schedule presented below:

In thousands of euros	**Base amount**	**1 year or less**	**1-3 years**	**3-5 years**	**Total position**
Fixed interest rate loans payable	1,500	40	45	45	130
Variable interest rate credit facility	63,899	3,165	6,330	6,330	15,824
Fixed interest rate mortgage	1,365	32	64	64	160
Net interest position	**66,764**	**3,237**	**6,439**	**6,439**	**16,114**

In the case of interest rates rising by 1% as of 31 December 2022 and assuming all other variables are constant, interest expenses would rise by EUR 640 thousand in 2022 (2021: EUR 859 thousand).

Liquidity risk

The Company monitors its cash position by using successive liquidity budgets. The management ensures that the cash position is sufficient to meet the Company's financial obligations towards creditors and to stay within the limits of its loan covenants. The loan covenants apply to the working capital financing facility with Deutsche Bank and ING Bank.

The financial obligations as at 31 December 2022 are:

In thousands of euros	**1 year or less**	**1 - 2 years**	**2 - 5 years**	**More than 5 years**
Loans	1,000	-	13	488
Mortgage	90	90	270	915
Lease obligations	160	426	-	-
Rental obligations	282	207	-	-
Trade and other payables	184,605	-	-	-
Guarantees	8,548		-	-
Total	194,685	723	283	1,403
Trade and other receivables	191,134	-	-	-
Cash and cash equivalents	541	-	-	-
Total	191,675	-	-	-
Net amount as at 31 December 2021	**3,010**	**723**	**283**	**1,403**

Of trade receivables, EUR 3.3 million is not freely available to the Company due to collateral obligations at the Company's brokers for commodity futures and options. This obligation consists of security for possible future negative value developments outside the agreed bandwidth (initial margin) and coverage for actual negative value developments outside the agreed bandwidth at year end (maintenance margin).

The Company shall ensure that sufficient balances are available to cover the expected operational costs, including meeting its financial obligations. The potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters, are not taken into account. In addition, the Company has a working capital credit facility of EUR 120 million, of which the Company used EUR 63.9 million as per 31 December 2022.

Fair value

The fair value of most of the financial instruments stated on the balance sheet, including receivables, cash and cash equivalents, long term liabilities and current liabilities, is approximately equal to their carrying amount. The fair value of derivatives that do not involve an exchange of collateral is determined by discounting the cash flows to present value, applying the relevant swap curve, and making our own and counterparty value adjustments.

NOTES TO THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR 2022

11. SALES – SEGMENTATION BY REGION

In thousands of euros	2022	2021
Deliveries within the Netherlands	73,670	88,240
Deliveries within other EU countries	306,854	253,331
Deliveries within Asia	91,005	98,773
Deliveries within Africa	195,321	250,581
Deliveries within Americas	247,168	184,451
Deliveries to rest of the world	25,128	18,192
	939,146	**893,568**

11. SALES - SEGMENTATION BY PRODUCT

In thousands of euros	2022	2021
Fat	126,643	91,829
Powders	691,165	693,367
Cheese	98,758	79,898
Liquids	22,580	28,474
	939,146	**893,568**

12. SELLING AND DISTRIBUTION EXPENSES

In thousands of euros	2022	2021
Wages and salaries	10,521	5,075
Social security and pension charges	1,346	1,108
Emoluments statutory directors	1,562	1,126
Other selling and distribution expenses	2,639	1,646
	16,067	**8,955**

PERSONNEL EXPENSES

During the financial year 2022, the average number of staff employed in the group, converted to full-time equivalents amounted to 77 FTE (2021: 76 FTE), of which 20 (2021: 18) were employed outside the Netherlands. This increase was mainly caused by the growth of the company. This staffing level (average number of staff) can be divided into the following staff categories:

Average number FTE

FTE	2022	2021
Trade	28.2	27.9
Logistics	34.7	35.0
Finance	8.2	7.3
Support	5.9	6.0
	77.0	**76.2**

Wages and salaries

In thousands of euros	2022	2021
Wages and salaries	10,521	5,075

Social security and pension charges

In thousands of euros	2022	2021
Social security charges	714	559
Pension charges	632	549
	1,346	**1,108**

Emoluments of statutory directors

In thousands of euros	2022	2021
Dividend paid	1,180	-
Management fee	1,562	1,126
	2,742	**1,126**

The emoluments, including pension costs as referred to in Section 2:383(1) of the Netherlands Civil Code, charged in the financial year to the Company amounted to EUR 2,742 thousand (2021: EUR 1,126 thousand) for statutory directors. There were no loans, advances or guarantees granted by the Company to the managing directors. The Company does not have a Supervisory Board.

OTHER SELLING AND DISTRIBUTION EXPENSES

In thousands of euros	2022	2021
Travel and accommodation	669	192
Sales expenses	1,170	982
Training charges	144	82
Other personnel charges	653	381
Costs related to leave hours	3	9
	2,639	**1,646**

13. GENERAL AND ADMINISTRATIVE EXPENSES

In thousands of euros	2022	2021
Depreciation on tangible fixed assets	578	505
Housing expenses	473	380
Office expenses	903	751
Car expenses	212	162
General and services expenses	541	343
	2,707	**2,141**

14. OTHER OPERATING INCOME

In thousands of euros	2022	2021
Result on commodity derivatives	22,853	(205)
	22,853	**(205)**

The 2022 result is a sum total of EUR 252 million profit on commodity derivative contracts and of EUR 229 million in losses on commodity derivative contracts.

15. INTEREST RECEIVABLES AND SIMILAR INCOME

In thousands of euros	2022	2021
Interest	7	-
Result on FX	-	(471)
Other financial income	-	-
	7	**(471)**

16. INTEREST PAYABLE AND SIMILAR CHARGES

In thousands of euros	2022	2021
Bank charges	325	279
Interest on Subordinated loans	89	130
Interest paid to bank	1,790	1,083
Result on FX	12	-
Other financial expenses	7	-
	2,223	**1,492**

17. TAX ON RESULT

In thousands of euros	2022	2021
Result before tax	29,379	5,189
Tax effect of:		
- Results under the participation exemption	(1,050)	(378)
-Additions on disposals	-	-
- Addition on disinvestment	-	-
-Tax allowance for investments	-	-
- Non-deductible expenses	28	14
Taxable amount	**28,358**	**4,825**
Tax rate abroad	2	6
Tax rate 15%	59	37
Tax rate 25.8%	7,458	1,224
Income tax expense	**7,519**	**1,267**
The applicable weighted average tax rate	25.6%	24.4%

18. TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties are assumed when a relationship exists between the Company and a natural person or entity that is affiliated with the Company. This includes the relationship between the Company, its shareholders, and affiliated companies, among others. Transactions are transfers of resources, services or obligations, regardless of whether anything has been charged.

There were no transactions with related parties that were not on a commercial basis. On a commercial basis, there were the following transactions with related parties:

In thousands of euros	2022	2021
Subordinated loan Nilina Holding B.V.	(250)	(250)
Subordinated loan Loma Holding B.V.	(250)	(250)
Subordinated loans	(1,000)	(1,500)
Receivables as at 31-12	1,319	175
Payables as at 31-12	(140)	382
Sales	1,458	875
Purchases	23,180	14,621

The remuneration of the managing directors is included in note 12.

19. AUDITOR'S FEES

The following fees were charged by KPMG Accountants N.V. to the Company, its subsidiaries and other consolidated companies, as referred to in Section 2:382a(1) and (2) of the Netherlands Civil Code.

The fees mentioned in the table for the audit of the financial statements 2022 (2021) relate to the total fees for the audit of the financial statements 2022 (2021), irrespective of whether the activities were performed during the financial year 2022 (2021).

In thousands of euros	KPMG Accountants N.V.	Other KPMG network	Total KPMG
2022			
Audit of the financial statements 2022	180	-	180
	180	**-**	**180**
2021			
Audit of the financial statements 2021	123	-	123
	123	**-**	**123**

20. SUBSEQUENT EVENTS

For the disclosure of subsequent events reference is made to note 28 to the Company financial statements.

SEPARATE BALANCE SHEET AS AT 31 DECEMBER 2022

(before profit appropriation)

In thousands of euros		31 December 2022		31 December 2021	
Fixed assets					
Financial fixed assets	(21)		52,120		31,009
Current assets					
Trade and other receivables	(22)	387		33	
Cash and cash equivalents	(23)	75		1	
			462		34
			52,582		31,043
Shareholders' equity	(24)				
Issued capital		36		36	
Share premium reserve		583			
Other reserves		29,673		26,970	
Foreign currency translation reserve		27		(4)	
Unappropriated profit		20,811		3,544	
			51,130		30,546
Non-current liabilities			-		-
Current liabilities	(25)		1,452		497
			52,582		31,043

The accompanying notes are an integral part of these sperate financial statements.

SEPARATE PROFIT AND LOSS ACCOUNT FOR 2022

In thousands of euros		2022	2021
Share of result of participating interests after tax	(26)	21,235	3,508
Other result after tax		(424)	36
Net result		**20,811**	**3,544**

The accompanying notes are an integral part of these separate financial statements.

NOTES TO THE 2022 SEPARATE FINANCIAL STATEMENTS

General

The Company's financial statements are part of the 2022 financial statements of the group. For the Company profit and loss account, use has been made of the exemption pursuant to Section 2:402 of the Netherlands Civil Code. Insofar as no further explanation is provided of items in the Company balance sheet and the Company profit and loss account, please refer to the notes to the consolidated balance sheet and profit and loss account.

Accounting policies

The principles for the valuation of assets and liabilities and the determination of the result are the same as those applied to the consolidated profit and loss account, with the exception of the following principles:

FINANCIAL INSTRUMENTS

In the Company financial statements, financial instruments are presented on the basis of their legal form.

PARTICIPATING INTERESTS IN GROUP COMPANIES

Participating interests in group companies are accounted for in the separate financial statements according to the equity accounting method on the basis of net asset value. For details we refer to the accounting policy for financial fixed assets in the consolidated financial statements.

SHARE OF RESULT OF PARTICIPATING INTERESTS

This item concerns the Company's share of the profit or loss of these participating interests. Results on transactions involving the transfer of assets and liabilities between the Company and its participating interests and mutually between participating interests themselves, are eliminated to the extent that they can be considered as unrealised.

21. FINANCIAL FIXED ASSETS

Participating interests and long term loans

In thousands of euros	Participating interests	Long term loans	Total
Balance as at 1 January 2022	31,009	-	31,009
Share in result of participating interests	21,235	-	21,235
Reported under current liabilities	956	-	956
New consolidations	-	-	-
Intra-group transfers	(464)	-	(464)
Payment of dividend	(1,180)	-	(1,180)
Impact hedge accounting	340	-	340
Long term loan issued	-	194	194
Currency translation	31	-	31
Balance as at 31 December 2022	**51,926**	**194**	**52,120**

A intra group transfer of shares has taken place in 2022. The shares of the following entities have been transferred from Numidia Holding B.V. to Numidia B.V.

- Numidia Americas S.A.
- Numidia Inc.
- Numidia Singapore Ltd. Pte.

Consolidated companies:

Name	Seated	Country	Shareholding
Numidia Holding B.V.	Roermond	Netherlands	100% interest
Numidia B.V.	Roermond	Netherlands	100% interest
Numidia Services B.V.	Roermond	Netherlands	100% interest
Cheese and more B.V.	Roermond	Netherlands	100% interest
Numidia Charity foundation	Roermond	Netherlands	100% interest
Numidia Americas S.A.	Montevideo	Uruguay	100% interest
Numidia Uruguay S.A.	Montevideo	Uruguay	100% interest
Numidia Inc.	Dallas	USA	100% interest
Numidia Singapore Ltd. Pte.	Singapore	Singapore	100% interest

Other participating interest

Name	Seated	Country	Shareholding
NV Vonk Culinary Cheese	Zonhoven	Belgium	50% interest

Pursuant to Section 2:403 of the Netherlands Civil Code, a liability declaration has been issued by Numidia Holding B.V. regarding the following companies:

- Numidia B.V.
- Numidia Services B.V.
- Cheese and more B.V.

22. TRADE AND OTHER RECEIVABLES

In thousands of euros	31-12-2022	31-12-2021
Income tax receivable	-	17
VAT	82	16
Prepaid Costs	305	-
	387	**33**

All trade and other receivables are due within one year.

23. CASH AND CASH EQUIVALENTS

In thousands of euros	31-12-2022	31-12-2021
Credit balances on bank accounts	75	1

All credit balances on bank accounts are at the free disposal of the Company.

24. SHAREHOLDERS' EQUITY

In thousands of euros	Issued capital	Share Premium Reserve	Other reserves	Foreign currency translation reserves	Unappropriated profit	Total
Balance as at 1 January 2021	36	-	18,906	(27)	8,253	27,168
Charges in financial year 2021						
- Appropriation of result	-	-	8,253	-	(8,253)	-
- Translation differences	-	-	-	23	-	23
- Result for the year	-	-	-	-	3,544	3,544
- Release to income statement *	-	-	(238)	-	-	(238)
- Fair value change of derivatives *	-	-	49	-	-	49
Balance as at 31 December 2021	**36**	**-**	**26,970**	**(4)**	**3,544**	**30,546**
Charges in financial year 2022						
- Payment of Dividend	-	-	(1,180)	-	-	(1,180)
- Appropriation of result	-	-	3,544	-	(3,544)	0
- Translation differences	-	-	-	31	-	31
- Result for the year	-	-	-	-	20,811	20,811
- Share Premium	-	583	-	-	-	583
- Release to income statement *	-	-	(49)	-	-	(49)
- Fair value change of derivatives *	-	-	388	-	-	388
Balance as at 31 December 2022	**36**	**583**	**29,673**	**27**	**20,811**	**51,130**

*) Cash flow hedge accounting is applied for the Company commodity derivatives. The effective portion of the fair value changes of the derivatives is initially recognized in the consolidated revaluation reserve. As soon as the expected future transactions lead to the recognition of gains or losses in the profit and loss account, the respective amounts are transferred from the consolidated revaluation reserve to the consolidated profit and loss account. As at 31 December 2022, the consolidated revaluation reserve amounts to EUR 388 thousand (2021: 49 thousand).

Issued capital

The Company's authorised capital, amounting to EUR 90 thousand (2021: EUR 90 thousand), consists of 90,000 ordinary shares of EUR 1 each. As at 31 December 2022, 36,270 ordinary shares were issued and fully paid-up (2021: 36,000). 270 new shares were issued in 2022 and the difference between the nominal value and the proceeds has been added to the share premium reserve.

Appropriation of profit from 2021

The 2021 financial statements were adopted on 12 April 2022. In accordance with the shareholders' resolution of 12 april 2022, EUR 2,364 thousand was added to the other reserves and a dividend of EUR 1,180 thousand was paid.

Foreign currency translation reserve

Exchange gains and losses arising from the translation of the functional currency of foreign operations to the reporting currency of the parent company are accounted for in this statutory reserve. In the case of the sale of a participating interest, the associated accumulated exchange differences are taken to other reserves.

The foreign currency translation legal reserve of EUR 27 thousand positive (2021: EUR 4 thousand negative) relates to the Company's foreign investments.

Unappropriated profit

The result after tax for 2022 is included in the item 'unappropriated result within equity'.

Proposal for profit appropriation

The General Meeting will be proposing to appropriate the profit after tax for 2022 as follows: to add EUR 10,881 thousand to the other reserves and to distribute a dividend of EUR 10,000 thousand. The 2022 result after tax is presented as unappropriated profit in shareholders' equity.

The Company can only make payments to the shareholders and other parties entitled to the distributable profit insofar as (1) the Company can continue to pay its outstanding debts after the distribution (the so-called distribution test), and (2) the shareholders' equity exceeds the legal reserves and statutory reserves under the articles of association to be maintained (the so-called balance sheet test). If not, the Company's management shall not approve the distribution. The tests carried out by the management as at 8 April 2023 showed no signs that the proposed distribution of dividend would not be possible, but these tests have to be finalised (and the management has to approve the distribution) prior to the actual payment of the dividend.

25. CURRENT LIABILITIES

In thousands of euros	**31-12-2022**	**31-12-2021**
Accounts payables to Numidia BV	(495)	(497)
Accruals and deferred income	(957)	-
	(1,452)	**(497)**

26. RESULT IN GROUP COMPANIES

In thousands of euros	31-12-2022	31-12-2021
Result fiscal year Cheese and more B.V.	43	32
Result fiscal year Numidia B.V.	22,245	3,798
Result fiscal year Numidia Americas SA	-	12
Result fiscal year Numidia Charity Foundation	-	-
Result fiscal year Numidia Inc.	-	25
Result fiscal year Numidia Oceania Pty.Ltd	-	12
Result fiscal year Numidia Singapore Pte.Ltd	-	6
Result fiscal year Numidia Uruguay SA	(3)	-
Result fiscal year Numidia Services B.V.	-	-
Result fiscal year NV Vonk Culinary Cheese	(1,050)	(378)
	21,235	3,509

27. NUMBER OF FTE'S

During the 2022 financial year, the average number of staff employed in the group, converted in to full-time equivalents, amounted to 0 FTE (2021: 0 FTE).

28. SUBSEQUENT EVENTS

No events occurred after the balance sheet date that required an adjustment or disclosure.

Roermond, April 8, 2023

The Board of Directors:

A. Mahnin

M.H.G. Daamen

6 Other information

INDEPENDENT AUDITOR'S REPORT

To: the General Meeting of shareholders of Numidia Holding B.V.

Report on the audit of the accompanying financial statements

OUR OPINION

We have audited the financial statements 2022 of Numidia Holding B.V., (or 'the Company') based in Roermond. In our opinion the accompanying financial statements give a true and fair view of the financial position of Numidia Holding B.V. 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:

1. the consolidated and separate balance sheet as at 31 December 2022;
2. the consolidated and separate profit and loss account for 2022;
3. the consolidated cash flow statement for 2022;
4. the consolidated statement of comprehensive income for 2022; and
5. 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 Numidia Holding B.V. 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 designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in respect of fraud and non-compliance with laws and regulations and going concern was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

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

AUDIT RESPONSE TO THE RISK OF FRAUD AND NON-COMPLIANCE WITH LAWS AND REGULATIONS

In chapter 'Risk Management' of the annual report, the Board of Directors describes its procedures in respect of the risk of fraud and non-compliance with laws and regulations.

As part of our audit, we have gained insights into the Company and its business environment, and assessed the design and implementation of the Company's risk management in relation to fraud and non-compliance. Our procedures included, among other things, assessing the Company's code of conduct, whistleblowing procedures, incidents register and its procedures to investigate indications of possible fraud and non-compliance.

Furthermore, we performed relevant inquiries with management and other relevant functions, such as the CEO, CFO and the Company's Compliance Officer. As part of our audit procedures, we:

- obtained an understanding of how the Company uses information technology (IT) and the impact of IT on the financial statements, including the potential for cybersecurity incidents to have a material impact on the financial statements;
- assessed other positions held by members of the Board of Directors and paid special attention to procedures and governance/compliance in view of possible conflicts of interest; and
- evaluated investigation reports on indications of possible fraud and non-compliance.

In addition, we performed procedures to obtain an understanding of the legal and regulatory frameworks that are applicable to the Company and identified the following areas as those most likely to have a material effect on the financial statements:

- bribery and corruption laws;
- consumer product law, including product safety and product liability claims (reflecting the nature of the Company's diverse product base).

We evaluated the fraud and non-compliance risk factors to consider whether those factors indicate a risk of material misstatement in the financial statements.

Further, we assessed the presumed fraud risk on revenue recognition as irrelevant, because of the limited value of the individual transactions, the low complexity of the sales transactions and the fact that the individual influence on personnel bonus targets is limited. Furthermore, we note that the remaining fraud risk of posting manual entries regarding revenues is already part of risk of management override of controls.

Based on the above and on the auditing standards, we identified the following fraud risk that is relevant to our audit, including the relevant presumed risks laid down in the auditing standards, and responded as follows:

Management override of controls (a presumed risk)

Risk:
Management is in a unique position to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

Responses:
- We evaluated the design and the implementation of internal controls that mitigate fraud and non-compliance, such as processes related to journal entries.
- We performed a data analysis of high-risk journal entries related to, amongst other, unexpected revenue journal entry combinations. Where we identified instances of unexpected journal entries or other risks through our data analyses, we performed additional audit procedures to address each identified risk, including testing of transactions back to source information.
- We incorporated elements of unpredictability in our audit.

We communicated our risk assessment, audit responses and results to management. Our audit procedures did not reveal indications and/or reasonable suspicion of fraud and non-compliance that are considered material for our audit.

Audit response to going concern

The Board of Directors has performed its going concern assessment and has not identified any going concern risks. To assess the Board of Directors' assessment, we have performed, inter alia, the following procedures:

- we considered whether the Board of Directors' assessment of the going concern risks includes all relevant information of which we are aware as a result of our audit;
- we inspected the financing agreement in terms of conditions that could lead to going concern risks, including the term of the agreement and any covenants;
- we analyzed whether the headroom of the ratios included in the financing agreement is sufficient or if it gives rise to the risk of the covenants in the financing agreement being breached;
- we analyzed the Company's financial position as at year-end and compared it to the previous financial year in terms of indicators that could identify going concern risks.

The outcome of our risk assessment procedures did not give reason to perform additional audit procedures on the Board of Directors' going concern assessment.

Report on the other information included in the annual report

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

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 annual report of the Board of Directors and the other information.

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 less than the scope of those performed in our audit of the financial statements.

The Board of Directors is responsible for the preparation of the other information, including the annual report of the Board of Directors, in accordance with Part 9 of Book 2 of the Dutch Civil Code, and other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

Description of the responsibilities for the financial statements

Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Board of Directors is responsible for such internal control as the Board of Directors determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to errors or fraud.

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

OUR RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our 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 have detected all material errors and fraud during our audit.

Misstatements can arise from fraud or errors 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 the 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.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements.

Our audit included among others:
- identifying and assessing the risks of material misstatement of the financial statements, whether due to errors or fraud, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from errors, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;
- concluding on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to 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. 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 the company ceasing to continue as a going concern;
- 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.

We are solely responsible for the opinion and therefore responsible to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements. In this respect we are also responsible for directing, supervising and performing the group audit.

We communicate with those charged with governance 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.

Maastricht-Airport, 14 April 2023
KPMG Accountants N.V.

M.G. Lutters RA

PROFIT APPROPRIATION PROVISIONS IN THE ARTICLES OF ASSOCIATION

Pursuant to Article 19 of the articles of association, the profit is at the disposal of the General Meeting of Shareholders. This article reads as follows:

- The profit is at the free disposal of the general meeting.
- The Company can only make distributions to the shareholders and other persons entitled to the profit available for distribution insofar as the equity exceeds the paid up and called up portion of the capital increased by the reserves required to be held in accordance with the law.
- Distributions from the profit shall take place after the adoption of the annual accounts showing that they are permitted.
- Shares held by the Company in its own capital do not count for the purpose of calculating the profit allocation.
- Depositary receipts held by the Company or to which the Company has a limited right on the basis of which it is entitled to the profit distribution likewise do not count for calculating the profit allocation.
- The Company can only make interim distributions if the requirements of subsection 2 have been met.

ABOUT THIS REPORT

This annual report integrates the financial performance, as reported in the financial statements, with our operational and sustainability performance in 2022. Next to that it also contains an outlook with ambitions and goals for 2023 and beyond.

The financial statements have been prepared in accordance with Part 9 of Book 2 of the Dutch Civil Code. The assurance statement for the financial statements can be found in the Independent auditor's report.

The non-financial information has been prepared based on a subset of applicable GRI standards. No external assurance is given with respect to non-financial information. Numidia ambitions to achieve full compliance to GRI and CSRD in the following years.

STAKEHOLDERS AND MATERIAL TOPICS

List of stakeholders

Stakeholder group	***Link to Numidia***
Product suppliers	Suppliers and producers are key to providing good quality products to our customers. These suppliers are selected carefully and subject to strict requirements on quality, but also on sustainability. A good partnership with suppliers is of utmost importance in providing food-safe products that match our customers' expectations.
Transporters	Transporters are not only valued for the transport of products, from the loading at our suppliers through the delivery to our customers, they are also the eyes and ears of Numidia. They are key to ensuring the proper quality of products and their packaging during loading, transport and delivery. When selecting transport companies and forwarders, we consider both the quality of their services and their contributions to CO_2 reduction.
Warehouses	Warehouses play a similarly valuable role to transporters and are essential to ensuring quality during the receipt, storage and dispatch of products.
Customers	Without customers, there is no business. That is why we cherish our customers and work to continually improve our performance. We want to unburden them as much as possible (within the framework of our strategy).
Employees	Our employees (the Numidians) are our most important asset. They determine the success of the organization on a daily basis.
Management	Numidia is fortunate to have an experienced management team, with expert knowledge of the dairy industry. We reap the benefits of the diversity of personalities and backgrounds within our management team, which results in diverse points of view.
Banks	Banks enable us to finance our activities, based on a set of conditions. The flexibility in the terms and conditions partly determines our commercial playing. Given the growth and increasing stability of the organization and its finances, we see this playing field expanding further.
Insurance	The dairy trade involves a range of risks. Insurance companies enable us to mitigate the most important risks (transport, liability, cyber security, credit, travel, superficies, etc.) and thereby make our business activities possible.
Government	Governments around the world are closely involved in managing the food supply. In many countries, Numidia is connected to the government through its business, whether it concerns obtaining the correct (export) certificates or further relaxing trade rules.
Auditors and other certifying bodies	Our (external) auditor and other institutions that certify us play an important role in our continued existence. With their (unqualified) statements, we can demonstrate to the outside world that Numidia has its affairs under control.

Material topics

#	Topic	Definition
1	Anti-corruption	The business performed within Numidia shall be conducted in compliance with applicable anti-corruption laws and anti-bribery laws in each relevant jurisdiction and institute and maintain policies and procedures designed to promote and achieve compliance with such laws.
2	Anti-competitive activities	The actions of Numidia that can result in collusion with potential competitors, with the purpose of limiting the effects of market competition.
3	Procurement/sales practices	Numidia's procurement practices, such as lead times or the purchasing prices we negotiate, will not have negative impacts in the supply chain.
4	Human rights	Align the approach with international human rights standards in order to prevent the use of child labor, forced/bonded labor and harsh or inhumane treatment of workers, and protect the right to freedom of association, both in the operations and wider supply chain.
5	Non-discrimination & diversity	Numidia will ensure that no discriminatory practices of any kind with regards to recruitment, compensation, access to training, promotion, termination of the employment agreement or retirement is applied based on race, caste, creed, nationality, religion, age, physical or mental disability, gender, marital status, sexual orientation and/or union membership or political affiliation.
6	Occupational H&S	Create a healthy and safe work environment for our employees to prevent physical and mental harm and promote overall well-being.
7	Market presence	Contribution to economic development in the dairy market.
8	Indirect economic impact	Keep track of the additional consequences of the direct impact of financial transactions performed by Numidia.
9	Risk & compliance	Assess applicable risks on an ongoing basis by implementing measures and controls to reduce risk as much as possible, within a reasonable costs-benefit trade-off.
10	Climate change	Reduce, minimize and compensate energy consumption and greenhouse gas emissions resulting from Numidia's operations.
11	Emission management	Every effort to reduce greenhouse gases shall be made. Renewable energy sources shall be used where possible and affordable.
12	Biodiversity	Maintaining and enhancing biodiversity in our supply chain by defining policies and clear expectations with our suppliers.
13	Waste	Minimize waste generation to reduce scarcity of resources and waste pollution.
14	Water & effluents	Effective water management and identification of the water-related impacts resulting from our operations.
15	Product safety, quality & supply chain performance	Ensure that the products we offer are of high quality and meet the requirements of our stakeholders and their own safety and quality requirements, and with this manage the supply chain performance.
16	Healthy products (Customer H&S)	Offer nutritious products to our customers.
17	Knowledge of Numidians (Development of our people)	The approach of Numidia to upgrade the skills, performance and career development of our employees.

18	Animal welfare	Treat dairy animals with care to ensure animals' health and welfare, including the responsible use of antibiotics and the Five Freedoms (freedom from hunger and thirst, from discomfort, from pain, injury, and disease, to express normal and natural behavior, from fear and distress).
19	Local communities (Charity foundations)	With our Charity Foundation, we support children in need by giving them access to better living conditions and a proper education.
20	Market predictions (algorithm)	Numidia uses Artificial Intelligence in which Machine Learning algorithms are trained to predict the future market prices of various dairy commodities, based on historical data. This information is compared with the insights that our traders have on the dairy market. Purchase/sale decisions are made based on the combination of algorithmic predictions and trader insights.