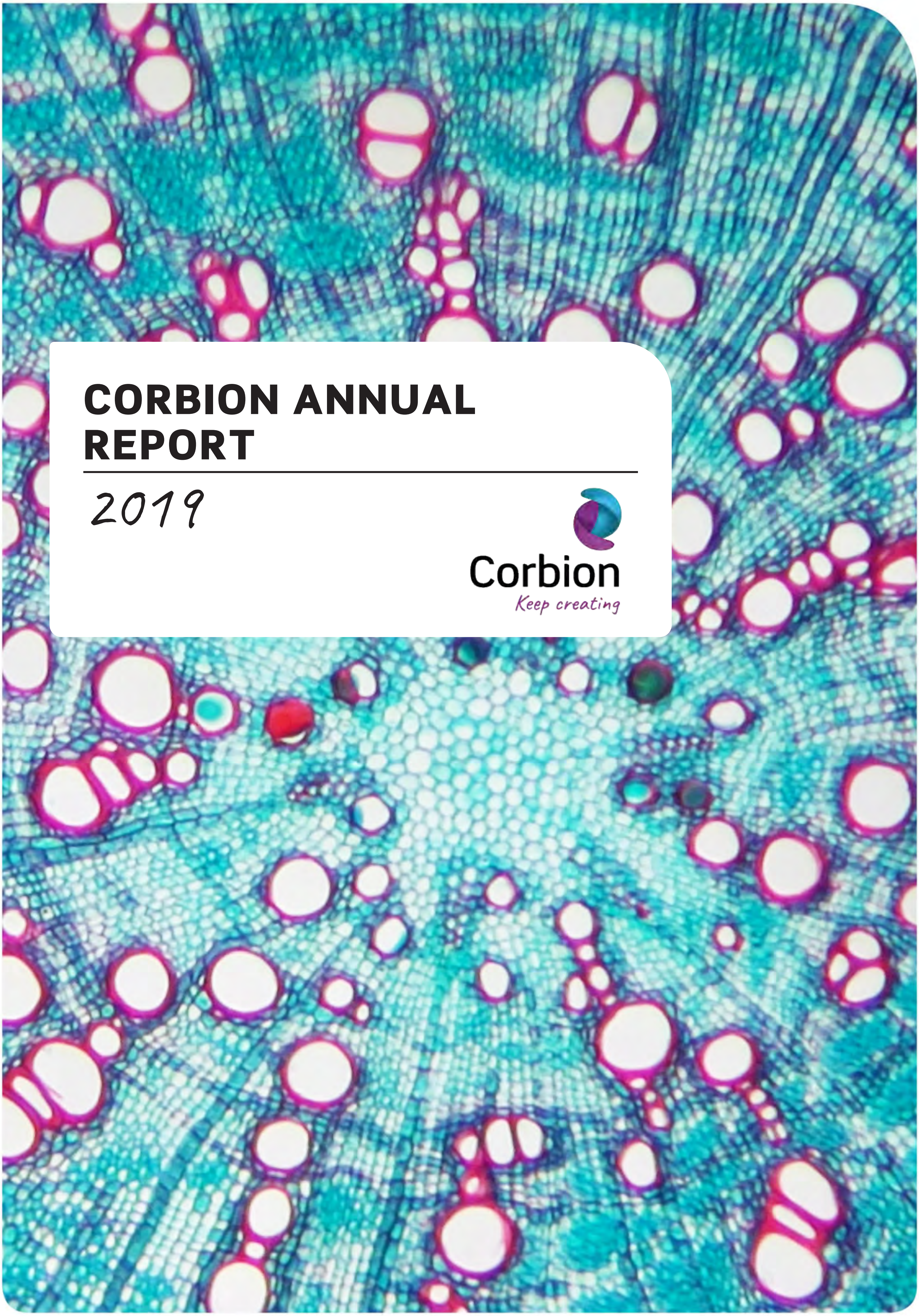

CORBION ANNUAL REPORT

2019

Corbion
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CONTACT

If you have any questions or remarks regarding this report, we kindly invite you to contact us.

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CONTENTS

AT A GLANCE

Corbion is a leading provider of sustainable ingredient solutions for food and biochemicals

Corbion is the global market leader in lactic acid and lactic acid derivatives, and a leading company in emulsifiers, functional enzyme blends, minerals, vitamins, and algae ingredients. We develop sustainable ingredient solutions to improve the quality of life for people today and for future generations. For over 100 years, we have been committed to safety, quality, innovation, and performance. Drawing on our deep application and product knowledge, we work side by side with customers to make our cutting-edge technologies work for them.

In manufacturing we have a long history of excellence in sustainable and resource-efficient production processes across four key areas: fermentation into organic acids and algae products, polymers, emulsifiers, and bakery blends.

Corbion's strategy and all aspects of our operations are built around advancing sustainability underpinned by high ethical standards, whether this relates to the management of our global supply chain, responsible procurement of our raw materials, or the safety and well-being of our people.

In 2019, Corbion generated annual sales of € 976.4 million and had a workforce of 2,138 FTE. Corbion is listed on Euronext Amsterdam.

Two lines of business

At Corbion we distinguish between two lines of business, each with a different set of characteristics: Ingredient Solutions and Innovation Platforms. These business units are supported company-wide by globally managed R&D, operations, and business support functions.

Ingredient Solutions

Our Ingredient Solutions business unit focuses on our core business: ingredients and solutions for food and biochemicals.

Food

We are a global supplier of food ingredient solutions for leading food manufacturers. We strive to be the leader in keeping food tasty, fresh, and safe from date of production to day of consumption.

With our proven food solutions, we enable our customers to make conscious choices that grow their business in a sustainable way, reducing food waste, and creating affordable products (in the bakery, meat, beverage, confectionery, and dairy markets) that people love and can safely enjoy with their friends and family, just as we enjoy them with ours.

Biochemicals
The inherent safety, sustainability, and performance of our products is what sets us apart, driven by a passion for finding better solutions and new opportunities for our customers. Our continuous focus on sustainable practices, our use of renewable feedstocks, and our rich heritage in lactic acid form the foundation for our biochemical applications in a wide array of industries, encompassing (agro)chemicals, resin adhesives, electronic components, pharmaceuticals, home & personal care products, and animal health & nutrition. We are constantly exploring opportunities to bring the benefits of our products and solutions to our customer's applications.

Innovation Platforms

Through our Innovation Platforms business unit, we develop new business platforms to deliver long-term value, applying disruptive technologies built on decades of experience in fermentation and industrial-scale manufacturing. Collaborating with like-minded partners we support our customers to make conscious choices, so they can create better, more sustainable products, based on renewable resources. We believe in a circular economy, where our innovations can help improve quality of life – both today and for future generations.

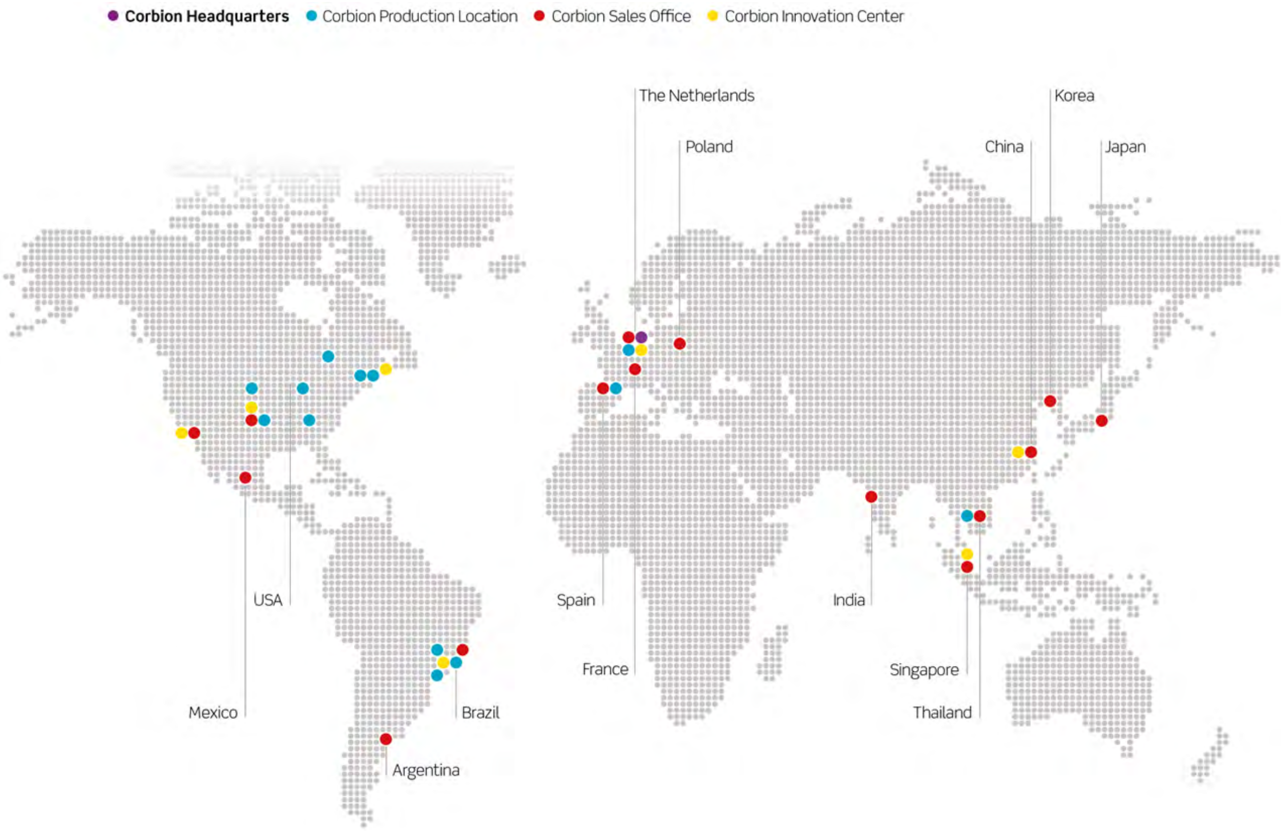
Total Corbion PLA bv, our 50/50 joint venture with Total for the production and marketing of poly lactic acid (PLA) polymers and lactide monomers for bioplastic solutions, is functionally part of Innovation Platforms.

The business unit also comprises our Algae Ingredients business and our longer-term development programs such as FDCA, a biobased building block with unique properties in (bio)polymers and a potential replacement for purified terephthalic acid (PTA), our gypsum-free lactic acid production process, and use of alternative feedstocks such as agricultural residues, to make lactic acid.

Note: this annual report is based on the Creating Sustainable Growth 2018-2021 strategy and related business segmentation. On 9 March 2020, Corbion will announce its updated strategy for 2020-2025, including a revised business segmentation.

Our global presence

We market our products through a worldwide network of sales offices and distributors and have a global supply chain with manufacturing facilities in the US, Thailand, Brazil, the Netherlands, and Spain. Our innovation centers are located across the globe and our headquarters is based in the Netherlands.



MESSAGE FROM THE CEO

8 August 2019 is a day I will never forget. It was my first day as CEO of Corbion and a day I had very much been looking forward to. Now, after several months on the job, I still enjoy every minute of it. I have travelled to all our locations and met many wonderful people – people with great ideas, an amazing sense of loyalty, and a strong drive to be successful.

That drive has certainly been one of the forces behind the turnaround of our Bakery results this year; we experienced four quarters of growth in a row, which had not happened since 2016. Growth in Food was also driven by continued improvements, particularly in our natural preservation solutions in Meat. Our ability to help our customers create formulations and products that resonate with their target consumers, translated into above-average growth rates.

One of the key drivers of Corbion's Creating Sustainable Growth strategy from the start has been the expansion of the Bakery business geographically by extending the North American Bakery solution provider model into Latin America. The acquisition of Granotec do Brazil in March of this year fits perfectly with this ambition. Granotec do Brazil greatly complements our capabilities and geographical footprint for providing sustainable ingredient solutions in this region, and has provided us with a platform from which to better serve our customers.

In Biochemicals, although we experienced a significant downturn in our Electronics business, we are seeing early signs of stabilization. Algae Ingredients is largely behind expectations, as we continue working to scale up this business. This slower than expected progress triggered a non-cash impairment, impacting net result by € -26.7 million. However, Corbion has demonstrated the value of algae in several high-value food and feed applications. In the coming years, we expect that the momentum we see building now will bear fruit. In November, we took an exciting step in that direction by entering into a partnership with Nestlé to develop the next generation of algae-based ingredients, which could open important avenues into large global markets.

This year we saw strong momentum in PLA-related lactic acid sales as the Total Corbion PLA joint venture continued to develop beyond our expectations. It is great to see that after years of investing in this market, customer demand for bioplastics is really taking off. The growth in demand for lactic acid, the key ingredient for PLA, also prompted our decision to build a new lactic acid plant in Thailand to ensure sufficient capacity. As this new plant will be built using our innovative gypsum-free technology, the lactic acid produced will be at the highest sustainability standards and at industry leading low cost levels.

We made a bold statement about our commitment to sustainability by pledging to cut our carbon emissions related to energy, key raw materials, and transport by 33% per metric ton of product by 2030 from a 2016 base year. The proposed target has received approval by the Science Based Targets initiative (SBTi) following a thorough validation process. As a sustainable ingredients company, Corbion is already deeply involved in developing sustainable solutions that help our customers shrink their carbon footprint by reducing food waste and their use of fossil-based chemicals. But there is more to be done. We must all become leaders in climate action, and do all we can to inspire each other to make a sustainable difference.

In 2020, we will remain deeply committed to safety and further increase our investments and efforts in this area. Nothing is more important to us than providing a safe place to work for everyone and to show clear commitment to safety from the top – that is why within the Executive Committee a Safety Committee has been established.

I would like to sincerely thank to all our employees for bringing their positive energy, inventive ideas, and collaborative spirit to work every day. Also, a big thank you to my predecessor, Tjerk de Ruiter, for his leadership in building such a tremendous company; I look forward to bringing Corbion to the next level in partnership with every member of our global team. Finally, I want to express my gratitude to all our stakeholders for supporting our values. It is the care, courage, collaboration, and commitment of our employees, customers, suppliers, partners, and shareholders that defines the character of this company and its unique promise.

On behalf of the Executive Committee

Olivier Rigaud

Executive committee

Members of the Executive Committee

From left to right: Marcel Wubbolts, CTO, Olivier Rigaud, CEO, Andy Muller, EVP Ingredient Solutions, Jacqueline van Lemmen, EVP Operations, Marc den Hartog, EVP Innovation Platforms, Eddy van Rhede van der Kloot, CFO, Johan van der Hel, EVP Human Resources

COMPANY HIGHLIGHTS

Net sales

Organic sales growth 2.5%

€ 976.4 mln

Adjusted EBITDA*

Increased organically by 7.8%

€ 145.9 mln

Free cash flow*

Decreased by € 2.3 million

€ 9.6 mln

Balance sheet ratios*

Net debt position/covenant EBITDA

2.0x EBITDA

Earnings per share

Decreased by 52.6%

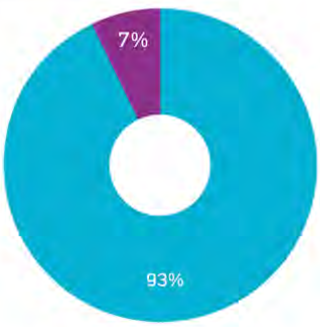
€ 0.44

Dividend per share

€ 0.56 in 2018

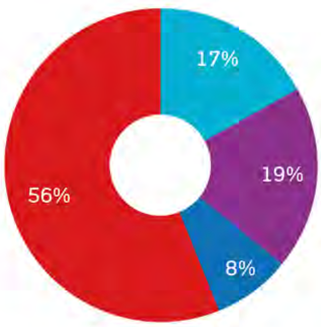
€ 0.56

Net sales



By business unit

- Ingredient Solutions € 909.7 million
- Innovation Platforms € 66.7 million



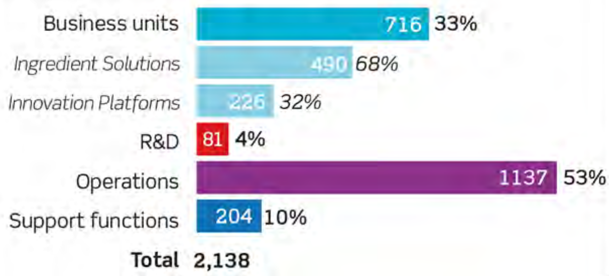
By region

- Asia € 166.0 million
- EMEA € 185.5 million
- Latin America € 78.1 million
- North America € 546.8 million

Adjusted EBITDA by business unit

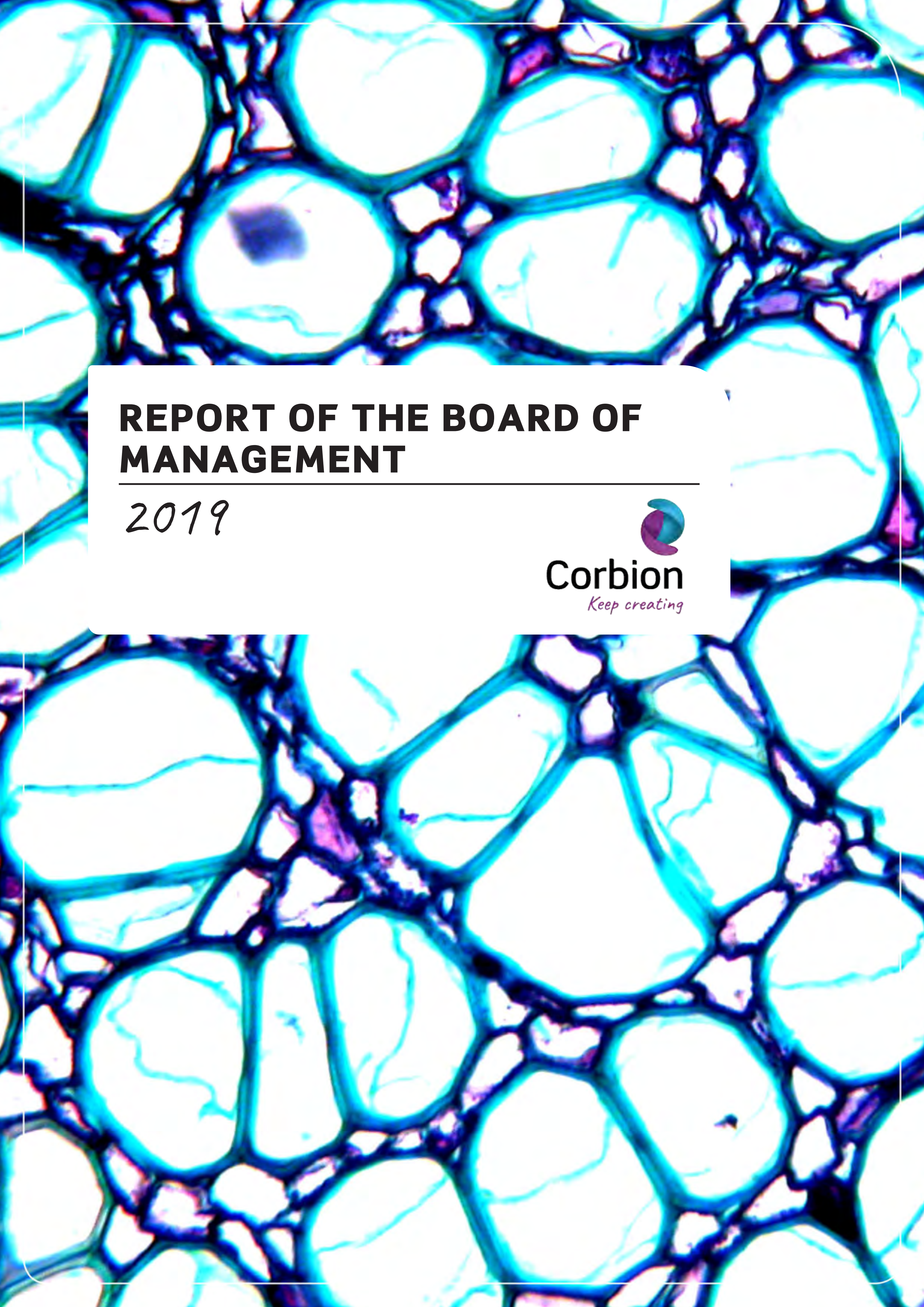
Ingredient Solutions	€ 179.9 million
Innovation Platforms	-€ 34.0 million

Number of employees (FTE) by unit



Responsible sourcing	91% responsibly sourced key agricultural raw materials
Responsible operations	Total Recordable Injury Rate 0.83 12% reduction of Scope I, II, III emissions per metric ton of product
Sustainable solutions	499 kT of lactic acid and lactic acid derivatives, emulsifiers, functional blends, polymers, and algae ingredients 44% of products sold covered by LCA 98% biobased raw materials

** For definitions of non-IFRS performance measures see page 170*



REPORT OF THE BOARD OF MANAGEMENT

2019

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WHO WE ARE AND WHAT WE DO

The world around us

We focus our resources and capabilities on addressing the global megatrends of population growth, food security, changing values, climate change, and resource scarcity while responding to evolving consumer needs and preferences. With our more than 100 years of experience and expertise in creating innovative solutions for our customers, we are well positioned to help address the impact of these trends. This will not only safeguard our commercial future, it will also benefit society at large.

The demographic changes, including a growing middle class and an aging population, translate into a highly individualized and more demanding consumer population with increased awareness of food safety and transparency. Offering conscious consumer choices drives several of our innovation programs, such as clean-label alternatives and antimicrobial solutions. The increased awareness of climate change and resource depletion and the willingness to address those, create a need for our sustainable solutions.

To create a future with sufficient resources for a growing population, the world needs to adopt circular systems, where material flows are recovered and re-used. Corbion's biobased products are inherently circular and critical enablers of the circular economy, as they reduce the use of fossil resources that cannot be replenished.

A sustainable bioeconomy can only be realized if we consider the full value chain, from raw material sourcing to manufacturing, use, and end of life. Our biobased resources depend on agriculture, which is one of the largest contributors to both environmental and social impacts. Implementation of sustainable agriculture is key to maintain economic performance while minimizing the damage to the environment and creating thriving farming communities.

The advancements in technology and, more specifically, biotechnology are key drivers for the development of our new platforms. They also function as new enablers in our continuous improvement programs in R&D and operations, where big data and manufacturing intelligence contribute to more efficiency, better insights, and improved safety performance. In executing our strategy we continue to be guided by our company compass which articulates our vision for the future and the role that Corbion envisions to play.

Our strategy 2018-2021: Creating Sustainable Growth*

Strategic initiatives

Our ambition is to be the leading innovator in offering conscious choices for our customers through sustainable ingredient solutions uniquely tailored to create customer value. In order to accomplish this ambition, Corbion identified several initiatives to realize additional growth, on top of continuation of current business.

Ingredient Solutions

In our Food business we see a trend of customers reducing their in-house R&D capabilities. At the same time, they are expected to meet swift changes in demand that require adaptation of product formulations and their innovation rates to go up. This creates opportunities for Corbion to enhance our value as a supplier and to partner beyond the mere supply of ingredients. We can thus become a provider of solutions and demonstrate our capabilities to our customers keeping them competitive in the markets they operate in (solutions model).

In Bakery, we will expand the market penetration of our already strong business in North America, by focusing on segments that have higher growth rates than average such as sweet goods, tortillas, and foodservice. Additionally, we will leverage our bakery knowledge and expertise and expand this business geographically, first by going into Latin America.

In Meat, we aim to extend our current position as a leader in preservation to a wider range of solutions to increase our relevance to our customers in that industry. We will do this by gradually extending our toolbox with broader antimicrobial and antioxidant solutions. This will be done organically, potentially accelerated by acquisitions that enhance the product portfolio, formulation know how, and manufacturing assets with a first focus on North America.

We will continue to selectively focus on other segments of the food industry where we have unique products and/or capabilities, such as acid sanding (confectionery), antimicrobial expertise (salad dressings), and fortification knowledge (beverages).

In Biochemicals, we will continue to support industries with our lactic acid and lactic acid derivatives, specifically when we can bring unique products and functionalities to the finished products. We will further leverage SENTIALL®, a versatile co-polymer platform that delivers specific, high-value functionalities such as adhesion or controlled release in a range of industries and applications. We will continue to deliver growth with ongoing projects in Medical Biomaterials, including enforced materials through FiberLive® and controlled drug release through our MedinCell joint venture, boosted by new innovations such as the resorbable polymer applications.

Innovation Platforms

Corbion's portfolio comprises various initiatives that are expected to make a meaningful contribution to our sales levels in the near future. Examples include PLA (through our joint venture with Total) and our Algae Ingredients platform that offers a range of oils and fats, of which an essential Omega-3 oil is being commercialized under the name of AlgaPrime™ DHA. In addition, our strategic innovation portfolio will continue to focus on programs to develop and commercialize biobased organic acids, such as FDCA and the development of gypsum-free lactic acid, and the use of alternative feedstocks in our production processes.

* *This annual report is based on the Creating Sustainable Growth 2018-2021 strategy and related business segmentation. On 9 March 2020, Corbion will announce its updated strategy for 2020-2025, including a revised business segmentation.*

Application research, technology, and science

We live in a rapidly changing world, where critical success factors include agility to respond to change, strong collaborative networks, and (open) innovation. Increasingly, business development is executed with partners in the value chain that rely on their suppliers for innovation and provision of R&D services. In addition, there is a strong desire in multiple markets to provide scientific evidence for functionality claims. Similarly, increased awareness in society and the marketplace of the burden we place on our planet has fueled the demand for science-based proof and solutions to reduce the environmental impact of manufacturing and use of products.

Both the trend for collaborative innovation and the need for evidence of functionality and sustainability provide an opportunity for Corbion. In order to best capitalize on these opportunities Corbion's R&D application development will have an increased focus on market needs, co-development with customers, and sales support with the aim of bringing agility and launching solutions earlier to the market. A Technology Transfer Group has been created, combining experts from R&D, Innovation Platforms, and Operations to improve technology transfer from R&D to Operations. Our Application Research, Technology and Science leadership team ensures we have the right capabilities to meet the needs of Corbion's running and future business.

In our strategy for 2018-2021 the projected R&D spend is at 4% of net sales.

Investments over strategy period

Having established a leading global position in lactic acid and lactic acid derivatives, it is of strategic importance that we maintain a differentiated position. Increased demand for lactic acid, driven largely by its central role in PLA production, will lead us to building a new lactic acid plant that uses our gypsum-free production technology. Our Algae Ingredients business will also require further investment and we continue to improve existing as well as develop new products with this platform. Other technology investments have enabled us to enhance our readiness to use next-generation feedstocks such as second-generation sugars from agricultural residues as soon as they become available.

In Ingredient Solutions, we will strengthen our workforce capabilities to advance key strategic initiatives, such as continuing to develop and implement our solutions model in Food, expanding our Bakery operations in Latin America, and delivering on our Medical Biomaterials and our Biochemicals initiatives. The strategy period also includes a major multi-year investment in a new Enterprise Resource Planning platform (SAP S/4HANA) which, in concert with the execution of various Excellence Programs, will help drive progress toward our strategic objectives.

Sustainability

At Corbion, sustainability is about operating our business in a way that enables us to meet the defining societal needs of our time, from food security and resource depletion to population growth, now and in the future. Sustainability is at the heart of what we do – and we work to demonstrate it every day across our entire value chain.

Our strategy is aligned with the United Nations Sustainable Development Goals (SDGs). Together, these goals serve as a global call to action to end poverty, protect the planet, and ensure all people enjoy peace and prosperity. Corbion has chosen to focus on SDG2 (Zero hunger) and SDG12 (Responsible production and consumption) as the goals on which we believe we can create the most significant impact, given our footprint, the nature of our business, and the environment in which we operate. SDG2 focuses on achieving food security, improved nutrition, and sustainable agriculture. SDG12 is about moving toward a circular economy, with food waste reduction as a sub-target.

Our sustainability framework highlights that Corbion creates solutions to improve people's lives and reduce impacts on our planet, always in the most responsible way we can.

Our key sustainability initiatives are responsible sourcing, responsible operations, and sustainable solutions. Innovation, transparency, and stakeholder engagement are critical to ensuring that we make visible, measurable progress in these initiatives, and that they continue to be aligned with stakeholder expectations. Last, but not least, engaged employees are essential to make it happen.

For each key initiative, we have defined long-term aspiration goals for 2030, which serve as a source of inspiration and help direct long-term innovation. To ensure that we make visible progress towards these goals, we have complemented them with short-term 2020 targets.

Sustainability framework

Ambitions

Responsible sourcing

Create a sustainable supply chain for Corbion's agricultural raw materials.

Responsible operations

Create a zero incident and zero waste Corbion.

Sustainable solutions

Create profitable solutions with a positive impact on people and planet.

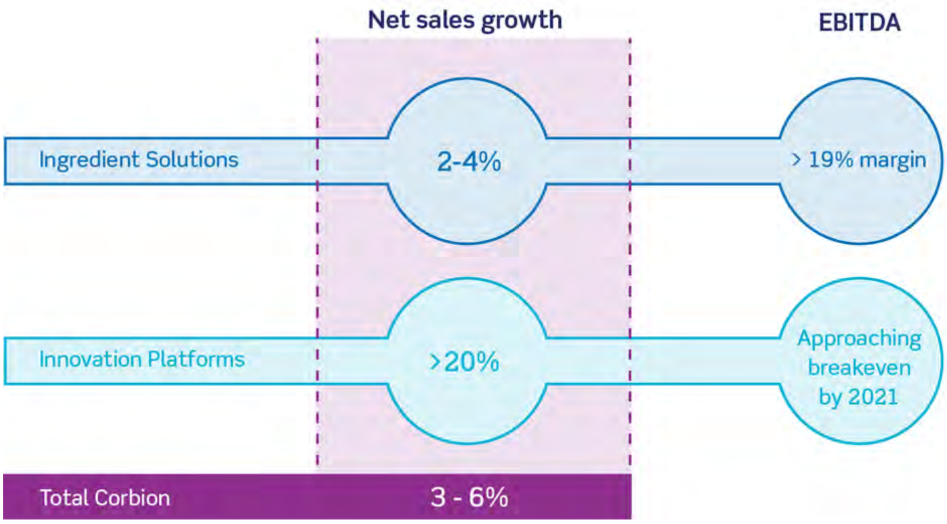
Targets [1, 2]	2020	2030
Responsible sourcing		
Security of supply	100%	100%
Supplier code	> 90%	100%
Cane sugar [3]	100%	100%
Palm oil and primary oleochemicals [4,5]	100%	100% [7]
Corn sugar (dextrose) [6]	95%	100%
Soy oil and primary oleochemicals [6]	75%	100% [7]
Wheat [6]	50%	100%
Responsible operations		
Total Recordable Injury Rate	< 0.75	< 0.25
Renewable electricity	50%	100%
Landfill of by-products	0	0
Landfill of waste	-	0
SBT target: Reduction of Scope I, II, III emissions per metric ton of product [8,9]	-	-33%
Sustainable solutions		
Innovation projects assessed on sustainability	100%	100%
Products covered by LCA [10,11]	50%	100% of products with environmental claim covered
Products covered by PSM [12] assessment	-	100% of products with social claim covered

1 *Targets based on current manufacturing footprint; to be reviewed in case of acquisitions / major changes.*
2 *% are defined by quantity.*
3 *Quantity covered by Corbion's cane sugar code or Bonsucro certification.*
4 *Primary oleochemicals as defined by RSPO, including glycerin.*
5 *RSPO certified, using the Mass Balance model.*
6 *Supplier meets Corbion's responsible sourcing requirements specified in our supplier code and our sustainable agriculture policy, evaluated by a self-assessment questionnaire. Target only includes tier-1 suppliers that source directly from farmers.*
7 *2030 target includes secondary oleochemicals.*
8 *Scope III emissions of key raw materials and transport.*
9 *Compared to 2016 as base year.*
10 *By quantity; products manufactured at Corbion production sites.*
11 *LCA = Life Cycle Assessment.*
12 *PSM = Product Social Metrics.*

Guidance for 2019-2021: Creating Sustainable Growth

The Creating Sustainable Growth strategy aims to deliver organic sales growth of between 3 and 6 percent annually.

Key financial targets*



- Ingredient Solutions: Net sales growth of 2-4% annually (1-3% in Food, 3-10% in Biochemicals), while maintaining EBITDA margin >19% and ROCE >20% annually throughout the period. Recurring capital expenditure is expected to be on average € 40 million annually.
- Innovation Platforms: Net sales growth of >20% annually. EBITDA approaching breakeven in 2021. Recurring capital expenditure of € 20-30 million annually.
- Corbion continues to target a net debt position/covenant EBITDA of 1.5x over the investment cycle, well below our covenants limit of 3.75x (RCF) or 3.5x (USPP)
- Progressive regular dividend policy: We have the ambition to annually pay out a stable to gradually increasing absolute dividend per share amount.
- We aim to create a positive impact by growing our business in sustainable ingredient solutions and maximize our contribution to zero hunger and responsible production and consumption (SDG2 and SDG12).

* *Targets as reported on the November 2017 Capital Markets Day presentation when Corbion presented its Creating Sustainable Growth 2018-2021 strategy and related business segmentation. On 9 March 2020, Corbion will announce its updated strategy for 2020-2025, including a revised guidance.*

Our value creation model

The scheme below summarizes Corbion's value creation process and business model. It describes the resources we used in 2019 to carry out our business activities to produce innovative sustainable solutions that create value for our stakeholders.

Input

Financial
- Net debt position/covenant EBITDA: 2.0x
- Capital expenditure: € 82.6 mln

Intellectual
- R&D spend: 4.2% of net sales

Natural
- Raw materials spend: € 484.7 mln
- 98% biobased raw materials
- 3,219 GJ x 10^3 energy of which 20% renewable
- 4,318 m³x10^3 water

Human
- 2,138 FTE

Social and relationship
- Partnerships, stakeholder relationship, and network

Manufactured
- Property, plant, and equipment: € 368.2 mln

Business model

Ingredient Solutions

Food segment	Biochemicals segment
Bakery	Chemicals
Meat	Pharma/Medical
Dairy	Home & Personal Care
Beverages	Animal Health
Confectionery	

Innovation Platforms

PLA Algae Ingredients FDCA

Global footprint: active in over 200 countries

- Corbion Headquarters
- Corbion Sales Office (15)
- Corbion Production Location (13)
- Corbion Innovation Center (7)

Output

Financial
- Net sales: € 976.4 mln
- Adjusted EBITDA: € 145.9 mln
- Adjusted ROCE: 9.9%

Intellectual
- 1981 granted patents and about 900 pending patents

Natural
- 101 kT CO_2 equi Scope I emissions
- 68 kT CO_2 equi Scope II emissions
- 907 kT CO_2 equi Scope III emissions
- 5.8 kT landfilled by-products and waste

Human
- Total Recordable Injury Rate: 0.83
- Absentee rate: 2.2 %

Social and relationship
- 5 partnerships (Total, Perstorp, MedinCell, WUR, Nestle)

Manufactured
- 499 kT of lactic acid, lactic acid derivatives, emulsifiers, functional blends, polymers, and algae ingredients

FUTURE FROM THE PAST

Courage

Corbion is boldly reinventing ancient technology to solve today's food challenges

Without the courage to try something new, there can be no progress. In the case of Corbion, advancing technology is often about having the courage to discover something new in the familiar.

The art and science of fermentation is as old as civilization itself, as is the making of vinegar. As far back as 3000 B.C., the Babylonians fermented the fruit and sap of the date palm to make wine. With enough time and exposure to air, the natural metabolic process of fermentation continued on its own, transforming wine into vinegar. In other ancient cultures vinegar was used to create a sustaining drink for soldiers, to preserve fruits and vegetables, to prevent the infection of wounds, and to fashion a tonic for coughs.

Vinegar may be the most versatile metabolite in the world, which is probably why it is still used in pickles, salad dressings, condiments, sauerkraut, and meat dishes. It's a cleaner, a pesticide, a remedy for jellyfish stings, a meat tenderizer, even a flavoring and leavening agent, mold inhibitor, and shelf-life extender in baked goods. Undaunted by vinegar's history, Corbion has chosen to be inspired by it.

A natural for Corbion

Fermentation is a core competency we've been building on since 1931, when we first began manufacturing lactic acid, another product of this natural process. Years of research and practical application have resulted in a highly sophisticated ability to leverage the power of vinegar.

A growing number of manufacturers have embraced our Verdad® range of vinegar-based solutions, which help them overcome challenges in: meat, poultry and seafood; refrigerated foods; sauces, dressings and condiments; as well as baked goods. The portfolio offers label-friendly ways to control pathogens, extend shelf life, enhance flavor, and improve texture.
When it comes to finding a food ingredient that combines the clean-label familiarity consumers want with the functionality our customers need, it's hard to beat vinegar – an ingredient that is also a food.

Familiarity meets functionality

"People want safe foods with the freshness, flavors, and textures they love, but they also want to feel comfortable with how those foods are made," says Ruud Peerbooms, Senior Vice-President of Food. "To deliver all that, manufacturers need the functionality they're used to, but using ingredients that are familiar and non-threatening to consumers."

Initially, manufacturers often had to give up some of the functionality they were used to getting from conventional ingredients in order to create more label-friendly products. But Corbion set out to change that expectation. Today, we offer vinegar-based solutions that, in many cases, match the effectiveness of the industry's traditional, synthetic solution.
The growing role of vinegar as an important enabler of clean-label innovation prompted our decision last year to add in-house facilities for producing patented, non-GMO powdered vinegar at our Netherlands-based Gorinchem site. Before that, most vinegar used to create Corbion ingredients was produced externally. Combining our in-house capabilities with outside sources gives us a global production footprint and a more secure supply chain for powdered vinegar products.

"With the market shifting substantially toward simpler ingredients, many of our customers have embraced vinegar as a key part of their strategy," Ruud says. "Bringing much of our powdered vinegar production in-house helps us ensure continuity for those customers."
It takes courage to invest. It takes courage to innovate. But that's how we make things happen. It's how we make a positive impact in the world.

OUR PERFORMANCE

Business performance

Ingredient Solutions

Food

In Food, Corbion is a global provider of value-adding ingredient solutions for leading food manufacturers. We partner with our customers to create delicious foods of consistent quality that are fully safe from the day they are made to the day they are enjoyed by the consumer.

In the Bakery segment, we continued bringing new solutions that help our customers reduce the number of ingredients on their labels while improving the quality of their finished goods. We helped our customers discover the power of lactic acid to increase food safety in their supply chains. We also leveraged our expertise in antimicrobials, and our deep understanding of spoilage organisms and processes, to develop innovative, clean-label mold inhibitors that extend the shelf life of bakery products, keeping them fresh and tasty longer.

In Latin America, we expanded our presence with the acquisition of Granotec do Brazil, a company with a strong presence in the bakery market in Brazil that will help us better support our key accounts throughout the region. Given the consolidation happening in the market, this acquisition better positions us to compete.

We continued to grow our business focused on natural preservation in Meat and Foods such as salads, dips, hummus, and other chilled foods. Combining our application expertise with an in-depth understanding of food spoilage enables us to grow beyond our traditional markets. By broadening our portfolio, we are reaching into new markets, such as poultry and food service, with new applications. The Verdad Vinegars and Verdad Avanta solutions in our Verdad® range help our customers deliver safe, clean-label products with longer shelf life, which brings them greater cost efficiencies and reduced product waste. The clean-label movement and increased consumer focus on sustainability will have a shaping influence on future developments in Corbion's food business.

Our new solutions designed for meat harvesting provide an additional hurdle against deteriorating microbes in the harvest process for greater food safety effectiveness without impacting the taste or color of the meat. This reduces our customers' reliance on synthetic chemicals while also reducing cost and food waste.

In Confectionery, our solutions enable customers to differentiate their products in the market by delivering both distinctive flavors and consistent product quality. We work with leading confectionery manufacturers to jointly develop concepts around sourness and stability, including innovative sourness concepts in chocolate applications and chewing gums.

Biochemicals
In Biochemicals, we have always held a long-term view, aiming to improve life for people today, and for future generations. That means solving big problems, creating new opportunities, and redefining what is possible. We believe the solutions of greatest value to the world are the ones that deliver lasting value. In our experience at Corbion, those solutions usually materialize when we combine our strengths with partners who share our sense of urgency about making a difference. That is why co-creation is a cornerstone of our business. By combining our biotechnology with the market and/or application knowledge of complementary partners, we can create long-term, sustainable solutions that tackle the challenges of today and tomorrow.

Our newly introduced SENTIALL® is a versatile co-polymer that delivers specific, high-value functionalities such as adhesion and controlled release. These functionalities enable our customers' products to achieve required performance targets while reducing environmental impact through biodegradability. Unique benefits such as the controlled release of active ingredients and nutrients improve efficiency and/or reduce waste. These technologies are already used widely in our pharmaceutical and Medical Biomaterials businesses, but we have begun applying them in other industries like agrochemicals (to release nutrients in fertilizers or active ingredients in pesticides) and even in the construction industry, where we can now release self-healing agents to repair cracks in concrete.

SENTIALL®, as an enabler of the self-healing concrete application co-created with Green-Basilisk (a spin-off of Delft University of Technology), was named Bio-Based Product of the Year by Bio Market Insights in Amsterdam.

Within Animal Health, we further expanded our ALOAPUR® range, which is designed to improve gut health in animals while reducing antibiotic usage. This offering combines Corbion product technology with our experience in antibacterial performance in the food industry. As the industry faces increasing pressure from both regulatory bodies and consumers to move away from the use of antibiotics, ALOAPUR® gives both our customers and farmers a viable, sustainable solution.

In Agrochemicals, two products in our portfolio, PURASOLV® BL and PURASOLV® EL, are the first lactate ester solvents to achieve certification by the Organic Materials Review Institute (OMRI). This prestigious accreditation creates an opportunity for biopesticide manufacturers to develop certified organic formulations that meet the growing demand for organic produce across the world. Through OMRI certification, formulators will be able to gain faster approval from certifiers, giving them a more efficient route to market.

In Medical Biomaterials, the strategy continues to be well aligned with the trends in the healthcare industry resulting in a continuation of growth of this business. Both in drug delivery and in orthopedics our portfolio keeps expanding and the close cooperation with our customers results in several new and exciting products benefiting patients all over the world.

Innovation Platforms
The Innovation Platforms business unit aims to build new business platforms that have the potential to deliver an additional 1-2% long-term sustainable net sales growth for Corbion and comprises the following platforms:
- PLA Bioplastics business through the Total Corbion PLA joint venture and the lactic acid supplied to this joint venture;
- Algae Ingredients;
- Other innovation projects: a selected number of innovation programs, most notably FDCA and the lactic acid technology development program.

The innovation portfolio is managed through our disciplined stage-gate investment approach that provides a solid framework for resource allocation, program execution, cost control, and risk management. The platforms are developed with strategic partnerships to win in the market place and have been selected on their ability to be compatible with Corbion's current feedstock, fermentation, and downstream processing capabilities.

PLA Bioplastics business
Total Corbion PLA joint venture
During 2019, Total Corbion PLA, a technology leader in poly lactic acid (PLA) and lactide monomers, ramped up production of its new PLA plant in Rayong, Thailand. The 75,000 metric tons per annum (tpa) plant has been operational since the end of 2018 and the official Grand Opening ceremony took place on 9 September 2019 and was well attended by customers, government officials, senior representatives from both parent companies, and employees. The Grand Opening celebrated the start-up of the world's second largest PLA plant, which increased the available global production capacity for this biopolymer by almost 50%.

PLA bioplastics provide a valuable contribution toward the circular economy, being biobased and biodegradable and offering multiple environmentally-friendly end-of-life solutions. The lactic acid used to make PLA is supplied by Corbion, which produces the lactic acid from raw sugar from cane grown in Thailand. The Total Corbion PLA plant produces a wide range of Luminy® PLA resins, from standard PLA to innovative, high-heat PLA and PDLA. These products serve the needs of a global customer base, active in a wide range of markets, notably packaging, consumer goods, 3D printing, fibers, and automotive. In 2019 over 350 customers worldwide were served.

On the same site Total Corbion PLA operates a 100,000 tpa lactide plant, which produces the monomer required for the production of PLA, and a 1,000 tpa PLA pilot plant, used for product development. Combined with Corbion's lactic acid plant, located on the same site, this enables a fully integrated production chain from sugar to PLA.

During the year under review, demand for PLA has surged and this positive development has resulted in a faster than anticipated ramp-up of production, emphasizing the need for additional lactic acid volumes. This has triggered a significant capital expansion project at Corbion in Rayong that mid 2020 will result in significantly higher output of lactic acid, supporting growth in PLA. Next to this, Corbion announced on 29 January 2020, it will start the construction of a new lactic acid plant which is expected to be operational in 2023.

The growing demand for environmentally-friendly and sustainable plastics has driven demand for PLA across all regions, supporting healthy price levels and creating momentarily shortages. The joint venture aims to become the number one player in PLA.

Besides the ongoing support for PLA application development and technical customer support, the joint venture has initiated a project to further support the various end-of-life options for PLA including R&D efforts in the areas of biodegradation and composting as well as chemical and mechanical recycling.

Algae Ingredients
In 2019, Algae Ingredients performed below expectations, as we continued working to scale up this business. Nevertheless, our focus on developing the market for AlgaPrime™ DHA, an Omega-3-rich, whole-algae ingredient, resulted in significant sales and volume growth. The ingredient, produced in Orindiúva, Brazil, allows farmers to enhance aquaculture and other animal nutrition applications responsibly. Our customer base has continued to expand, most notably in salmon feed applications.

At the July SeaWeb Seafood Summit in Thailand, we shared that AlgaPrime™ DHA had been successfully trialed in shrimp feed from global seafood producer Thai Union Group PCL, enabling them to bring even more responsibly sourced and sustainably harvested shrimp to market.

In October, we announced the selection of AlgaPrime™ DHA for use in the custom feed supplied by BioMar to Salmon Group, the largest network of local, family-owned fish farming and aquaculture companies, adding to the nearly 500,000 metric tons of feed containing AlgaPrime™ DHA BioMar sells in Norway.

The following month, we entered a new phase for our AlgaVia® whole-algae protein ingredient by announcing our partnership with Nestlé to develop the next generation of microalgae-based ingredients. The collaboration will enable Nestlé to deliver sustainable, tasty, and nutritious plant-based products that provide a vegan source of protein, healthy lipids, and various micronutrients. The production of microalgae also offers low carbon, land, and water footprints.

Other innovation projects
FDCA
Corbion has developed a proprietary process to produce 2,5-Furandicarboxylic acid (FDCA), a versatile building block for (co)polymers, made from renewable resources with a reduced carbon footprint and enhanced performance. FDCA has the potential to replace purified terephthalic acid (PTA) in a variety of applications. For instance, FDCA can be polymerized into polyethylene furanoate (PEF), a high-value polyester with higher barrier, thermal, and mechanical properties when compared to PET. In 2019, significant progress was made in scaling the high-yielding biotransformation route and developing the downstream processing route, resulting in a proprietary process for converting hydroxymethylfurfural (HMF) to FDCA with unparalleled economy. We made progress in market and application development by collaborating with partners through joint development programs that included extensive sampling and pilot-scale production of polymer-grade FDCA, PEF pellets, and films. The versatility of FDCA and PEF is being demonstrated in trials underway for applications such as reusable hot-fill bottles for beverages and fibers. Given current interest in FDCA, scalable and economical production of HMF has become a priority for the next stage in the development of this 100% renewable building block. Having reached this point in the exploration of a new business platform, judicious analysis is underway to determine the right next steps for Corbion and its stakeholders.

Lactic acid technology development
Following the successful validation of our new lactic acid process in 2018, we have moved to the engineering phase for a large commercial-scale plant and in January 2020 we announced the decision for the construction of that first-of-a-kind plant in Thailand, which is expected to become operational in 2023. Due to the recycling of processing chemicals and the elimination of gypsum as a by-product, lactic acid produced from this facility will not only come with the lowest carbon footprint compared to current technologies used, the production cost will also be significantly reduced.

Succinic acid
In 2019 we decided with BASF (our joint venture partner in Succinity) to terminate the biobased succinic acid joint venture activities, due to the weak global market adaptation of biobased succinic acid and the uncertainty around the longer-term potential thereof, and thus the lack of progress of the commercial development of biobased succinic acid. As a consequence, in good cooperation with BASF, the Succinity joint venture agreement has been terminated and the Succinity legal entity will be liquidated.

Financial performance

Key figures

Millions of euros	2019	2018
Net sales	976.4	897.2
Operating result	61.3	87.9
Adjusted EBITDA [1)]	145.9	131.6
Result after taxes	25.8	54.3
Earnings per share in euros [2)]	0.44	0.93
Diluted earnings per share in euros [2)]	0.43	0.92
Number of issued ordinary shares	59,242,792	59,242,792
Number of ordinary shares with dividend rights	58,819,590	58,764,635
Weighted average number of outstanding ordinary shares	58,819,590	58,698,602
Price as at 31 December	28.12	24.46
Highest price in calendar year	29.96	29.74
Lowest price in calendar year	24.26	23.30
Market capitalization as at 31 December [3)]	1,654	1,437
Other key data		
Cash flow from operating activities	114.4	99.5
Cash flow from operating activities per ordinary share, in euros [2)]	1.94	1.70
Free cash flow [4)]	9.6	11.9
Depreciation/amortization (in)tangible fixed assets	61.5	42.0
Capital expenditure on (in)tangible fixed assets	82.6	58.4
Equity per share in euros [5)]	9.00	8.85
Regular dividend in euros per ordinary share (reporting year)	0.56	0.56
Ratios		
ROCE % [6)]	9.9	11.0
Adjusted EBITDA margin % [7)]	14.9	14.7
Result after taxes/net sales %	2.6	6.1
Number of employees at closing date (FTE)	2,138	2,040
Net debt position/covenant EBITDA [8)]	2.0	1.6
Interest cover [9)]	22.2	25.6
Statement of financial position		
Non-current assets	718.6	616.2
Current assets excluding cash and cash equivalents	326.8	302.5
Non-interest-bearing current liabilities	161.4	140.2
Net debt position [10)]	303.3	203.3
Other non-current liabilities	24.1	26.9
Provisions	27.5	28.1
Equity	529.1	520.2
Capital employed [11)]	856.5	750.4
Average capital employed [11)]	841.7	709.8
Balance sheet total : equity	1:0.5	1:0.5
Net debt position : equity	1:1.7	1:2.6
Current assets : current liabilities	1:0.9	1:0.7

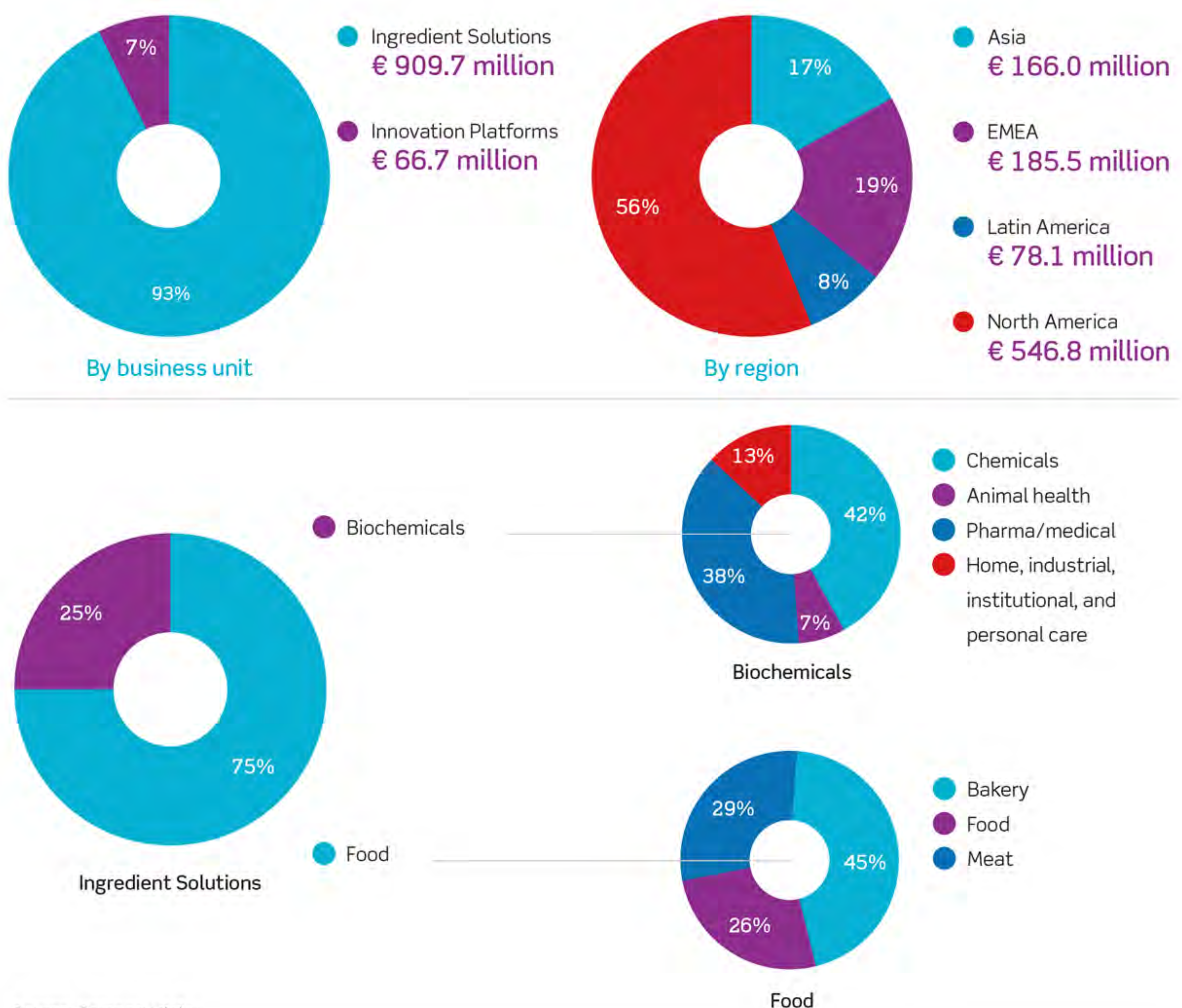
1 Adjusted EBITDA is the operating result before depreciation, amortization, impairment of (in)tangible fixed assets and after adjustments.
2 Per ordinary share in euros after deduction of dividend on financing preference shares.
3 Market capitalization is calculated by multiplying the number of ordinary shares with dividend rights by the share price at the closing date.
4 Free cash flow comprises cash flow from operating activities and cash flow from investment activities.
5 Equity per share is equity divided by the number of shares with dividend rights.
6 Return on capital employed (ROCE) is defined by Corbion as adjusted operating result, including results from joint ventures and associates, divided by the average capital employed x 100.
7 Adjusted EBITDA margin % is adjusted EBITDA as defined above divided by net sales x 100
8 Covenant EBITDA is adjusted EBITDA as defined above, increased by cash dividend of joint ventures received and annualization effect of newly acquired subsidiaries.
9 Interest cover is covenant EBITDA as defined above divided by net interest income and charges.
10 Net debt position comprises borrowings and lease liabilities less cash and cash equivalents, including third-party guarantees which are required to be included under the debt covenants.
11 Capital employed and average capital employed are based on balance sheet book values.

Results

Net sales

Net sales in 2019 increased by 8.8% to € 976.4 million (2018: € 897.2 million), mostly due to a volume increase (3.4%), and a positive currency impact (4.3%), partly offset by a negative price/mix effect (-0.9%). The acquisition of the remaining 49.9% of the SB Renewable Oils joint venture (as per 4 June 2018) and Granotec do Brazil (as per 1 April 2019) positively impacted net sales by 2.0%.

Net sales 2019



Source: Company data

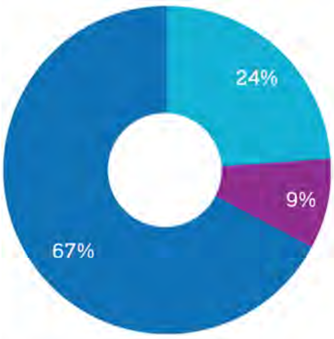
Full year 2019 compared to full year 2018

Net sales	Total growth	Currency	Total growth at constant currency	Acquisitions	Organic	Price/Mix	Volume
Ingredient Solutions	7.2%	4.0%	3.2%	1.8%	1.4%	1.4%	0.0%
- Food	10.0%	4.4%	5.6%	2.5%	3.1%	2.0%	1.1%
- Biochemicals	-0.5%	3.0%	-3.5%	0.0%	-3.5%	0.0%	-3.5%
Innovation Platforms	36.7%	9.0%	27.7%	5.3%	22.4%	-13.6%	41.5%
Total	**8.8%**	**4.3%**	**4.5%**	**2.0%**	**2.5%**	**-0.9%**	**3.4%**

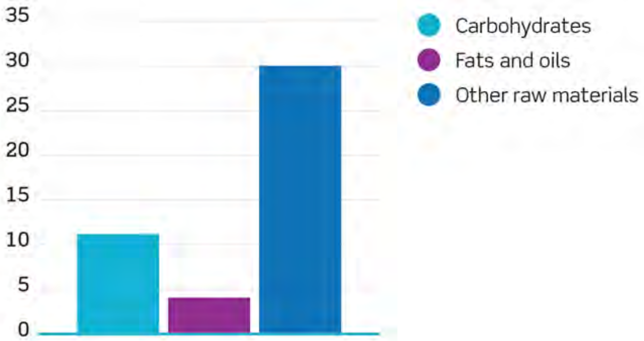
Raw materials

The carbohydrates, soybean oil, and other raw material spend percentages are in line with previous year. In 2019 Corbion faced an increase in chemical prices in the first half year which softened in the second half.

Raw materials break down



As % of total raw materials spend



As % of total net sales

Source: Company data

EBITDA

Adjusted EBITDA increased by 10.9% to € 145.9 million in 2019. A positive organic growth of 7.8% and a positive currency effect were partly offset by a negative acquisition effect. Ingredient Solutions saw its Adjusted EBITDA increase by 11.9% as a result of a positive organic growth of 6.5% and a positive currency effect of 4.2%. The EBITDA loss in Innovation Platforms increased to € -34.0 million (2018: € -29.2 million) mostly due to the consolidation impact of the acquisition of the remaining 49.9% interest in SB Renewable Oils as per June 2018.

€ million	2019	2018
Net sales		
Ingredient Solutions	909.7	848.4
- Food	685.8	623.4
- Biochemicals	223.9	225.0
Innovation Platforms	66.7	48.8
Total net sales	**976.4**	**897.2**
Adjusted EBITDA		
Ingredient Solutions	179.9	160.8
- Food	119.5	105.3
- Biochemicals	60.4	55.5
Innovation Platforms	-34.0	-29.2
Total Adjusted EBITDA	**145.9**	**131.6**
Adjustments	18.4	-2.1
Total EBITDA	**164.3**	**129.5**
Depreciation/amortization/ (reversal of) impairment (in)tangibles	-103.0	-41.6
Total operating result	**61.3**	**87.9**
Adjusted EBITDA margin		
Ingredient Solutions	19.8%	19.0%
- Food	17.4%	16.9%
- Biochemicals	27.0%	24.7%
Innovation Platforms	-51.0%	-59.8%
Total Adjusted EBITDA margin	**14.9%**	**14.7%**
Total Adjusted EBITDA excl. acquisitions/divestments, at constant currencies	**141.9**	**131.6**

Ingredient Solutions

€ million	2019	2018
Net sales	909.7	848.4
Organic growth	1.4%	1.7%
EBITDA	181.2	160.9
Adjusted EBITDA	179.9	160.8
Adjusted EBITDA margin	19.8%	19.0%
ROCE	22.2%	23.7%
Average capital employed	595.3	518.6

Net sales in Ingredient Solutions, which encompasses Food and Biochemicals, increased organically by 1.4% in 2019, driven by growth in the Food business segment, while the Biochemicals business segment declined versus 2018 on an organic basis. The Adjusted EBITDA margin in 2019 increased from 19.0% to 19.8%.

Business segment Food

€ million	2019	2018
Net sales	685.8	623.4
Organic growth	3.1%	0.9%
EBITDA	119.7	105.5
Adjusted EBITDA	119.5	105.3
Adjusted EBITDA margin	17.4%	16.9%

Net sales in 2019 increased organically by 3.1%. Bakery, the largest segment in Food, grew throughout the year. In Meat we see the shift in portfolio mix towards natural preservation solutions continuing, which translates into above average growth rates. In other markets (Beverages, Confectionery, Dairy), sales were stable compared to last year. The Adjusted EBITDA margin increased from 16.9% to 17.4%.

Business segment Biochemicals

€ million	2019	2018
Net sales	223.9	225.0
Organic growth	-3.5%	4.0%
EBITDA	61.5	55.4
Adjusted EBITDA	60.4	55.5
Adjusted EBITDA margin	27.0%	24.7%

Net sales in 2019 decreased organically by 3.5%. All markets declined except for Medical/Pharma. The biggest declines were in the Electronics segment due to a slowdown in the semiconductor markets, and in the Agrochemicals segment where our customers are in anticipation of a regulatory phase out of a category of actives. The Adjusted EBITDA margin 2019 in Biochemicals was significantly ahead of last year (27.0% versus 24.7%), mostly due to positive mix effects from the rapidly growing Medical/Pharma business.

Innovation Platforms

€ million	2019	2018
Net sales	66.7	48.8
Organic growth	22.4%	84.9%
EBITDA	-16.4	-31.4
Adjusted EBITDA	-34.0	-29.2
Adjusted EBITDA margin	-51.0%	-59.8%
Average Capital Employed	246.4	191.2

Net sales in 2019 organically increased by 22.4%, mostly driven by increased lactic acid sales to the Total Corbion PLA joint venture, which continues to develop beyond our expectations. Despite significant growth in 2019, Algae Ingredients remained below earlier expectations throughout the year.

Depreciation, amortization, and impairment

Depreciation, amortization and impairment of fixed assets before adjustments amounted to € 60.9 million compared to € 42.0 million in 2018.

Operating result

Adjusted operating result decreased by € 4.6 million to € 85.0 million in 2019 (2018: € 89.6 million).

Adjustments

In 2019, total adjustments of € 20.2 million were recorded, consisting of the following components:

1. Loss of € 41.4 million related to an impairment in our Algae business. Our earlier estimate (29 January 2020) was a loss of approximately € 40 million
2. Gain of € 14.7 million related to a remeasurement of the anticipated contingent purchase price of SB Renewable Oils.
3. Gain of € 7.9 million as a result of a past service gain due to a change in indexation CSM UK pension scheme
4. Gain of € 3.5 million as a result of valuation of tax assets related to the acquisition of Granotec do Brazil
5. Loss of € 2.9 million related to restructuring costs
6. Loss of € 2.7 million related to a write-down of inventory in the US
7. Loss of € 0.7 million related to relocation and impairment costs as a result of the new warehouse in the US
8. Loss of € 1.0 million related to one-off bonusses
9. Loss of € 0.7 million as a result of acquisition costs of Granotec do Brazil
10. Loss of € 0.5 million related to legal costs
11. Tax effects on the above of € 3.5 million

In reference to Adjustments 1 and 2: Despite significant sales growth in 2019, Algae Ingredients sales is developing slower than expected. Customer adoption of our key product, an alternative source of omega-3 fatty acids for the aquaculture industry, is taking longer than anticipated. Under IFRS, this generated a triggering event for an impairment test. The current carrying value of the assets has been impaired by € 41.4 million. The net impact on the 2019 Result after taxes amounts to € -26.7 million as the impairment loss is partly offset by a reduction in the value of the earn-out provision to our former SB Renewable Oils joint venture partner.

Financial income and charges

Net financial charges increased by € 1.4 million to € 14.6 million, mainly as a result of the implementation of IFRS 16.

Taxes

The tax charge on our operations in 2019 amounted to € 18.9 million compared to a charge of € 15.5 million in 2018. In 2019, the high effective tax rate of 42.3% after adjustments was mainly caused by the impairment as well as the operating losses of the Algae business in Brazil, in respect of which limited deferred tax assets were recognized. Excluding adjustments and the effects of the non-recognition of tax assets related to operating losses of the Algae business in Brazil, the normalized effective tax rate would have been 29.7%. For 2020 we expect a tax rate of approximately 30%.

Statement of financial position

Capital employed increased, compared to year end 2018, by € 106.1 million to € 856.5 million. The movements were:

€ million	
Movements related to the acquisition of Granotec do Brazil	40.6
Transition impact IFRS 16	28.4
Capital expenditure on (in)tangible fixed assets	82.6
Lease contract movements	45.4
Depreciation / amortization / impairment of (in)tangible fixed assets	-103.0
Change in operating working capital	1.2
Change in provisions, other working capital and financial assets/ accruals	16.4
Movements related to joint ventures	-2.4
Taxes	-16.1
Exchange rate differences	13.0

Major capital expenditure projects in 2019 were investments related to lactic acid capacity expansion in Thailand and investments in our Algae plant in Orindiúva.

Operating working capital (excluding movements related to the acquisition of Granotec do Brazil) increased by € 4.5 million. This increase is the balance of an operational increase of € 1.2 million and currency effects of € 3.3 million.

Shareholders' equity increased by € 8.9 million to € 529.1 million. The movements were:

- The positive result after taxes of € 25.8 million
- A decrease of € 32.9 million related to the dividend for financial year 2018
- Positive exchange rate differences of € 14.4 million due to the translation of equity denominated in currencies other than the euro
- Positive movement of € 5.3 million in the hedge reserve
- Negative remeasurement effect of defined benefit arrangement of € 6.2 million
- Net share-based remuneration movement of € 3.1 million
- Negative tax effects € 0.6 million

At year-end 2019 the ratio between balance sheet total and equity was 1:0.5 (2018 year-end: 1:0.5).

Cash flow/Financing

Cash flow from operating activities increased compared to year-end 2018 by € 14.9 million to € 114.4 million. This is the balance of the higher operational cash flow before movements in working capital of € 14.7 million a negative impact of the movement in working capital and provisions of € 3.9 million and lower taxes and interest paid of € 4.1 million.

The cash flow required for investment activities increased compared to 2018 by € 17.2 million to € 104.8 million. Capital expenditures (€ 76.2 million) and the acquisition of Granotec do Brazil (€ 28.5 million) accounted for most of this cash outflow.

The net debt position at year end 2019 was € 303.3 million, an increase of € 100.0 million compared to year end 2018, mainly due to dividend payment, capital expenditures, the Granotec do Brazil acquisition, and the increase in working capital compared to 2018, partly compensated by the positive cash flow from operating activities before working capital and provisions.

At year-end 2019, the ratio of net debt to EBITDA was 2.0x (end of 2018: 1.6x). The interest cover for 2019 was 22.2x (end of 2018: 25.6x). We continue to stay well within the limits of our financing covenants.

Subsequent events

On 29 January 2020, Corbion announced it will invest around US$ 190 million in a new lactic acid plant in Thailand with a capacity of 125,000 metric tons per annum, which will operate at the highest sustainability standards and lowest costs.

Reservation and dividend policy

Corbion's reservation policy is aimed at creating and retaining sufficient financial capacity and flexibility to realize our strategic objectives while maintaining healthy balance sheet ratios. Corbion intends to add the profit (or charge the loss) to the company reserves after deduction of the proposed dividend on ordinary shares. Events potentially impacting our financing requirements such as acquisitions, divestments, reorganizations, or other strategic considerations can lead to adjustments in the reservation amount and the reservation policy. As regards Corbion's dividend policy, the amount and structure of dividend on ordinary shares that the company will pay to its shareholders depend on the financial results of the company, the market environment, the outlook, and other relevant factors. The dividend policy is the ambition to pay out annually a stable to gradually increasing absolute dividend amount per share (progressive regular dividend policy), subject to annual review of the outlook of the net debt /EBITDA ratio development. This review will be based on multiple criteria such as major investments, timing of M&A, or divestment initiatives.

Dividend proposal

A proposal to distribute a regular dividend in cash of € 0.56 per ordinary share (2018: € 0.56) will be submitted for approval to the annual General Meeting of Shareholders, to be held on 11 May 2020. This represents 72% of our 2019 Adjusted Result after taxes. The dividend will be charged to the Corbion reserves.

Sustainability performance

Responsible sourcing

KPI	2030 Target [1,2]	2020 Target [1,2]	2019 [7]	2018
% of raw materials assessed on security of supply (annually) √	-	100%	100%	100%
% of raw materials covered by generic supplier code √	-	> 90%	100%	99%
% of cane sugar responsibly sourced [3]√	100%	100%	100%	99%
% of palm oil and primary oleochemicals responsibly sourced [4, 5]√	100% [8]	100%	75%	41%
% of corn-based dextrose responsibly sourced [6]√	100%	95%	98%	-
% of soybean oil and primary oleochemicals responsibly sourced [6]√	100%	75%	34%	-
% of wheat-based raw materials responsibly sourced [6]√	100%	50%	84%	-

1 *Targets based on current manufacturing footprint; to be reviewed in case of acquisitions / major changes.*
2 *% are defined by quantity.*
3 *Quantity covered by Corbion's cane sugar code or Bonsucro certification.*
4 *Primary oleochemicals as defined by RSPO, including glycerin.*
5 *RSPO certified, using the Mass Balance model.*
6 *Supplier meets Corbion's responsible sourcing requirements specified in our supplier code and our sustainable agriculture policy, evaluated by a self-assessment questionnaire. Target only includes tier-1 suppliers that source directly from farmers.*
7 *Our recently acquired facility in Araucária (Granotec do Brazil) is not yet included in the reporting scope for the responsible sourcing KPIs. See Sustainability statements for more details.*
8 *2030 target includes secondary oleochemicals.*

√ Reviewed by external auditor

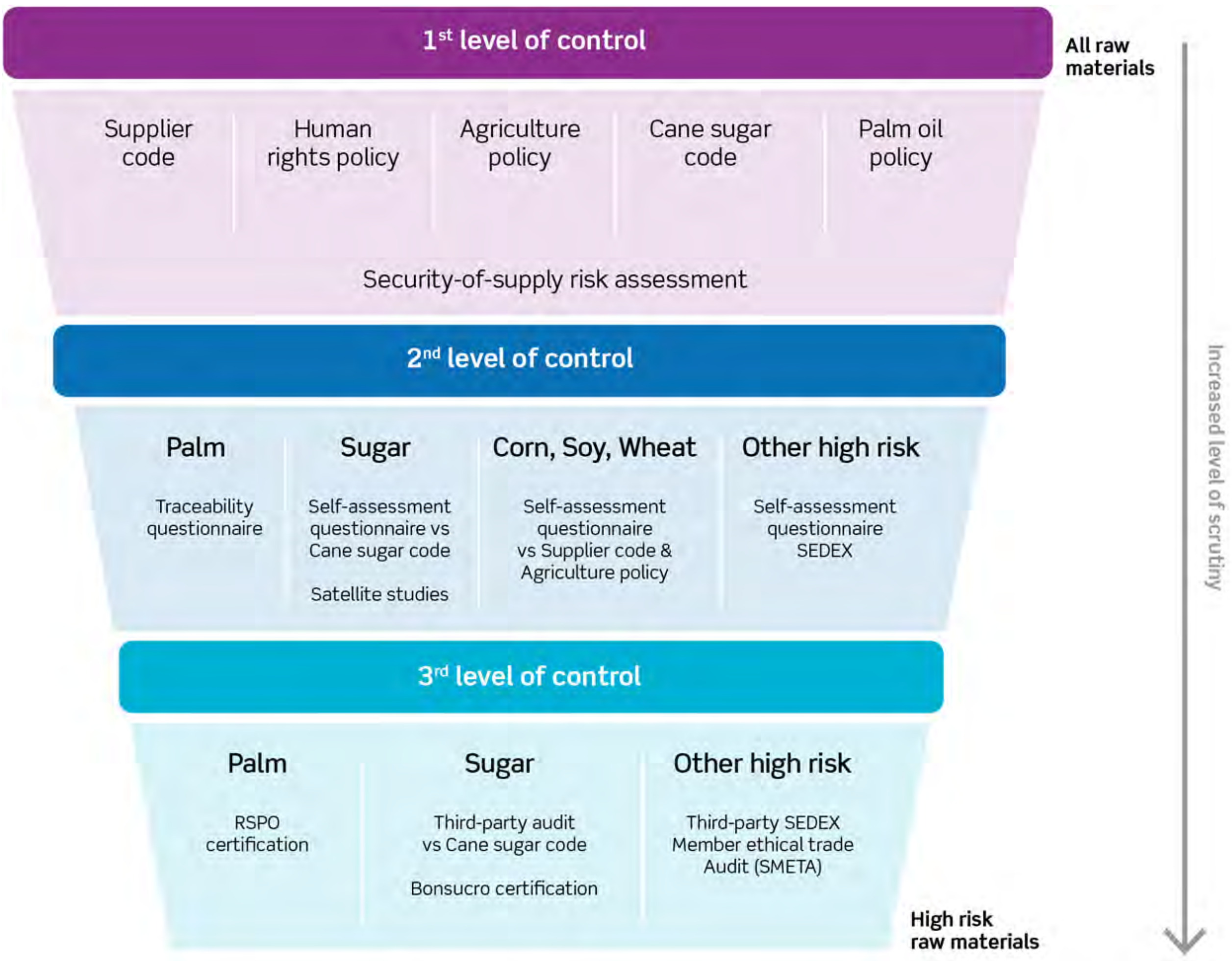
A significant part of the environmental and social impact in our value chain is upstream of our own operations. To safeguard an overall positive environmental and social impact of our sustainable solutions, we need to ensure our raw materials are sourced responsibly.

Our responsible sourcing strategy focuses on our agricultural raw materials, which are critical for the production of our natural, biobased solutions. A sustainable agricultural supply chain is essential for the communities in which we operate, as well as for our business. We focus on raw materials derived from sugarcane, soy, corn, wheat, and palm oil, which represent some 90% of our agricultural-derived raw materials by quantity.

Farming of sugarcane and oil palm has been linked to a number of serious social and environmental sustainability risks. These include forced and child labor, hazardous labor conditions, conflict over land rights, loss of biodiversity, and deforestation. Implementation of sustainable agriculture is the only way to maintain economic performance while minimizing the damage to the environment and creating thriving farming communities. For soy, corn, and wheat, which we source from the US, the main areas of improvement relate to land use (biodiversity), soil health, water, greenhouse gas emissions, and farmer livelihoods.

Corbion is not directly involved in the growing, harvesting, and processing of these crops. We therefore focus our efforts on our tier-1 suppliers that source directly from farmers, and partner with them to address social and environmental issues at farm level. Our approach focuses on continuous improvement toward the implementation of the relevant sustainability standard for each of these raw materials.

Corbion's approach to responsible sourcing

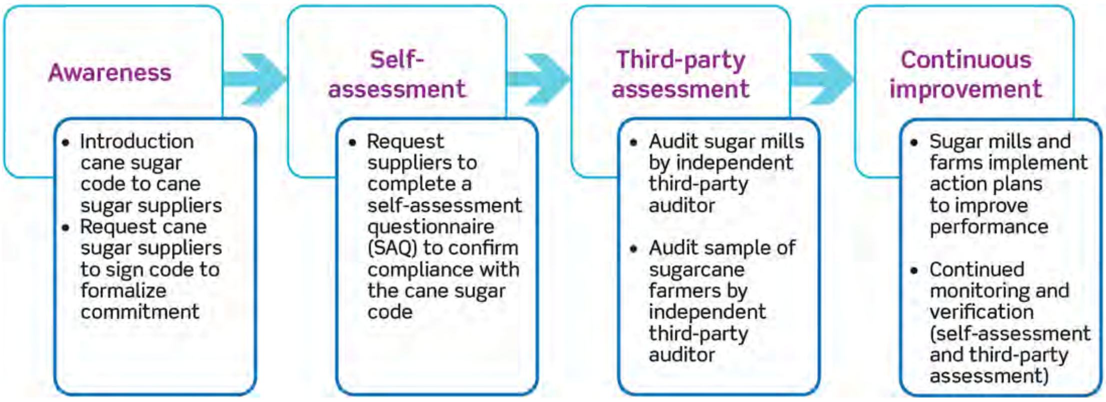


We assess all of our raw materials on potential risks related to procurement, quality (including food safety), and sustainability in our security-of-supply assessment, which is updated annually. For each pillar, several criteria are rated to estimate the risk of supply issues. The risk assessment results in a high, medium, or low score for each raw material, by pillar. For all high-risk raw materials, mitigation plans are created. Mitigation actions include the recruitment of new suppliers, certification, and supplier engagement to better understand the situation.

We require all our raw material suppliers to sign our supplier code for confirmation, or to demonstrate commitment to our code by compliance with company policies that embrace these standards. Our supplier code defines Corbion's expectations in respect of our suppliers meeting our responsible sourcing commitment. The code includes principles and criteria for business ethics, human rights and labor conditions, and environmental practices, based on the OECD Guidelines for Multinational Enterprises and the eight fundamental conventions defined by the ILO, including freedom of association and the effective recognition of the right to collective bargaining, the elimination of all forms of forced or compulsory labor, the effective abolition of child labor, and the elimination of discrimination in respect of employment and occupation.

For cane sugar, we apply the Corbion cane sugar code, an extension of our supplier code with additional principles and criteria in respect of land rights, good agricultural practices, and biodiversity. It is based on the definitions for sustainable sugarcane and derived products as set out by Bonsucro. We have implemented procedures to verify that our suppliers meet these requirements, using self-assessment questionnaires and third-party audits. In case of non-compliance with core indicators of the cane sugar code, a corrective action plan is requested to effectively and promptly resolve the issue, within an agreed timeline. If the issue persists, Corbion may ultimately decide to terminate the relationship with the supplier in question. The audit frequency varies based on the findings of the initial audit and is annual in case of non-compliances with core indicators. By now, independent third-party audits have been conducted for over 70% of our cane sugar supply.

Non-compliances with core indicators were related to storage of chemicals, lack of formal risk assessment, and lack of evidence that the maximum levels of agrochemicals per ha/year are not surpassed. We request our suppliers to focus on continuous improvement for any minor non-compliance. In 2019, some 16% of our total cane sugar consumption was Bonsucro certified.



Our palm oil policy describes our requirements for responsible sourcing of palm, including no deforestation, no peat, and no exploitation. Corbion focuses on the implementation of the supply chain standard defined by the Roundtable on Sustainable Palm Oil (RSPO). All Corbion plants in the US are RSPO Chain of Custody certified and the majority of our palm oil and primary oleochemicals are now sourced Mass Balance (MB) RSPO-certified. We source palm oil and palm oil derivatives only from suppliers that are RSPO members working toward production or purchasing of certified sustainable palm oil. In 2019, we further increased our purchase of RSPO certified palm oil and primary oleochemicals and we are on track to meet our 2020 commitment.

Our agriculture policy summarizes our vision for sustainable agriculture, including topics such as energy and climate, water, soil health, land use, biodiversity, agricultural chemicals, and nutrient management. We use self-assessment questionnaires to confirm that suppliers of corn, soy, and wheat meet Corbion's responsible sourcing requirements specified in our supplier code and are implementing sustainable agriculture practices as described in our sustainable agriculture policy.

Responsible operations

KPI	2030 Target 1)	2020 Target 1)	2019 2)	2018
Total Recordable Injury Rate	< 0.25	< 0.75	0.83	0.86
Renewable electricity √	100%	50%	58%	42%
Landfill of by-products √	0	0	4.6 kT	2.5 kT
Landfill of waste √	0	-	1.2 kT	2 kT
Reduction of Scope I, II, III emissions (SBTi approved target) 3,4)	33%	-	12%	-

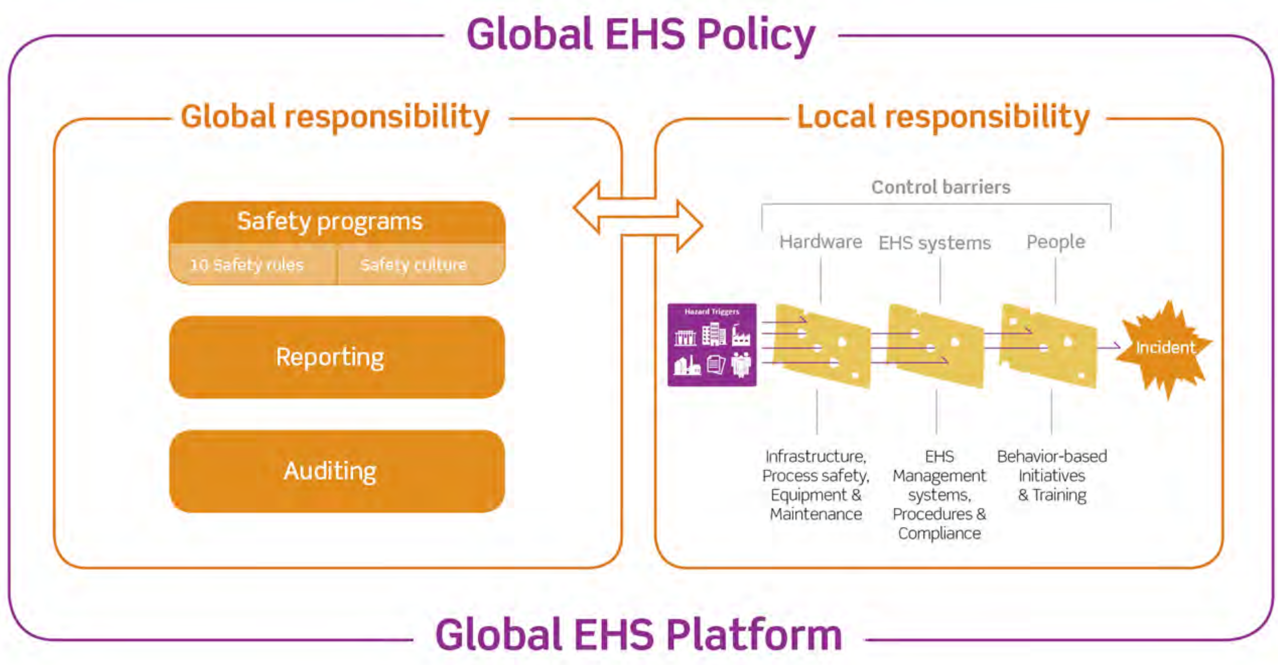
1 *Targets based on current manufacturing footprint; to be reviewed in case of acquisitions / major changes.*
2 *Our recently acquired facility in Araucária (Granotec do Brazil) is not yet included in the reporting scope for the responsible operations KPIs. See Sustainability statements for more details.*
3 *We report our emissions in accordance with the Greenhouse Gas Protocol per metric ton of product. Our Science Based target includes Scope I emissions from direct production (from natural gas), Scope II emissions from purchased energy (electricity and purchased steam, market-based), and Scope III emissions related to key raw materials and transport. Our full Scope III emissions and biogenic emissions are reported in the Sustainability statements.*
4 *Compared to 2016 as base year.*

√ Reviewed by external auditor

Corbion's manufacturing processes pose inherent risks to people, due to use of chemicals, high temperatures, and large-scale equipment, which explains why occupational health and safety is our highest priority. We use significant amounts of energy, water, and other resources, making resource efficiency and minimization of greenhouse gas emissions our main environmental focus areas.

Environment, health, and safety
Corbion aims to create a safe and healthy workspace with the goal of having zero incidents because we believe no job is so important that it cannot be done safely and with minimal environmental impact. We therefore operate with the greatest care for safety, health, and the environment for our employees and the communities we engage with. Our activities are supported by a management system that includes policies, procedures, training, and feedback, which ascertain that we comply with laws and regulations applicable to our operations and act in accordance with our company standards and codes. Corbion leadership and employees are committed to achieving a zero-incident culture. Corbion fosters an open and transparent culture by encouraging all employees to report, amongst others, all near misses and events in order to continuously improve our safety and environmental performance. Our Environmental, Health, and Safety (EHS) framework clarifies the specific responsibilities of the local sites versus the global EHS platform.

EHS platform



Despite our efforts we recorded 8 Lost Time Incidents (LTIs), which is the same absolute total as last year, but in relative terms slightly lower as we integrated Algae Ingredients in our reporting in the year under review. The total number of recordables was 23. Next to these, we reported and investigated three non-work-related incidents of which one fatality, 81 first-aid cases, more than 250 near misses, and over 5,000 unsafe observations.

The overall Total Recordable Injury Rate (TRIR) was 0.83, which is slightly better than last year (0.86). In order to make a next step in safety and come closer to our zero-incident ambition, we shall perform a Safety Culture Assessment in 2020, executed by an external consultant.

To show clear EHS commitment from the top, within the Executive Committee a Safety Committee has been established which will meet quarterly and direct the EHS initiatives. The EHS platform leader is part of this committee.

At the end of 2017 Corbion defined the 10 Corbion Safety Rules, based on an analysis of our injuries and near misses, as well as incidents in other companies. We started the roll-out in 2018, implementing several rules, continued in 2019 and the implementation will run well into 2020.

Our employee absentee rate was 2.2% overall compared to 2.0% in 2018.

In 2019 we started our transformation from OHSAS 18001 to ISO 45001. Blair and Rayong obtained their ISO 45001 certification, the other sites will follow in 2020 and 2021. Our five lactic acid manufacturing sites are ISO 14001 certified, representing about 70% of Corbion's production volume.

Zero waste
In our lactic acid production process we generate significant quantities of valuable by-products, such as gypsum. Per metric ton of lactic acid, almost 2 tons of by-product are produced. The majority of these by-products are valorized, but occasionally they do end up in landfill. Our zero-waste ambition focuses on the reduction of waste by eliminating landfill of by-products by 2020 and eliminating landfill of all other general waste by 2030. Since the implementation of a new valorization option for gypsum at our lactic acid plant in the US in 2017, we have reduced landfilling of by-products to only 1% of the total volume. Compared to 2018, the landfilling of by-products increased to 4.6 kT due to the increased production of lactic acid at our plant in Spain. At this site, we have not yet been able to find an outlet for all by-products, due to legislative barriers and due to the increased quantities. We do not expect to meet our 'zero landfill' target by 2020, because the lactic acid production at this site will further increase in the coming years until the start-up of our new lactic acid production plant in Thailand, while the regulatory approval for the preferred valorization route is taking longer than expected. We are committed to achieving our zero landfill target and have engaged external support to address the situation in Spain.

Greenhouse gas emissions and renewable electricity
Responsible operations also implies doing our part to prevent climate change by limiting global warming to well below 2 degrees Celsius, as specified in the Paris Agreement. In 2019, Corbion has committed to reducing our CO_2 emissions related to energy, key raw materials, and transport by 33% per metric ton of product by 2030 from a 2016 base year. This target has been approved by the Science Based Target initiative.

To fulfill this pledge, we have developed a roadmap, including the following actions, some of which are already in motion:

- Transition to 100% renewable electricity by 2030.
- Implement energy-saving projects at our manufacturing sites.
- Select the most energy-efficient technology available when equipment is replaced.
- Establish an R&D program to identify opportunities for heat integration, electrification, and recycling.
- Partner with key raw material suppliers to jointly reduce CO_2 emissions.
- Review the financial impact of greenhouse gas emissions through internal carbon pricing in capital expenditure and long-term R&D projects.

Compared to the base year 2016, we already achieved an 12% reduction, mainly through the implementation of renewable electricity, which has step-wise increased since 2016.

Sustainable solutions

KPI	2030 Target [4)]	2020 Target [4)]	2019 [5)]	2018
% of innovation projects assessed on sustainability √	-	100%	100%	89%
% biobased raw materials [1)]√	-	-	98%	98%
% of products sold covered by LCA [1,2)]√	100% of products with environmental claim covered	50%	44%	37%
% of products sold covered by PSM [3)] assessment	100% of products with social claim covered	-	-	-

1 *By quantity; products manufactured at Corbion production sites.*
2 *LCA = Life Cycle Assessment.*
3 *PSM = Product Social Metrics.*
4 *Targets based on current manufacturing footprint; to be reviewed in case of acquisitions / major changes.*
5 *Our recently acquired facility in Araucária (Granotec do Brazil) is not yet included in the reporting scope for the sustainable solutions KPIs. See Sustainability statements for more details.*

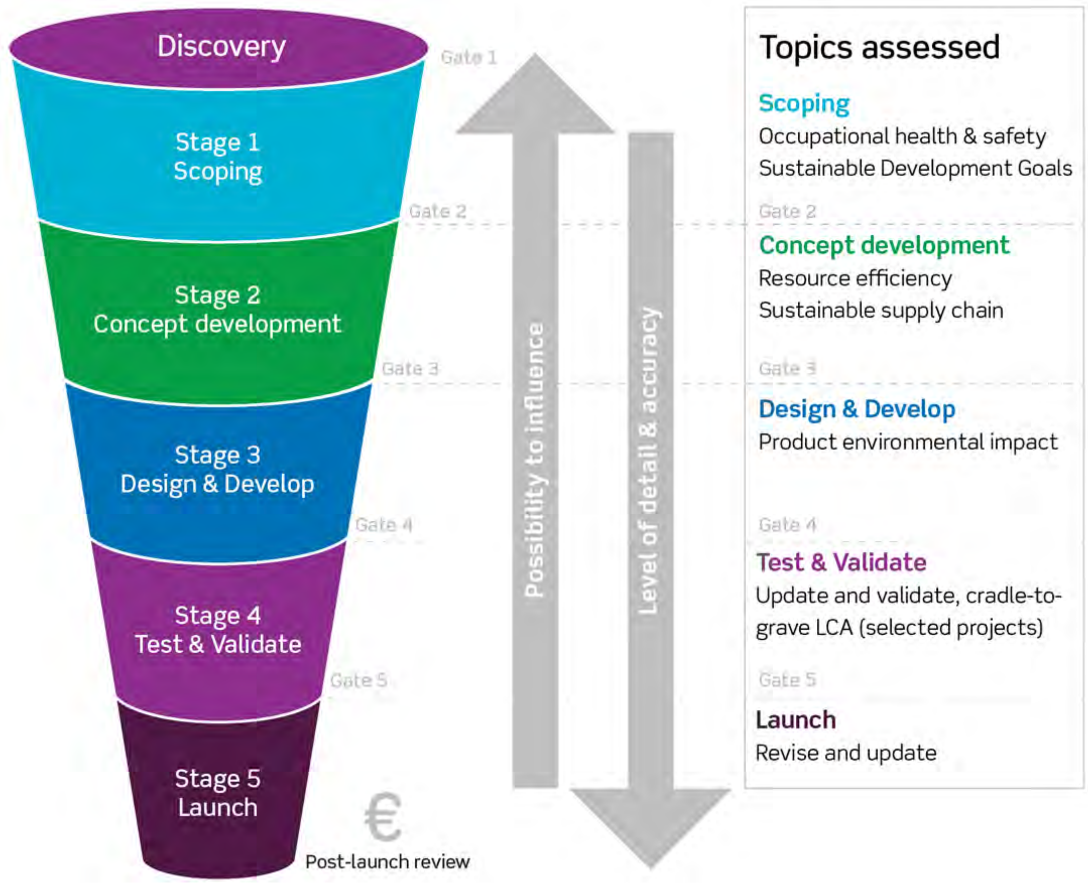
√ Reviewed by external auditor

Corbion aims to create a positive impact on people and planet by growing its business in sustainable ingredient solutions. To achieve this, we need to understand the environmental and social impact of our solutions, we need to deliver on quality, and we need to ensure that our innovations are in line with our sustainability ambitions.

Sustainability assessment of innovation projects

To ensure alignment of our innovation projects with our sustainability ambitions, we assess new product and process development projects against the relevant material themes in our sustainability strategy. The assessment is integrated in our innovation stage-gate process and provides guidance to the project team on sustainability-related matters. This warrants that sustainability is an integrated part of the product and process design and that potential issues can be tackled at an early stage. The assessment is also used to identify sustainability benefits that can be included in the value proposition of the new product.

Sustainability assesment at different stages of the innovation funnel



Biobased raw materials
The majority of our finished goods are biobased, manufactured from renewable, agriculture-derived raw materials. These products support the transition to a circular economy by offering an alternative for fossil-based resources, with reduced greenhouse gas emissions, toxicity, and waste generation. For non-food applications, the use of agriculture-derived raw materials can potentially compete with food production. For the current level of bioplastic production, land use is minimal and not competing with food [1] Over the next decades, world population will grow and global demand for crops for food and industrial applications is expected to increase. The use of next-generation feedstocks such as second-generation sugars from agricultural residues can help address this concern.

Life Cycle Assessment
Corbion uses Life Cycle Assessments (LCAs) as a tool to understand the environmental impacts of a product from the extraction of resources to their use and end of life. To enable our customers to make conscious choices, we will perform cradle-to-gate LCAs for 50% of our products by 2020. Using this data, we can work side by side with customers to support them on the improvement of their environmental footprint and on the substantiation of their sustainability claims.

In 2019, we published an article [2] about the life-cycle impact of poly lactic acid (PLA) produced from sugarcane in Thailand in the Journal of Polymers and the Environment and we increased the LCA coverage of our products to 44%.

Product Social Metrics (PSM) assessment
To make a positive impact on people, we need to understand how our business activities have a social impact throughout our supply chain and how they affect our stakeholders. In 2017 Corbion joined the Roundtable for Product Social Metrics, and together with the other Roundtable members, we developed a methodology for measuring social impacts, which is available in the Roundtable's handbook. The handbook provides the framework, an overview of data collection tools, and a scoring approach to assess social impacts. In 2019, we conducted our first case study to evaluate the social impacts in the value chain of Corbion's meat safety and extended shelf-life solutions. The assessment of this value chain confirmed that most topics examined were compliant with applicable standards or laws (neutral social impact), or score beyond compliance for both products (positive social impact) The *absence* of negative social impact in the supply chain strengthens the credibility of the positive social impact from product use.

Quality
We are committed to delivering high-quality solutions that safely meet our customer expectations and fulfill our customer promise through quality and manufacturing systems and processes.

On a local level we operate in compliance with local regulations and legislation, while ensuring certifications are in place to meet customer and industry-adopted standards and requirements, such as *ISO 9001, GFSI (BRC, FSCC22000), GMP+, GMP Pharma, FDA Pharma, Halal, Kosher, non-GMO, Organic, and FSMA.* In addition we host customer audits predominantly from our international pharmaceutical customers and large food clients. These, and our self-assessment audits performed by our global quality platform, ensure that we continue to improve our operational standards for quality and food safety. In 2019, we maintained all certifications and our continued focus on customer complaint reduction led to a consolidation of the great reduction in complaints in 2018 and, on top of that, a further reduction, albeit a small one.

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1 *Whitepaper Sustainable sourcing of feedstocks for bioplastics - Clarifying sustainability aspects around feedstock use for the production of bioplastics. Julia Lovett - Total Corbion PLA, François de Bie - Total Corbion PLA, Diana Visser – Corbion.*

2 *Morão, A. & de Bie, F. J Polym Environ (2019) 27: 2523. https://doi.org/10.1007/s10924-019-01525-9*

HOW WE SAFEGUARD LONG-TERM VALUE

Board of Management and Executive Committee

Mr. Olivier Rigaud
CEO / Chairman Board of Management and Executive Committee

Olivier Rigaud was appointed Chief Executive Officer at the extraordinary General Meeting of Shareholders in August 2019. His current term of office runs from 2019 – 2023.

Before joining Corbion, Olivier Rigaud was Chief Executive Officer of Naturex, worked for Tate & Lyle, and started his career at Amylum. Olivier Rigaud holds the French nationality and was born in 1964.

Mr. Eddy van Rhede van der Kloot
CFO / member Board of Management and Executive Committee

Eddy van Rhede van der Kloot was appointed Chief Financial Officer at the annual General Meeting of Shareholders in May 2014. His current term of office runs from 2018 – 2022.

Before becoming CFO, Eddy van Rhede van der Kloot was SVP Finance at Corbion and served for seven years as CFO of Purac, a division of CSM. Prior to joining Corbion, he was divisional finance director for chemicals in the European region at Van Ommeren and, after the merger with Pakhoed, at Vopak. Prior to that, he held several technical and finance roles at Unilever. Eddy van Rhede van der Kloot holds the Dutch nationality and was born in 1963.

Mrs. Jacqueline van Lemmen
EVP Operations / member Executive Committee

Jacqueline van Lemmen is Executive Vice President Operations since April 2017 and responsible for Corbion's global operations.

Before joining Corbion, Jacqueline van Lemmen was VP Operations for DSM Biobased Products and Services after holding the same position for DSM Food Specialties. Before that she held several mostly manufacturing-related positions in different countries for DSM. She started her career at ICI.
Jacqueline van Lemmen holds the Dutch nationality and was born in 1961.

Mr. Marc den Hartog
EVP Innovation Platforms / member Executive Committee

Marc den Hartog is Executive Vice President Innovation Platforms since April 2017 and responsible for the business unit Innovation Platforms.

From January 2015 until May 2017, Marc den Hartog was EVP Operations at Corbion. Before that, he was SVP Strategic Portfolio Management at Corbion and VP Asia Pacific within CSM's Bakery division. Prior to that, he held several positions in sales, marketing, and supply chain at Unilever and IOI Group Oils & Fats division Loders Croklaan.
Marc den Hartog holds the Dutch nationality and was born in 1972.

Mr. Johan van der Hel
EVP Human Resources / member Executive Committee

Johan van der Hel is Executive Vice President Human Resources since January 2015 and globally responsible for Human Resources.

Before joining Corbion, Johan van der Hel served as Group Director HR at VION Food Group. Before that, he held several international HR leadership positions at DSM.
Johan van der Hel holds the Dutch nationality and was born in 1964.

Mr. Andy Muller

EVP Ingredient Solutions / member Executive Committee

Andy Muller is Executive Vice President Ingredient Solutions since January 2015 and responsible for the business unit Ingredient Solutions.

Before joining Corbion, Andy Muller served as SVP Global Sales, Innovation and Marketing at DuPont. Before that, he held several other positions in marketing and sales within Sensient and DuPont Nutrition & Health, formerly Danisco.
Andy Muller holds both the Argentinian and US nationality and was born in 1965.

Mr. Marcel Wubbolts

CTO / member Executive Committee

Marcel Wubbolts is Chief Technology Officer since November 2016 and responsible for Corbion's global science and innovation portfolio.

Before joining Corbion, Marcel Wubbolts served as Chief Technology Officer at DSM. Before that, he held several other positions at DSM. He started his career at the Institute of Biotechnology at the ETH in Zürich.
Marcel Wubbolts holds the Dutch nationality and was born in 1963.

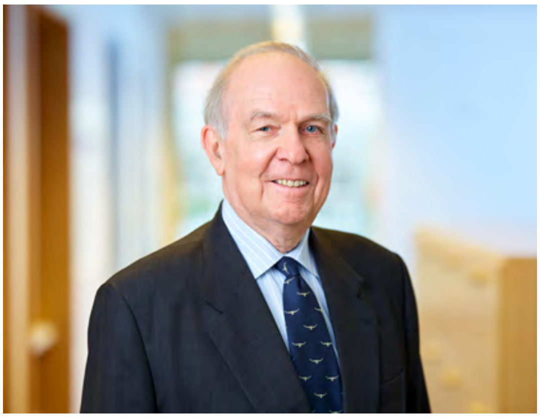
Supervisory Board

Mr. Mathieu Vrijsen
Chairman Supervisory Board / Chairman Appointment and Governance Committee / member Remuneration Committee and Science and Technology Committee

Mathieu Vrijsen was appointed at the annual General Meeting of Shareholders in May 2013. His current term of office runs from 2017 – 2021.

Mathieu Vrijsen served as Senior Vice President Global Operations and Engineering at DuPont. Prior to that, he held various positions at DuPont. Currently, he serves as Chairman of Broadview Holding, Casco Phil, Belgium and the Philharmonic Chamber Orchestra of Belgium, and Board Member of the Antwerp Spring Festival.
Mathieu Vrijsen holds the Dutch nationality and was born in 1947.

Mr. Rudy Markham
Vice-Chairman Supervisory Board / Chairman Remuneration Committee / member Appointment and Governance Committee



Rudy Markham was appointed at the annual General Meeting of Shareholders in May 2010. His current term of office runs from 2018 – 2020.

Rudy Markham served as Executive Director and Chief Finance Officer at Unilever. Currently, he serves as Non-Executive Director of United Parcel Services, US, and Director of Leverhulme Trust, UK.
Rudy Markham holds the British nationality and was born in 1946.

Mrs. Liz Doherty

Member Supervisory Board / member Audit Committee

Liz Doherty was appointed at the annual General Meeting of Shareholders in May 2015. Her current term of office runs from 2019 – 2023.

Liz Doherty served as CFO and Executive Director at Reckit Benckiser, UK and prior to that as CFO and Executive Director at Brambles, Australia. Currently, she serves as Non-Executive Director of Novartis, Switzerland, and as Supervisory Board member Royal Philips. She is also an advisor to Agrolimen, subsidiaries GB Foods and Affinity Petcare, Spain.
Liz Doherty holds the British and Irish nationality and was born in 1957.

Mr. Jack de Kreij

Member Supervisory Board / Chairman Audit Committee

Jack de Kreij was appointed at the annual General Meeting of Shareholders in May 2011. His current term of office runs from 2019 – 2021.

Jack de Kreij served as Vice-Chairman Executive Board and Chief Financial Officer of Royal Vopak and prior to that in various management functions, as Senior Partner, and as Management Partner & Territory Leader of PricewaterhouseCoopers, Transaction Services Practice. Currently, he serves as Supervisory Board member of TomTom and of Royal Boskalis, and as Non-Executive Board Member of Oranjefonds. Furthermore, he is a member of the Advisory Council of YGroup Companies.
Jack de Kreij holds the Dutch nationality and was born in 1959.

Mr. Steen Riisgaard

Member Supervisory Board / Chairman Science and Technology Committee / member Remuneration Committee and Appointment and Governance Committee

Steen Riisgaard was appointed at the annual General Meeting of Shareholders in May 2014. His current term of office runs from 2018 – 2022.

Steen Riisgaard served as President & CEO of Novozymes. Currently, he serves as Chairman of Alk-Abello, Denmark, member of Århus University, Denmark, Chairman of Cowi Holding, Denmark, member of the Board of Novo Nordisk Foundation, Denmark, Vice-Chairman of Novo Holding, Denmark, Vice-Chairman of Villum Foundation, Denmark, and Chairman of Xellia, Denmark.
Steen Riisgaard holds the Danish nationality and was born in 1951.

Corporate governance

We have designed our corporate governance structure to best support our business, meet the needs of our stakeholders, and comply with laws and regulations. This section provides an overview of our corporate governance structure and includes information required under the Dutch Corporate Governance Code, as amended and published on 8 December 2016 (the "Code"), the Decree Additional Requirements for Management Reports, the Decree Article 10 EU Takeover Directive, and the Decree Disclosure Non-Financial Information.

Structure

Corbion nv (the "company" or "Corbion") is a Dutch public limited company with its registered office in Amsterdam. It acts as the (indirect) holding company for the Dutch and foreign operating companies of the company. The company's shares are listed on Euronext Amsterdam. Corbion is an international holding company as described by Section 153, Subsection 3 under b, of Book 2 of the Dutch Civil Code. The "large company" regime therefore does not apply to the company.

Corbion's corporate governance framework is based on the requirements of the Dutch Civil Code, the Code, the company's Articles of Association, applicable securities laws, and the rules and regulations of Euronext Amsterdam.

The company is organized in a so-called two-tier system, comprising a Board of Management, solely composed of executive directors, and a Supervisory Board, solely composed of non-executive directors. The Supervisory Board supervises the Board of Management and Executive Committee (which includes the Board of Management) and ensures that external experience and knowledge is embedded in the company's conduct. The two boards are independent of each other and are accountable to the general meeting of shareholders of the company (the "General Meeting of Shareholders").

Board of Management/Executive Committee

General
The Board of Management (composed of the Chief Executive Officer and the Chief Financial Officer) is entrusted with the management of the company. A number of key officers have been appointed to manage the company together with the Board of Management. The members of the Board of Management and these key officers together constitute the Executive Committee. For the purpose of this corporate governance section, where the Executive Committee is mentioned it also includes the Board of Management unless the context requires otherwise.

The Executive Committee has been operational since 1 January 2015. With the set-up of this enhanced leadership team, Corbion is well positioned to drive a common agenda across the business, to set clear priorities, and to enhance the execution of its strategy. Members of the Supervisory Board regularly met with the members of the Executive Committee during 2019. The Supervisory Board and the Board of Management held several meetings in 2019 in relation to the review of the strategy. Next to members of the Board of Management, other members of the Executive Committee were invited to give presentations on their area of responsibility to the Supervisory Board and its committees.

Under the chairmanship of the CEO, the members of the Executive Committee share responsibility for developing and executing the strategic plan for the company aimed at delivering long-term value creation, aligning and prioritizing (strategic) initiatives, determining the risk profile, and implementing strategic and operational policies. The Board of Management has ultimate responsibility for the company’s management and the external reporting and is answerable to shareholders of the company at the annual General Meeting of Shareholders. In performing its duties, the Executive Committee is guided by the interests of the company and its affiliated enterprise, taking into consideration the interests of the company's stakeholders.

For a more detailed description of the responsibilities of the Board of Management and the Executive Committee, please refer to the Rules of the Board of Management/Executive Committee, which are available on Corbion's website.

Composition and appointment
The Board of Management consists of two or more members, which number is to be determined by the Supervisory Board. The CEO determines the number of members of the Executive Committee. The composition of the Executive Committee and brief resumes of its members are available under the sections *How we safeguard long-term value/Board of Management* and *Executive Committee* of the Annual Report.

The members of the Board of Management are appointed by the General Meeting of Shareholders on the basis of nominations by the Supervisory Board. The Corbion Articles of Association state that the General Meeting of Shareholders can overrule any such nomination by an absolute majority of the votes cast, provided the said majority represents at least one-third of the issued capital. No second meeting will be convened if there is no quorum, as a second meeting is not required by law.

The Supervisory Board is authorized at all times to suspend a member of the Board of Management. The General Meeting of Shareholders may decide to suspend or dismiss a member of the Board of Management by an absolute majority of the votes cast, provided the said majority represents at least one-third of the issued capital. This quorum requirement does not apply if the proposal for suspension or dismissal is submitted by the Supervisory Board. No second meeting will be convened if there is no quorum, as a second meeting is not required by law.

Each member of the Board of Management is appointed for a maximum period of four years with the possibility of re-appointment for consecutive four-year terms in accordance with the Code. The other members of the Executive Committee are appointed, suspended, and dismissed by the CEO, subject to consultation with the Supervisory Board.

Remuneration

The remuneration for the individual members of the Board of Management is determined by the Supervisory Board on the proposal of the Remuneration Committee of the Supervisory Board, and must be consistent with the policy thereon as adopted by the General Meeting of Shareholders. The current remuneration policy applicable to the Board of Management was adopted by the annual General Meeting of Shareholders in 2018, and is published on Corbion's website. A full and detailed description of the composition of the remuneration for the individual members of the Board of Management is included in the section *Remuneration* report of the Annual Report. The remuneration for the other individual members of the Executive Committee shall be determined by the CEO, subject to consultation with the Supervisory Board.

Conflict of interest

Members of the Executive Committee must report any (potential) conflict of interest to the Chairman of the Supervisory Board. The Supervisory Board shall decide whether a conflict of interest exists. The member of the Executive Committee who has a (potential) conflict of interest shall not participate in discussions and decision-making on a subject or transaction in relation to which the member has a conflict of interest with the company. Decisions to enter into transactions in which members of the Executive Committee have conflicts of interest that are of material significance to the company and/or to the relevant member(s) of the Executive Committee, require the approval of the Supervisory Board. In accordance with best-practice provision 2.7.4 of the Code, the company reports that in 2019 there were no transactions in which there was a conflict of interest with members of the Executive Committee that was of material significance and that required approval of the Supervisory Board.

Supervisory Board

General

The Supervisory Board, acting in the interests of the company and its affiliated enterprise and taking into account the relevant interests of the company's stakeholders, supervises and advises the Board of Management and Executive Committee in performing their management tasks. From among its members, the Supervisory Board has appointed an Audit Committee, an Appointment and Governance Committee, a Remuneration Committee, and a Science and Technology Committee.

Corbion's Articles of Association require the approval of the Supervisory Board for certain major resolutions proposed to be taken by the Board of Management, including issuance of shares, repurchase of shares, reduction of the issued share capital, amendment of the Articles of Association, and significant changes in the identity or nature of the company or its enterprise.

For a more detailed description of the responsibilities of the Supervisory Board and its committees, please refer to the Rules of the Supervisory Board and the Charters of its committees, which are available on Corbion's website.

Composition and appointment

The Supervisory Board consists of three or more members to be determined by the Supervisory Board. The composition of the Supervisory Board and brief resumes of its members are available under the section H*ow we safeguard long-term value/Supervisory Board* of the Annual Report.

The members of the Supervisory Board are appointed by the General Meeting of Shareholders on the basis of nominations by the Supervisory Board. The Corbion Articles of Association state that the General Meeting of Shareholders can overrule any such nomination by an absolute majority of the votes cast, provided the said majority represents at least one-third of the issued capital. No second meeting will be convened if there is no quorum, as a second meeting is not required by law.

The Supervisory Board is authorized at all times to suspend a member of the Supervisory Board. The General Meeting of Shareholders may decide to suspend or dismiss a member of the Supervisory Board by an absolute majority of the votes cast, provided the said majority represents at least one-third of the issued capital. This quorum requirement does not apply if the proposal for suspension or dismissal is submitted by the Supervisory Board. No second meeting will be convened if there is no quorum, as a second meeting is not required by law.

Each member of the Supervisory Board is appointed for a maximum period of four years with the possibility of re-appointment for consecutive terms in accordance with the Code. The members of the Supervisory Board retire periodically in accordance with a schedule of resignation, which is available on Corbion's website.

Conflict of interest

Members of the Supervisory Board must report any (potential) conflict of interest to the Chairman of the Supervisory Board (and the Chairman to the Vice-Chairman). The Supervisory Board shall decide whether a conflict of interest exists. The member of the Supervisory Board who has a (potential) conflict of interest shall not participate in discussions and decision-making on a subject or transaction in relation to which the member has a conflict of interest with the company. Decisions to enter into transactions in which members of the Supervisory Board have conflicts of interest that are of material significance to the company and/or to the relevant member(s) of the Supervisory Board, require the approval of the Supervisory Board. In accordance with best-practice provision 2.7.4 of the Code, the company reports that in 2019 there were no transactions in which there was a conflict of interest with members of the Supervisory Board that was of material significance and that required approval of the Supervisory Board.

In accordance with best-practice provision 2.7.5 of the Code, the company reports that no transactions between the company and legal or natural persons who hold at least 10% of the shares in the company occurred in 2019.

Diversity, values, and Code of Business Conduct

Diversity

Corbion has adopted a diversity policy for the Supervisory Board and the Executive Committee in 2017. This policy – given the business environment in which Corbion operates – contains longer-term objectives for gender diversity and geographical diversity, the latter to reflect the majority of our business being in the Americas.

The gender diversity targets for the Supervisory Board are that at least one member should be female if the board consists of five members and that at least two members should be female if the board consists of six members. The first target applies as the current board has five members; Corbion complies with this target as Liz Doherty is a member of the Supervisory Board. On 5 December 2019, the Supervisory Board announced the nomination of Stefanie Schmitz as member of the Supervisory Board. On 10 February 2020, the Supervisory Board announced the nomination of Ilona Haaijer as Supervisory Board member. Subject to their appointment at the annual General Meeting of Shareholders in May 2020, the Supervisory Board shall consist of seven members of which three are female. Corbion shall then comply with its gender diversity targets for the Supervisory Board and the gender diversity target for Supervisory Boards as set by the Dutch Government.

The geographical diversity target for the Supervisory Board is that at least one member of the Supervisory Board has (had) relevant Americas experience and/or exposure. Corbion complies with this target as Mathieu Vrijsen qualifies as such.

The gender diversity target for the Executive Committee is that at least two members should be female if the committee consists of six or seven members. Corbion has one female member of the Executive Committee, Jacqueline van Lemmen, and does not comply with this target. In 2017, one position became vacant and that position has been filled by a female. In 2019 no positions became vacant.

The geographical diversity target for the Executive Committee is that at least two members of the Executive Committee have (had) relevant Americas experience and/or exposure. Corbion complied with this target until August 2019 as Tjerk de Ruiter (CEO until August 2019) and Andy Muller qualify as such. Olivier Rigaud (CEO as of August 2019) does not qualify as such, although he has built up working experience in the Americas during his career. Next to the experience already available in the Executive Committee, this caters for sufficient Americas experience and/or exposure in the Executive Committee.

When positions in the Supervisory Board and the Executive Committee become vacant or new positions are added, the company's diversity policy will be applied when selecting persons for appointment as member of the Supervisory Board or the Executive Committee.

Values and Code of Business Conduct

The Corbion values Care, Courage, Collaboration, and Commitment were introduced in 2018. In 2019 they have been implemented within Corbion amongst others by means of values workshops that were held worldwide. Together with the related Corbion behaviors, the values guide and underpin the business strategy of Corbion. They are incorporated in the relevant engagement and performance management policies and form the basis of our global training and development initiatives.

Information about the effectiveness of, and compliance with, the Corbion Code of Business Conduct is available under the section *Risk management/Business conduct program* of the Annual Report.

Shares and shareholder rights

General Meetings of Shareholders

The annual General Meeting of Shareholders will be held within six months of the close of the financial year. Extraordinary General Meetings of Shareholders will be held as often as the Board of Management and Supervisory Board deem necessary. An extraordinary General Meeting of Shareholders will also be held if one or more shareholders who collectively represent at least ten percent of the issued capital submit a written request to this effect to the Board of Management or the Supervisory Board enclosing a detailed list of agenda items. If neither the Board of Management nor the Supervisory Board – which have equal powers in this matter – respond in such a way that this extraordinary General Meeting of Shareholders can be convened within six weeks of the request, the applicants are at liberty to convene the meeting themselves and appoint a chairman.

Meetings are convened by public notice or via Corbion's website and registered shareholders are notified by letter, at least forty-two days prior to the (extraordinary) General Meeting of Shareholders. If requests are received from shareholders who individually or collectively represent at least one percent of the issued capital to place items on the General Meeting of Shareholders agenda, these will be honored provided they are submitted to Corbion at least forty-five days prior to the date of the meeting.

Pursuant to Dutch law, the record date for the exercise of voting rights and rights relating to General Meetings of Shareholders is set as the 28th day prior to the day of the meeting. Shareholders registered on such date are entitled to attend the meeting and to exercise the other shareholder rights (in the meeting in question) notwithstanding subsequent sale of their shares thereafter. This date will be published in advance of every General Meeting of Shareholders.

Main powers of the General Meeting of Shareholders

The main powers of the General Meeting of Shareholders relate to:

- the appointment, suspension, and dismissal of members of the Board of Management and Supervisory Board;
- approval of the remuneration policy for the Board of Management;
- approval of the remuneration policy for the Supervisory Board;
- the adoption of the annual Financial Statements and approval of dividends;
- discharge from liability of the members of the Board of Management and Supervisory Board;
- issuance of shares or rights to shares, restriction or exclusion of pre-emptive rights of shareholders, and repurchase or cancellation of shares;
- the appointment of the external auditor;
- amendments to the Articles of Association;
- approval of decisions of the Board of Management that would entail a significant change in the identity or character of Corbion or its business.

Voting rights

Shareholders have voting rights in proportion to the number of shares held and there are no restrictions on the voting rights on the company's shares. Each share is entitled to one vote.

Subject to certain exceptions provided by Dutch law or the Corbion Articles of Association (as outlined below), decisions at the General Meeting of Shareholders will be taken by an absolute majority of the votes cast without a requirement for a quorum.

According to the Dutch law and the company's Articles of Association, the following decisions of the General Meeting of Shareholders require a larger majority or a quorum:

- Unless proposed by all members of the Supervisory Board or Board of Management, any resolution to amend the Articles of Association or to wind up the company, shall require a majority of at least three-quarters of the votes cast provided at least two-thirds of the issued capital is represented.
- Any resolution to restrict or exclude the pre-emptive right in respect of ordinary shares or to designate the Board of Management, shall require a majority of at least two-thirds of the votes cast if less than half of the issued capital is represented at the meeting.
- Any resolution to make a binding nomination for the appointment of a member of the Supervisory Board or Board of Management non-binding, shall require an absolute majority of the votes cast, provided that majority represents more than one-third of the issued capital. If a nomination has been made non-binding, the General Meeting of Shareholders may only appoint a person other than the nominees by a resolution adopted by an absolute majority of the votes cast, provided that majority represents more than one-third of the issued capital.
- Any resolution to suspend or dismiss a member of the Supervisory Board or Board of Management, shall require an absolute majority of the votes cast, provided that majority represents more than one-third of the issued capital.
- Any resolution to approve (amendments to) the remuneration policy of the Board of Management, shall require a majority of at least three-quarters of the votes cast.
- Any resolution to approve (amendments to) the remuneration policy of the Supervisory Board, shall require a majority of at least three-quarters of the votes cast.

Amendment of the Articles of Association

Decisions to amend the Articles of Association of the company may only be taken at a General Meeting of Shareholders in which at least two-thirds of the issued capital is represented and by a majority of at least three-quarters of the votes cast, unless the proposal has been submitted by all members of the Board of Management in office with the collective approval of all members of the Supervisory Board in office, in which case the decision may be taken by an absolute majority of votes, regardless of the represented capital.

Issuance and repurchase of shares

At the 2019 annual General Meeting of Shareholders it was resolved to authorize the Board of Management, subject to the approval of the Supervisory Board, to issue shares or grant rights to acquire shares in the company as well as to restrict or exclude the pre-emptive right accruing to shareholders up to and including 13 November 2020. This authorization is limited to a maximum of 10% of the number of shares issued as at 13 May 2019. Furthermore, an authorization was granted for another 10% of the number of shares issued as at 13 May 2019 in the event of mergers, acquisitions, and/or strategic alliances.

Furthermore, at the 2019 annual General Meeting of Shareholders it was resolved to authorize the Board of Management, subject to the approval of the Supervisory Board, to acquire shares in the company within the limits of the Articles of Association and within a certain price range up to and including 13 November 2020. This authorization is limited to a maximum of 10% of the number of shares issued as at 13 May 2019.

External auditor

An independent audit firm is appointed by the General Meeting of Shareholders. The external auditor is responsible for auditing the Financial Statements of Corbion. On 25 May 2018, the General Meeting of Shareholders appointed KPMG Accountants N.V. as external auditor for the company for the financial year 2019.

Capital structure

As at 31 December 2019, 59,242,792 ordinary shares of € 0.25 each had been issued, including 423,202 ordinary shares held by Corbion. The ordinary shares are listed on Euronext Amsterdam. No restrictions apply to the transfer of shares.

Substantial shareholdings

Pursuant to the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*), the following notifications of capital interest in Corbion as at 31 December 2019 were reported:

		Capital interest	Voting interest
1	NN Group N.V.	15.01%	
2	Artemis Investment Management LLP	5.08%	
3	Lansdowne Partners Limited	5.02%	
4	RWC European Focus Master Inc.	5.01%	
5	ASR Nederland N.V.	4.99%	
6	J.O. Hambro Capital Management Limited	4.99%	
7	Kabouter Management LLC	3.20%	
8	Norges Bank	3.19%	
9	Paradice Investment Management PTY	3.07%	2.44%
10	PrimeStone Capital LLP	2.96%	
11	T. Row Price Group Inc.	2.85%	
12	BNP Paribas Investment Partners SA/ BNP Paribas Asset Management Holding	2.82%	2.74%

NB: As at 31 December 2019 Corbion had a capital interest of 0.71%.

Compliance with the Code

Corbion is committed to embedding the Code principles within the company, thereby abiding by the core concepts of good business practices, integrity, openness, and transparent and well-supervised management. Important changes in the corporate governance structure are presented to the General Meeting of Shareholders for discussion. With the exception of the deviations outlined in the paragraphs below, Corbion endorses and adheres to the principles and best practices of the Code.

With respect to best practice provision 3.1.2 vi of the Code, Corbion applies share ownership requirements instead of holding restrictions. The Supervisory Board believes that a mandatory share ownership leads to a more sustainable build-up and alignment of the interests of the members of the Board of Management and the shareholders. As long as a member of the Board of Management does not comply with the share ownership requirements, vested shares received under share plans will be kept in a restricted account and cannot be traded. Corbion departs furthermore with regard to the possible financing of income tax on vested shares under the share plan by allowing selling part of the vested shares in deviation of the share ownership requirements.

With respect to cancelling the binding nature of a nomination or dismissal (best practice provision 4.3.3), Corbion deviates as follows. The members of the Supervisory Board and the Board of Management are appointed by the General Meeting of Shareholders on the basis of nominations by the Supervisory Board. The Corbion Articles of Association state that the General Meeting of Shareholders can overrule any such nomination by an absolute majority of the votes cast, provided the said majority represents at least one-third of the issued capital. In contrast with the Code, no second meeting will be convened if there is no quorum, as a second meeting is not required by law.

The General Meeting of Shareholders may decide to suspend or dismiss a member of the Board of Management or Supervisory Board by an absolute majority of the votes cast, provided the said majority represents at least one-third of the issued capital. This quorum requirement does not apply if the proposal for suspension or dismissal is submitted by the Supervisory Board. In contrast with the Code, no second meeting will be convened if there is no quorum, as a second meeting is not required by law.

The full text of the Code applicable to the company in 2019 can be viewed at: www.commissiecorporategovernance.nl.

Decree Additional Requirements for Management Reports/Corporate Governance Statement

Section 2a of the Decree Additional Requirements for Management Reports (*Vaststellingsbesluit nadere voorschriften inhoud bestuursverslag*) requires companies to publish a statement concerning their approach to corporate governance and compliance with the Code. The information required to be included in this corporate governance statement as described in Sections 3, 3a, and 3b of this decree is included in this Corporate governance section.

The information on the company's risk management and control frameworks relating to the financial reporting process, as required by Section 3a sub a of this decree, can be found in the Risk management section.

Decree Article 10 EU Takeover Directive

The information required by the Decree Article 10 EU Takeover Directive (*Besluit artikel 10 overnamerichtlijn*), to the extent applicable to the company, is included in this Corporate governance section and the notes referred to in this section, as well as the paragraph below.

The contractual conditions of most of the company's key financing agreements and notes issued (potentially) entitle the banks and noteholders respectively to claim early repayment of the amounts borrowed by the company in the event of a change of control over the company (as defined in the respective agreement). With respect to agreements entered into with members of the Board of Management that provide for payment upon termination of their employment following a public bid, please refer to the description of the remuneration policy on Corbion's website.

Decree Disclosure Non-Financial Information

Section 2 Subsection 1 of the Decree Disclosure Non-Financial Information (*Besluit bekendmaking niet-financiële informatie*) requires companies to publish a statement concerning non-financial information. The information required to be included in the management report as described in Section 3 of this decree, which is incorporated and repeated here by reference, can be found in the following sections of the Annual Report:

- A description of the business model of the company can be found in the section *Who we are and what we do/Our strategy 2018-2021*
- A description of the company's non-financial key performance indicators relevant to the company's activities can be found in the sections *Who we are and what we do/Our strategy 2018-2021, Our performance/Sustainability performance,* and *Sustainability statements*
- A description of the company's policy including the applied security measures regarding environmental matters as well as the main risks related thereto and how the company manages these risks can be found in the section *Our performance/Sustainability performance*
- A description of the company's policy including the applied security measures regarding social and employee matters as well as the main risks related thereto and how the company manages these risks can be found in the section *Sustainability statements/Human capital*
- A description of the company's policy including the applied security measures regarding respect for human rights as well as the main risks related thereto and how the company manages these risks can be found in the section *Sustainability statements/Human rights*
- A description of the company's policy including the applied security measures regarding anti-corruption and anti-bribery matters as well as the main risks related thereto and how the company manages these risks can be found in the section *How we safeguard long-term value/Risk management/Anti-bribery and anti-corruption*

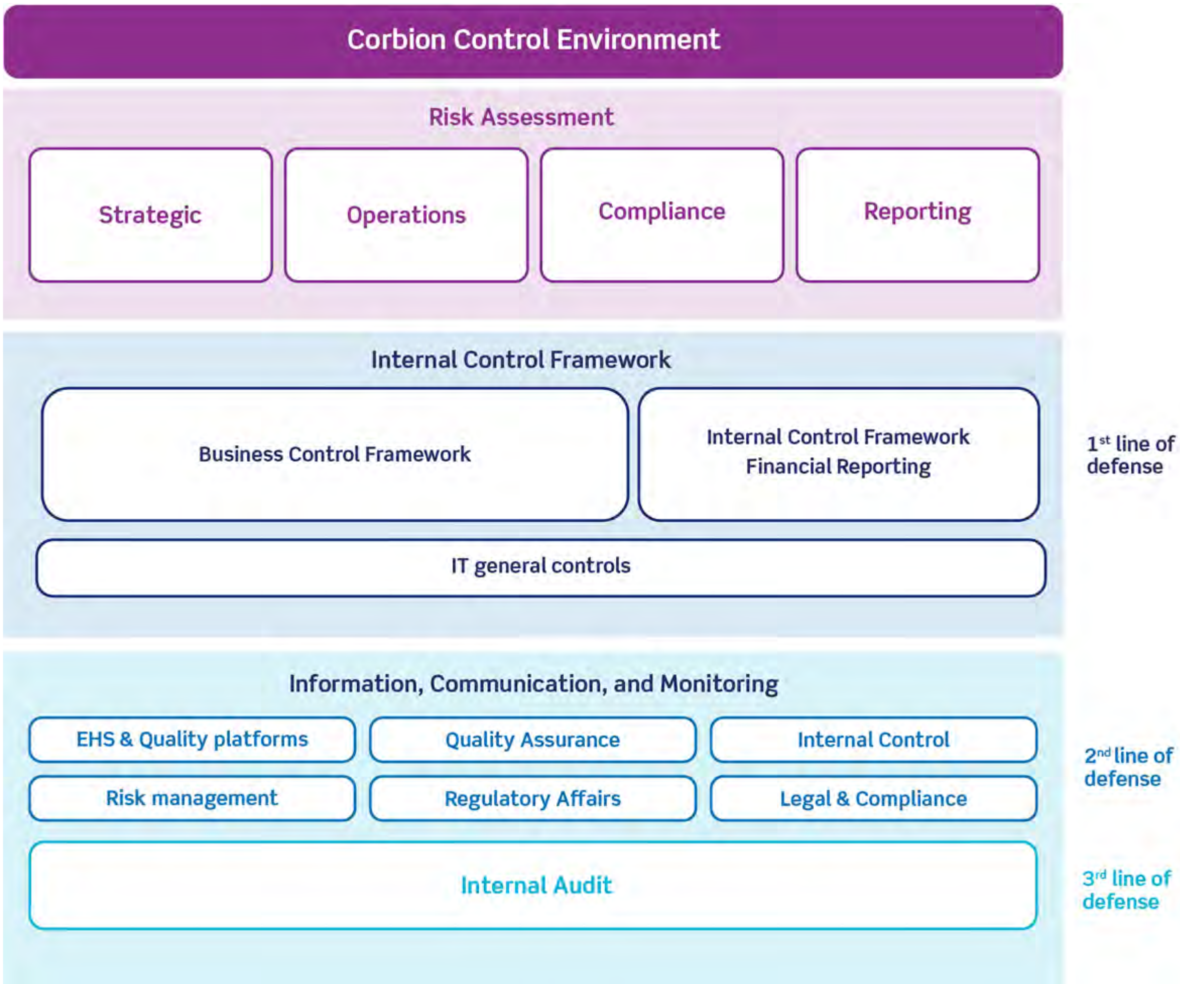
Risk management

Framework

Our approach to risk management

Given the complexity of worldwide operations in various markets and jurisdictions, Corbion needs to ensure timely identification and effective management of all significant risks inherent to the execution of its strategy to support the realization of its objectives. Corbion has an enterprise-wide risk management (ERM) program in place to preserve its reputation, assets, competitive edge, and profits. ERM is the process of systematically identifying, analyzing, evaluating, and addressing risks that may impact the achievement of Corbion's objectives.

Our approach to risk management aims to achieve a reasonable level of assurance to realize our objectives, in line with the Enterprise Risk Management framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Our approach aims to embed risk awareness and risk management at all levels of Corbion to ensure that decisions are taken with conscious evaluation of the inherent risks in relation to the risk appetite. Risk management is an integral part of running the business and therefore owned by line management (first line of defense). Our risk management approach covers strategic, operations, compliance, and reporting risks, which can be illustrated as follows.



The implementation of the main COSO framework elements is explained below.

Control environment

The control environment is the set of standards, processes, culture and structures that provide the basis for carrying out internal control across the organization. The Executive Committee sets the tone at the top regarding the importance of internal control including expected standards of conduct. An important principle of the control environment is the commitment of the Executive Committee to integrity and ethical values, which is demonstrated by the programs mentioned below.

Business conduct / compliance

Business conduct program

Guided by the principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises, our Code of Business Conduct (which is available in six languages) describes principles with respect to personal and business conduct, asset protection, employment standards, and our commitment to sustainability and sets out the expected standard of behavior of all Corbion employees. This Code serves as an umbrella for underlying policies which cover in more detail areas such as competition law, anti-bribery, anti-corruption, conflict of interest, privacy, economic sanctions, and insider trading. Corbion has a network of regional Business Conduct Coordinators who support embedding of the Code of Business Conduct and the underlying policies in local operations. Besides this, they function as a local point of contact for management and staff. All

Corbion employees need to follow annually a mandatory training (either through e-learning or class room training) with respect to the Code of Business Conduct. In addition, selected groups of employees need to follow every two years mandatory e-learning trainings with respect to anti-corruption and competition law. A breach of the Code of Business Conduct can lead to disciplinary actions, including termination of employment.

Under the Corbion Speak Up Policy, Corbion employees are able to report (potential) violations of the Code of Business Conduct to their manager or a Business Conduct Coordinator. Next to that, the Corbion Speak Up Line, which is available 24/7 and operated by an independent service provider, allows employees to report issues anonymously. In 2019, Corbion launched its External Speak Up Helpline which is a dedicated channel available to Corbion's external stakeholders (such as customers, suppliers, communities, distributors, and agents) where they can raise concerns about (suspected) violations of the Corbion Code of Business Conduct, Corbion's Supplier Code, Corbion's Cane Sugar Code or any applicable laws. In 2019, 26 complaints with respect to the Code of Business Conduct were reported, of which 20 had merits. Appropriate measures have been taken by management.

Anti-bribery and anti-corruption

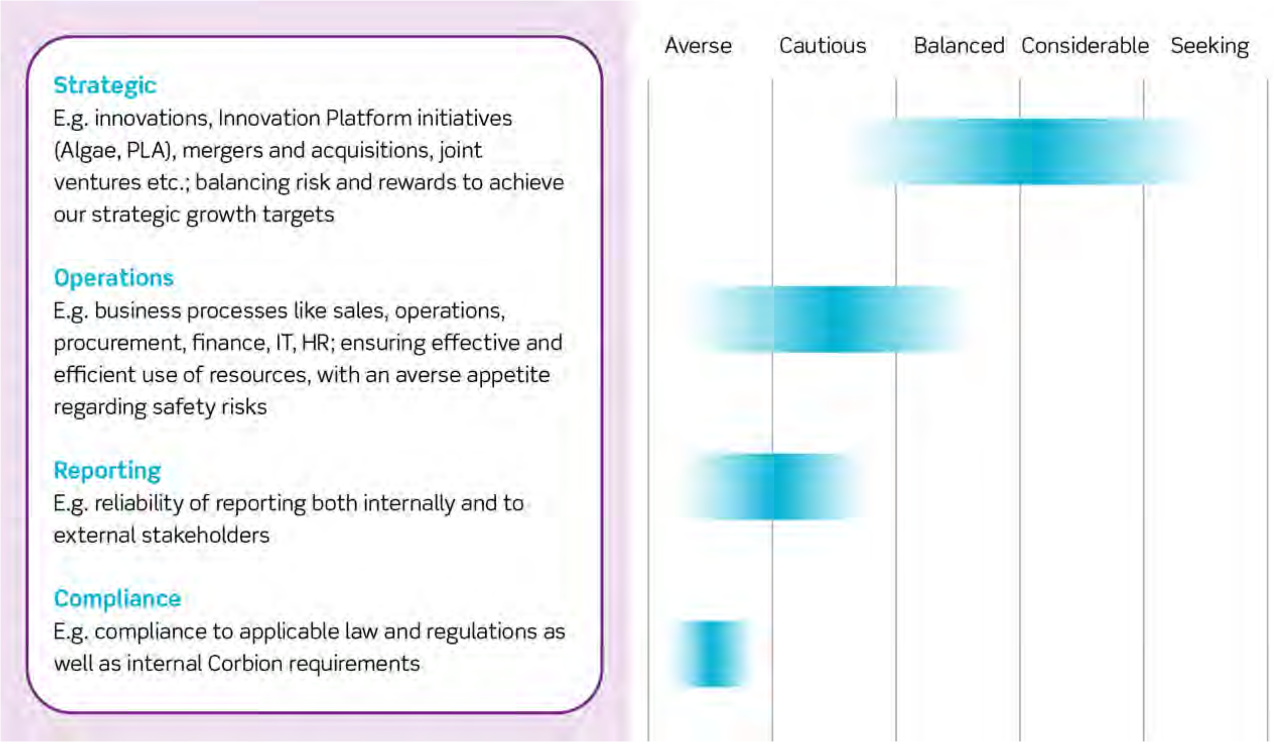
For Corbion as a listed company operating worldwide, compliance with anti-bribery and anti-corruption laws is key, given the consequences of non-compliance therewith. Our policy with respect to anti-bribery and anti-corruption is laid down in our Gifts, Entertainment, and Third-Party Payments Policy (which is available in six languages). This policy covers (i) prohibition of offering, authorizing, or accepting bribes, (ii) rules for how to deal with giving and receiving gifts and entertainment, and (iii) rules for how to deal with third-party payments (agents and distributors, facilitation payments, sponsorships, political contributions).

At Corbion, we are committed to maintaining good relations with our customers, suppliers, and other business partners. In this context we acknowledge the business custom of exchanging small gifts and invitations to dinners or social activities in order to initiate, develop, or sustain good business relations. All Corbion colleagues should however ensure that the gifts and entertainment that we offer or receive are not, or could not be perceived as, a bribe. All Corbion colleagues as well as our agents, distributors, and other representatives are prohibited from offering, authorizing, or accepting bribes of any kind. Any gifts and entertainment must be for legitimate business purposes, of a reasonable value, and appropriate to the business relationship, and be given or accepted at an appropriate time. If the nominal value of a gift exceeds a certain threshold, prior approval of the employee's manager is required. Prior management approval is always required for entertainment (with the exception of business meals) and travel and overnight accommodation.

Corbion has a procedure in place for engaging with agents and distributors. This means that due diligence questionnaires need to be filled out which are being assessed by the Legal & Compliance Department. Furthermore, higher management approval is required. The agent and distributor should sign an agency or distribution agreement and accept the Corbion anti-corruption/bribery clauses contained therein.

Risk appetite

Part of the control environment is the definition by the Executive Committee of the risk appetite of the company. Our risk appetite is the amount of risk we are willing to accept to achieve our strategic goals. This requires adequate understanding and awareness of potential risks and their magnitude within the company. The level of risk appetite is set by the Executive Committee. Our risk appetite can be summarized as follows.



The impact on EBITDA in millions of euros of a 1% change in net sales, costs, profit, and currency changes is reflected as follows.

	Change	Approx. EBITDA impact (millions of euros)
Net sales	+1% / -1%	+/- 4.6
Gross profit	+1% / -1%	+/- 3.1
Operating costs (= selling expenses + R&D costs + G&A expenses)	+1% / -1%	+/- 1.6
USD	+1% / -1%	+/- 1.2
YEN	+1% / -1%	+/- 0.2

Risk assessment

As an integral part of the strategy review, the Executive Committee annually performs an entity-wide risk assessment to assess the strategic risks, with a mid-year update for significant changes. Furthermore, risk assessment is an integral part of the project stage-gate methodology applied at Corbion for strategic initiatives and related investments.

Derived from the strategic risks, the Executive Committee selects a number of key management activities with an increased focus in 2020 on further strengthening our control framework. This is discussed with the Audit Committee and the Supervisory Board.

Operations, reporting, and compliance risks are considered throughout the organization, with ownership lying with the line organization (first line of defense). Risk committees have been established to monitor specific risks to stay within Corbion's risk appetite (Treasury Risk Committee, Commodity Pricing Risk Committee).

The financial reporting risks are assessed on a regular basis and the outcome of this assessment forms the input for the Corbion internal control framework on financial reporting (see paragraph *Internal control systems*). For more information on financial risk management and financial instruments see Note 26 of the Financial statements.

Key risk areas

The table below summarizes the top risks that have the focused attention of the Executive Committee to support the realization of the strategic targets. For each risk the table lists the potential impact as well as a summary of mitigation measures taken to address them. There may be other risks currently unknown to Corbion, or currently believed not to be material, which could ultimately have a major impact on Corbion's business, objectives, revenues, income, assets, liquidity, or capital resources.

Corbion top risks

Risk event	Cause and potential impact	Mitigation actions
Strategic risks		
Algae Ingredients business development	Algae-based ingredients for food and feed offer a promising plant-based solution with a view to the increasing sustainability concerns and the potentially reduced availability of resources currently used. Algae-based solutions, however, are in an early stage of development. Significant efforts have to be made to reach the proper level of market adoption, especially because animal-based alternatives are still more economical.	Corbion's strategy is to develop new algae-based solutions with strong partners who have the power to increase market adoption. The performance of the algae business is closely monitored on executive level to enable timely action to support the realization of the strategic targets. For new algae-based solutions the same disciplined approach is followed as for business development in general as described below.
Business development underperformance	Business development is one of the key drivers of Corbion's Creating Sustainable Growth strategy. Corbion is investing in new platforms of growth such as PLA and FDCA, for which the pace of market adoption is inherently uncertain given the early development stage of these initiatives.	Corbion is following a disciplined investment approach to these major business development initiatives through actions like: - strict project management approach supported by a well-established stage-gate development methodology; - regular project status reviews with direct involvement at Executive Committee level; - alignment of investment pace with market development; - involvement of innovation / business partners to share business development risk and increase speed and likelihood of success.
Business interruption due to new ERP platform	Corbion embarked on a multi year (2017 – 2021) project to replace the existing ERP systems by a new, global ERP platform (project CUBE, based on SAP S/4HANA). As this new system addresses nearly all of the core transactional processes, such transition if not prepared and/or managed well, could lead to major business interruptions.	Corbion considers project CUBE as one of the key initiatives for change management which will be implemented in the years to come. The project is staffed with dedicated experienced project management (resources from both internal and external system integrator), applies strict project governance procedures, and reports to an Executive Committee-led steering committee. After a careful preparation phase and rigorous testing phase, the new system is currently being implemented using a multi-year phased approach (region by region). The first implementation successfully took place in the second half of 2019 in Asia.
Inability to find, develop, and retain skilled talent	To execute the Creating Sustainable Growth strategy, Corbion requires a pool of skilled talent. If Corbion in today's international labor market is not able to attract and retain skilled talent, the execution of the strategy may be delayed.	Corbion has robust compensation and performance management processes in place. Succession planning is embedded in Corbion to ensure a strong pool of talent for the key positions.

Raw material and energy price volatility and availability	Failure to manage the price volatility risk of raw materials, chemicals, and energy which cannot be directly passed on to customers due to market conditions or lack of contractual enforcement, may result in adversely impacted gross margins.	The inclusion of price formulas in contracts, frequent monitoring of key materials and energy impact. Overall raw material risks are mitigated by actively taking longer-term contract positions where necessary, by sourcing from different locations/key raw materials, and in the longer run, by considering alternative or second-generation feedstocks. Our global procurement organization, with dedicated finance support, has developed adequate measures to secure contract positions and obtain financial instruments to minimize or delay exposure to cost fluctuations due to changing raw material prices that might impact our margins negatively. These measures include early warnings of possible impact on our organization and our customers. Furthermore, we have implemented a multiple-supplier sourcing policy for our most critical raw materials.
Changing customer behavior toward food and changing product regulations in all industries in which Corbion is active	Our industry is inherently subject to uncertainties including evolving diets, reflecting perceptions with respect to health and sustainability issues, and subsequent policy responses (regulations). The wide range of industries Corbion is serving add to the complexity.	Corbion works closely with its customers to identify trends and develop the right portfolio of solutions to address evolving trends. Corbion is well positioned having several biobased solutions for emerging trends and to address changing product regulations.
Operations risks		
Safety incidents	Inherent health and safety hazards in our operations and insufficient awareness of unsafe plant conditions can lead to injuries or casualties and, potentially, a temporary plant shutdown.	Safety is an integral part of new design and change in product formulations and production processes. A new policy focused on safety core beliefs, followed by participative workshops, and a program focused on life-changing safety rules, supported by e-learning and awareness campaigns have been rolled out. In 2020 Corbion will continue the awareness campaigns, in addition to the roll-out of the ISO 45001 safety standards. Next to this we will start a program with an external consultant to assess our safety culture to further strengthen our safety performance. Corbion fosters an open and transparent culture by encouraging all employees to report, amongst others, all near misses and events in order to continuously improve our safety and environmental performance.
Food safety	Food safety is of utmost importance to Corbion. Customers need to fully trust the safety of our products. Any issue can have significant impact on the reputation of the company and can result in significant costs of resolving the issue (for example, in case of a major recall).	Corbion established comprehensive quality assurance and control processes to ensure food safety and to track and trace our products in case of any issue. Every site is certified for food safety. Where possible, liability caps are included in contracts. A product liability insurance is in place to cover part of the risk.
Business interruption	An external hazardous event (floods, riots, fires etc.) or internal disruption (e.g. availability of critical spare parts, global supply chain complexity etc.) may result in a significant period of plant shutdown or disruption and hence in delayed/non-delivery of our products to internal and/or external customers, ultimately leading to adverse financial and reputational consequences.	Business continuity and crisis management plans including contingency sourcing are in place with ongoing evaluation, based amongst other things on highly credible incident identifications for each site. Furthermore, appropriate customer and supplier agreements are in place to limit exposure whilst leveraging supplies. Finally, residual risks are adequately insured including assets and business continuity risks.

Cybersecurity breach	A breach of our IT security might lead to loss of information.	We have implemented an IT governance structure including a dedicated corporate information security officer and an information security governance board. The IT general control framework has been updated including amended IT policies. On a frequent basis we perform penetration tests, helping us to identify and correct potential IT security weaknesses. The outcome of these tests helps us to further strengthen our IT security levels. In addition, we reduce our risk exposure by continuously raising IT security awareness with our people (e.g. through e-learning, communications). In 2019 we continued to have a strong IT control environment with our focus on timely application of patches, full implementation of multi-factor authentication, running a Security Operating Center, and segmentation of Corbion's IT network.
Confidential information leakage	Failure to protect sensitive information adequately due to limited physical protective measures, inadequate user behavior, or potential cyberattacks may result in loss of valuable or sensitive information such as trade secrets or intellectual property.	All mitigation actions mentioned above under *Cybersecurity breach* help keep our sensitive information confidential. As an additional manual control, non-disclosure agreements with third parties are in place.
Compliance risks		
Non-compliance with applicable tax laws	Failure to timely detect and anticipate changes in a wide variety of tax laws or in the application thereof could adversely affect our financial results.	An adequate quarterly reporting system is in place, we hold regular tax meetings, and review tax compliance of our operating companies. Our global tax control framework warrants compliance. Transfer pricing policy and documentation are in place as well. We seek the advice of external tax experts in compliance matters.
Non-compliance with legislative and regulatory environment	Failure to comply with (changing) laws and regulations in the markets we operate in. Lack of insight into and/or awareness of relevant laws and regulations and their requirements may result in suspension of activities, reputational damage, and exposure to criminal and financial lawsuits.	Global legal and regulatory compliance programs are in place, including related awareness trainings, and we monitor, review, and report on changes in laws and regulations. We seek the advice of external experts in compliance matters.
Reporting risks		
Volatility in currency exchange rates	Failure to manage volatility in the exchange rates of a number of currencies versus the euro, especially the US dollar, can have a significant impact on our financial results.	A hedging policy is in place to limit the impact of volatility in foreign exchange rates. Hedging the impact of the foreign currency translation risk is partly effectuated through matching with liabilities denominated in foreign currency. Our external debt is partly denominated in US dollars, which partly reduces the equity translation exposure we have against the US dollar. The exposure to transaction risks is partly hedged by offsetting the long/short foreign currency positions through a system of gradually selling and/or buying these currencies to mitigate the impact of sudden volatility in these currencies.
Non-compliance with International Financial Reporting Standards (IFRS)	Not informing our shareholders and other stakeholders in conformity with IFRS might lead to a lack of trust, reputation damage, a declining share price, and, possibly, legal claims.	Corporate accounting policies are maintained and made available via the Corbion intranet. Our global control framework includes financial reporting controls that warrant compliance with IFRS. For significant entities, the effectiveness is self-assessed every quarter. External best-in-class expert advice is used if/where necessary.

Internal control systems

Corbion applies the 3-lines-of-defense model for internal controls. The first line (line management) is responsible for the operational effectiveness of the internal control framework. The second line coordinates, advises, and monitors line management regarding their responsibilities for internal control. The third line is internal audit independently reviewing the control framework.

Our internal control framework is not limited to the elements outlined below as these are a summary of controls implemented at local and corporate levels. We apply several control elements of which the effectiveness is self-assessed or monitored by the second and third lines of defense.

Business control framework

Business controls cover a broad range of policies, procedures, systems, and other measures. They provide reasonable assurance on the effectiveness and efficiency of our operational processes and ensure the output is as expected to support the realization of the company strategy and objectives. On entity level, important elements of the framework are the business planning process and management review.

Business planning, budgeting, and management review

Based on Corbion's strategy and plans, targets are set for the annual budget. After determining these budgets, the targets are rolled out to the responsibility areas (business units, operations, etc.) within Corbion.

Quarterly updated estimates are made based on a forecast until the end of the year. Forecasts are specifically discussed between responsibility area leaders and the Executive Committee during quarterly business review meetings. The Executive Committee monitors business performance on a monthly and quarterly basis using a defined set of key performance indicators and reviews of actual results versus budgets, quarterly estimates, and the previous year.

Local entities are visited frequently. Operational management meets at least once a month to discuss their business activities and related risks, the actual performance versus budget, and other significant matters in their respective areas.

Legal and regulatory review

Local management is responsible for compliance with laws and regulations. The Legal and Compliance Department is consulted by local management on an ongoing basis. Every six months, local management reports the main open legal issues with a potential gross exposure of each exceeding € 100,000 to Corporate Legal and Corporate Finance.

Internal control framework on financial reporting

General

Corbion is committed to maintaining high-quality, reliable financial reporting, and a good control environment. All reporting entities assess the operational effectiveness of their financial closing and reporting processes, at mid-year and end-of-year, confirming compliance with the relevant guidelines and IFRS. This, together with the Letters of Representation, provides reasonable assurance on the integrity of our financial reporting. Self-assessment also includes tax governance and treasury internal controls.

During 2019, our main legal entities performed quarterly assessments of the design and implementation of their key financial process controls. Improvement recommendations based on audit and self-assessment findings are followed up by local management, the status of which is being monitored regularly by the Executive Committee.

Letters of Representation
Every six months, managing directors and finance directors of each reporting entity or, where applicable, other senior staff, provide a Letter of Representation to the Board of Management. This letter represents compliance with financial reporting and internal controls.

Tax principles
Corbion considers paying taxes an important part of our corporate social responsibility. Based on this, and derived from our Code of Business Conduct as part of our corporate governance structure, we have adopted the following tax principles. These tax principles deal with all different types of taxes which we are obliged to report and pay in the jurisdictions in which we operate, including taxes on profits, value added taxes, wage taxes, duties, and various other taxes.

Business rationale/transfer pricing
Corbion's tax strategy follows from and is aligned with the business strategy and objectives. Consequently, we aim to pay the appropriate amount of tax depending on where value is created in each of the jurisdictions we operate in, following the normal course of commercial activity, and in accordance with domestic and international rules and standards. All our intercompany transfer pricing and policies are based on the "*arm's length principle.*" Corbion abstains from setting up structures in countries on the EU list of non-cooperative tax jurisdictions or in countries which have been designated as uncooperative tax havens by the OECD Committee on Fiscal Affairs.

Relationship with tax authorities
We seek to develop mutually respectful relationships with the various national tax authorities based on trust and transparency. To accomplish this we aim for an open and constructive dialogue with the various tax authorities on the basis of disclosure of all relevant facts and circumstances. Within this context, Corbion may negotiate advance tax rulings or advance pricing agreements on the tax treatment of specific transactions in order to obtain advance certainty on the relevant tax consequences. In the Netherlands we concluded a so-called tax covenant ("*horizontal monitoring*") with the Dutch tax authorities. Such covenant entails that the tax authorities can rely on Corbion to provide upfront disclosure of all relevant information, while it allows Corbion to get upfront confirmation of applicable tax treatment.

Tax governance
Within the governance framework, the conduct of the group's tax affairs and the management of tax risks are delegated to the group's tax department with support and assistance from the group and local finance departments. The Audit Committee supervises the activities of the Board of Management with respect to the tax governance framework.

Compliance
We aim to act at all times in accordance with the letter and the spirit of all applicable tax laws in which we are guided by the relevant local and international standards. Compliance is monitored within a global tax control framework. Corbion complies with its statutory obligations and aims to file all required tax-relevant information with the appropriate tax authorities in a timely, transparent, and complete manner. Tax-related disclosures are made in accordance with the relevant domestic regulations, as well as applicable reporting requirements under IFRS.

Insurance

Insurance is an integral part of our risk management approach as it is an instrument to manage the financial consequences of risks. The choice to obtain external insurance cover depends on the cost efficiency of the instrument. The coverage of insurances is monitored and benchmarked regularly.

IT general control framework

An information technology general control (ITGC) framework is in place which ensures the proper management of IT governance in general, projects and programs, computer operations, and access management.

From an IT security perspective, the Information Security Board (including senior management) sets the IT security roadmap. Risk-reducing initiatives in the past year included amongst others a company-wide security awareness program, multi-factor authentication, penetration tests, yearly disaster recovery plan testing of selected systems, and implementation of a security policy and a Security Operating Center. In addition, Corbion continued to strengthen the network segmentation. In case of data security incidents, the data breach committee is notified to ensure proper action and communication with authorities.

Audit

Internal audit

Internal audit supports the organization in accomplishing its objectives by providing a systematic, disciplined approach for the evaluation and improvement of the effectiveness of our internal control and governance processes. The Internal Audit Charter is approved by the Executive Committee, the Audit Committee, and the Supervisory Board. The objective of internal audit is to provide a broad range of audit services designed to assist the Executive Committee in controlling the business operations. Internal audit evaluates risks and assesses that the controls in place are adequate to mitigate the risks identified by management, identifying best practices, and recommending improvement opportunities to management. The audit plan is prepared, discussed, and agreed with relevant stakeholders. The plan has a rolling character so changes in priorities may be applied and the audit plan is updated and discussed periodically at the Executive Committee and the Audit Committee. A summary of all audit reports and the follow-up of open internal audit items are reported to and discussed with the Executive Committee and Audit Committee on a regular basis.

External audit

Our external financial audit engagement ensures that our financial statements give a true and fair view of our financial position as at 31 December 2019 and of our result and our cash flows for the year then ended. In 2019 the external auditor reviewed the sustainability indicators marked with "√ ". Contrary to the audit of our financial statements, this review is only aimed at obtaining a *limited* level of assurance.

Governance / risk management and responsibility statement

Corbion has defined a governance model that identifies clear reporting and accountability structures in line with the Dutch Corporate Governance Code. The Executive Committee is responsible for:

- identifying and analyzing the risks associated with Corbion's strategy and activities;
- establishing the risk appetite, as well as ensuring that mitigating measures are being put in place;
- the design, implementation, and operation of Corbion's internal risk management and control systems; and
- monitoring the operation of the internal risk management and control systems and assessing the design and effectiveness thereof.

The Board of Management discusses the effectiveness of the design and operation of the internal risk management and control systems with the Audit Committee and the Supervisory Board annually.

The Executive Committee carried out an assessment of the design and effectiveness of the internal risk management and control systems, covering strategic, operations, reporting, and compliance risks. Elements that were taken into account included reports from the internal audit function and the external auditor, findings reported under one of our control frameworks, matters reported by the Legal Department, and reports received under our Speak Up Policy. The outcome of this assessment was that no major failings in the internal risk management and control systems were observed in the reporting year, and that no significant changes have been made to these systems. Corbion is continuously strengthening its internal risk management and control systems by various improvement initiatives; no major improvements have been identified for 2020. In 2020, concurrently with the roll-out of the new ERP system (SAP), Corbion will assess the impact of the SAP implementation for Corbion's control framework and implement improvements where possible by optimally using the application controls of SAP. The findings of the assessment have been discussed with the Audit Committee and the Supervisory Board.

Risk management statement

Corbion's risk management and internal control systems are designed to identify in a timely manner the risks inherent to our strategic, operations, compliance, and reporting objectives and to determine appropriate risk responses as described above. Risk management and actions taken in the year under review were reported to and discussed by the Audit Committee and the Supervisory Board. Internal representations received from management, regular management reviews, evaluations of the design and implementation of our risk management and internal control systems, and business and Audit Committee reviews are an integral part of Corbion's risk management approach.

It should be noted that the above does not imply that these systems and procedures provide absolute certainty as to the realization of strategic, operations, compliance, and reporting objectives, nor that they can prevent all misstatements, inaccuracies, errors, fraud, and non-compliance with laws and regulations.

On the basis thereof, and as explained in the section *Risk management* of the Annual Report, the Board of Management, with reference to best-practice provision 1.4.3 of the Dutch Corporate Governance Code, states that to the best of its knowledge:

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

Responsibility statement

With reference to Section 25c Subsection 2 sub c of Chapter 5 of the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*), the Board of Management states that to the best of its knowledge:

- the Financial Statements, prepared in accordance with applicable accounting standards, give a true and fair view of the assets, liabilities, financial position, and earnings of Corbion and its group companies included in the Financial Statements; and
- the Annual Report gives a true and fair view of the position of Corbion as at the balance sheet date, the developments during the financial year of Corbion and its group companies included in the Financial Statements, and a description of principal risks that Corbion faces.

Amsterdam, the Netherlands, 6 March 2020

Board of Management
Olivier Rigaud, Chief Executive Officer
Eddy van Rhede van der Kloot, Chief Financial Officer

TOGETHER, MORE IS POSSIBLE

Collaboration

Corbion taps the potential of co-creation to bring breakthrough innovation to multiple industries

The greatest value is lasting value. The most sustainable solutions deliver economic value while considering tomorrow. But sometimes what it takes to actually bring a breakthrough technology to life is having the right partner. Collaboration can make the difference.

Corbion demonstrated the power of co-creation in dramatic fashion when we were presented with the Bio-Based Product of the Year Award by Bio Market Insights in April 2019 for our SENTIALL® biotechnology. SENTIALL is a versatile co-polymer platform that delivers specific, high-value functionalities such as adhesion or controlled release in a range of industries, encompassing pharmaceutical, biomedical, agrochemical, cosmetics, and household applications.
In accepting the award, we were accompanied by our collaborators from Green-Basilisk, a spin-off of Delft University of Technology (TU Delft), with whom we co-developed an exciting application for the construction industry: self-healing concrete.

An idea in need of a solution

The concept was born when a team at TU Delft discovered how to manufacture a micro-organism that, when exposed to oxygen and water, would fill any cracks in concrete by converting substrates into limestone, thereby repairing those cracks automatically. Integrating this bacteria into virgin concrete, or applying it to cracks formed in existing concrete, would provide a means of "self-healing" in these structures.

The team experienced technical challenges, however, when using the self-healing concrete in practice; during the making, pouring and curing of the concrete, the substrate used failed to survive the process. So TU Delft (and later, its commercial spin-out, Green-Basilisk) partnered with Corbion to explore substrate alternatives that might overcome the technical hurdles experienced with the initial prototypes.
The solution was found in Corbion's SENTIALL® controlled release technology, which provided a key component of the self-healing mechanism through an oligomer that releases the substrate when a crack occurs without affecting the setting time or the strength of the concrete.

"Thanks to Corbion's contribution, the bacteria are only released when cracks appear in the concrete," says Bart van der Woerd, managing director of Green-Basilisk. "When the coating breaks off, it immediately serves as food for the bacteria."
The result offers dramatic improvements in the durability of concrete structures, reduces costly maintenance and repairs, and helps to safeguard the integrity of tunnels, bridges, viaducts, and other structures affecting public safety.

Just the beginning

By actively co-creating with experts in diverse disciplines and industries, Corbion is adapting the capabilities of SENTIALL technology to deliver efficiencies and product lifespans never before possible through sustainable solutions of lasting value.
By fine-tuning polymer architecture, SENTIALL can help yield specific properties such as flowability, adhesion, flexibility, toughness, or impact resistance. Controlled release may be triggered by many different mechanisms such as mechanical force, hydrolysis or melting, depending on the application.
In other words, the SENTIALL biotechnology is as promising as our next partner's market-shifting idea.

"We do not focus on the end market, but actively look for partners who want to improve their products or make them more sustainable with our copolymers," says Frederik Feddes, Vice-President of Biochemicals at Corbion. "When we combine our strengths and share a sense of urgency with the right partner, we can make things happen that never could before."

REPORT OF THE SUPERVISORY BOARD

The Supervisory Board supervises and advises the Board of Management and Executive Committee in performing their management tasks and setting the direction of the business of Corbion. In performing its duties, the Supervisory Board is guided by the interests of the company and its stakeholders. The Rules of the Supervisory Board are available on Corbion's website.

Overview 2019

After having served as CEO for five years, Tjerk de Ruiter handed over his responsibilities on 8 August 2019 to Olivier Rigaud, who was appointed as CEO by the shareholders for a term until May 2023. The Supervisory Board would like to express its gratitude to Tjerk de Ruiter who has led Corbion since 2014 and delivered great results not only in raising the performance of Corbion in terms of profitability and growth, but also in creating one culture from separate businesses. The Supervisory Board is delighted that Olivier Rigaud has joined Corbion, and is convinced he will be able to successfully lead Corbion through the next stage of its development as an innovative sustainable ingredient solutions company.

From a financial perspective, 2019 was on the one hand a good year with a strong delivery of Adjusted EBITDA which showed an organic increase of 7.8% compared to 2018. In terms of organic sales growth, we saw an acceleration of the growth during the year which forms a solid basis for the coming years. On the other hand, the Algae Ingredients business performed below expectations resulting in a non-cash impairment.

On 25 March 2019, Corbion announced that it had entered into an agreement with the shareholders of Granotec do Brazil to acquire full ownership of the company. Granotec do Brazil is a leading specialist in functional blends for the Brazilian bakery industry. This acquisition fits perfectly in our strategy of expanding the bakery business geographically by extending the North American Bakery solution provider model into Latin America.

The Supervisory Board would like to thank the Executive Committee and all Corbion employees around the world for their dedication, loyalty, and hard work in 2019.

Composition of the Supervisory Board

Members of the Supervisory Board are Mathieu Vrijsen (Chairman), Rudy Markham (Vice-Chairman), Liz Doherty, Jack de Kreij, and Steen Riisgaard. Brief resumes of the members of the Supervisory Board are available under the section *Corporate governance/Supervisory Board* of the Annual Report. The profile and diversity policy of the Supervisory Board are available on Corbion's website.

Jack de Kreij and Liz Doherty were re-appointed as members of the Supervisory Board at the annual General Meeting of Shareholders on 13 May 2019. Liz Doherty was appointed for a new term of four years, and Jack de Kreij for a new term of two years.

On 5 December 2019, Corbion announced the nomination of Stefanie Schmitz as Supervisory Board member, subject to her appointment at the annual General Meeting of Shareholders on 11 May 2020.
On 10 February 2020, Corbion announced the nomination of Ilona Haaijer as Supervisory Board member, subject to her appointment at the annual General Meeting of Shareholders on 11 May 2020.
In the opinion of the Supervisory Board, the independence requirements referred to in best practice provisions 2.1.7 to 2.1.9 of the Dutch Corporate Governance Code have been fulfilled.

Diversity and competence matrix for the Supervisory Board

	Mathieu Vrijsen	**Rudy Markham**	**Liz Doherty**	**Jack de Kreij**	**Steen Riisgaard**
Diversity					
Nationality	Dutch	British	British	Dutch	Danish
Year of birth	1947	1946	1957	1959	1951
Gender	M	M	F	M	M
Competences					
Company / Geographical					
Listed company experience	x	x	x	x	x
Worked in businesses comparable to Corbion: (food) ingredients and biochemicals	x	x			x
International experience	x	x	x	x	x
Lived in other geographical area	x	x	x		
Functional management					
General management	x	x	x	x	x
Strategy development	x	x	x	x	x
Commercial experience					x
Finance/IT		x	x	x	
Internal audit			x	x	
Operations/Manufacturing	x				x
R&D/Innovation	x	x			x
Human resources	x				x
Sustainability	x	x			x
Governance/Compliance	x	x	x	x	x
Risk management	x	x	x	x	x

Meetings of the Supervisory Board

During the year under review the Supervisory Board held six regular meetings and three conference-call meetings. The Board of Management attended these meetings. In addition to these meetings, two conference-call meetings were held to discuss the succession of the CEO (without the presence of the Board of Management). The Supervisory Board also met regularly in the absence of the Board of Management to discuss, amongst others, developments in the financial results and the composition and functioning of the Supervisory Board and Board of Management. Members of the Supervisory Board regularly met with the members of the Executive Committee, business leaders, and members of corporate staff. The external auditor attended the meeting of 5 March 2019, at which the 2018 Annual Report and Financial Statements were recommended for adoption by the annual General Meeting of Shareholders.

The Chairman and Vice-Chairman of the Supervisory Board regularly met with the CEO and CFO either in person or by phone, for bilateral discussions about the progress of the company on a variety of matters.

Attendance at the in-person meetings held in 2019 was almost 100%; Liz Doherty was not able to attend one meeting and she spoke separately with the Chairman of the Supervisory Board beforehand. Mathieu Vrijsen was not able to attend one meeting and he spoke separately with Rudy Markham, the Vice-Chairman, beforehand. Attendance at the conference-call meetings was also almost 100%. Rudy Markham and Steen Riisgaard were not able to attend one conference-call meeting and spoke separately with the Chairman of the Supervisory Board beforehand. As in previous years all members of the Supervisory Board were able to make themselves sufficiently available to give adequate attention to the needs of Corbion.

Activities of the Supervisory Board

The discussions at the Supervisory Board meetings covered frequently recurring topics, such as reports of its committees, strategy, developments in financial results, business developments, quarterly interim management statements, acquisitions and divestments, key investments, annual budget, internal risk management and control systems, succession planning of the Supervisory Board and Board of Management, remuneration for the members of the Board of Management, corporate governance, investor relations, culture and values, the Financial Statements, and the Annual Report. In addition, the Supervisory Board discussed the acquisition of Granotec do Brazil, the ERP migration project, the succession of Tjerk de Ruiter as CEO, and the appointment of Olivier Rigaud as new CEO.

The Supervisory Board has been closely involved in the strategy review that was initiated by the new CEO, and resulted in the presentation of the updated long-term strategy at the Capital Markets Day in March 2020. The draft strategy update and the principal risks associated with it have been discussed in several meetings. Constructive discussions were held with the Executive Committee and the Supervisory Board played an active role in challenging and testing the ideas of the Executive Committee.

The Supervisory Board and the Executive Committee visited Corbion's plants in Orindiúva and Araucária in Brazil and met with local management and other colleagues.

Evaluation

The Supervisory Board conducted a self-evaluation of its own functioning, the functioning of its committees, and that of its members. Included was also it's relation to and with the Board of Management and its members. This was done by means of structured interviews with all members of the Supervisory Board. A report of the evaluation, including observations, recommendations and the implementation of the agreed 2019 attention areas, was discussed by the Supervisory Board. General observations are in line with previous years indicating an open and constructive interaction between members of the Supervisory Board focused on the business at hand and taking timely decisions when required. The Supervisory Board feels sufficiently informed and involved by the Board of Management, and is positive about the interaction and dynamics while the committees function as expected with experienced Supervisory Board members. The self-evaluation underlined the importance of aligned priorities between the Supervisory Board and Board of Management, especially in view of the updated strategy and the implementation thereof. Topics for the 2020 agenda are geared at safety, monitoring and evaluating the implementation of the updated strategy and the key strategic projects and initiatives, providing further guidance and support to the Board of Management in the first year of implementing the updated strategy, monitoring the business progress of Algae Ingredients, top-line growth and plan for the further succession planning of the Supervisory Board. Given the CEO change in August 2019, the Board of Management has decided to conduct a self-evaluation of its own functioning and that of its members mid-2020.

Committees of the Supervisory Board

The Supervisory Board has appointed from among its members an Audit Committee, a Remuneration Committee, an Appointment and Governance Committee, and a Science and Technology Committee. The committees' role is to prepare the decision-making of the Supervisory Board. The charters of the committees are available on Corbion's website.

Audit Committee

The members of the Audit Committee are Jack de Kreij (Chairman) and Liz Doherty. In 2019 the Audit Committee met five times in the presence of the external auditor, the CFO, the VP Group Finance, and the Senior Director Internal Audit. Other heads of departments (e.g. Treasury, Tax, Legal, and IT) were invited when the Audit Committee deemed it necessary and appropriate. The Audit Committee also held private individual meetings with respectively the CFO, the Senior Director Internal Audit, and the external auditor. The attendance rate at the meetings held in 2019 was 100%.

The agenda at the Audit Committee meetings covered, amongst other subjects, annual and half-year figures, interim management statements, accounting matters, IFRS changes, sustainability reporting, internal risk management and control systems, tax matters (including tax control framework), financing, treasury and insurance, pensions, IT (including cybersecurity), the ERP migration project, status of legal claims and litigations, status of the Business Conduct program, notifications received under the whistleblower procedure, preliminary discussions on the potential impairment of Algae Ingredients internal audit plan, the management letter, and reports of the internal and external auditors. Furthermore, several presentations by members of the Executive Committee and other representatives of the organization were held regarding certain key risks for Corbion.

The core task of the Audit Committee was to extensively review the financial reports and budget before consideration by the full Supervisory Board. Both Jack de Kreij and Liz Doherty continued to act as financial experts (as defined in clause 2.6 of the Charter of the Audit Committee). The effectiveness of the Audit Committee was reviewed as part of the 2019 overall evaluation of the Supervisory Board which confirmed that the Audit Committee continues to function in line with the requirements in this respect.

The Audit Committee closely monitors the independence of the external auditor. It evaluates the performance of the external auditor on a yearly basis and where appropriate recommends to the Supervisory Board the replacement of the external auditor. Furthermore, the Audit Committee submits a proposal to the Supervisory Board with respect to the fees for all audit services to be performed by the external auditor as requested by the Board of Management.

Appointment and Governance Committee

The Appointment and Governance Committee consists of Mathieu Vrijsen (Chairman), Rudy Markham, and Steen Riisgaard. The Appointment and Governance Committee met five times in 2019 in the presence of the EVP Human Resources and the Company Secretary. The CEO was invited to join certain parts of these meetings. The attendance rate at the meetings held in 2019 was almost 100%. Mathieu Vrijsen was not able to attend one meeting and he spoke separately with Rudy Markham, the Vice-Chairman, beforehand. In addition to these meetings, multiple conference-call meetings and informal meetings were held to discuss the succession of the CEO.

The Appointment and Governance Committee discussed, amongst other subjects, the size and composition of the Supervisory Board and the Board of Management, the succession plans for the Supervisory Board (including transition periods) and members of the Board of Management and the Executive Committee, the performance of the Board of Management and its members, talent management, succession planning for senior management, people strategy, culture and values, the profile of the Supervisory Board, and the diversity policy for the Supervisory Board and Executive Committee, as well as governance matters. Furthermore, the succession of the CEO was extensively discussed.

Remuneration Committee

The Remuneration Committee consists of Rudy Markham (Chairman), Mathieu Vrijsen, and Steen Riisgaard. The Remuneration Committee met five times in 2019 in the presence of the EVP Human Resources and the Company Secretary. The CEO was invited to join certain parts of these meetings. The attendance rate at the meetings held in 2019 was almost 100%. Mathieu Vrijsen was not able to attend one meeting, and he spoke separately with Rudy Markham beforehand. In addition to these meetings, multiple conference-call meetings and informal meetings were held to discuss the succession of the CEO.

The Remuneration Committee discussed, amongst other subjects, the remuneration report, the remuneration for the members of the Board of Management, the level of achievement of the 2018 Short-Term Incentive Plan (STIP) targets for the members of the Board of Management, the progress of the STIP 2019 targets and the targets of the running Long-Term Incentive Plan (LTIP) programs, and the target setting for the STIP 2020 and the LTIP 2019-2022. The members of the Board of Management gave a view on their own remuneration and the remuneration levels of the Executive Committee were reviewed. Furthermore, the succession of the CEO was extensively discussed. The Remuneration Committee, having obtained the appropriate external advice, worked on a proposal for a new remuneration policy for the Board of Management, which will be submitted for approval at the annual General Meeting of Shareholders in May 2020.

Science and Technology Committee

The Science and Technology Committee consists of Steen Riisgaard (Chairman) and Mathieu Vrijsen. The Science and Technology Committee met three times in 2019 in the presence of the CTO, other members of the Executive Committee, and members of the R&D leadership team. The attendance rate at the meetings held in 2019 was almost 100%. Mathieu Vrijsen was not able to attend one meeting. The agenda at these meetings covered, amongst other subjects, Science Based Targets, Corbion's innovation KPIs, the global strategic action plan for application research, technology, and science (ARTS), core technologies and competences, innovation portfolio overview for Innovation Platforms and Ingredient Solutions, and external technology trends.

Financial Statements 2019

The Financial Statements prepared by the Board of Management for the financial year 2019 have been audited by KPMG Accountants N.V. The auditor’s findings on the Financial Statements have been discussed with the Board of Management, the Audit Committee, and the Supervisory Board. The Supervisory Board has accepted the Financial Statements and recommends that they be adopted by the General Meeting of Shareholders. The members of the Supervisory Board have signed the Financial Statements pursuant to their statutory obligation under Section 101 Subsection 2 of Book 2 of the Dutch Civil Code.

Amsterdam, the Netherlands, 6 March 2020

Supervisory Board
Mathieu Vrijsen, Chairman
Rudy Markham, Vice-Chairman
Liz Doherty
Jack de Kreij
Steen Riisgaard

REMUNERATION REPORT

Remuneration Board of Management

Remuneration policy and its implementation in 2019

To ensure Corbion's development as a successful sustainable ingredient solutions company, the objective of the remuneration policy for the Board of Management is to create internationally competitive remuneration packages and employment conditions, which align the interests of the Board of Management with the strategic direction and horizon of the company, with a strong emphasis on performance-related pay and long-term value creation. The policy is in place since 2015 and was approved by the annual General Meeting of Shareholders in that same year. An update of the policy was approved at the annual General Meeting of Shareholders in 2018. The full remuneration policy is available on our website www.corbion.com. This section describes how the remuneration policy has been implemented in 2019.

The implementation of the remuneration policy contributes to long-term value creation, as the long-term incentive for the Board of Management is aimed at longer-term value creation in line with stakeholder interests, measured over a performance period of three calendar years. To ensure that short-term performance also leads to sustainable long-term value creation, the short-term and long-term incentive performance metrics are aligned. In implementing the remuneration policy scenario analyses have been taken into consideration.

Remuneration reference levels

The total compensation levels (base salary, short-term incentive, long-term incentive) and pay mix are based on a combined reference group of comparable European biotechnology companies and Dutch general industry companies (AMX and smaller AEX). Every two years a reference check is performed to independently benchmark the total compensation levels with market levels; this was done for the first time in 2017. Based on this benchmark no major changes in remuneration levels and policies (pay mix, incentive design) were proposed.

Base salary

Members of the Board of Management are entitled to a base salary. Based on median market data the base salary for the CEO will be set between € 500,000 and € 600,000. For the CFO base pay is set between € 300,000 and € 400,000. The individual pay of the members of the Board of Management will be determined by the Supervisory Board within the boundaries of the aforementioned ranges (from time to time). There are no automatic annual increases in the base salary levels.

As per 1 April 2019, the annual base salary for Tjerk de Ruiter (stepped down as CEO on 8 August 2019) amounted to € 600,000 and that for Eddy van Rhede van der Kloot (CFO) € 400,000. The annual base salary for the newly appointed CEO, Olivier Rigaud (CEO as of 8 August 2019) amounts to € 550,000.

Short-Term Incentive Plan (STIP)

Members of the Board of Management are eligible for a short-term incentive. The STIP rewards operational execution and is aimed at strengthening and growing the Corbion business. It is determined by the following targets: EBITDA, earnings per share (EPS) (both as defined in the policy), and sustainability. EBITDA will account for 70% of the total STIP, EPS for 20%, and the remaining 10% will be determined by sustainability. A range of 30% around each performance target (or such lower percentage as determined by the Supervisory Board) is set annually to determine the actual payout. The STIP payout at target level is set at 50% of base salary for the CEO, and 40% for the CFO. For 2019, the Supervisory Board applied the range of 30% for actual payout as follows: the threshold level was set at 85% and the maximum level at 115% for each target.

An actual payout level of 128.1% has been achieved for the EBITDA target, 0% for EPS, and 100% for sustainability in the year under review. This has led to a total payout of 99.7% of the at-target STIP for both Tjerk de Ruiter and Eddy van Rhede van der Kloot as well as for Olivier Rigaud on a pro-rata basis.

The Supervisory Board has decided to use its discretionary authority in accordance with the remuneration policy to grant to Olivier Rigaud an additional 5% cash pay-out over 2019 (pro-rata) based on successfully initiating and proposing the new strategy and preparing the implementation thereof. The Supervisory Board has decided to use its discretionary authority in accordance with the remuneration policy to apply for Tjerk de Ruiter a minus 5% cash pay-out over 2019 (pro-rata) due to the Algae Ingredients business performing below expectations.

Long-Term Incentive Plan (LTIP)

The long-term incentive for the Board of Management is aimed at longer-term value creation in line with stakeholder interests, measured over a performance period of three calendar years. To ensure that short-term performance also leads to sustainable long-term value creation, the LTIP performance measurements are fully aligned with the STIP: EBITDA will account for 60% and EPS for 20% of the LTIP. In addition, 20% of the LTIP is determined by relative Total Shareholder Return (TSR) as compared to a specific TSR peer group.

The CEO is entitled to a conditional share grant value of 100% of base salary. The CFO is entitled to a conditional share grant value of 80% of base salary.

Meeting the performance target(s) will result in an LTIP payout at target level. A range of 50% around the performance target(s) (or such lower percentage as determined by the Supervisory Board) is set for the EBITDA and EPS performance to determine the actual payout. For TSR performance, threshold payout is set at reaching the 8th position in the peer group. Based on independent analysis by a leading bank in the Netherlands the TSR performance of Corbion versus the TSR peer group will be assessed after the three-year performance period.

The number of conditionally granted but not yet vested shares as per 1 January 2019 for each of the members of the Board of Management is as follows.

Name, position	Specification of the plan	Shares awarded, not vested per 1 January 2019
T. de Ruiter, CEO (former CEO)	LTIP 2016-2019	27,404
E. Rhede van der Kloot, CFO		13,951
O. Rigaud, CEO		
T. de Ruiter, CEO (former CEO)	LTIP 2017-2020	23,585
E. Rhede van der Kloot, CFO		11,772
O. Rigaud, CEO		
T. de Ruiter, CEO (former CEO)	LTIP 2018-2021	23,576
E. Rhede van der Kloot, CFO		12,259
O. Rigaud, CEO		

For the LTIP shares conditionally granted under the 2016-2019 plan to Tjerk de Ruiter and Eddy van Rhede van der Kloot, an actual payout level of 61% has been achieved for the EBITDA target, 79% for EPS, and 100% for TSR as Corbion ranked 4th in the peer group. This has led to a total payout of 72.4% of the at-target LTIP for both Tjerk de Ruiter and Eddy van Rhede van der Kloot. The number of vested shares received by Tjerk de Ruiter is 19,840 representing a value of € 555,123 at the time of vesting (with a vesting price of € 27.98). The number of vested shares received by Eddy van Rhede van der Kloot is 10,101 representing a value of € 282,626 at the time of vesting (with a vesting price of € 27.98). The members of the Board of Management used the option of selling shares to finance the income tax due on the vested shares.

The number of performance shares conditionally granted to Tjerk de Ruiter in 2019 (possible vesting in 2022) is 22,762 representing a value of € 600,006 at the time of the grant (with a grant price of € 26.36). The number of performance shares conditionally granted to Eddy van Rhede van der Kloot in 2019 (possible vesting in 2022) amounts to 12,140 representing a value of € 320,010 at the time of the grant (with a grant price of € 26.36). The number of performance shares conditionally granted to Olivier Rigaud in 2019 (possible vesting in 2022) is 20,865 representing a value of € 550,000 at the time of the grant (with a grant price of € 26.36).

The overview below shows the number of conditionally granted but not yet vested shares as per 31 December 2019 for each of the members of the Board of Management, the grant price of the granted shares, and the remaining vesting period.

Name, position	Specification of the plan	Grant price	Shares awarded, not vested per 31 December 2019	Vesting date
T. de Ruiter, CEO (former CEO)	LTIP 2017-2020	24.38	23,585	May 2020
E. Rhede van der Kloot, CFO			11,772	
O. Rigaud, CEO				
T. de Ruiter, CEO (former CEO)*	LTIP 2018-2021	25.45	17,027	May 2021
E. Rhede van der Kloot, CFO			12,259	
O. Rigaud, CEO				
T. de Ruiter, CEO (former CEO)*	LTIP 2019-2022	26.36	8,852	May 2022
E. Rhede van der Kloot, CFO			12,140	
O. Rigaud, CEO			20,865	

*Pro rata entitled to LTIP grant

Benefits allowance

As a consequence of the use of executive assignment agreements, the company does not provide benefits such as pension (individual retirement), medical or life insurance, or a company car, to members of the Board of Management. That is why each member of the Board of Management is provided with a benefits allowance. This is a fixed annual amount of € 200,000 for a CEO with an international background and € 150,000 for the CFO, to cover the cost of these expenses.

Other compensation

Tjerk de Ruiter is entitled to a special incentive of € 500,000 per year. This incentive bridges part of the compensation gap between the United States and the Netherlands. The payout will be in cash, under the obligation to purchase Corbion shares for the full net amount. It is subject to a lock-up period ending one year after his Board term ends, for whichever reason. In 2019, an amount of € 500,000 has been paid to Tjerk de Ruiter.

Overview remuneration

The total annual remuneration for the Board of Management in 2019 amounted to € 3.7 million including STIP over 2019 (2018: € 5.5 million). The table below shows the amounts which the respective member of the Board of Management (i) received/was entitled to in 2019 (base salary, STIP, benefits allowance, relocation costs) and (ii) received/was entitled to in 2019 by way of vesting (LTIP, special incentive).

Thousands of euros	Year	Base salary	STIP	LTIP	Benefits allowance	Special share award	Other compensation	Relocation	Total
T. de Ruiter*	2019	600	284	555	200		500		**2,139**
	2018	594	256	1,040	200	1,697	500		**4,287**
E. van Rhede van der Kloot	2019	398	160	283	150				**991**
	2018	382	133	555	138				**1,208**
O. Rigaud**	2019	275	151		100			30	**556**
	2018								
Total	**2019**	**1,273**	**595**	**838**	**450**		**500**	**30**	**3,686**
Total	**2018**	**976**	**389**	**1,595**	**338**	**1,697**	**500**		**5,495**

* CEO until 8 August 2019, thereafter Advisor to the Supervisory Board.
** As of 1 July 2019 in service

The ratio between the fixed remuneration (base salary and benefits allowance) versus the variable remuneration (STIP, LTIP, and other compensation) is for Tjerk de Ruiter 37% versus 63%, for Eddy van Rhede van der Kloot 55% versus 45%, and for Olivier Rigaud 67% versus 33%.

The table below shows the remuneration costs based on the applicable IFRS standard and do not necessarily reflect the actual amounts paid.

IAS 24.17 category	Short-term employee benefits		Share-based payments	Post-employment benefits	Other long-term benefits	Termination benefits	Total
Thousands of euros **2019**	**Base salary*** **	**STIP**	**LTIP**	**Pension benefits**	**Other benefits**	**Termination benefits**	
O. Rigaud **	410	151	135				696
E. van Rhede van der Kloot	558	160	428				1,146
Total Board of Management	**968**	**311**	**563**				**1,842**
T. de Ruiter *	811	784	875				2,470
Total former Board of Management	**811**	**784**	**875**				**2,470**
Total remuneration (former) Board of Management	**1,779**	**1,095**	**1,438**				**4,312**

IAS 24.17 category	Short-term employee benefits		Share-based payments	Post-employment benefits	Other long-term benefits	Termination benefits	Total
Thousands of euros **2018**	**Base salary*** **	**STIP**	**LTIP**	**Pension benefits**	**Other benefits**	**Termination benefits**	
T. de Ruiter	804	756	245				1,805
E. van Rhede van der Kloot	530	133	125				788
Total Board of Management	**1,334**	**889**	**370**				**2,593**

* CEO until 8 August 2019, thereafter Advisor to the Supervisory Board.
** As of 1 July 2019 in service
*** Base salary also includes social security contributions and compensation, mainly allowances for expenses

The total remuneration for each (former) member of the Board of Management complies with the remuneration policy for the Board of Management, as it fits within the boundaries of this policy and no deviations from this policy have been applied. Members of the Board of Management are on the payroll of Corbion nv; they did not receive remuneration from a subsidiary or another company whose financials are consolidated by Corbion nv. Corbion does not grant loans, advances, or guarantees to members of the Board of Management. Corbion did not revise or claw-back any variable remuneration. No severance payment has been made to members of the Board of Management.

Internal pay ratios and five years performance overview

In line with good corporate governance practices regarding remuneration policies, Corbion measures on a yearly basis the internal pay ratios within the company. More specifically, Corbion has calculated the pay ratio of the Board of Management to the average company employee. For the Board of Management, the total remuneration cost (based on IFRS) is used (this is change as previously the paid compensation was used). The average remuneration of all Corbion employees is calculated as the total remuneration of all Corbion employees on IFRS basis (see Note 5 to the consolidated financial statements) divided by the average number of Corbion employees on an FTE basis. The average number of FTEs is calculated on a monthly basis. The average remuneration of all Corbion employees in 2019 amounted to € 81,934 (2018: € 77,185).

For Olivier Rigaud (who was appointed as CEO as of 8 August 2019), the pay ratio (based on his annualized remuneration) to the average employee is 16.6 and for the CFO it is 14.0 (2018: 10.2). For Tjerk de Ruiter (CEO until 8 August 2019) the pay ratio to the average employee is 30.1 (2018: 23.4). When applying the former calculation method (which was based on actual amounts paid to the Board of Management), the pay ratio for Tjerk de Ruiter would be 29.9 (2018: 61.7) and for the CFO 13.8 (2018: 17.4).

The overview below shows, for the last five financial years, the total remuneration (based on IFRS) of the former CEO (given that the current CEO only started in August, information regarding the former CEO is used) and CFO, the average remuneration of all Corbion employees, the internal pay ratios, and the EBITDA and EPS of Corbion.

Name, position	2015	2016	2017	2018	2019
T. de Ruiter, (Former) CEO (A)	2,285	2,280 (0%)	2,273 (0%)	1,805 (-21%)	2,470 (37%)
E.E. Rhede van der Kloot, CFO (B)	787	896 (14%)	989 (10%)	788 (-20%)	1,146 (45%)
Average salary employee (C)	84	85 (1%)	82 (-3%)	77 (-6%)	82 (6%)
Internal pay ratio (A/C)	27.3	26.9	27.6	23.4	30.1
Internal pay ratio (B/C)	9.4	10.6	12	10.2	14
Adjusted EBITDA	150.3	170.1 (13%)	164.1 (-4%)	131.6 (-20%)	145.9 (11%)
EPS	1.3	1.74 (35%)	1.46 (-16%)	0.93 (-36%)	0.44 (-53%)

Shares in the capital of the company

As at 31 December 2019, Corbion had a capital interest of 0.71%, amounting to 423,202 shares. In 2019, Corbion has neither issued new shares nor repurchased shares for the LTIP programs for the Board of Management and (senior) management and there are no intentions for that in 2020.

Share plans for employees

Corbion has an LTIP program for (senior) management, consisting of around 64 employees. The long-term incentive is measured over a performance period of three calendar years. The LTIP financial measurements are the same as for the Board of Management: EBITDA will account for 60% and EPS for 20% of the LTIP. In addition, 20% of the LTIP is determined by relative Total Shareholder Return (TSR) as compared to a specific TSR peer group. For certain groups of employees, 30% of the total LTIP is not performance related and is only restricted to continued employment for three years.

The number of conditionally granted but not yet vested shares as per 1 January 2019 for the employees jointly is as follows.

Specification of the plan	Shares awarded, not vested per 1 January 2019
LTIP 2016-2019	69,954
LTIP 2017-2020	77,819
LTIP 2018-2021	81,207

For the LTIP shares conditionally granted under the 2016-2019 plan to the employees jointly, an actual payout level of 61% has been achieved for the EBITDA target, 79% for EPS, and 100% for TSR as Corbion ranked 4th in the peer group. This has led to a total payout of 72.4% of the at-target LTIP for the employees jointly. As 30% of the total LTIP is not performance related and is only restricted to continued employment for three years, the actual payout for Senior Management is 80.7%. The number of vested shares received by the employees and Executive Committee members jointly is 53,972 representing a value of € 1,510,136 at the time of vesting (with a vesting price of € 27.98).

The number of performance shares conditionally granted to the employees jointly in 2019 (possible vesting in 2022) is 85,817 representing a value of € 2,262,136 at the time of the grant (with a grant price of € 26.36).

The overview below shows the number of conditionally granted but not yet vested shares as per 31 December 2019 for the employees jointly, the grant price of the granted shares, and the remaining vesting period.

Specification of the plan	Grant price	Shares awarded, not vested per 31 December 2019	Vesting date
LTIP 2017-2020	24.38	75,320	May 2020
LTIP 2018-2021	25.45	78,272	May 2021
LTIP 2019-2022	26.36	83,263	May 2022

Remuneration for the Supervisory Board

Total remuneration for members of the Supervisory Board in 2019 amounted to € 0.4. million (2018: € 0.4 million).

Each member of the Supervisory Board receives an annual base fee of € 50,000; the Vice-Chairman receives € 60,000 and the Chairman € 70,000.

For membership of the Audit Committee an additional fee of € 10,000 applies, and for the Chairman € 15,000. Members of the Appointment and Governance Committee, Remuneration Committee, or Science and Technology Committee receive an additional € 7,000 in fee; the fee for the Chairman of these committees amounts to € 9,000. In addition, members receive reimbursement of expenses.

Breakdown remuneration Supervisory Board				
	IAS 24.17 category	**Short-term employee benefits *)**		**Total**
Thousands of euros	**Year**	**Base fee**	**Committee fee**	
M.F.J.P. Vrijsen, Chairman (Chairman Appointment and Governance Committee / member Remuneration Committee / member Science and Technology Committee)	2019	70	23	**93**
	2018	70	23	**93**
R.H.P. Markham, Vice-Chairman (Chairman Remuneration Committee / member Appointment and Governance Committee)	2019	60	16	**76**
	2018	60	16	**76**
M.E. Doherty (member Audit Committee)	2019	50	10	**60**
	2018	50	10	**60**
J.P. de Kreij (Chairman Audit Committee)	2019	50	15	**65**
	2018	50	15	**65**
S. Riisgaard (Chairman Science and Technology Committee / member Remuneration Committee / member Appointment and Governance Committee)	2019	50	23	**73**
	2018	50	23	**73**
	Total 2019	**280**	**87**	**367**
	Total 2018	**280**	**87**	**367**

Members of the Supervisory Board are neither entitled to variable remuneration nor to shares in the company or any option rights relating thereto. The total remuneration for each (former) member of the Supervisory Board complies with the remuneration policy for the Supervisory Board, as it fits within the boundaries of this policy and no deviations from this policy have been applied. Members of the Supervisory Board are on the payroll of Corbion nv.; they did not receive remuneration from a subsidiary or another company whose financials are consolidated by Corbion nv. Corbion does not grant loans, advances, or guarantees to members of the Supervisory Board.

CARE-DRIVEN INNOVATION

Care

Corbion employees truly care about the impact of their work in people's lives. That drives them to keep finding new ways to leverage our highly specialized core competencies

Since the 1960s, Corbion has steadily grown its expertise in polymerization and purification, applying it in the production of patient-friendly biomedical applications. As our knowledge has deepened over time, the benefits we deliver to patients and health care systems have taken on entirely new dimensions.

It began with sutures. Creating resorbable polymers delivered as mono- or multi-filaments enabled surgeons to close wounds with material that would gradually be absorbed by the body without the added step of suture removal after healing. That business has grown increasingly sophisticated in terms of product offerings and processing technique options.
In the 1980s, our ability to fine-tune the building blocks of various PURASORB® polymers led to the creation of controlled release drug delivery systems that enable consistent, appropriate dosage over days, weeks, or months through an implant or a single injection.

"Over time, the medical industry has come to recognize and value our degree of expertise in this area," says Menno Lammers, Vice-President of Medical Biomaterials. "We are known as a trusted collaborator committed to delivering the highest quality products."

New capabilities

For years now, Corbion has produced the resorbable polymers to make biodegradable screws, pins, and plates used by surgeons to immobilize bone fractures. While the implants stay in place long enough for bone tissue regeneration to take place and healing to occur, they slowly break down and are absorbed by the body, eliminating a second surgical procedure to remove the devices.

Such Corbion products have helped countless patients heal with fewer invasive procedures and reduced trauma. But their relatively low inherent strength and minimal load-bearing capacity has limited the scope of their use to small bone fractures and special cases where patients could go for an extended period of time without standing.

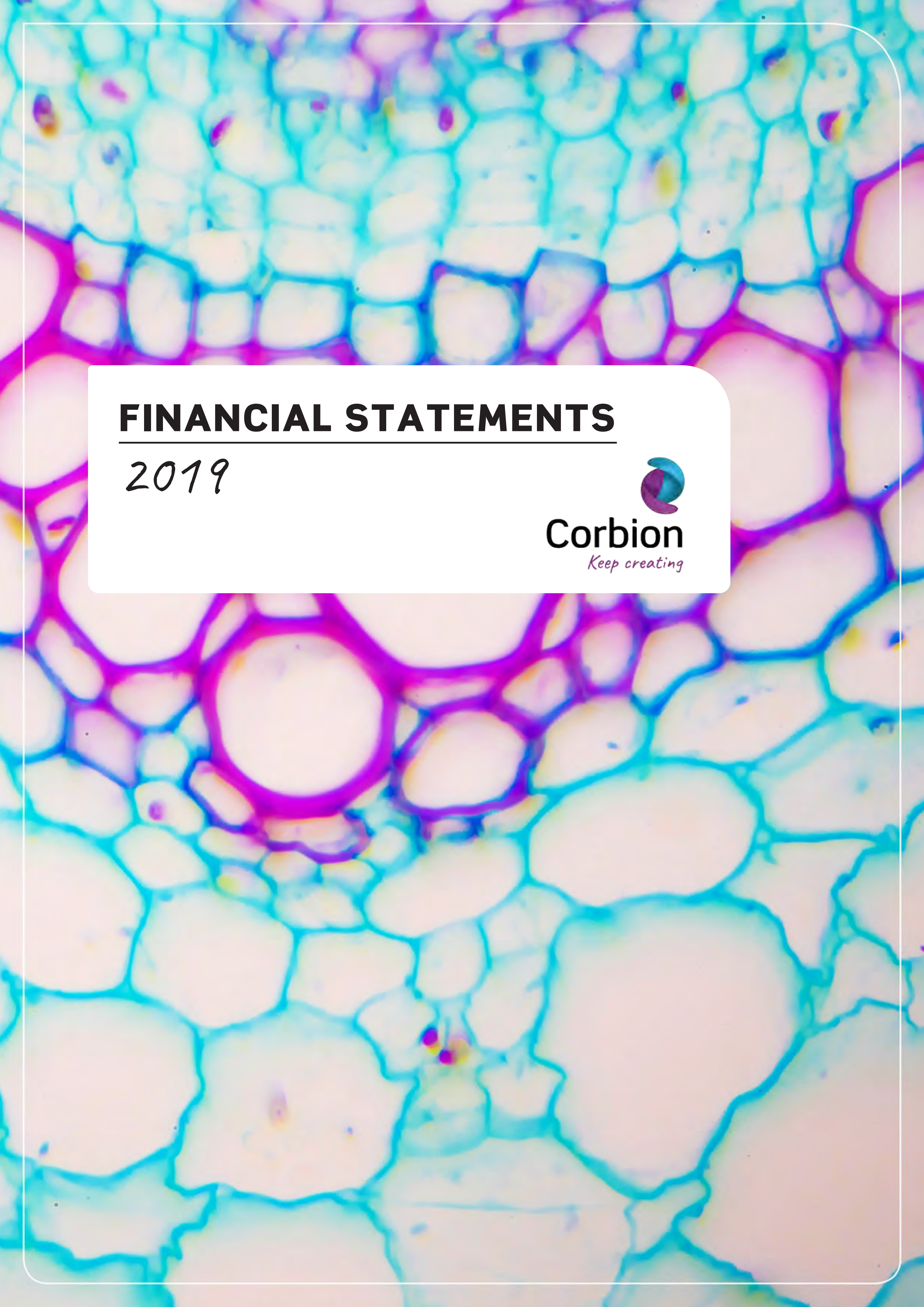
The application scope will soon become largely extended, when we bring to market FiberLive®, a patented composite material combining resorbable glass fibers with resorbable polymers and a coupling agent to form the strongest fully resorbable material ever made. Like our other resorbable implant materials, the FiberLive® composite degrades as new bone tissue develops, but initially, it provides load-bearing strength up to six times greater than cortical bone, which is comparable to the strength of metal. Patients will not only avoid secondary surgeries to remove implants, they will also be back on their feet much sooner.

Benefits all around

Faster healing, consistently delivered medication, fewer complications, less trauma – all contribute to a better health care experience for medical patients, thanks to Corbion expertise. But patients aren't the only ones who benefit from our technology.

The overall health care system realizes cost savings by reducing the number of surgical procedures required. Prescription drugs are used more efficiently and accurately. Patient outcomes are improved by enabling precision care. Our customers – medical device manufacturers – are able to deliver greater, cost-saving value, and improved results to their customers. All of these benefits grew out of a single area of expertise and a shared desire to make a difference.

"It is amazing how far caring and a really strong core competency can take you," Menno says, "when you keep using it to invent, create, and discover new value."



FINANCIAL STATEMENTS

2019

Corbion

Keep creating

CONTENTS

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated income statement

Millions of euros	*Note*	2019	2018
Net sales	*4*	976.4	897.2
Costs of raw materials and consumables		-484.7	-442.6
Production costs		-196.8	-141.6
Warehousing and distribution costs		-61.2	-55.0
Cost of sales		**-742.7**	**-639.2**
Gross profit		**233.7**	**258.0**
Selling expenses		-67.9	-61.4
Research and development costs		-48.1	-40.0
General and administrative expenses		-79.1	-69.3
Other proceeds	*3*	22.7	0.6
Operating result		**61.3**	**87.9**
Financial income	*7*	3.8	3.6
Financial charges	*7*	-18.4	-16.8
Results from joint ventures and associates	*13*	-2.0	-4.9
Result before taxes		**44.7**	**69.8**
Income tax expense	*8*	-18.9	-15.5
Result after taxes		**25.8**	**54.3**
Result attributable to non-controlling interests			
Result attributable to equity holders of Corbion nv		**25.8**	**54.3**
Per ordinary share in euros	*9*		
Basic earnings		0.44	0.93
Diluted earnings		0.43	0.92

Consolidated statement of comprehensive income

Millions of euros	*Note*	2019	2018
Result after taxes		**25.8**	**54.3**
Other comprehensive results to be recycled to the income statement			
Foreign operations – foreign currency translation differences	*18*	17.2	16.6
Net investment hedge – net movement	*18*	-2.8	-5.5
Hedge reserve	*18*	5.3	-2.1
Taxes relating to other comprehensive results to be recycled to the income statement	*18*	-0.6	-0.1
Total other comprehensive results to be recycled to the income statement		**19.1**	**8.9**
Other comprehensive results not to be recycled to the income statement			
Remeasurement defined benefit arrangements	*20*	-6.2	1.0
Taxes relating to other comprehensive results not to be recycled to the income statement			-0.1
Total other comprehensive results not to be recycled to the income statement		**-6.2**	**0.9**
Total comprehensive result after taxes		**38.7**	**64.1**
Comprehensive result attributable to non-controlling interests			
Comprehensive result attributable to equity holders of Corbion nv		**38.7**	**64.1**

Consolidated statement of financial position

Before profit appropriation, millions of euros	*Note*	As at 31-12-2019	As at 31-12-2018
Assets			
Property, plant, and equipment	*10*	368.2	368.9
Right-of-use assets	*11*	64.8	
Intangible fixed assets	*12*	172.9	139.2
Investments in joint ventures and associates	*13*	16.6	18.7
Long-term employee benefits	*20*	18.2	4.5
Other non-current financial assets	*14*	67.2	62.3
Deferred tax assets	*21*	10.7	22.6
Total non-current assets		**718.6**	**616.2**
Inventories	*15*	163.2	152.7
Trade receivables	*16*	124.2	119.6
Other receivables	*16*	37.3	20.9
Income tax receivables		2.1	9.3
Cash and cash equivalents	*17*	45.7	47.1
Total current assets		**372.5**	**349.6**
Total assets		**1,091.1**	**965.8**
Equity and liabilities			
Equity	*18*	**529.1**	**520.2**
Borrowings	*22*	113.0	133.0
Lease liabilities	*11*	55.9	1.1
Long-term employee benefits	*20*	7.9	7.6
Deferred tax liabilities	*21*	13.4	17.0
Other non-current liabilities	*23*	24.1	26.9
Total non-current liabilities		**214.3**	**185.6**
Borrowings	*22*	169.8	116.2
Lease liabilities	*11*	10.3	0.1
Provisions	*19*	6.2	3.5
Income tax payables		4.3	3.2
Trade payables		94.3	87.8
Other current liabilities	*24*	62.8	49.2
Total current liabilities		**347.7**	**260.0**
Total equity and liabilities		**1,091.1**	**965.8**

Consolidated statement of changes in equity

Before profit appropriation, millions of euros	*Note*	Share capital	Share premium reserve	Other reserves	Retained earnings	Total
As at 1 January 2018		**14.8**	**55.2**	**64.3**	**355.0**	**489.3**
Result after taxes 2018					54.3	54.3
Other comprehensive result after taxes 2018				8.9	0.9	9.8
Total comprehensive result after taxes 2018				**8.9**	**55.2**	**64.1**
Cash dividend					-32.9	-32.9
Share-based remuneration transfers	*28*			-4.0	2.1	-1.9
Share-based remuneration charged to result	*28*			1.6		1.6
Transfers to/from Other reserves	*18*			0.2	-0.2	
Total transactions with shareholders				**-2.2**	**-31.0**	**-33.2**
As at 31 December 2018		**14.8**	**55.2**	**71.0**	**379.2**	**520.2**
Result after taxes 2019					25.8	25.8
Other comprehensive result after taxes 2019				19.1	-6.2	12.9
Total comprehensive result after taxes 2019				**19.1**	**19.6**	**38.7**
Cash dividend					-32.9	-32.9
Share-based remuneration transfers	*28*			-1.9	1.0	-0.9
Share-based remuneration charged to result	*28*			4.0		4.0
Transfers to/from Other reserves	*18*			-0.1	0.1	
Total transactions with shareholders				**2.0**	**-31.8**	**-29.8**
As at 31 December 2019		**14.8**	**55.2**	**92.1**	**367.0**	**529.1**

Consolidated statement of cash flows

Millions of euros	*Note*	2019	2018
Cash flow from operating activities			
Result after taxes		25.8	54.3
Adjusted for:			
• Depreciation/amortization of (in)tangible fixed assets	*6*	61.5	42.0
• Reversal of impairment of property, plant, and equipment	*10*		-0.4
• Impairment of fixed assets	*10/12*	41.5	
• Result from divestments of fixed assets		0.2	-0.1
• Result from past service gain due to change in indexation CSM UK pension scheme		-8.0	
• Reversal contingent liability		-14.8	
• Share-based remuneration		4.0	1.6
• Financial income and charges	*7*	14.6	13.2
• Results from joint ventures and associates	*13*	2.0	4.9
• Taxes	*8*	18.9	15.5
Cash flow from operating activities before movements in working capital and provisions		**145.7**	**131.0**
Movement in provisions		-8.5	-2.1
Movements in operating working capital:			
• Trade receivables		-2.6	-7.2
• Inventories		-3.5	-15.2
• Trade payables		4.9	9.5
Movements in other working capital		-8.1	1.1
Cash flow from business operations		**127.9**	**117.1**
Interest received		0.5	0.7
Interest paid		-10.0	-8.7
Tax paid on profit		-4.0	-9.6
Cash flow from operating activities		**114.4**	**99.5**
Cash flow from investment activities			
Acquisition of group companies	*25*	-28.5	0.5
Investment joint ventures and associates		-0.9	-16.1
Dividends received from joint ventures and associates		1.3	
Investment other financial assets		-6.2	-37.0
Repayment other financial assets		5.7	23.8
Capital expenditure on (in)tangible fixed assets		-76.2	-60.1
Divestment of (in)tangible fixed assets			1.3
Cash flow from investment activities		**-104.8**	**-87.6**
Cash flow from financing activities			
Proceeds from interest-bearing debts		40.0	41.0
Repayment of interest-bearing debts		-9.6	-12.4
Payment of lease liabilities		-9.5	
Paid-out dividend		-32.9	-32.9
Cash flow from financing activities		**-12.0**	**-4.3**
Net cash flow		**-2.4**	**7.6**
Effects of exchange rate differences on cash and cash equivalents		1.0	1.4
Increase/(decrease) cash and cash equivalents		**-1.4**	**9.0**
Cash and cash equivalents at start of financial year		47.1	38.1
Cash and cash equivalents at close of financial year	*17*	45.7	47.1

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Accounting information

General

Corbion is the global market leader in lactic acid and lactic acid derivatives, and a leading company in emulsifiers, functional enzyme blends, minerals, vitamins, and algae ingredients. The company delivers high-performance sustainable ingredient solutions made from renewable resources and applied in global markets such as food, home & personal care, animal nutrition, pharmaceuticals, medical devices, and bioplastics. Its products add differentiating functionality to a wide variety of consumer products worldwide.

Corbion is based in Amsterdam, the Netherlands and listed on Euronext Amsterdam.

These consolidated financial statements cover the year 2019, which ended at the balance sheet date of 31 December 2019. The consolidated financial statements drawn up by the Board of Management have been approved by the Supervisory Board on 6 March 2020. They will be presented to the annual General Meeting of Shareholders for adoption on 11 May 2020. The Supervisory Board will give a preliminary recommendation regarding the consolidated financial statements to the annual General Meeting of Shareholders.

Reported amounts

Unless stated otherwise all amounts in the financial statements are reported in millions of euros.

Exchange rates of main currencies in euros

	Average exchange rate 2019	Average exchange rate 2018	Exchange rate 31-12-2019	Exchange rate 31-12-2018
US dollar	1.12	1.18	1.12	1.15
Japanese yen	122.02	130.40	122.19	125.85
Brazilian real	4.42	4.31	4.51	4.44
Thai baht	34.76	38.16	33.47	37.05

2. Accounting principles

Basis of preparation

The consolidated financial statements of Corbion nv have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union.

New and amended standards adopted by the group

In 2019, Corbion applied all the new and amended standards and interpretations published by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC), if and insofar as these applied to Corbion and were effective as at 1 January 2019.

The main effective change applied by Corbion at 1 January 2019 is:

- IFRS 16 Leases

IFRS 16, published in January 2016, establishes a revised framework for determining whether a lease is recognized on the (consolidated) statement of financial position. It replaces existing guidance on leases, including IAS 17. IFRS 16 is effective from 1 January 2019. It sets out the principles for the recognition, measurement, presentation, and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17.

From a lessee perspective, at the commencement date of a lease, a lessee will recognize a liability to make lease payments ("lease liability") and an asset representing the right to use the underlying asset during the lease term ("right-of-use asset"). Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events (such as a change in the lease term or lease payments). The amount of the remeasurement of the lease liability is recognized as an adjustment to the right-of-use asset. Corbion applies IFRS 16 as of 1 January 2019 using the modified retrospective transition approach. As a result, IFRS does not require restated comparative figures to be presented.

On adoption of IFRS 16, the group recognized lease liabilities in relation to leases which had previously been classified as "operating leases" under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The lessee's weighted average incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 3.7%.

Minimum lease payments under operating leases as of 31 December 2018	31.9
Relief options:	
for leases of low-value assets	-0.4
for short-term leases	-0.6
Operating lease obligations as of 1/1/2019 (undiscounted)	**30.9**
Operating lease obligations as of 1/1/2019 (discounted)	**28.4**
Liabilities from finance leases as of 31 December 2018	1.2
Lease liabilities recognized as at 1 January 2019	**29.6**
The recognized right-of-use assets relate to the following type of assets.	
Land	0.2
Buildings	22.8
Machinery and equipment	1.4
Other assets	5.2
	29.6

Accounting standards and interpretations not yet adopted

A number of new standards are effective for annual periods beginning on or after 1 January 2019 and earlier application is permitted; however, Corbion has not yet adopted the new or amended standards in preparing these consolidated financial statements.

The following amended standards and interpretations are not expected to have a significant impact on Corbion's consolidated financial statements.

- Amendments to References to Conceptual Frameworks in IFRS standards
- Definition of a Business (Amendments to IFRS 3)
- Definition of Material (Amendments to IAS 1 and IAS 8)
- IFRS 17 Insurance Contracts

Consolidation

The consolidation includes the financial data of Corbion nv and its group companies (together "Corbion"). All inter-company receivables, debts, and transactions have been eliminated. Group companies are companies in which Corbion nv exercises control. The results of acquisitions and divestments are recognized from the moment that control is obtained or transferred.

Control is achieved when Corbion:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- is able to use its power to affect the investee's returns.

Corbion reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When Corbion loses control over a group company, it derecognizes the assets and liabilities of the group company, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former group company is measured at fair value when control is lost.

Foreign currency

The consolidated financial statements are in euros. The euro is Corbion nv's functional and presentation currency. The functional currency is the currency of the primary environment where the group company operates and may therefore differ from one company to another. Transactions in other than the functional currency are translated at the exchange rates that apply on the transaction date. Any monetary assets and liabilities resulting from such transactions are translated at the exchange rates as at the balance sheet date. Any exchange rate differences are recognized in the income statement, except when deferred in other comprehensive income (OCI) as qualifying cash flow hedges and net investment hedges.

The assets and liabilities of consolidated foreign group companies and the long-term foreign-currency loans, which have been taken out to finance these subsidiaries, are converted to euros as at the balance sheet date, taking taxes into account. The subsequent currency translation differences are incorporated in the translation reserve in equity. The results of the foreign group companies are translated to euros on the basis of average exchange rates. The difference between net profit on the basis of average exchange rates and net profit on the basis of the exchange rates as at the balance sheet date is incorporated in the translation reserve in equity. The same applies to exchange rate differences arising from borrowings and other financial instruments if they hedge the currency risk related to net investments. If a foreign operation is divested or scaled down the associated cumulative currency translation differences are recognized as result in the income statement.

Property, plant, and equipment

Land, buildings, machinery and equipment, and other operating assets are valued at the acquisition price or the cost of production, subject to straight-line depreciation calculated over the estimated economic life, the estimated residual value, and any accumulated impairment losses. The cost of production includes the cost of materials and direct labor and an attributable part of the indirect costs. Land is not depreciated. Grants are deducted from the acquisition price or the production costs of the assets to which the grant relates. Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to Corbion. Depreciation methods, useful lives, and residual values are reviewed at each reporting date and adjusted if appropriate.

Leased assets and liabilities

At inception of a contract, the group assesses whether a contract conveys the right to control the use of an identified asset for a period in exchange for consideration, in which case it is classified as a lease.

The group recognizes a right-of-use asset (lease asset) and a lease liability at the lease commencement date. The asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to restore the underlying asset, less any lease incentives received.

The lease asset is subsequently depreciated using the straight-line method from the commencement date to the end of the useful life of the right-of-use asset, considered to be indicated by the lease term. The lease asset is periodically adjusted for certain remeasurements of the lease liability and impairment losses (if any).

The lease liability is initially measured at the present value of outstanding lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the group's incremental borrowing rate. Generally, Corbion uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortized cost using the effective interest method and is remeasured when there is a change in future lease payments arising from a change in an index or rate or if the group changes its assessment of whether it will exercise a purchase, extension, or termination option. A corresponding adjustment is made to the carrying amount of the right-of-use asset with any excess over the carrying amount of the asset being recognized in profit or loss.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss.

Intangible fixed assets

Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed.

Goodwill is valued at cost less impairment. Goodwill is tested for impairment annually – or more often if there are indications for impairment. Impairment is the amount by which the book value of the goodwill of a cash-generating unit exceeds the recoverable amount, being the higher of (a) value in use and (b) fair value less cost to sell. The value in use is the present value of the cash flows which the unit is expected to generate. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. If impairment is incurred, the impairment is charged to the income statement. An impairment loss recognized for goodwill is not reversed in subsequent periods.

When an entity or activity is sold or closed down the goodwill allocated to the entity or activity is included in the calculations for the result of the sale.

Customer base

The customer base comprises the part of the paid acquisition sum which, upon acquisition, is allocated to the value of the acquired customer base. It is valued at fair value as at the acquisition date and amortized using a straight-line method over the estimated economic life. Amortization charges arising from the customer base are recognized in selling expenses.

Brands and licenses

Brands and licenses comprise the part of the paid acquisition sum which is allocated to the value of the acquired trademarks and product licenses. Brands and licenses are valued at fair value as at the acquisition date and subject to straight-line amortization calculated over the estimated economic life. Amortization charges arising from brands and licenses are recognized in selling expenses.

Research and development costs

Research and development costs comprise the part of the paid acquisition sum which is allocated to the value of the acquired research and development costs. These costs are valued at fair value as at the acquisition date. Own research costs are not capitalized, but charged to the income statement. Own development costs are capitalized if the appropriate criteria are met. Research and development costs are valued at cost and amortized using a straight-line method over the estimated economic life. Amortization charges arising from research and development costs are recognized in research and development costs.

Other intangible fixed assets

Other intangible fixed assets consist primarily of capitalized or acquired third-party software and licenses and directly attributable personnel costs.

Other intangible fixed assets are valued at historical cost if capitalized or at fair value if acquired and amortized on a straight-line basis over the estimated economic life. Software and licenses amortization charges are recognized in general and administrative expenses. Emission rights are not recognized in the statement of financial position as cost is zero.

Impairment of non-current assets other than goodwill

At each reporting date an assessment is made whether there is any indication that non-current assets may be impaired. If indicators of impairment exist, the recoverable amount of the asset is estimated.

If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the cash-generating unit to which it belongs is estimated. Irrespective of whether there is any indication of impairment, Corbion also tests an intangible asset with an indefinite useful life or an intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount.

The recoverable amount is the higher of an asset's fair value less cost to sell and the asset's value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognized in the income statement to the amount by which the asset's carrying amount exceeds its recoverable amount.

In subsequent years, an assessment is made whether indications exist that impairment losses previously recognized for non-current assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is recalculated and, if required, its carrying amount is increased to the revised recoverable amount. The increase is recognized in operating result as an impairment reversal. An impairment reversal is recognized only if it arises from a change in the assumptions that were used to calculate the recoverable amount. The increase in an asset's carrying amount due to an impairment reversal is limited to the depreciated amount that would have been recognized had the original impairment not occurred.

Investments in joint arrangements and associates

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has rather than the legal structure of the joint arrangement. Joint operations arise where Corbion has rights to the assets and obligations relating to the arrangement and therefore accounts for its share of assets, liabilities, revenue, and expenses. Joint ventures arise where Corbion has rights to the net assets of the arrangement and therefore equity accounts for its interest.

Associates are entities over which Corbion has significant influence but not control, generally involving a shareholding of between 20% and 50% of the voting rights. Significant influence is the power to participate in the financial and operating policy decisions of the entity but is not control or joint control over those policies. Associates are accounted for using the equity method.

Under the equity method, investments in joint ventures and associates are measured initially at cost and subsequently adjusted for post-acquisition changes in Corbion's share of the net assets of the investment (net of any accumulated impairment in the value of individual investments). Where necessary, adjustments are made to the financial figures of joint ventures and associates for group reporting purposes to ensure consistency with the accounting policies of Corbion.

Unrealized gains on transactions between Corbion and its joint ventures and associates are eliminated to the extent of Corbion's stake in these investments. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the assets transferred.

Deferred taxes

Deferred taxes concern tax loss carry forward and liabilities and assets arising from temporary differences between the tax bases and their carrying amounts in the consolidated financial statements. Deferred taxes are determined using tax rates that have been enacted at the balance sheet date and are expected to apply when the related deferred income tax is realized or the deferred tax liability is settled. Deferred tax assets are recognized if and insofar that it is likely that future taxable profit will be available against which the temporary difference and tax loss carry forward can be utilized.

Tax assets and liabilities are netted when there is a legal right and the intention to offset. Deferred tax assets and liabilities with the same term and relating to the same fiscal unities and same tax authority are offset against each other.

Inventories

Inventories of raw materials, consumables, technical materials, and packaging are stated at the lower of cost (first in, first out) and net realizable value. Inventories of work in progress and finished products are stated at the lower of production cost and net realizable value. Total cost of production includes payroll costs and materials and an attributable part of the indirect production costs.

Financial instruments

Recognition and initial measurement

Trade receivables and debt securities issued are initially recognized upon origination. All other financial assets and financial liabilities are initially recognized when Corbion becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement of financial assets

On initial recognition, a financial asset is classified as measured at amortized cost, at fair value through other comprehensive income ("FVOCI") – debt investment, at FVOCI – equity investment, or at FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless Corbion changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model. A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
  A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, Corbion may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI (see above) are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses, and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses, and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and never reclassified to profit or loss.

Classification and subsequent measurement of financial liabilities
Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, if it is a derivative, or designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

Derecognition
Financial assets
Corbion derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the rights to receive the contractual cash flows in a transaction through which substantially all of the risks and rewards of ownership of the financial asset are transferred or through which Corbion neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

If, however, Corbion enters into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities
Corbion derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. Corbion also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

Offsetting
Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Derivative financial instruments and hedge accounting
Corbion holds derivative financial instruments to hedge its foreign currency and commodity risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

Corbion designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates, commodities, and certain non-derivative financial liabilities that hedge the foreign exchange risk associated with a net investment in a foreign operation.

At inception of designated hedging relationships, Corbion documents the risk management objective and strategy for undertaking the hedge. Corbion also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges
When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the hedge reserve in equity. The effective portion of changes in the fair value of the derivative that is recognized in other comprehensive income is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the hedge reserve and the cost of the hedge reserve are included directly in the initial cost of the non-financial item when it is recognized.

For all other hedged forecast transactions, the amount accumulated in the hedge reserve and the cost of the hedge reserve are reclassified to profit or loss for the period(s) in which the hedged expected future cash flows affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument expires, is sold, terminated, or exercised, hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedge reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss for the period(s) in which the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, the amounts that have been accumulated in the hedge reserve and the cost of the hedge reserve are immediately reclassified to profit or loss.

Net investment hedges
When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge for a net investment in a foreign operation, the effective portion, for a derivative, of changes in the fair value of the hedging instrument or, for a non-derivative, of foreign exchange gains and losses is recognized in other comprehensive income and presented in the translation reserve within equity. Any ineffective portion of the changes in the fair value of the derivative or foreign exchange gains and losses on the non-derivative is recognized immediately in profit or loss. The amount recognized in other comprehensive income is reclassified to profit or loss as a reclassification adjustment upon disposal of the foreign operation.

Equity
Incremental costs directly attributable to the issue of ordinary shares and share options are recognized as an equity deduction, net of tax. The price paid for repurchased shares (treasury shares) is deducted from equity until the shares are cancelled or reissued. Dividend to be distributed to the holders of ordinary shares is recognized as a liability upon approval of the profit appropriation by the annual General Meeting of Shareholders.

Corbion runs share plans for the Board of Management and Senior Management. The fair value of the right to shares on the date of allocation is recognized in the income statement as payroll costs over the vesting period of the awards with a corresponding increase in equity.

Pension and other post-employment benefits
Pension and early-retirement schemes
A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate pension plan or insurance company and will have no legal or constructive obligation to pay further amounts. Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurements, comprising actuarial gains and losses, the effect of changes to the asset ceiling (if applicable), and the return on plan assets (excluding interest), are reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past-service costs are recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- Service cost (including current-service cost, past-service cost, as well as gains and losses on curtailments and settlements)
- Net interest expense or income
- Remeasurements

The first two components of defined benefit costs are presented in profit or loss. Curtailment gains and losses are accounted for as past-service costs.

The retirement benefit obligation in the consolidated statement of financial position represents the actual deficit or surplus in the defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

Corbion accounts for its multi-employer defined benefit plan as if it were a defined contribution plan for the following reasons:

- Corbion is affiliated to an industry-wide pension fund and uses the pension scheme in common with other participating companies.
- Under the regulations of the pension plan, the only obligation these participating companies have towards the pension fund is to pay the annual premium liability. Participating companies are under no obligation whatsoever to pay off any deficits the pension plan may incur. Nor have they any claim to any potential surpluses.

Other long-term employee benefit commitments
The other long-term employee commitments relate mainly to anniversary commitments, past-service commitments, conditional incentive plans, and health insurance. These provisions are recognized on the basis of estimates that are consistent with the estimates used for the defined benefit obligations. However, all actuarial gains and losses are recognized in the income statement immediately.

Provisions

Provisions relate to a legal or constructive obligation as a result of a past event, the amount of which is uncertain but can be estimated reliably and of which it is more likely than not that an outflow of resources is required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flow at a pre-tax rate that reflects the current market assessments of time value of money and the risks specific to the liability. A provision for reorganization is recognized after Corbion has approved a detailed and formal restructuring plan and the restructuring has either commenced or been announced publicly. A provision for a legal claim is recognized if a reliable estimate can be made of the expected outcome of the claim, measuring the claim as a weighting of all possible outcomes against their probabilities. A provision for an onerous contract is recognized when the expected benefits to be derived from the contract are lower than the unavoidable costs of fulfilling its terms and conditions. Unless the possibility of an outflow of resources embodying economic benefits is remote, a contingent liability is disclosed at the balance sheet.

Liabilities

Interest-bearing liabilities are recognized initially at fair value and subsequently at amortized cost using the effective interest method. Upon sale or settlement of interest-bearing liabilities any profits or losses are directly recognized in the income statement.

Segment reporting

An operating segment is an entity that engages in business activities from which it earns revenues and incurs expenses. All operating segments are reviewed regularly by the Board of Management to make decisions about resources to be allocated to the segments and assess their performance for which discrete financial information is available.

Net sales

Net sales comprises the proceeds of goods delivered to third parties less discounts and value-added tax.

Revenue from the sale of goods in the normal course of business is recognized at a point in time when the performance obligation is met and based on the amount of the transaction price that is allocated to the performance obligation. The transaction price is the amount of the consideration to which the company expects to be entitled in exchange for transferring the promised goods to the customer. The consideration expected by the company may include fixed and/or variable amounts which can be impacted by sales returns, trade discounts, and volume rebates. Revenue from the sale of goods is recognized when control of the asset is transferred to the buyer and only when it is highly probable that a significant reversal of revenue will not occur as uncertainties related to a variable consideration have been resolved.

Costs of raw materials and consumables

Costs of raw materials and consumables relate to the cost of consumption of raw materials, consumables, and packaging materials.

Costs of raw materials and consumables are recognized in the income statement when the risks and rewards of ownership of the goods sold have been transferred to a party outside the group. These costs include the purchase price of all raw materials, consumables, and all directly attributable costs.

Production costs

Production costs are the costs relating to production operations.

Warehousing and distribution costs

Warehousing and distribution costs relate to the costs of warehousing and transport, including transport insurance.

Selling expenses

Selling expenses relate to the costs of marketing and sales.

General and administrative expenses

General and administrative expenses relate to the costs of administration, management, and IT.

Financial income and charges

Financial income comprises interest income on cash and cash equivalents and interest income on loans to other parties. Interest income is recognized in the period to which it relates, using the effective interest method.

Financial charges comprise interest expenses and exchange differences on borrowings, leases, impairments of available-for-sale assets, and other financial expenses. All borrowing costs are recognized in the income statement using the effective interest method.

Income taxes

Tax on the result is calculated on the basis of the result before taxes, taking account of untaxed profit elements, non- and part-deductible costs, and fiscal facilities. The prevailing nominal tax rates are applied. Non-recoverable withholding taxes on foreign dividends are taken into account.

Taxes in the income statement for the year comprise current and deferred taxes. Taxes are recognized in the income statement unless they relate to items directly recognized in equity or other comprehensive income. Current tax is the expected tax rate payable on the taxable income for the year, using statutory tax rates at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Cash flow statement

The consolidated cash flow statement is drawn up using the indirect method. The items in the consolidated income statement and consolidated statement of the financial position have been adjusted for changes that do not impact cash inflow and outflow in the reporting year. Cash flows in foreign currencies are translated to the functional currency at the average foreign exchange rates unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case cash flows are translated at the rate on the dates of the transactions.

Critical accounting estimates and judgments

Corbion makes use of accounting estimates and judgments. Described below are the estimates and judgments as at the balance sheet date that carry a substantial risk of a material adjustment to the book value of assets and liabilities in the next financial year.

Acquisitions

Corbion has a process in place to identify all assets and liabilities acquired, including intangible fixed assets. The judgments made in identifying all acquired assets, determining the estimated fair value assigned to each class of assets acquired and liabilities assumed, as well as asset lives, can materially impact the results of operations. Estimated fair values are based on information available around the acquisition date and on expectations and assumptions of anticipated discounted cash flows that have been assessed as reasonable by Corbion.

Goodwill impairment

Every year, Corbion tests the goodwill based on the higher of fair value less cost to sell and the value-in-use method. The value in use is calculated on the basis of estimates and judgments of the expected cash flows which are discounted on a WACC basis. For a description of the main estimates, valuation assumptions, and a sensitivity analysis of the applied assumptions see Note 12.

Valuation and impairment testing (in)tangible fixed assets
(In)tangible fixed assets are tested for sustained impairment if there is an indication of possible impairment, for intangible assets with indefinite useful lives or if an intangible asset is not yet available for use. A key factor is the recoverable amount which is calculated on the basis of estimates and assumptions of anticipated discounted cash flows, on the one hand, and an estimate of the fair value less cost to sell, on the other.

Pension and early-retirement schemes
Actuarial calculations are used to determine provisions for group personnel arrangements and net receivables or obligations from group pension plans. These calculations use assumptions in respect of future developments in salary, mortality, staff turnover, return on investments et cetera. Changes to these estimates and assumptions can lead to actuarial gains and losses which are recognized in the consolidated statement of comprehensive income. For more information on the applied assumptions see Note 20.

Taxes
Corbion is subject to various tax systems across the world. Estimates and judgments are used to determine the tax items in the financial statements. Interpretation differences in tax liabilities are also taken into account. For more information on taxes see Note 21.

3. Consolidated income statement adjustments

The adjusted consolidated income statement for financial years 2019 and 2018 (non-IFRS financial measures) can be presented as follows.

	2019			2018		
	Adjusted figures	Adjustments	IFRS figures	Adjusted figures	Adjustments	IFRS figures
Net sales	976.4		976.4	897.2		897.2
Costs of raw materials and consumables	-482.2	-2.5	-484.7	-442.0	-0.6	-442.6
Production costs	-160.7	-36.1	-196.8	-142.1	0.5	-141.6
Warehousing and distribution costs	-61.2		-61.2	-55.0		-55.0
Gross profit	**272.3**	**-38.6**	**233.7**	**258.1**	**-0.1**	**258.0**
Selling expenses	-67.4	-0.5	-67.9	-61.4		-61.4
Research and development costs	-40.6	-7.5	-48.1	-39.3	-0.7	-40.0
General and administrative expenses	-79.3	0.2	-79.1	-67.8	-1.5	-69.3
Other proceeds		22.7	22.7		0.6	0.6
Operating result	**85.0**	**-23.7**	**61.3**	**89.6**	**-1.7**	**87.9**
Less: depreciation/amortization/impairment (in)tangible fixed assets	60.9	42.1	103.0	42.0	-0.4	41.6
EBITDA	**145.9**	**18.4**	**164.3**	**131.6**	**-2.1**	**129.5**
Depreciation/amortization/impairment (in)tangible fixed assets	-60.9	-42.1	-103.0	-42.0	0.4	-41.6
Operating result	**85.0**	**-23.7**	**61.3**	**89.6**	**-1.7**	**87.9**
Financial income	3.8		3.8	3.6		3.6
Financial charges	-18.4		-18.4	-16.8		-16.8
Results from joint ventures and associates	-2.0		-2.0	-11.7	6.8	-4.9
Result before taxes	**68.4**	**-23.7**	**44.7**	**64.7**	**5.1**	**69.8**
Taxes	-22.4	3.5	-18.9	-15.6	0.1	-15.5
Result after taxes	**46.0**	**-20.2**	**25.8**	**49.1**	**5.2**	**54.3**

Adjustments relate to material items in the income statement of such size, nature, or incidence that, in the opinion of management, require disclosure. These items include amongst others write-downs of inventories to net realizable value, reversals of write-downs, impairments, reversals of impairments, additions to and releases from provisions for restructuring and reorganization, results on assets sold, gains on the sale of subsidiaries, joint ventures and associates, and any other provision being formed or released. The group only makes adjustments for items when the aggregate amount of the events per line item of the income statement exceeds a threshold of € 0.5 million.

In 2019, total adjustments of € 20.2 million were recorded, consisting of the following components:

1. Loss of € 41.4 million related to an impairment in our Algae business.
2. Gain of € 14.7 million related to a remeasurement of the anticipated contingent purchase price of SB Renewable Oils.
3. Gain of € 7.9 million as a result of a past service gain due to change in indexation CSM UK pension scheme.
4. Gain of € 3.5 million as a result of valuation of tax assets related to the acquisition of Granotec do Brazil.
5. Loss of € 2.9 million related to restructuring costs.
6. Loss of € 2.6 million related to a write-down of inventory in the US.
7. Loss of € 0.7 million related to relocation and impairment costs as a result of the new warehouse in the US.
8. Loss of € 1.0 million related to one-off bonusses.
9. Loss of € 0.7 million as a result of acquisition costs of Granotec do Brazil.
10. Loss of € 0.5 million related to legal costs.
11. Tax effects on the above of € 3.5 million.

In 2018, total adjustments of € 5.2 million were recorded, consisting of the following components:

1. Gain of € 9.6 million as a result of measuring at fair value the 50.1% equity interest in SB Renewable Oils held before the business combination.
2. Loss of € 2.7 million related to write-down of inventory in the SB Renewable Oils joint venture.
3. Loss of € 0.6 million related to write-down of inventory due to an incident in a third-party warehouse.
4. Loss of € 0.4 million as a result of acquisition costs of SB Renewable Oils.
5. Gain of € 0.6 million related to the sale of an unused piece of land in Italy.
6. Gain of € 0.4 million related to partial reversal of previously recorded impairment of the Kansas Avenue powder blending plant.
7. Loss of € 0.8 million related to a remeasurement of the anticipated contingent sales price of the subsidiary Total Corbion PLA (Thailand) Limited to the joint venture Total Corbion PLA bv.
8. Loss of € 0.7 million related to an onerous contract provision.
9. Loss of € 0.3 million due to restructuring provision.
10. Tax effects on the above of € 0.1 million.

4. Segment information

For its strategic decision-making process Corbion distinguishes between Ingredient Solutions and Innovation Platforms. For IFRS segmentation purposes Ingredient Solutions has been segmented into two further businesses, Food and Biochemicals.

In the Food segment, we are a global supplier of food ingredient solutions for leading food manufacturers. We strive to be the leader in keeping food tasty, fresh, and safe from date of production to day of consumption. With our proven food solutions, we enable our customers to make conscious choices that grow their business in a sustainable way, reducing food waste and creating affordable products (in the bakery, meat, beverage, confectionery, and dairy markets).

In the Biochemicals segment, the inherent safety, sustainability, and performance of our products is what sets us apart, driven by a passion for finding better solutions and new opportunities for our customers. Our continuous focus on sustainable practices, our use of renewable feedstocks, and our rich heritage in lactic acid form the foundation for our biochemical applications in a wide array of industries, encompassing (agro)chemicals, resin adhesives, electronic components, pharmaceuticals, home & personal care products, and animal health & nutrition. We are constantly exploring opportunities to bring the benefits of our products and solutions to our customer's applications.

Our Innovation Platforms business unit creates new business platforms to deliver long-term value, applying disruptive technologies built on decades of experience in fermentation and industrial-scale manufacturing. Collaborating with like-minded partners we support our customers to make conscious choices, so they can create better, more sustainable products, based on renewable resources. We believe in a circular economy, where our innovations can help improve quality of life – both today and for future generations. Total Corbion PLA bv, our 50/50 joint venture with Total for the production and marketing of poly lactic acid (PLA) polymers and lactide monomers for bioplastic solutions, is functionally part of Innovation Platforms. The business unit also comprises our Algae Ingredients business and our longer-term development programs such as FDCA, a biobased building block with unique properties in (bio)polymers and a potential replacement for purified terephthalic acid (PTA), our gypsum-free lactic acid production process, and use of alternative feedstocks such as agricultural residues, to make lactic acid.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Segment information by business area

	Food		Biochemicals		Ingredient Solutions [1]		Innovation Platforms		Corbion total operations	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Income statement information										
Net sales	685.8	623.4	223.9	225.0	909.7	848.4	66.7	48.8	976.4	897.2
Adjusted operating result	84.1	79.4	48.2	43.7	132.3	123.1	-47.3	-33.5	85.0	89.6
Adjustments to operating result	0.5	0.6	-1.1	-0.1	-0.6	0.5	24.3	-2.2	23.7	-1.7
Operating result	83.6	80.0	49.3	43.6	132.9	123.6	-71.6	-35.7	61.3	87.9
Alternative non-IFRS performance measures										
Adjusted EBITDA	119.5	105.3	60.4	55.5	179.9	160.8	-34.0	-29.2	145.9	131.6
Adjustments to EBITDA	0.2	0.2	1.1	-0.1	1.3	0.1	17.1	-2.2	18.4	-2.1
EBITDA	119.7	105.5	61.5	55.4	181.2	160.9	-16.9	-31.4	164.3	129.5
Ratios alternative non-IFRS performance measures										
EBITDA margin %	17.5	16.9	27.5	24.6	19.9	19.0	-25.3	-64.3	16.8	14.4
Adjusted EBITDA margin %	17.4	16.9	27.0	24.7	19.8	19.0	-51.0	-59.8	14.9	14.7

1 *Includes Food and Biochemicals segments*

Corbion generates almost all of its revenues from the sale of goods.

Information on the use of alternative non-IFRS performance measures

In the above table and elsewhere in the financial statements a number of non-IFRS performance measures are presented. Management is of the opinion that these so-called alternative performance measures might be useful for the readers of these financial statements. Corbion management uses these performance measures to make financial, operational, and strategic decisions and evaluate performance of the segments. The alternative performance measures can be calculated as follows:

- EBITDA is the operating result before depreciation, amortization, and impairment of (in)tangible fixed assets.
- EBITDA margin is EBITDA divided by net sales x 100.

Segment information by geographical region

	Net sales		Non-current assets	
	2019	2018	2019	2018
The Netherlands	109.0	101.9	175.2	166.4
Rest of Europe	67.1	69.2	23.1	22.0
North America	565.2	529.7	248.2	201.5
Other countries	235.1	196.4	176.0	136.9
Corbion total operations	**976.4**	**897.2**	**622.5**	**526.8**

The above information is based on the geographical location of the assets. Non-current assets exclude those relating to financial instruments, deferred tax assets, and post-employment benefit assets.

5. Payroll and social insurance

	2019	2018
Payroll	145.2	127.6
Pension expenses – defined benefit pension plans	-7.2	0.5
Pension expenses – defined contribution pension plans	9.9	8.4
Other social insurance	15.9	13.8
Share-based remuneration	4.0	1.6
Total	**167.8**	**151.9**

6. Depreciation/amortization/ impairment of (in)tangible fixed assets

	2019	2018
Depreciation of property, plant, and equipment	53.3	35.8
Amortization of intangible fixed assets	8.2	6.2
Impairment of (in)tangible fixed assets	41.5	-0.4
Total	**103.0**	**41.6**

7. Financial income and charges

	2019	2018
Interest income	-3.4	-3.1
Interest charges	8.7	8.1
Exchange rate differences	4.0	3.1
Recycling of exchange rate differences from translation reserve		-0.3
Interest expense on defined benefit pension plans - net	-0.4	0.1
Unwinding of contingent consideration	4.1	4.5
Interest expense on lease liabilities	1.4	
Other	0.2	0.8
Total	**14.6**	**13.2**

8. Taxes

	2019	2018
Current tax	14.3	12.3
Current tax (previous year adjustments)	-2.0	-1.0
Deferred tax	6.6	4.2
Tax charge (income)	**18.9**	**15.5**

Reconciliation of result before taxes and tax charge

	2019	2018
Result before taxes	**44.7**	**69.8**
Applicable tax charge at average statutory tax rate	6.3	17.9
Income not subject to tax	-6.7	-3.4
Expenses not deductible for tax purposes	3.1	3.0
Effect of the reversal of tax assets	15.2	1.0
Currency effects	1.6	
Changes in tax rates		-0.1
Other effects	-0.6	-2.9
Tax charge (income)	**18.9**	**15.5**
Average tax rate on operations	**42.3%**	**22.2%**

The average statutory tax rate is the average of the statutory tax rates in the countries where Corbion operates, weighted on the basis of the result before taxes in each of these countries. The difference between these rates for 2019 (14.1%) and 2018 (25.6%) is caused by the 2019 impairment related to Brazil as this is a high-tax country (34% corporate tax rate).

The partial release of the contingent liability which was recorded as a result of the impairment resulted in income not subject to tax under the provisions of the participation exemption (impact € -3.7 million).

Expense not deductible for tax purposes consists of negative results of participations which are non-deductible under the participation exemption (impact € 1.6 million) as well as the effect of non-deductible costs in multiple jurisdictions (impact € 1.5 million).

The effective tax rate is impacted significantly by the impairment in Brazil as no deferred tax asset has been recognized for the resulting deductible temporary difference (impact € 12.0 million). In addition, minimal deferred tax asset has been recognized for the tax losses incurred in 2019 in Brazil (impact € 2.1 million).

The impact of currency effects (€ 1.6 million) is caused by reporting entities which have a tax reporting currency which deviates from their functional currency. Other effects include adjustments in respect of current year events and the impact of changes to relevant regulations, facts, or other factors compared to those used in establishing the current tax position or deferred tax balance in previous years (impact € -0.6 million).

The realization of deferred tax assets depends on the expected future profitability. Deferred tax assets are not recognized if it is not probable that a tax benefit can be realized.

Breakdown of the tax charge recognized in equity

	2019	2018
Tax liability due to loan-related exchange rate differences	-0.7	0.6
Tax liability due to hedge results of financial instruments	1.3	-0.5
Tax charge due to remeasurement of defined benefit obligation		0.1
Tax charge (income) recognized in equity	**0.6**	**0.2**

9. Earnings per ordinary share

Earnings per ordinary share are calculated by dividing the profit available for holders of ordinary shares by the weighted average number of outstanding ordinary shares in Corbion nv.

Diluted earnings per ordinary share are calculated by dividing the profit available for holders of ordinary shares by the weighted average number of outstanding ordinary shares in Corbion nv adjusted for the effects of potential exercise of share rights by the Board of Management and Senior Management.

	2019	2018
Result after taxes	**25.8**	**54.3**
Profit available for holders of ordinary shares (A)	**25.8**	**54.3**
Weighted average number of outstanding ordinary shares (B)	**58.8**	**58.7**
Plus: ordinary shares related to share rights	0.6	0.6
Weighted average number of outstanding ordinary shares after dilution (C)	**59.4**	**59.3**
Per ordinary share in euros		
Basic earnings (A/B)	0.44	0.93
Diluted earnings (A/C)	0.43	0.92

10. Property, plant, and equipment

	Land	Buildings	Machinery and equipment	Other fixed assets	Under construction	Total
1 January 2018						
Acquisition prices	17.4	159.8	570.6	51.1	26.2	825.1
Cumulative depreciation/impairments		-74.2	-435.0	-35.9		-545.1
Book value	**17.4**	**85.6**	**135.6**	**15.2**	**26.2**	**280.0**
Movements						
Capital expenditure			0.7	6.4	39.2	46.3
Divestments	-0.2	-0.9				-1.1
Exchange rate differences	0.6	2.8	1.9	-0.1	0.6	5.8
Acquisition of group companies	0.2	23.1	29.0	20.5	0.5	73.3
Depreciation		-6.8	-23.1	-5.9		-35.8
Impairment reversal		0.4				0.4
Other	0.1	4.9	22.1	2.8	-29.9	
Net movement in book value	**0.7**	**23.5**	**30.6**	**23.7**	**10.4**	**88.9**
31 December 2018						
Acquisition prices	18.1	181.3	621.2	69.9	36.6	927.1
Cumulative depreciation/impairments		-72.2	-455.0	-31.0		-558.2
Book value	**18.1**	**109.1**	**166.2**	**38.9**	**36.6**	**368.9**
Movements						
Capital expenditure			1.2	0.8	65.2	67.2
Divestments					-0.2	-0.2
Exchange rate differences	1.1	3.6	2.1		1.6	8.4
Acquisition of group companies	1.0	5.4	1.9	0.1		8.4
Depreciation		-7.3	-27.3	-7.8		-42.4
Impairment			-35.4	-5.6		-41.0
Other	-0.2	2.8	35.9	4.8	-44.4	-1.1
Net movement in book value	**1.9**	**4.5**	**-21.6**	**-7.7**	**22.2**	**-0.7**
31 December 2019						
Acquisition prices	20.0	195.2	669.0	71.6	58.8	1,014.6
Cumulative depreciation/impairments		-81.6	-524.4	-40.4		-646.4
Book value	**20.0**	**113.6**	**144.6**	**31.2**	**58.8**	**368.2**
Depreciation rates		2.5 - 4%	6.7-12.5%	20-50%		

In 2019 the following impairment was recorded:
A partial impairment of € 41.0 million (recorded partly in the Machinery and equipment category and partly in the other fixed assets category) related to our Algae business (part of the Innovation platforms segment) on our Brazil and US based tangible fixed assets based on a reassessment of volume development and timing due to slower than expected Algae ingredients market. The impairment has been recorded on the income statement line items 'Production' (€ 35.0 million) and 'Research and development costs' (€ 6.0 million).
The pre-tax discount rate used for the Brazil based assets is 16.3% (post-tax 12.6%). A terminal

growth rate of 1.8% has been applied. The recoverable amount estimate (based on value in use) of the projected cash flows underlying the impairment calculation amounts to € 46.4 million and is sensitive to various assumptions, especially the volume and price development. The recoverable amount of the US based assets was valued on market data and fair value less cost of disposal reports from external valuators and amounts to € 9.0 million.

In 2018, no impairment was recorded. An impairment reversal of € 0.4 million was recorded related to the sale of the Kansas Avenue powder blending plant.

The Other category relates to transfer of leased assets from Property, plant and equipment to right-of-use assets as a result of the implemenation of IFRS 16. It also relates to transfers from Under construction to other categories within Property, plant, and equipment.

11. Leases

Right-of-use assets

	Land	Buildings	Machinery and equipment	Other fixed assets	Total
Book value 1 January 2019					
Recognition of right-of-use assets on initial application of IFRS 16	0.2	22.8	1.4	5.2	29.6
Additions		43.1		2.5	45.6
Exchange rate differences		0.2		0.2	0.4
Acquisition of group companies				0.1	0.1
Depreciation		-7.8	-0.8	-2.3	-10.9
Net movement in book value	**0.2**	**58.3**	**0.6**	**5.7**	**64.8**
Book value 31 December 2019	**0.2**	**58.3**	**0.6**	**5.7**	**64.8**

Lease liabilities

The maturity of the lease liabilities is as follows.

	As at 31-12-2019	As at 31-12-2018
Current	10.3	0.1
Non-current	55.9	1.1
Total lease liabilities	**66.2**	**1.2**

The comparative 2018 lease liabilities comprise finance lease liabilities accounted for under the IAS 17 lease accounting standard.

Corbion's main leases are contracts for office locations, warehouses, and leased vehicles (the main category in Other fixed assets). Some property leases contain extension options exercisable by Corbion. Corbion assesses at the lease commencement date whether it is reasonably certain that the extension options will be exercised. Corbion reassesses whether it is reasonably certain that the extension options will be exercised if there is a significant event or significant change in circumstances within its control. As at 31 December 2019, potential future cash outflows of € 70.5 million (undiscounted) have not been included in the lease liability because it is not reasonably certain that the leases will be extended. Lease payments are in substance fixed and the group had no leases with variable lease payments.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security, and conditions.

12. Intangible fixed assets

	Goodwill	Customer base	Brands and licenses	Development costs	Other intangible fixed assets	Total
1 January 2018						
Acquisition prices	61.7	17.5	33.5	52.1	34.8	199.6
Cumulative amortization/impairments	-2.9	-11.9	-7.5	-20.7	-26.3	-69.3
Book value	**58.8**	**5.6**	**26.0**	**31.4**	**8.5**	**130.3**
Movements						
Capital expenditure				1.9	10.2	12.1
Acquisition of group companies					0.1	0.1
Exchange rate differences	2.5	0.1	0.2	0.1		2.9
Amortization		-2.0	-0.5	-1.8	-1.9	-6.2
Net movement in book value	**2.5**	**-1.9**	**-0.3**	**0.2**	**8.4**	**8.9**
31 December 2018						
Acquisition prices	64.4	18.0	33.9	54.1	45.4	215.8
Cumulative amortization/impairments	-3.1	-14.3	-8.2	-22.5	-28.5	-76.6
Book value	**61.3**	**3.7**	**25.7**	**31.6**	**16.9**	**139.2**
Movements						
Capital expenditure				2.4	12.9	15.3
Acquisition of group companies	18.4	8.0				26.4
Exchange rate differences	0.7	-0.2			0.1	0.6
Amortization		-2.7	-0.5	-2.1	-2.9	-8.2
Impairment				-0.4		-0.4
Net movement in book value	**19.1**	**5.1**	**-0.5**	**-0.1**	**10.1**	**33.7**
31 December 2019						
Acquisition prices	83.8	26.0	34.1	56.5	52.3	252.7
Cumulative amortization/impairments	-3.4	-17.2	-8.9	-25.0	-25.3	-79.8
Book value	**80.4**	**8.8**	**25.2**	**31.5**	**27.0**	**172.9**
Amortization rates		7 - 20%	5 - 10%	5 - 33.3%	33.3%	

Goodwill impairment test

Goodwill is allocated to Corbion's cash generating units identified as the operating segments. The Food and Biochemicals operating segments represent the levels to which company goodwill is allocated for the purposes of impairment testing. The Innovation Platforms unit does not contain any goodwill.

Key reasons for this approach are:
- It represents a non-arbitrary, reasonable, and consistent basis for the allocation of goodwill.
- The allocation is in line with the expected synergies at the time of an acquisition with benefits for more than one entity.
- The allocation represents the lowest level where goodwill is monitored by the Board of Management, while not being larger than the operating segments.

Breakdown of the book value of the goodwill by segment

	As at 31-12-2019	As at 31-12-2018
Food	78.2	59.1
Biochemicals	2.2	2.2
Total operations	**80.4**	**61.3**

The recoverable amount of both segments is determined using a value-in-use method. The main assumptions used are derived from the financial and business plans for 2020 which have been approved by the Board of Management. From 2021 onwards a stable growth of 1% is taken into account in combination with a relatively constant cost structure.

The future cash flows are discounted on the basis of the WACC before tax.

Overview of the WACC used

	As at 31-12-2019		As at 31-12-2018	
	pre-tax	post-tax	pre-tax	post-tax
Food	8.2%	6.6%	9.2%	7.1%
Biochemicals	8.5%	6.9%	9.3%	7.3%

In addition, sensitivity analyses have been carried out in respect of the assumptions using:
- A terminal value growth of 0%.
- A discount rate of +1%.

Both assumptions applicable at the same time would not lead to any impairment.

Given the above assumptions and the outcome of analyses, the Board of Management has concluded that the value in use of both segments is not lower than the book value of the segments including goodwill.

The majority of the brands and licenses consist of assets not yet available for use.

Impairment testing other intangible fixed assets
An impairment of € 0.4 million was recorded related to our Algae business (part of the Innovation platforms segment) on our US based development costs based on a reassessment of volume development and timing of the expected Algae related sales.

13. Investments in joint ventures and associates

	2019	2018
	Joint ventures	Joint ventures
Carrying amount of interests	16.6	18.7
Share of total profit and loss	-2.0	-4.9

14. Other non-current financial assets

	As at 31-12-2019	As at 31-12-2018
Contingent consideration receivable as a result of sale Total Corbion PLA (Thailand) Limited		6.1
Loans granted to joint venture Total Corbion PLA bv	62.1	55.7
Other	5.1	0.5
Total	**67.2**	**62.3**

The book value of the long-term receivables does not significantly deviate from the fair value.

15. Inventories

	As at 31-12-2019	As at 31-12-2018
Raw materials, consumables, technical materials, and packaging	43.6	38.5
Work in progress	8.7	11.9
Finished product	119.5	106.9
Impairment provision	-8.6	-4.6
Total	**163.2**	**152.7**

16. Receivables

	As at 31-12-2019	As at 31-12-2018
Trade receivables	125.5	121.1
Impairment provision	-1.3	-1.5
Total trade receivables	**124.2**	**119.6**
Other receivables	28.7	15.5
Derivatives	1.5	
Prepayments and accrued income	7.1	5.4
Total other receivables	**37.3**	**20.9**
Total receivables	**161.5**	**140.5**

The credit risk associated with trade receivables is managed by local finance managers. Periodically, each entity reports the expired credit terms and movements in the provisions for trade receivables to the Board of Management. The maximum credit risk in respect of trade receivables is € 125.5 million (2018: € 121.1 million).

Trade receivables are not interest-bearing and generally have an average term of credit of 30-90 days. The group applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables.

Breakdown of expired credit terms (net off impairment provision)

	Total	< 30 days	30-60 days	60-90 days	> 90 days
Food	13.1	10.5	1.5	0.5	0.6
Biochemicals	4.3	3.4	0.5	0.2	0.2
Innovation Platforms	1.2	1.0	0.1		0.1
Total	**18.6**	**14.9**	**2.1**	**0.7**	**0.9**

Movements in trade receivables impairment provision

	2019	2018
As at 1 January	-1.5	-1.7
Additions/releases	0.2	-0.1
Use		0.3
As at 31 December	**-1.3**	**-1.5**

The additions to/releases from the trade receivables impairment provision are recognized as selling expenses.

17. Cash and cash equivalents

	As at 31-12-2019	As at 31-12-2018
Cash and bank balances	45.7	47.1
Short-term deposits		
Total	**45.7**	**47.1**

18. Equity

Share capital

As at 31 December 2019, the authorized share capital totaled € 45.5 million, consisting of 182 million ordinary shares with a nominal value of € 0.25 each.

Movements in number of issued shares

	Ordinary shares
As at 1 January 2019	**59,242,792**
As at 31 December 2019	**59,242,792**

Movements in number of shares with dividend rights

	Ordinary shares
As at 1 January 2019	**58,764,635**
Share-based remuneration	54,955
As at 31 December 2019	**58,819,590**

Movements in treasury stock ordinary shares

	Number
As at 1 January 2019	**478,157**
Share-based remuneration	-54,955
As at 31 December 2019	**423,202**

As at 31 December 2019, Corbion had a treasury stock of 423,202 ordinary shares at its disposal with a nominal value of € 0.25 each (representing 0.71% of the total share capital issued). Treasury stock shares have no dividend rights.

Other reserves

	Movements in legal reserves				
	Translation reserve	Hedge reserve	Development costs	Share plan reserve	Total
As at 1 January 2018	**28.2**	**-0.9**	**31.4**	**5.6**	**64.3**
• Net investment hedge					
- Exchange rate differences foreign currency loan	-5.5				-5.5
- Tax effect	1.4				1.4
• Translation difference					
- Foreign group companies	16.6				16.6
- Tax effect	-2.0				-2.0
• Cash flow hedge					0.0
- Fluctuations in fair value derivatives		-2.1			-2.1
- Tax effect		0.5			0.5
• Share-based remuneration charged to result				1.6	1.6
• Share-based remuneration transfers				-4.0	-4.0
• Movement in capitalization of development costs			0.2		0.2
As at 31 December 2018	**38.7**	**-2.5**	**31.6**	**3.2**	**71.0**
• Net investment hedge					
- Exchange rate differences foreign currency loan	-2.8				-2.8
- Tax effect	0.7				0.7
• Translation difference					
- Foreign group companies	17.2				17.2
• Cash flow hedge					0.0
- Fluctuations in fair value derivatives		5.3			5.3
- Tax effect		-1.3			-1.3
• Share-based remuneration charged to result				4.0	4.0
• Share-based remuneration transfers				-1.9	-1.9
• Movement in capitalization of development costs			-0.1		-0.1
As at 31 December 2019	**53.8**	**1.5**	**31.5**	**5.3**	**92.1**

In specific circumstances legal reserves must be created in accordance with Part 9, Book 2 of the Dutch Civil Code. The legal reserves comprise the translation reserve, hedge reserve, and development cost reserve. In case a legal reserve has a negative value no payments can be made from the retained earnings up to the level of the negative value(s). The positive legal reserves as at 31 December 2019 amount to € 86.8 million.

A reserve for non-transferable profits is not applicable as Corbion has no restrictions to transfer profits from its operations in the different countries.

Nature and purpose of reserves

Translation reserve
The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as the effective portion of any foreign currency differences arising from hedges of a net investment in a foreign operation.

Hedge reserve
The hedge reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss as the hedged cash flows or items affect profit or loss.

Development cost reserve
The development cost reserve comprises a statutory reserve for capitalized development expenditure in accordance with the Dutch Civil Code.

Share plan reserve
The share plan reserve comprises all movements in equity-settled share-based remuneration plans.

19. Provisions

	As at 31-12-2019	As at 31-12-2018
Reorganization and restructuring	1.2	1.4
Other	5.0	2.1
Total	**6.2**	**3.5**

Movements in provisions

	Reorganization and restructuring	Other	Total
As at 1 January 2019	**1.4**	**2.1**	**3.5**
Addition charged to result	2.4	4.5	6.9
Release credited to result	-0.3	-0.1	-0.4
Withdrawal for intended purpose	-2.2	-1.5	-3.7
Exchange rate differences	-0.1		-0.1
As at 31 December 2019	**1.2**	**5.0**	**6.2**

Other
The other provisions relate mainly to loss-making contracts, legal disputes, and other litigation risks.

20. Long-term employee benefits

	As at 31-12-2019	As at 31-12-2018
Net defined benefit asset	-18.2	-4.5
Net defined benefit liability	6.3	5.8
Other long-term employee benefit commitments	1.6	1.8
Total	**-10.3**	**3.1**

Net defined benefit assets and liabilities
Net defined benefit assets and liabilities relate to post-employment defined benefit arrangements.

Other long-term employee benefit commitments
Other long-term employee benefit commitments relate mainly to anniversary commitments, conditional incentive plans, and health insurance.

Main characteristics of the defined benefit plans
Corbion sponsors defined benefit pension plans in the U.S. and the U.K. Both plans are closed schemes and based on final pay. Further, Corbion sponsors a legal severance payment plan in Thailand. All plans have been established in accordance with the legal requirements of the countries involved. The defined benefit plans are administered by a separate fund that is legally separated from the entity. The board of the pension fund is composed of an equal number of representatives from both employers and (former) employees.
The plans typically expose the group to actuarial risks such as investment risk, interest rate risk, and longevity risk.

- **Investment risk** - The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to high-quality corporate bond yields; if the return on plan assets falls below this rate, it will create a plan deficit. Currently the plans have a relatively balanced investment in mainly equity securities and debt instruments.
- **Interest rate risk** - A decrease in the bond interest rate will increase the plan liability; however, this will be partly offset by an increase in the return on the plan's debt investments.
- **Longevity risk** - The present value of the defined benefit liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

The defined benefit obligation as per year-end consisted for the vast majority of the UK plan and is summarized below:

- The Normal Retirement Age (NRA) is 65; however, Section 1 members are able to take their benefits in respect of pre 1 October 2003 service unreduced from age 60.
- Pensions in deferment increase in line with statutory revaluation with the exception of pre 1 October 2003 benefits for Section 1 members, which have an underpin linked to the level of pension increases in payment (which are linked to Retail Price Index (RPI)).
- Pensions in payment increase in line with RPI capped at 5% for benefits in respect of pre 1 January 2006 service and RPI capped at 2.5% for benefits in respect of post 31 December 2005 service.

For this scheme a recovery plan has been agreed under which Corbion will make lump sum funding payments of GBP 2.5 million in 2020 and GBP 2.6 million in 2021.

The strategic investment policy of the scheme can be summarized as follows:

- A strategic asset mix with 50% in return-seeking assets and 50% in matching (bond-type) assets.
- The return-seeking asset portfolio comprises a mix of equity investments and diversified growth funds.
- Interest rate and inflation risks are managed through the use of liability-driven investments and corporate bonds of an appropriate duration.
- Currency risk is managed by implementing a 50% currency hedge on the global equity holding.

The average duration of the defined benefit obligation as at 31 December 2019 is 23 years.

Breakdown of the amounts recognized in respect of defined benefit pension plans in the income statement and statement of comprehensive income

	2019	2018
Current service costs	0.5	0.5
Net interest expense	-0.4	0.1
Past-service costs	0.3	
Past-service gain	-8.0	
Total pension costs recognized in income statement	**-7.6**	**0.6**
Remeasurements net defined benefit liability		
- Return on plan assets (excluding amounts included in interest income)	-8.2	5.7
- Actuarial (gains)/losses arising from changes in demographic assumptions		-3.0
- Actuarial (gains)/losses arising from changes in financial assumptions	15.3	-3.8
- Actuarial (gains)/losses arising from experience adjustments	-0.9	0.1
Total pension costs recognized in other comprehensive income	**6.2**	**-1.0**
Total	**-1.4**	**-0.4**

Breakdown of the amounts recognized in the statement of financial position

	As at 31-12-2019	As at 31-12-2018
Present value of defined benefit obligations	87.5	78.6
Fair value of plan assets	-99.4	-77.3
Funded status	**-11.9**	**1.3**
Restrictions on assets recognized		
Net liability	**-11.9**	**1.3**

Movements in defined benefit obligation

	2019	2018
As at 1 January	**78.6**	**86.7**
Current service costs	0.5	0.5
Interest charges	2.2	2.5
Pension payments	-4.2	-4.6
Remeasurement (gains)/losses		
- Actuarial (gains)/losses arising from changes in demographic assumptions		-3.0
- Actuarial (gains)/losses arising from changes in financial assumptions	15.3	-3.8
- Actuarial (gains)/losses arising from experience adjustments	-0.9	0.1
Past-service gain	-8.0	
Past-service costs	0.3	
Exchange rate differences	3.7	0.2
As at 31 December	**87.5**	**78.6**

Movements in fair value of plan assets

	2019	2018
As at 1 January	**77.3**	**83.0**
Interest income	2.6	2.4
Pension payments	-4.2	-4.6
Contributions from the employer	11.4	2.3
Remeasurement gains/(losses)		
- Return on plan assets (excluding amounts included in interest income)	8.2	-5.7
Exchange rate differences	4.1	-0.1
As at 31 December	**99.4**	**77.3**

The actual return on plan assets was € 10.8 million in the year under review (2018: € 3.3 million negative).

In 2019, a past service gain was recorded due to a change in indexation for the CSM UK pension scheme. For the same scheme, an additional one-time deficit contribution of GBP 7.5 million was agreed in 2019.

The investment strategy is based on the composition of the obligations of the pension schemes. Based on Asset Liability Management models analyses have been performed on a regular basis to define the investment portfolio. At year-end the asset allocation was as follows.

Plan asset classes

	As at 31-12-2019	As at 31-12-2018
Quoted equity securities	5.9	12.7
Unquoted equity securities		12.0
Quoted debt securities	80.2	10.8
Unquoted debt securities		0.8
Quoted other securities	13.3	41.0
Total assets	**99.4**	**77.3**

The main weighted average actuarial assumptions

	2019	2018
Discount rate	2.2%	3.2%
Pension growth rate	1.8%	3.1%

Sensitivity of the defined benefit obligation to changes in the weighted principal assumptions

	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.50%	(8.7)	9.9
Pension growth rate	0.50%	6.2	(5.7)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. To calculate the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method is applied (calculation of the present value of the defined benefit obligation using the projected unit credit method at the end of the reporting period) which is also used to calculate the pension liability recognized within the consolidated statement of financial position.

The anticipated contributions to the defined benefit pension plans in the coming year will amount to € 3.5 million.

21. Deferred tax

Breakdown of deferred tax assets and liabilities

	2019	2018
Deferred tax liabilities	17.0	12.1
Deferred tax assets	-22.6	-22.7
As at 1 January	**-5.6**	**-10.6**
Tax charge in income statement	6.6	4.2
Translation differences foreign group companies	1.1	0.6
Tax charge movements in equity	0.6	0.2
As at 31 December	**2.7**	**-5.6**
Deferred tax liabilities	13.4	17.0
Deferred tax assets	-10.7	-22.6
As at 31 December	**2.7**	**-5.6**

Breakdown of deferred tax assets and liabilities by type

	As at 31-12-2019		As at 31-12-2018	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Property, plant, and equipment	-6.2	25.8	-5.7	11.6
Intangible fixed assets	-2.2	10.7	-2.8	11.1
Current assets/liabilities	-19.3	0.6	-4.4	2.9
Tax loss carry forward	-4.7		-15.3	
Provisions	-2.5		-3.0	
Financial instruments		0.5		
	-34.9	**37.6**	**-31.2**	**25.6**
Netting	24.2	-24.2	8.6	-8.6
Total	**-10.7**	**13.4**	**-22.6**	**17.0**

The short-term part of deferred tax assets, after write-down and netting with the short-term part of deferred tax liabilities, amounts to € 2.6 million (2018: € 6.3 million).

Breakdown of deferred taxes due to tax loss carry forward

	As at 31-12-2019	As at 31-12-2018
Total tax loss carry forward	155.3	206.0
Tax loss carry forward not qualified as deferred tax asset	-139.0	-146.5
Tax loss carry forward qualified as deferred tax asset	**16.3**	**59.5**
Average tax rate	28.8%	25.7%
Deferred tax asset	**4.7**	**15.3**

Expiry dates of tax losses carry forward not qualified as deferred tax asset

	As at 31-12-2019	As at 31-12-2018
Less than 1 year	0.1	
Within 5 years	0.2	0.3
Between 5 and 10 years	1.7	1.7
10 years or longer		
No expiry date	137.0	144.5
Tax loss carry forward not qualified as deferred tax asset	**139.0**	**146.5**

Breakdown of the tax charge arising from deferred tax assets and liabilities in the income statement by type

	2019	2018
Property, plant, and equipment	12.9	1.5
Intangible fixed assets	0.7	1.3
Current assets/liabilities	-17.2	-1.7
Tax loss carry forward	9.8	3.0
Provisions	0.5	0.4
Exchange rate differences loans	0.7	-0.6
Financial instruments	-0.8	0.4
Rate changes		-0.1
Total	**6.6**	**4.2**

22. Borrowings

Non-current borrowings

			Effective interest %		Average term in years	
	As at 31-12-2019	As at 31-12-2018	As at 31-12-2019	As at 31-12-2018	As at 31-12-2019	As at 31-12-2018
Private placement	111.5	122.0	4.17	4.18	6.0	6.4
Other debts	1.5	11.0	4.17	4.08	1.1	2.1
Total	**113.0**	**133.0**				
Weighted average			**4.17**	**3.50**	**5.9**	**5.7**

The weighted average term has been calculated on the basis of the remaining terms of the individual loans.

Repayments on the above amounts are due within five years (€ 1.5 million) and after five years (€ 111.5 million).

Fair value of the main long-term loans

	Balance sheet value as at 31-12-2019	Fair value as at 31-12-2019	Balance sheet value as at 31-12-2018	Fair value as at 31-12-2018
Private placement	111.5	114.9	122.0	120.4
Other debts	1.5	1.5	11.0	11.0

Current borrowings

			Effective interest %	
	As at 31-12-2019	As at 31-12-2018	As at 31-12-2019	As at 31-12-2018
Owed to credit institutions	147.2	107.0	0.93	0.75
Private placement	13.4		4.64	
Other debts	9.2	9.2	4.17	4.17
Total	**169.8**	**116.2**		
Weighted average			**2.29**	**1.02**

23. Other non-current liabilities

	As at 31-12-2019	As at 31-12-2018
Contingent considerations	16.8	26.9
Deferred consideration related to the Granotec do Brazil acquisition	7.3	
Total	**24.1**	**26.9**

The contingent consideration decreased as a result of the remeasurement of the anticipated contingent purchase price of SB Renewable Oils.

24. Other current liabilities

	As at 31-12-2019	As at 31-12-2018
Accruals and deferred income	38.5	33.1
Taxation and social security	4.8	1.5
Pension liabilities	2.6	2.7
Derivatives		1.6
Other financial accruals	5.5	5.5
Other payables	11.4	4.8
Total	**62.8**	**49.2**

25. Acquisitions and disposals

Acquisition 2019

On 25 April 2019, Corbion acquired 100% of the shares and voting interests in Granotec do Brazil, a leading specialist in functional blends for the Brazilian bakery industry. which consists of two legal entities. The company is headquartered in Araucaria, Paraná State, Brazil, employs around 120 staff, and operates a production facility and a development center.

Details of the purchase consideration, net assets acquired are as follows

Preliminary acquisition figures

	Granotec do Brazil
Property, plant, and equipment	8.5
Intangible fixed assets	8.0
Inventories	4.2
Receivables	4.7
Cash	1.4
Borrowings	-3.4
Trade creditors	-3.0
Other liabilities	-0.1
Identifiable assets minus liabilities	**20.3**
Cash	29.9
Holdback amounts	8.8
Total consideration	**38.7**
Goodwill arising on acquisition	**18.4**

Goodwill arose on the acquisition of Granotec do Brazil as the consideration paid effectively included amounts for the benefits of expected synergies, revenue growth, and future market development. These benefits are not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. The goodwill is expected to be (partly) deductible for tax purposes.

The table below shows the pro-forma result of Corbion if the acquisition had been made as at 1 January 2019.

	Corbion	Pro-forma adjustment full-year effect	Pro forma Corbion
Net sales	976.4	6.3	982.7
Result after taxes	25.8	-0.1	25.7

For the eight-month period ended 31 December 2019, the acquisition contributed € 15.4 million in revenue and € 0.9 million in profit to Corbion's results.

Acquisition 2018

On 4 June 2018, Corbion announced that it had completed the acquisition of Bunge Limited's 49.9% stake in the SB Renewable Oils joint venture. SB Renewable Oils operates a facility in Brazil, specializing in the production of algae ingredients, such as Omega 3 rich oil, for aquaculture and animal feed. Corbion now is 100% owner of the plant in Orindiúva, which employs around 170 staff.

Details of the purchase consideration, net assets acquired are as follows

Acquisition figures

	Corbion	Pro-forma adjustment full-year effect	Pro forma Corbion
Net sales	897.2	3.8	901.0
Result after taxes	54.3	-7.4	46.9

Corbion recognized a gain of € 9.6 million as a result of measuring at fair value its 50.1% equity interest in SB Renewable Oils held before the business combination. The gain is included in the line Results from joint ventures and associates in the income statement.

Contingent consideration

A 5-year earn-out provision starting in 2021 has been agreed to. This earn-out is based on sales of AlgaPrime DHA, with a maximum amount payable of $ 55.0 million. The fair value of the contingent consideration arrangement of $ 20.0 million (€ 17.0 million) was estimated calculating the present value of the future expected cash flows. The estimates are based on a discount rate of 17.2%.

The table below shows the pro-forma result of Corbion if the acquisition had been made as at 1 January 2018.

	SB Renewable Oils
Property, plant, and equipment	73.3
Intangible fixed assets	0.1
Inventories	6.0
Receivables	14.3
Cash and cash equivalents	0.5
Borrowings	-48.2
Other payables	-6.3
Identifiable assets minus liabilities	**39.7**
Remitted loan receivable	3.4
Contingent consideration	17.0
Valuation of previously held 50.1% stake in SB Renewable Oils	19.3
Total consideration	**39.7**

For the seven-month period ended 31 December 2018, the acquisition contributed € 5.5 million in revenue and € 4.5 million in loss to Corbion's results. The pro-forma calculation in the table above is based on the actual reported revenues by the joint venture before the acquisition in 2018 and includes an adjustment loss of € 5.5 million related to a write-down of inventory.

26. Financial risk management and financial instruments

Risk management framework

Corbion's activities are exposed to a variety of financial risks including currency, interest rate, commodity, liquidity, capital, and credit risk. The treasury department identifies and manages these risks, except the commodity risk which is managed by procurement. Treasury operates within a framework of policies and procedures which have been approved by the Board of Management. The treasury policy may change on an annual basis due to market circumstances and market volatility. Corbion uses derivatives solely for the purpose of hedging exposure mainly to the commodity, currency, and interest rate risks arising from the company's sources of finance and business. Corbion has a Treasury and a Commodity Risk Management Committee meeting periodically to review treasury and commodity activities and compliance with both policies.

Currency risk

Corbion is active on the international market, which means that it is exposed to risks arising from currency fluctuations, particularly in the US dollar, Brazilian real, Japanese yen, and Thai baht. Foreign currency exchange risk arises from future commercial transactions, recognized assets and liabilities, and net investments in foreign operations.

Translation risk

Corbion is subject to foreign exchange rate movements in connection with the translation of its foreign subsidiaries' income, assets, and liabilities into euros in the consolidated financial statements. To protect the value of future foreign cash flows, Corbion partially mitigates the foreign exchange exposure by applying natural hedging, meaning capital employed in foreign operations is financed using the country’s currency in order to avoid fluctuations due to translation effects.

US dollar translation effects on the operating result are partially hedged by the interest paid on the US dollar loan. Currency fluctuations particularly in the US dollar can have a material effect on Corbion’s income statement. Corbion has policies in place that monitor these risks and mitigation actions are discussed in the Treasury Committee.

Transaction risk

The currency transaction risk arises in the course of ordinary business activities. Corbion's exposure to exchange rate movements in commercial operations is mainly related to EUR/USD, THB/YEN, and EUR/YEN. Corbion uses forward currency contracts and currency swaps in order to hedge risks arising from purchase and sales deals and/or commitments from current purchase and sales deals. Transactions that are highly probable are hedged and included in cash flow hedge accounting. Other reasonably probable transactions are partially hedged. For practical reasons a specific limit is defined for each currency.
Hedge accounting is being applied to these contracts, so any unrealized fluctuations in the fair value are deferred in the hedge reserve of equity until the underlying hedged transaction is recognized in the result. All forward currency contracts expire within a year.

Sensitivity analysis of financial instruments to exchange rate changes
A 10% weakening of the euro against the Japanese yen would decrease equity by € 1.1 million, while the net result would not be significantly impacted.

Interest rate risk
Corbion's interest rate risk arises primarily from its debt. Corbion has an interest rate policy aimed at reducing volatility in its interest expense and maintaining a target percentage of its debt in fixed rate instruments. Currently Corbion's interest rate exposure has been fully fixed (4.17% on average) for all of Corbion's long-term debt (€ 113.0 million) for a period of on average 5.9 years.

Sensitivity analysis to changes in market interest rate
Assuming the same mix of variable and fixed interest rate instruments, an interest rate increase by 50 basis points versus the rates on 31 December 2019 with all other variables held constant, would result in a decrease of € 0.2 million in the net result and no movement in equity.

Commodity risk
Corbion uses commodity derivative contracts to reduce the risk of price fluctuations in the main commodities used, being gas and sugar.

Corbion entered into commodity derivative contracts to hedge the variable price risk of the main commodities used. The fair value of these contracts was an asset of € 1.2 million as at 31 December 2019 (31 December 2018: liability of € 1.3 million). Hedge accounting is applied for the major part of these commodity derivative contracts. Further analysis can be found in the section on hedge transactions.

The majority of the commodity derivative contracts expires within a year.

Sensitivity analysis
If the purchase price of the involved commodities would increase by 10%, profit and loss would be impacted by € 0.1 million.

Liquidity risk
Liquidity risk is the risk of Corbion not being able to obtain sufficient financial means to meet its obligations in time. Corbion actively manages liquidity risk by maintaining sufficient cash and cash equivalents and the availability of committed borrowing capacity. Corbion manages cash flow based on cash flow analysis for the next 12 months.

The committed credit facilities at Corbion’s long-term disposal amounted to € 300 million as at 31 December 2019. Corbion also has a private placement of $ 140 million with American institutional investors.

To provide insight into the liquidity risk the table below shows the contractual terms of the financial obligations (converted at balance sheet date), including interest paid.

The table below analyzes Corbion’s financial obligations which will be settled on a net basis, according to relevant expiration dates, based on the remaining period from the balance sheet date to the contractual expiration date. The amounts shown are contractual non-discounted cash flows.

	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
As at 31 December 2019				
Private placement	18.7	18.6	116.3	153.6
Owed to credit institutions	148.3			148.3
Lease liabilities	12.2	36.2	34.5	82.9
Contingent liability	5.0	17.4	7.2	29.6
Other debts	9.4	1.5		10.9
Trade payables	94.3			94.3
Other non-interest-bearing current liabilities	62.8			62.8
Total	**350.7**	**73.7**	**158.0**	**582.4**
As at 31 December 2018				
Private placement	5.2	31.9	118.3	155.4
Owed to credit institutions	108.1			108.1
Financial lease commitments		1.2		1.2
Contingent liability		25.7	27.1	52.8
Other debts	10.1	11.1		21.2
Trade payables	87.8			87.8
Other non-interest-bearing current liabilities	49.2			49.2
Total	**260.4**	**69.9**	**145.4**	**475.7**

Credit risk management
Credit risk consists of the losses that would be recognized if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. In respect of disbursed loans, other receivables, and cash and cash equivalents the maximum credit risk equals the book value. In respect of derivatives it equals the fair value.
Given the credit rating that it requires of its partners Corbion has no reason to assume that they will not honor their contractual obligations. Based on today's insights, the actual credit risk is limited.

Capital risk management

Corbion manages its capital to ensure that entities in the Corbion group will be able to continue as going concerns while maximizing return to stakeholders through the optimization of the debt and equity balance.

The capital structure of Corbion consists of net debt (borrowings as detailed in Note 22) offset by cash and cash equivalents (as detailed in Note 17).

	2019	2018
Private placement	124.9	122.0
Revolving credit facility	147.2	107.0
Lease commitments	66.2	1.2
Other debts	10.7	20.2
Total financial liabilities part of net debt	**349.0**	**250.4**
Cash and cash equivalents	-45.7	-47.1
Net debt	**303.3**	**203.3**

Reconciliation of liabilities arising from financing activities

	Private placement	Revolving credit facility	Leases	Other debts	Total
As at 1 January 2019	122.0	107.0	1.2	20.2	250.4
Financing cash flows		40.0			40.0
Repayments			-10.9	-9.6	-20.5
New lease commitments			74.7		74.7
Exchange rate differences	2.9		0.1	0.1	3.1
Other		0.2	1.1		1.3
As at 31 December 2019	**124.9**	**147.2**	**66.2**	**10.7**	**349.0**

The Corbion Treasury Committee reviews the capital structure of Corbion on a quarterly basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital.

The main covenants for the credit facility and the U.S. private placement are:

- The ratio of net debt position divided by Covenant EBITDA (Earnings Before Interest, Taxes, Depreciation, Amortization and impairment of (in)tangible fixed assets, excluding adjustments, increased by cash dividend of joint ventures received and annualization effect of newly acquired subsidiaries) may not exceed the factor 3.75 (RCF) or 3.5 (USPP).
- A minimum interest cover (Covenant EBITDA divided by net interest income and charges) of 3.5

These external conditions were met in 2019 as well as in 2018. Corbion targets a net debt/ Covenant EBITDA ratio of 1.5x over the investment cycle.

Ratios at year-end

	2019	2018
Net debt position/Covenant EBITDA	2.0	1.6
Interest cover	22.2	25.6

Financial instruments

Valuation of financial instruments

Corbion measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Fair value measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Fair value measurements based on inputs other than Level 1 quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Fair value measurements based on valuation techniques that include inputs for the asset or liability that are based on observable market data (unobservable inputs).

Breakdown valuation of financial instruments

31 December 2019	Level 1	Level 2	Level 3	Total
Derivatives				
• Foreign exchange contracts		0.3		0.3
• Commodity swaps/collars		1.2		1.2
Total		**1.5**		**1.5**

Breakdown fair values financial instruments

31 December 2019	Balance sheet value	Fair value
Financial fixed assets		
• Loans, receivables, and other	67.2	67.2
Receivables		
• Trade receivables	124.2	124.2
• Other receivables	28.7	28.7
• Prepayments and accrued income	7.1	7.1
Cash		
• Cash other	45.7	45.7
Interest-bearing liabilities		
• Private placement	-124.9	-128.3
• Owed to credit institutions	-147.2	-147.2
• Other debts	-10.7	-10.7
Non-interest-bearing liabilities		
• Trade payables	-94.3	-94.3
• Other payables	-62.8	-62.8
Derivatives		
• Foreign exchange contracts	0.3	0.3
• Commodity swaps/collars	1.2	1.2
Total	**-165.5**	**-168.9**

Fair values are determined as follows:

- The fair value of financial fixed assets does not significantly deviate from the book value.
- The fair value of receivables equals the book value because of their short-term character.
- Cash and cash equivalents are measured at nominal value which, given the short-term and risk-free character, corresponds to the fair value.
- Market quotations are used to determine the fair value of debt owed to private parties, credit institutions, and other debts. As there are no market quotations for most of the loans the fair value of short- and long-term loans is determined by discounting the future cash flows at the yield curve applicable as at 31 December.
- Given the short-term character, the fair value of non-interest-bearing liabilities equals the book value.
- Currency and interest rate derivatives are measured on the basis of the present value of future cash flows over the remaining term of the contracts, using the bank interest rate (such as Euribor) as at the reporting date for the remaining term of the contracts. The present value in foreign currencies is converted using the exchange rate applicable as at the reporting date.
- Commodity derivatives are measured on the basis of the present value of future cash flows, using market quotations or own variable market price estimations of the involved commodity as at the reporting date.

Derivatives

Hedge transactions

The amount of € 1.5 million in hedge reserve (see Note 18) relates to the hedging of risks arising from future purchase and sales deals and/or commitments from current purchase and sales contracts amounting to € 64.9 million.

The amount of € 53.8 million in translation reserve (see Note 18) relates to currency fluctuations in respect of the net investments in foreign operations less the currency fluctuations of the corresponding net investment hedges. In case of divestment of a net investment in a foreign operation, the corresponding net impact of the currency fluctuations is moved from the translation reserve to the income statement.

In the past year no cash flow hedges were terminated due to changes to the expected future transaction. No ineffective parts were recorded in respect of the net investment hedge and cash flow hedge.

Breakdown of fair values, maturities, and qualification of derivative financial instruments for accounting purposes

	Short < 1 year		Long > 1 year	
	As at 31-12-2019	As at 31-12-2018	As at 31-12-2019	As at 31-12-2018
Derivatives receivables/ (liabilities) used as hedge instrument in cash flow hedge relations:				
Foreign exchange contracts	0.3	-0.3		
Commodity swaps	1.6	-3.0		
Derivatives receivables/ (liabilities) used as hedge instrument in fair value hedge relations:				
Foreign exchange contracts				
Commodity swaps	-0.2	1.7		
Total derivatives in hedge relations	**1.7**	**-1.6**		
Derivatives receivables/ (liabilities) not used in a hedge relation with value change through income statement:				
Commodity swaps	-0.2			
Total derivatives through income statement	**-0.2**	**0.0**		
Total derivatives	**1.5**	**-1.6**		

27. Related-party transactions

Remuneration policy Board of Management

For more information on the remuneration policy see the Remuneration report. For more information on share-based payments see Note 28, Share-based compensation.

Breakdown of the number of conditionally granted shares per member of the (former) Board of Management

	Granted in	At target' number outstanding as at 31-12-2019	Maximum number outstanding as at 31-12-2019	Year of vesting
O. Rigaud	2019	20,865	31,298	2022
E.E. van Rhede van der Kloot	2017	11,772	17,658	2020
	2018	12,259	18,389	2021
	2019	12,140	18,210	2022
T. de Ruiter	2017	23,585	35,378	2020
	2018	17,027	25,541	2021
	2019	8,852	13,278	2022
Total as at 31 December 2019		**106,500**	**159,752**	

Breakdown of the movements in the number of shares conditionally granted to members of the (former) Board of Management

	Maximum number outstanding as at 31-12-2018	Maximum number granted in 2019	Vested 2019	Expired 2019	Maximum number outstanding as at 31-12-2019
O. Rigaud		31,298			31,298
E.E. van Rhede van der Kloot	56,974	18,210	10,101	10,826	54,257
T. de Ruiter	111,848	13,278	19,840	31,089	74,197
Total	**168,822**	**62,786**	**29,941**	**41,915**	**159,752**

Breakdown remuneration (former) Board of Management

	IAS 24.17 category	Short-term employee benefits		Share-based payments	Post-employment benefits	Other long-term benefits	Termination benefits	Total
Thousands of euros	2019	Base salary [1]	STIP	LTIP	Pension benefits	Other benefits	Termination benefits	
O. Rigaud (as from 1 July 2019)		410	151	135				696
E.E. van Rhede van der Kloot		558	160	428				1,146
Total Board of Management		**968**	**311**	**563**				**1,842**
T. de Ruiter (CEO until 8 August 2019, thereafter Advisor to the Supervisory Board)		811	784	875				2,470
Total former Board of Management		**811**	**784**	**875**				**2,470**
Total remuneration (former) Board of Management		**1,779**	**1,095**	**1,438**				**4,312**

	IAS 24.17 category	Short-term employee benefits		Share-based payments	Post-employment benefits	Other long-term benefits	Termination benefits	Total
Thousands of euros	2018	Base salary [1]	STIP	LTIP	Pension benefits	Other benefits	Termination benefits	
T. de Ruiter		804	756	245				1,805
E.E. van Rhede van der Kloot		530	133	125				788
Total Board of Management		**1,334**	**889**	**370**				**2,593**

1 *Base salary also includes social security contributions and compensation, mainly allowances for expenses.*

The tables above show the costs based on the applicable IFRS standard and do not necessarily reflect the actual amounts paid.

Compensation of key management personnel

The table below specifies the remuneration of the Executive Committee (ExCo), comprising the Board of Management members as listed above and the additional ExCo members who are not part of the Board of Management.

Thousands of euros	2019	2018
Short-term employee benefits	5,705	4,466
Share-based payments	2,771	911
Post-employment benefits	92	85
Other long-term benefits		
Termination benefits		

Breakdown remuneration Supervisory Board

	IAS 24.17 category	Short-term employee benefits 1)		Share-based payments	Post-employment benefits	Other long-term benefits	Termination benefits	Total
Thousands of euros	Year	Base fee	Committee fee	LTIP	Pension benefits	Other benefits	Termination benefits	
M.F.J.P. Vrijsen, Chairman (Chairman Appointment and Governance Committee / member Remuneration Committee / member Science and Technology Committee)	2019	70	23					93
	2018	70	23					93
R.H.P. Markham, Vice-Chairman (Chairman Remuneration Committee / member Appointment and Governance Committee)	2019	60	16					76
	2018	60	16					76
M.E. Doherty (member Audit Committee)	2019	50	10					60
	2018	50	10					60
J.P. de Kreij (Chairman Audit Committee)	2019	50	15					65
	2018	50	15					65
S. Riisgaard (Chairman Science and Technology Committee / member Remuneration Committee / member Appointment and Governance Committee)	2019	50	23					73
	2018	50	23					73
	Total 2019	**280**	**87**					**367**
	Total 2018	**280**	**87**					**367**

1 *Excluding expenses*

No loans or advance payments or any guarantees to that effect have been made or issued to the members of the Supervisory Board. None of the members of the Supervisory Board have shares in the company or any option rights relating thereto.

Other related-party transactions

	Transaction values for the year ended		Balance outstanding at year-end	
	2019	2018	2019	2018
Sales				
Joint ventures	53.1	38.8	5.0	3.6
Purchases				
Joint ventures	6.6	7.5	0.6	0.0
Others				
Joint ventures				
- Sale of Total Corbion PLA (Thailand) Limited			0.7	6.1
- Loans			62.1	55.7

28. Share-based compensation

Share-based remuneration arrangements: Board of Management

A share plan is in place for the Board of Management. The (former) members of the Board of Management have a total of 159,752 unvested share rights in the company as at 31 December 2019 (2018: 166,822). The nominal amount of the shares (€ 0.25 per share) which are claimable under unvested share rights equals € 39,938 per that date.

The program was introduced in 2015, as part of the new remuneration policy agreed to by the annual General Meeting of Shareholders (AGM) on 22 May 2015, aimed at longer-term value creation in line with shareholders' interests, measured over a performance period of three calendar years. The targets consist of the following components: 60% of the LTIP is determined by EBITDA, 20% by Earnings Per Share (EPS), and 20% of the LTIP depends on relative TSR as compared to a specific TSR peer group.

Each year members of the Board of Management are entitled to a conditional grant of Corbion shares. There are two target levels for this incentive: one applies to the CEO and one to the CFO. The CEO is entitled to a conditional share grant value of 100% of his base salary. The CFO is entitled to a conditional share grant value of 80% of the base salary. The total number of conditionally granted shares is determined by dividing the "at target" amount applicable for the respective Board member (as a percentage of base salary) by the share price. The share price is defined as the average closing price of the Corbion share during the last full calendar quarter preceding the conditional grant of shares.

At the beginning of the performance period, targets for the LTIP are set by the Supervisory Board for the three-year performance period as follows.

- A target based on EBITDA, a threshold (minimum) and a range around the performance target to determine the actual payout for 60% of the LTIP.
- A target based on EPS, a threshold (minimum) and a range around the performance target to determine the actual payout for 20% of the LTIP.
- The TSR performance is benchmarked against the TSR performance of Corbion's TSR peer group and the relative ranking determines the actual payout for another 20% of the LTIP.

Meeting the performance target(s) results in an LTIP payout at target level. A range of 50% around the performance target(s) (or lower as determined by the Supervisory Board) is set for the EBITDA and EPS performance to determine the actual payout. There is no payout below the low end of the range and no additional upside above the top end of the range. For the TSR performance, threshold payout is set at meeting the eighth position in the peer group. Target payout is achieved at the fourth and fifth position in the peer group and maximum payout is achieved at reaching the first and second position in the peer group.

Movements in number of unvested shares of the (former) Board of Management (at maximum)

Year of allocation	Total as at 31-12-2018	Allocated in 2019	Vested and expired in 2019	Total as at 31-12-2019
2016	62,033		62,033	
2017	53,036			53,036
2018	53,753		9,823	43,930
2019		62,786		62,786
Total	**168,822**	**62,786**	**71,856**	**159,752**

Valuation model and input variables
The fair value of the non-market-based components of the above-mentioned performance-related shares allocated in 2019 was € 28.22 per share (2018: € 27.72). The fair value of the market-based components of the above-mentioned performance-related shares allocated in 2019 was € 32.61 per share (2018: € 32.36). The fair value of the market-based components is estimated by using the Black & Scholes model and the assumptions set forth below.

	2019	2018
Risk-free interest rate	0.00%	0.00%
Expected dividend gains		
Expected volatility in share price	23%	24%
Term	3 years	3 years

Share-based remuneration arrangements: Senior management
An equity-settled plan similar to the program for the Board of Management exists for senior management.

Movements in number of unvested shares of senior management

Year of allocation	Total as at 31-12-2018	Allocated in 2019	Vested and expired in 2019	Total as at 31-12-2019
2016	109,106		109,106	
2017	121,461		8,481	112,980
2018	182,395		28,884	153,511
2019		130,882		130,882
Total	**412,962**	**130,882**	**146,471**	**397,373**

Certain members of management receive a package of Corbion shares worth 9.5% of fixed salary (commitment award). The acquired shares shall be held in a separate blocked account until the end of their employment at Corbion.

Movements in number of blocked commitment award shares

	Total as at 31-12-2018	Allocated in 2019	Released in 2019	Total as at 31-12-2019
Total	6,019			6,019

29. Off-balance sheet commitments

Capital commitments
The capital expenditure commitments not yet incurred amounted to € 11.3 million for (in)tangible fixed assets as at 31 December 2019 (2018: € 10.2 million).

Contingent commitments
Guarantees
Third-party guarantees amounted to € 3.7 million as at 31 December 2019 (2018: € 59.7 million). No significant future losses are expected from these guarantees.

Other
Corbion is subject to a U.S. tax audit which could potentially lead to a tax exposure of which it is not practicable to provide information on the financial effect or the timing thereof. The outcome of the U.S. tax audit could have an impact on the Corbion's consolidated financial statements for a particular period.

30. Events after balance sheet date

On 29 January 2020, Corbion announced it will invest approximately $ 190 million in a new 125,000 metric tons lactic acid plant in Thailand, operating at the highest sustainability standards and lowest costs.

COMPANY FINANCIAL STATEMENTS

Company statement of financial position

Before profit appropriation, millions of euros	*Note*	As at 31-12-2019	As at 31-12-2018
Assets			
Financial fixed assets	*31*	771.9	514.8
Deferred tax assets	*32*	1.1	12.5
Total non-current assets		**773.0**	**527.3**
Receivables	*33*	43.9	238.7
Tax assets		11.3	6.5
Cash and cash equivalents	*34*	2.2	4.0
Total current assets		**57.4**	**249.2**
Total assets		**830.4**	**776.5**
Equity and liabilities			
Ordinary share capital		14.8	14.8
Share premium reserve		55.2	55.2
Translation reserve		53.8	38.7
Hedge reserve		1.5	-2.5
Development costs reserve		31.5	31.6
Share plan reserve		5.3	3.2
Retained earnings		367.0	379.2
Equity	*35*	**529.1**	**520.2**
Non-current liabilities	*36*	111.5	121.9
Total non-current liabilities		**111.5**	**121.9**
Interest-bearing current liabilities	*37*	186.7	132.1
Non-interest-bearing current liabilities	*38*	3.1	2.0
Provisions	*39*		0.3
Total current liabilities		**189.8**	**134.4**
Total equity and liabilities		**830.4**	**776.5**

Company income statement

Millions of euros	2019	2018
General and administrative expenses	-3.4	-1.3
Operating result	**-3.4**	**-1.3**
Financial income	6.2	13.2
Financial charges	-9.7	-9.5
Results from subsidiaries and associates	33.4	51.2
Result before taxes	**26.5**	**53.6**
Taxes	-0.7	0.7
Result after taxes	**25.8**	**54.3**

Social security included in the income statement is rounded to zero for 2019 as well as 2018.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

General

The separate financial statements of Corbion nv ("the company") are drawn up in accordance with the principles referred to in Part 9, Book 2 of the Dutch Civil Code.
A list has been filed at the Amsterdam Trade Register setting out the data on the group companies as required under Sections 2:379 and 2:414 of the Dutch Civil Code. Corbion is registered with the Dutch Commercial Register under number 33006580.

Basis of preparation

By using the option in Section 2:362 (8) of the Dutch Civil Code the same accounting principles (including the principles for recognizing financial instruments as equity or debt) have been applied in the separate financial statements and the consolidated financial statements.

Participating interests in group companies
Participating interests in group companies are accounted for in the company financial statements according to the equity method. Refer to the basis of consolidation accounting policy in the consolidated financial statements.

Result of participating interests
The share in the result of participating interests comprises the share of the company in the result of these participating interests. Results on transactions involving the transfer of assets and liabilities between the company and its participating interests, on the one hand, and between participating interests, on the other, are eliminated to the extent that they can be considered as not realized.

For an overview of any events after the balance sheet date, reference is made to Note 30 of the consolidated financial statements. For an overview of related-party transactions, reference is made to Note 27 of the consolidated financial statements.

31. Financial fixed assets

	As at 31-12-2019	As at 31-12-2018
Participations in group companies	721.6	487.5
Loans to group companies	50.3	27.2
Other		0.1
Total	**771.9**	**514.8**

The balance of participations in group companies and loans to group companies is positive in all participations of Corbion nv. Amounts owed to or by group companies are long-term.

	2019	2018
Movements in participations in group companies		
As at 1 January	487.5	396.9
Paid-in capital	329.1	62.0
Acquisition group company	22.7	
Result group companies	33.4	51.2
Dividend group companies	-162.3	-31.6
Exchange rate differences	10.4	8.2
Other	0.8	0.8
As at 31 December	**721.6**	**487.5**
Movements in loans to group companies		
As at 1 January	27.2	233.4
Exchange rate differences	-0.3	7.9
Disbursements	28.0	
Repayments	-4.6	-214.1
As at 31 December	**50.3**	**27.2**

32. Deferred tax

	As at 31-12-2019		As at 31-12-2018	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Tax loss carry forward	1.0		12.4	
Provisions	0.1		0.1	
Total	**1.1**		**12.5**	

33. Receivables

	As at 31-12-2019	As at 31-12-2018
Owed by group companies	42.4	237.8
Other receivables	1.5	0.9
Total	**43.9**	**238.7**

34. Cash and cash equivalents

The cash and cash equivalents were available and payable without notice in 2019.

35. Equity

See Consolidated statement of changes in equity and Note 18 to the consolidated financial statements. For an overview of the legal reserves see Note 18.

36. Other non-current liabilities

	As at 31-12-2019	As at 31-12-2018
Owed to credit institutions	111.5	121.9
Total	**111.5**	**121.9**

See Note 22 to the consolidated financial statements.

37. Interest-bearing current liabilities

	As at 31-12-2019	As at 31-12-2018
Owed to credit institutions	160.6	107.0
Owed to group companies	26.1	25.1
Total	**186.7**	**132.1**

38. Non-interest-bearing current liabilities

	As at 31-12-2019	As at 31-12-2018
Other debts and accruals and deferred income	3.1	2.0
Total	**3.1**	**2.0**

39. Provisions

	Reorganization and restructuring	Other	Total
As at 1 January 2019		**0.3**	**0.3**
Withdrawal for intended purpose		-0.3	-0.3
As at 31 December 2019			

40. Off-balance sheet commitments

Contingent liabilities

Under Section 2:403 of the Dutch Civil Code the company accepts liability for the debts incurred by Dutch group companies. The relevant declarations have been filed for perusal at the office of the relevant trade register.

Fiscal unity

Corbion nv and a number of subsidiaries in the Netherlands are part of fiscal unities for purposes of corporate income tax and value added tax. The companies which are part of a fiscal unity are jointly and severally liable for their liabilities.

41. Personnel

On average, three employees were employed by Corbion nv working in the Netherlands during 2019 (2018: two employees). For information on remuneration see Note 27.

42. Audit fees

Total fees charged by the auditor can be specified as follows.

Thousands of euros	KPMG Accountants nv 2019	KPMG Other 2019	Total 2019	Total 2018
Audit of the financial statements	584	242	826	749
Audit-related services*	58	25	83	59
Non-audit services				
Total	**642**	**267**	**909**	**808**

* Relates to assurance report on sustainability

Amsterdam, the Netherlands, 6 March 2020

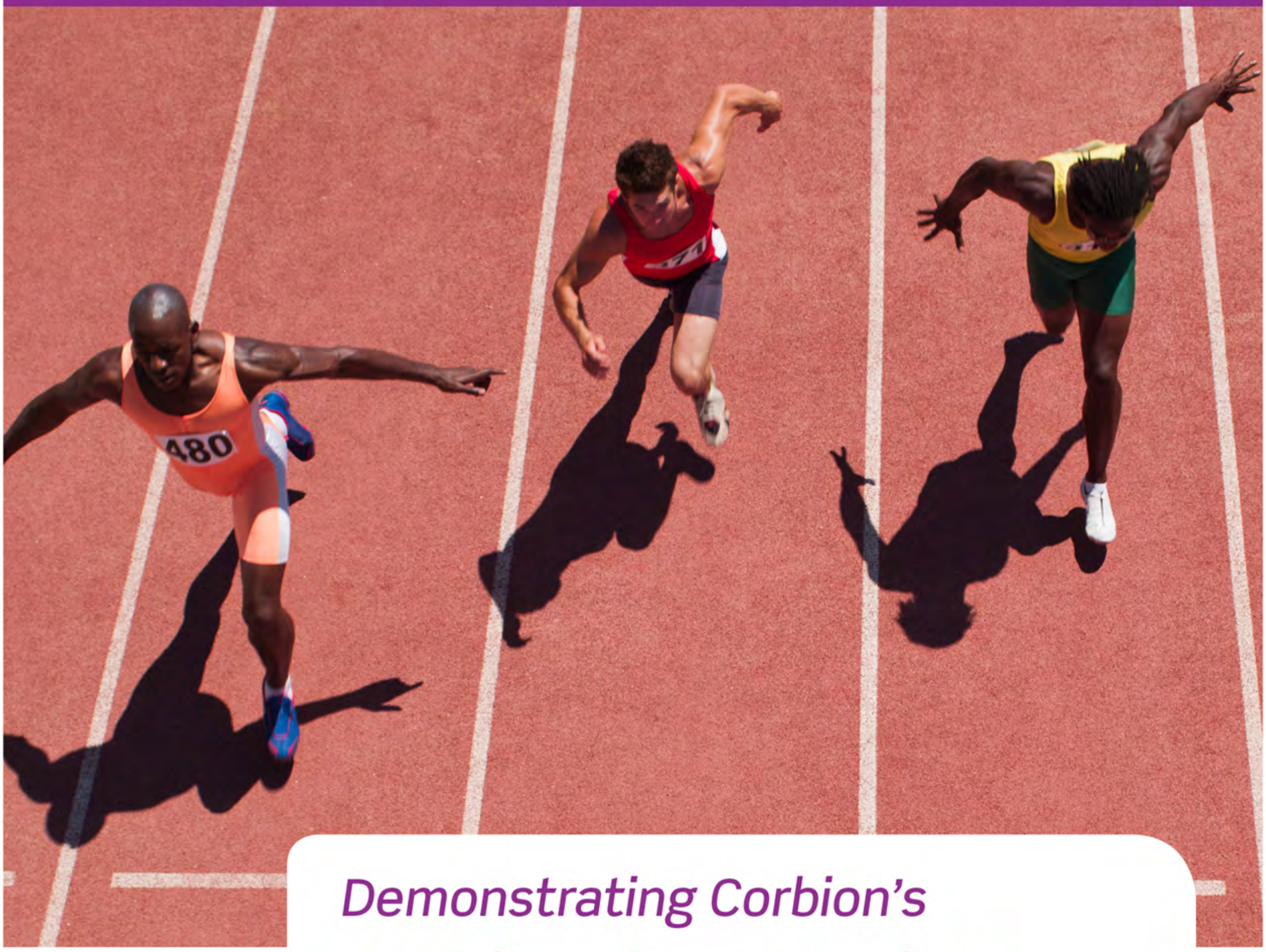
Supervisory Board

Mathieu Vrijsen, Chairman
Rudy Markham, Vice-Chairman
Liz Doherty
Jack de Kreij
Steen Riisgaard

Board of Management
Olivier Rigaud, CEO
Eddy van Rhede van der Kloot, CFO

NO ONE-HIT WONDER

Commitment



Demonstrating Corbion's commitment to aquaculture through the next-generation AlgaPrime™ DHA

Writing the sequel to a best-seller can be more challenging than creating the original hit. Corbion's Innovation Platforms took on that challenge, however, and has been hard at work on the next chapters in the AlgaPrime™ DHA story.

Our groundbreaking product is clearly helping the aquaculture industry respond to the world's growing demand for novel sources of omega-3 fatty acids. AlgaPrime™ DHA has been embraced by salmon farmers, providing a cost-effective, sustainable way to reduce their reliance on wild-caught forage fish as a source of omega-3s in salmon feed. BioMar, the leading innovator in sustainable aquaculture feeds, has incorporated it in well over 500,000 tons of fish feed for Norwegian salmon farmers since 2016, and more recently, our solution has proven to be an outstanding alternative for shrimp farmers as well.

While these early successes have been both exciting and encouraging, it's still too soon to know just how the AlgaPrime™ DHA narrative will play out. After all, starting up an entirely new line of business that introduces a novel solution to the market is hardly without risk. Such entrepreneurial ventures rarely develop at a predictable pace; they call on us to keep asking ourselves, "What's the best way forward from here?"

Following the customer's lead

"Our customers want to increase omega-3 levels in the fish they raise while reducing their dependence on fish oil," says Karel Bierman,Head of Animal Nutrition who leads the commercial team. "To accomplish that, they want to be able to increase their usage levels of our product, but higher inclusion levels of AlgaPrime™ in its current powder form is limited in the fish feed pellets. So, we developed a new liquid delivery system in order to meet the customer's unique specifications."

Efforts are underway to apply AlgaPrime™ DHA in other areas, including pet food and feed for livestock and chickens, to name a few. But the priority is responding to the needs of our aquaculture customers, who see algae-based omega-3s as crucial to their future.
"There is so much we can do with the Algae Ingredients platform, but we can't – and shouldn't – try to do everything at once," says Karel. "We chose to focus on delivering value where our customers have the greatest need in a way that accelerates our path to profitability."

The result: A synergistic solution

What was originally a brown, biomass powder can now also be delivered in liquid form. AlgaPrime™ DHA will be suspended in rapeseed oil, a non-GMO, plant-based oil. The oil suspension enables customers to include higher doses of our product in the feeds they produce by spraying it on the exterior of already-formed fish feed pellets. The new product line being built at Orindiúva began production in November 2019.

The new AlgaPrime™ DHA will have greater density than our current offering, so shipping will be more cost-efficient – a timely added advantage, given the distances involved in providing the solution to salmon farmers in Norway and other customers as far away as Southeast Asia.

"We're taking a great product and making it even better," says Maarten Campman, General Manager of Algae Ingredients. "The new AlgaPrime™ DHA gives our customers a proprietary solution that's easier to work with, lets them use higher levels of our ingredient, delivers the oxidative stability they need, and at the same time, provides Corbion with enhanced competitiveness and a path for growth."
The improvements this next-generation product delivers tell the aquaculture industry we're committed to helping them grow sustainably… and that our stories are worth telling for years to come.

SUSTAINABILITY STATEMENTS

2019

Corbion
Keep creating

SUSTAINABILITY STATEMENTS

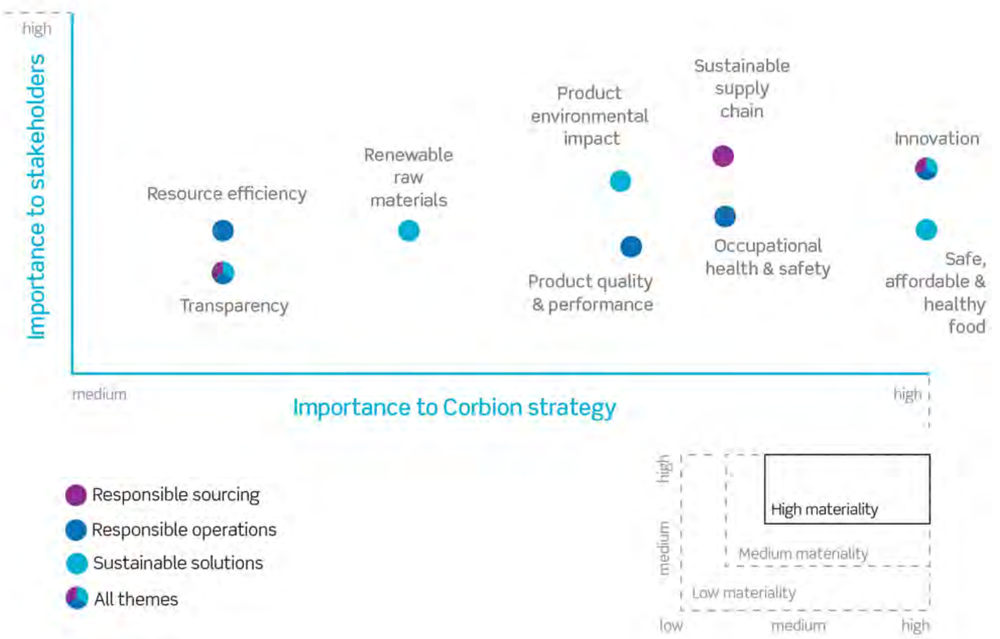
Materiality and stakeholder engagement

The foundation of our sustainability strategy is the materiality matrix, which we use to set priorities and ensure that we take a focused approach. A materiality analysis is about the identification of key issues that are important to our stakeholders and our strategy. The materiality matrix visualizes the results of this analysis, by plotting the relevant social, environmental, governance, and economic issues as a function of their importance to stakeholders (vertical axis) and Corbion's strategy (horizontal axis).

The materiality matrix was generated in 2017 using an in-depth methodology (see Figure 1) and resulted in the identification of nine material themes. These nine themes have a high impact on our strategy and are considered important by the majority of our stakeholders. These themes are the basis of our sustainability framework. The materiality assessment is updated at least every three years, as input for our strategy updates.

The graph below shows the upper-right section of Corbion's materiality matrix, highlighting the nine material themes.

Materiality matrix



Material themes, definition, link to sustainability strategy

The table below lists the material themes, definitions, boundaries, management approach, and the link with Corbion's sustainability framework and strategy.

Material theme	Sustainable supply chain
Definition	Responsible sourcing of raw materials, taking into account business ethics, human rights, labor conditions, the environment, agricultural practices, land rights, land use, and biodiversity.
Management approach	• Sustainability criteria embedded in our security-of-supply assessment • Generic supplier code that states mandatory requirements on, amongst others, business ethics, human rights, labor conditions, the environment, and responsible procurement • Specific policies for our key raw materials focusing on continuous improvement toward the implementation of the relevant sustainability standard for each of these raw materials • Participate in relevant multi-stakeholder initiatives • Collaborate with strategic suppliers to reduce our Scope III emissions
Boundaries	Corbion's supply chain
Link with sustainability framework	Responsible sourcing
Material theme	**Occupational health and safety**
Definition	Provide a safe and healthy working environment for all employees, contractors, and visitors.
Management approach	• Record all incidents and implement corrective and preventive measures • OHSAS 18001 / ISO 45001 certification for all our manufacturing sites
Boundaries	Corbion's own operations
Link with sustainability framework	Responsible operations
Material theme	**Resource efficiency**
Definition	Efficient use of raw materials, energy, and water in Corbion's facilities. Reduce, re-use, and recycle waste. Reduce Corbion's own carbon footprint.
Management approach	• Valorize by-products • Waste reduction programs • Design out waste for new manufacturing processes • Transition to renewable electricity • Energy-saving projects at manufacturing sites • Selection of the most energy-efficient technology available when equipment is replaced • R&D program to identify opportunities for heat integration, electrification, and recycling • Review the financial impact of greenhouse gas emissions through internal carbon pricing in capital expenditure and long-term R&D projects
Boundaries	Corbion's own operations
Link with sustainability framework	Responsible operations
Material theme	**Product environmental impact**
Definition	Impact of Corbion's products on end-users' ecological footprint.
Management approach	• Sustainability assessment integrated in our innovation stage-gate process • Quantify the impacts on people and/or planet for products with a sustainability value proposition (Life Cycle Assessment)

Boundaries	Corbion's own operations and supply chain (cradle to gate)
Link with sustainability framework	Sustainable solutions
Material theme	**Renewable raw materials**
Definition	The use of renewable raw materials instead of finite fossil-based resources. Corbion's contribution to the transition to a circular economy with a reduced dependency on fossil-based fuels.
Management approach	• Strategic innovation portfolio focused on the development and commercialization of biobased organic acids • Innovation program for the use of alternative feedstocks in our processes
Boundaries	Corbion's value chain
Link with sustainability framework	Sustainable solutions
Material theme	**Safe, affordable, and healthy food; prevent food waste**
Definition	Contribution of Corbion's food ingredients to safe, affordable, and healthy food and to the prevention of food waste.
Management approach	• Provide food safety solutions that enable our meat customers to produce safe food • Provide preservation solutions that help our customers deliver products with longer shelf life, which in turn enables them to reduce food waste and deliver affordable products to markets in which consumer spending power is limited • Leverage our expertise in food spoilage and food safety to serve more segments of the food industry, such as salads, dips, hummus, and other chilled foods • Provide solutions for healthy food, such as ingredients for salt reduction in meat
Boundaries	Corbion's downstream value chain
Link with sustainability framework	Sustainable solutions
Material theme	**Product quality and performance**
Definition	Deliver products that consistently meet specifications and deliver the expected performance.
Management approach	• Ensure certifications are in place to meet customer and industry-adopted standards and requirements • Internal audits by our global quality platform to ensure that we continue to improve our operational standards for quality and food safety
Boundaries	Corbion's supply chain and own operations
Link with sustainability framework	Sustainable solutions
Material theme	**Transparency**
Definition	Transparency on raw material sourcing, product environmental impact, sustainability performance, and clear labeling of food ingredients.
Management approach	• Global policies on quality, safety, the environment, and social aspects • Supplier code and specific raw material codes provide transparency on the criteria that Corbion applies for the sourcing of raw materials • Participation in CDP, EcoVadis, and other relevant stakeholder questionnaires and reporting initiatives • Reporting and assurance of sustainability KPIs in Annual Report • Provide stakeholders with insight on the SDG2+12 impact of our products

Boundaries	Corbion's value chain
Link with sustainability framework	Transparency
Material theme	**Innovation**
Definition	Development and commercialization of new products, product applications, and processes.
Management approach	• Commercial excellence program to further professionalize the way we engage with customers • Operational excellence program to drive continuous improvement across Corbion • R&D excellence program to continuously improve the effectiveness and efficiency of our science and to stay on top of emerging technologies to identify risks and opportunities
Boundaries	Corbion's value chain
Link with sustainability framework	Innovation

External recognition

CDP

CDP runs a global disclosure system that enables companies, cities, states, and regions to measure and manage their environmental impacts, with a focus on climate change, water security, and deforestation. CDP has committed to aligning its questionnaires with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Corbion has been participating in the CDP Climate Change and Supply Chain programs since 2016 to provide transparency on how we manage risks and opportunities related to climate change. In 2019, we made our submission public for the first time. We started participating in the Forests questionnaire in 2018.

Program	Corbion score	Sector average	Global average
Climate change / General	B	C	C
Climate change/ Supplier engagement	A	C	C
Forests / Palm oil	B-	C	C
Forests / Soy	C	C	C

EcoVadis

EcoVadis sustainability ratings and scorecards assess the environmental and social performance of companies. The assessment framework covers 21 sustainability criteria (from CO_2 emissions to human rights and business ethics) aligned with GRI, Global Compact, and ISO 26000.

Corbion received the Gold rating in the 2019 EcoVadis CSR assessment. Our full EcoVadis sustainability profile is available on the Corbion website.

Sustainability governance

The Executive Committee has overall responsibility for sustainability and decides on the strategy and targets. We use a sustainability dashboard with qualitative and quantitative indicators, to monitor our progress with the strategic sustainability initiatives. The dashboard is reviewed by the Board of Management each quarter and is discussed with the Executive Committee at least twice a year. The Director of Sustainability reports to the CTO and drives the implementation and reporting of the strategic initiatives. Accountability for managing sustainability initiatives and delivering against targets lies with the relevant businesses and functions. This responsibility is anchored in business targets and personal targets at various levels in the organization.

Corbion's sustainability sounding board, which includes representatives from all Corbion business units and functions, advises the Director of Sustainability and the CTO on the sustainability strategy and specific initiatives.

Task Force on Climate-related Financial Disclosures guidelines

The Task Force on Climate-related Financial Disclosures (TCFD) was established to improve transparency of and for the financial sector and businesses on the risks and opportunities of climate change. Corbion provides transparency on the effects of climate change through the annual CDP questionnaire and has this year for the first time submitted a public response. CDP has aligned its questionnaires with the TCFD guidelines. A summary of disclosures on the TCFD Guidelines' key aspects of Governance, Strategy, Risk Management, and Metrics & Targets can be found below. More detailed information can be found in the CDP Climate Change survey.

Governance

Under the chairmanship of the Chief Executive Officer, the members of the Executive Committee have the overall responsibility for sustainability and decide on the strategy and targets. There is also a specific climate Steering Committee (SteerCo) consisting of the CEO and CTO. The SteerCo meets quarterly with the relevant business partners from Procurement, Operations, R&D, and Sustainability.

Strategy

For Corbion, sustainability and climate change offer opportunities and are drivers for innovation. As we are a biobased company using 98% biobased raw materials and have a relatively low carbon footprint, we have not identified any climate-specific transition or physical risks in the short (< 1 year), medium (2-4 years), or long (4-15 years) term that have a substantive financial or strategic impact on our business. We have, however, identified several areas for opportunities, especially in relation to the transition toward a low-carbon economy. Examples include PLA (through our joint venture with Total) and our Algae Ingredients platform. We are still defining our approach to performing scenario analysis to test the resilience of our strategy.

Risk management

Climate-related risks are assessed in our formal risk identification process (see *Risk management*). As long as no material climate-related risks are identified in this process the sustainability department will keep monitoring for changes. Any changes in the climate risk assessment are communicated to the Board of Management through quarterly meetings with the SteerCo.

Metrics and targets

Corbion discloses its Scope I, II, and III emissions (see *Sustainability statements/Natural capital/ Greenhouse gas emissions* and *CDP*). For internal planning purposes Corbion uses a carbon price of €50/t CO_2e. The remuneration policy for the Board of Management includes bonusses for the CEO and CFO linked to sustainability targets. In 2019, Corbion has committed to reducing its CO_2 emissions related to energy, key raw materials, and transport by 33% per ton of product by 2030 (base year: 2016). This target has been approved by the Science Based Target initiative, confirming that our current emission reduction plans are in line with the Paris Agreement to keep global warming well below 2 ºC.

Reporting policy

We used the GRI Standards core option as a basis for our 2019 report. The selection of topics included in the report is based on a materiality assessment (see *Materiality and stakeholder engagement*). The environmental and social results for the material topics in this report cover all entities that belong to the scope of the consolidated financial statements except for our facility in Araucária (Granotec do Brazil), as this site has only recently been acquired and the integration thereof in our sustainability reporting is ongoing. Our joint venture Total Corbion PLA is excluded. The scope of the environmental data includes Corbion's manufacturing sites. Offices and R&D laboratories are not included, except for our R&D laboratories and offices located at our Gorinchem and Totowa manufacturing sites.

Data is collected from various reporting systems. For each KPI, data reporters and data reviewers are defined, either at site level or at corporate level. The data reporter is responsible for the annual reporting of the data via the central reporting systems and for document retention and record-keeping related to this data. The data reviewer (from Finance) is responsible for the validation of the reported data. Site-specific data is consolidated and reviewed at corporate level by Finance and the Sustainability team. The review includes a comparison to data from previous years and a review of changes that could have impacted the results, such as improvement projects. In case of uncertainties, data estimation may be required, which is validated during review. We strive to continuously improve the data collection process and the reliability of the data. Significant changes that impact comparability including changes in measurement methods are explained in footnotes.

The KPIs related to responsible sourcing, responsible operations, and sustainable solutions have been reviewed by external auditors (marked by "√ ").

Natural capital

Our environmental policies and the principal environmental risks for our business operations and value chain are described in the Sustainability chapter sections on *Responsible sourcing* and *Responsible operations*.

Our resource-efficiency KPIs measure the performance of all of our operations on energy usage, water consumption, waste and by-product generation, and greenhouse gas (GHG) emissions.

Category		Unit	2019 [5)]	2018
Production volume √		kT	499	481
Energy √	Electricity (renewable)	GJx10^3	397	227
	Electricity (non-renewable)	GJx10^3	285	317
	Natural gas, purchased steam (non-renewable and renewable)	GJx10^3	2,513	2,221
	Biogas (renewable)	GJx10^3	23	27
	Total	**GJx10^3**	**3,219**	**2,792**
Energy intensity √	**Total, specific**	**GJ/T**	**6.45**	**5.81**
GHG emissions √	Scope I	kT CO_2 equiv	101	94
	Scope II (market based)	kT CO_2 equiv	68	83
	Scope II (location based)	kT CO_2 equiv	96	101
	Scope III	kT CO_2 equiv	907	761
	Biogenic emissions [1)]	kT CO_2 equiv	34.33	5.40
	Scope I, specific	T CO_2 equiv /T	0.20	0.20
	Scope II, specific (market based)	T CO_2 equiv /T	0.14	0.17
	Scope II, specific (location based)	T CO_2 equiv /T	0.19	0.21
	Scope III, specific	T CO_2 equiv /T	1.82	1.60
Water consumption [2)]√	**Total**	**m3x10^3**	**4,318**	**3,807**
	Total, specific	**m3/T**	**8.64**	**7.92**
Waste (total [3)]) √	Recycled	kT	21.13	23.00
	Incinerated	kT	2.03	2.10
	Landfilled	kT	1.20	2.00
	Total	**kT**	**24.35**	**27.10**
Waste (hazardous) √	Recycled	kT	0.58	0.51
	Incinerated	kT	0.09	0.01
	Landfilled	kT	0.04	0.03
	Total	**kT**	**0.71**	**0.55**
By-products [4)] √	Recycled	kT	452	429
	Incinerated	kT	0	0
	Landfilled	kT	4.61	2.50
	Total	**kT**	**456**	**431**

1 *Restated due to data quality improvement.*
2 *Biogenic emissions are mainly related to indirect emissions from purchased renewable energy and direct emissions from algae fermentations, the consumption of biogas, and waste water treatment.*
3 *Sum of the water withdrawn from rivers, aquifers, rainwater reservoirs, municipal water supplies, including purchased steam.*
4 *Sum of hazardous and non-hazardous waste. Waste means any substance or object arising from our routine operations which we discard or intend to discard, or are required to discard.*
5 *Valuable by-products generated in the production of lactic acid.*
6 *Our recently acquired facility in Araucária is not yet included in the reporting scope for the Natural capital KPIs.*

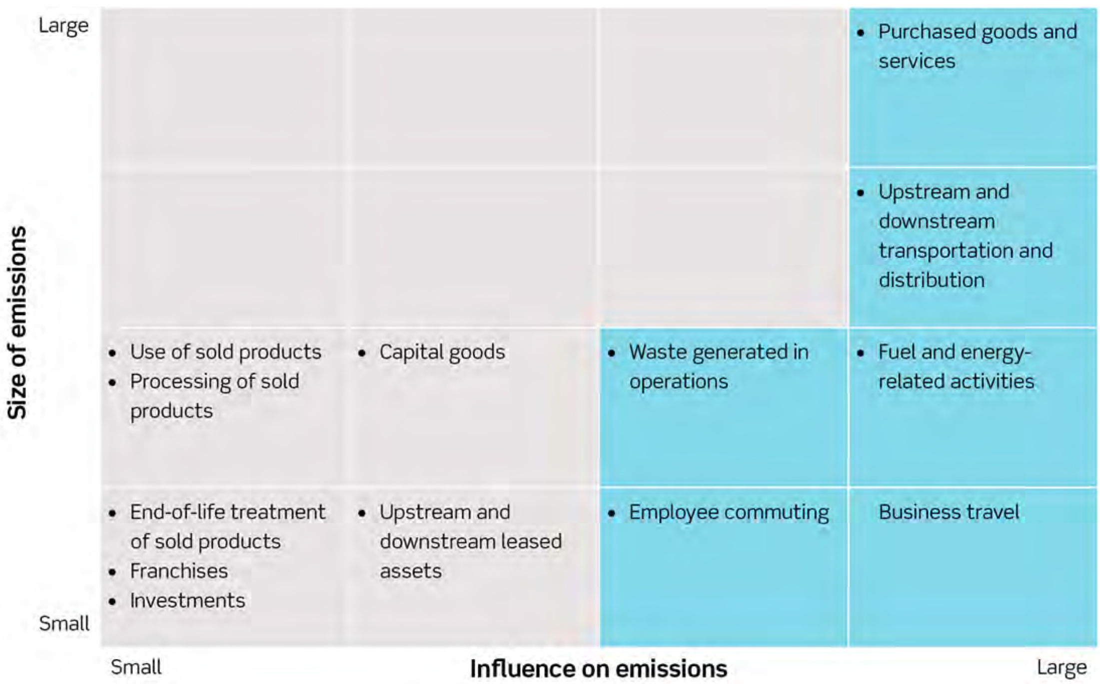
√ Reviewed by external auditor

Greenhouse gas emissions

We report our emissions in carbon equivalents from cradle to gate in accordance with the Greenhouse Gas Protocol. This includes Scope I emissions from direct production (for natural gas), Scope II emissions from purchased energy (for electricity and purchased steam), and Scope III emissions related to purchased goods and services [1] , fuel and energy-related activities, upstream and downstream transportation, waste generated in operations [2] , business travel, and employee commuting.

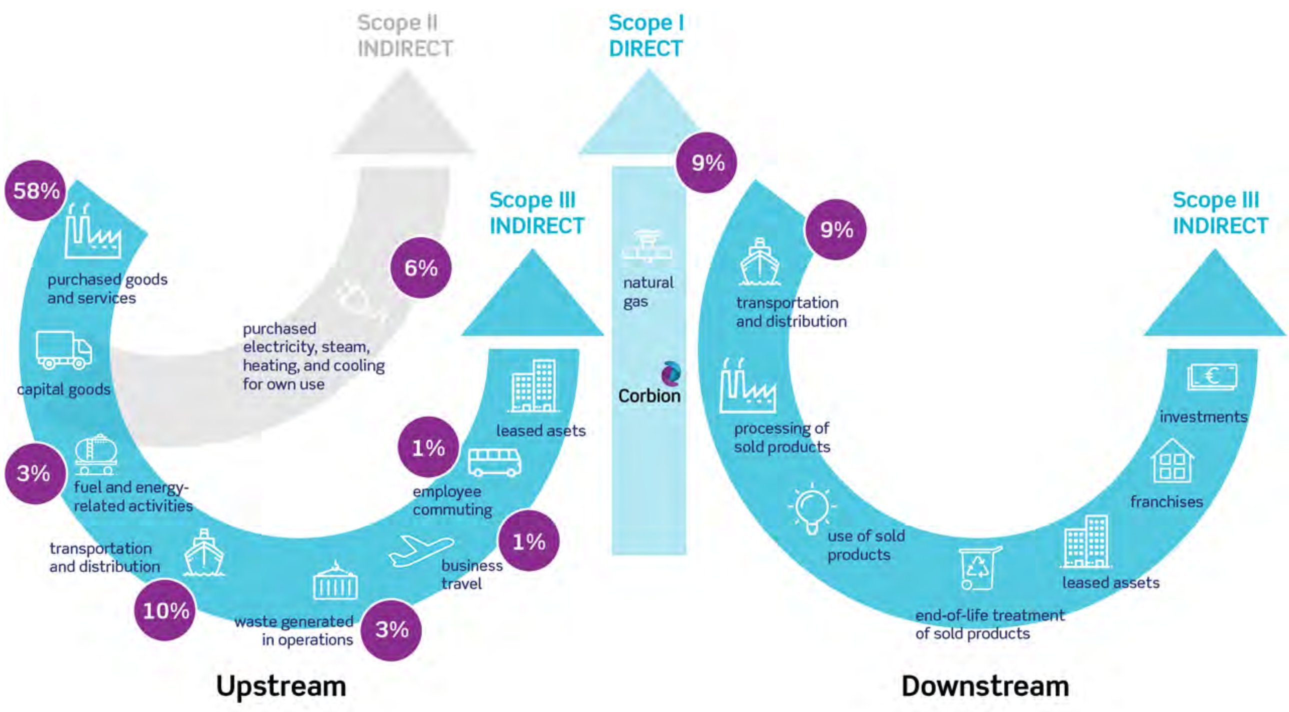
The chart below shows which Scope III activities have the most significant GHG emissions, offer the greatest opportunities for reduction, and are the most relevant to our ambition to reduce our carbon footprint in line with the Paris Agreement. In 2019, we have included the GHG emissions from waste generated in operations in our reporting scope and we have improved the completeness of the reporting on purchased goods by including emissions related to packaging and outsourcing.

Compared to 2018, our total emissions increased due to an increase in the total production volume. Our specific Scope I emissions remained constant. For Scope II, our market-based specific emissions decreased by 18%, due to the increased use of renewable electricity. Seven out of twelve Corbion sites are now 100% powered by renewable electricity, which increases our global coverage to 58%, ahead of our 2020 target (50%). Our Scope III emissions are not directly comparable to the Scope III emissions reported for 2018, due to the inclusion of additional categories (waste, packaging, and outsourcing) and the inclusion of our facility in Orindiúva. When comparing on the same basis, our specific Scope III emissions decreased by some 2%.The biogenic emissions for 2019 include the indirect biogenic emissions from the renewable energy used at our facility in Orindiúva, which was not included in the reporting scope for 2018. Our Orindiúva facility uses renewable electricity and steam generated from the incineration of bagasse at the neighboring sugar mill.



1 For 2019 including packaging and outsourcing, which was not included in 2018
2 Not included for 2018

Greenhouse gas emissions in Corbion's value chain



Human capital

Inclusion and employee engagement

Corbion is fully committed to including the opinions and insights of its employees and investing in their further development. At Corbion we strive to create an effective and high-performing organization with engaged, inclusive, and diverse teams where our employees can unleash their passion, pride, and talent to create sustainable growth now and well into the future. To underpin this further and provide a “compass” for all interactions of our employees within and outside our company, we have communicated and implemented the Corbion values Care, Commitment, Collaboration, and Courage worldwide – in addition to the already existing Corbion behaviors.

To ensure we embed the above into Corbion and support our people in the best ways possible, the following principles are leading within Corbion:

- Attract, develop, and retain our employees based on diversity, competences, strengths, and leadership potential required for current and future positions.
- Offer challenging (new) career opportunities and encourage and support opportunities for further business and personal growth in the job, in projects, and with training.
- Reward delivery of performance based on an internationally competitive remuneration framework.
- Provide an inclusive work environment which leads to an increasingly engaged and involved workforce.

In 2019 we agreed on our Inclusion and Diversity policy which will be communicated and rolled out in 2020. We also continued our global review and succession planning of our talent, with the aim of establishing a stronger succession pipeline by ensuring quality and timely succession of critical positions. In addition, we implemented a global standard for the onboarding of new employees ensuring that they will not only be familiarized quicker with their new environment but also understand better the culture, values, and behaviors to successfully contribute within Corbion. Priority was especially given to the onboarding and integration of the employees of the acquired company Granotec do Brazil. The year under review saw the continued realization of several global training initiatives in the areas of sales, leadership, and management skills.

Achieving an optimal level of employee engagement and the creation of a culture focused on continuous performance and innovation are key success factors. This year was characterized by the implementation of the results of the fourth employee engagement survey conducted late 2018 (response rate of 94%) and impact planning to enhance the implementation of improvement areas. The outcome shows, once again, a rise in our engagement levels also in comparison with external benchmarks.

The four key Corbion behaviors (set clear direction, make the difference, focus on customers, and deliver through teamwork) have been integrated in our performance management system and leadership development programs to fully support the implementation and realization of our Creating Sustainable Growth strategy.

Human rights

We support the United Nations Universal Declaration of Human Rights, the key conventions of the International Labor Organization, the OECD guidelines, and we are a signatory to the United Nations Global Compact. We integrate these principles into our policies and our business activities. Our Code of Business Conduct covers amongst others child and forced labor, discrimination, and freedom of association. All of our sites are assessed through Sedex and regularly audited (4-Pillar Sedex Members Ethical Trade Audit). Through our supplier code and our cane sugar code, we expect our suppliers to respect human rights in their operations. See *Responsible sourcing* for more information on these codes and the governance thereof.

Workforce profile

	FTE of employees 2019	% of workforce 2019	FTE of employees 2018	% of workforce 2018
Total workforce	**2,138**		**2,040**	
By region				
Asia	230	11%	223	11%
EMEA	642	30%	625	31%
Latin America	392	18%	319	16%
North America	874	41%	873	42%
By unit				
Business units	716	33%	733	36%
Ingredient Solutions	*490*	*68%*	*491*	*67%*
Innovation Platforms	*226*	*32%*	*242*	*33%*
R&D	81	4%	100	5%
Operations	1,137	53%	1,017	50%
Support functions	204	10%	190	9%
By gender	Number of employees		Number of employees	
Female	562	26%	532	26%
Male	1,604	74%	1,536	74%
By employment contract	Number of employees		Number of employees	
Full time	2,016	93%	1,922	93%
Part time	150	7%	146	7%

The total number of FTEs has increased in 2019 due to further focus on the strategy implementation (requiring specific competences) and the acquisition of Granotec do Brazil.

Labor practices

Collective bargaining agreements	# of employees	% of workforce
Total employees with agreements	985	45%

To ensure high-level employee-management interaction and responsible labor practices, we have joint management-worker health & safety committees on all production locations with formally elected employee representatives. In Thailand, the Election Welfare Committee has a formal quarterly meeting with employer representation by labor law to jointly review the welfare and working conditions. The members of the Election Welfare Committee are all employees' representatives.

In addition, our Code of Business Conduct reflects our strong commitment to responsible labor practices. All Corbion employees are paid a living wage.

GRI Index

General standard disclosures

Indicator	Description	Location in report
102-1	Name of the organization	Corbion
102-2	Activities, brands, products, and services	Corbion at a glance
102-3	Location of the organization's headquarters	Amsterdam
102-4	Number of countries operating	Corbion at a glance
102-5	Nature of ownership and legal form	Corbion at a glance, How we safeguard long-term value
102-6	Markets served	Corbion at a glance
102-7	Scale of the reporting organization	Corbion at a glance, Company highlights
102-8	Information on employees and other workers	Sustainability statements
102-9	Supply chain	Responsible sourcing
102-10	Significant changes to the organization and its supply chain	Financial statements
102-11	Precautionary principle or approach	Risk management
102-12	External initiatives	UN Global Compact
102-13	Memberships of associations	www.corbion.com/about-corbion/sustainability
102-14	Statement from senior decision-maker	Sustainability statements
102-16	Values, principles, standards, and norms of behaviour	How we safeguard long-term value
102-40	List of stakeholder groups	Sustainability statements, How we safeguard long-term value
102-41	Collective bargaining agreements	Sustainability statements
102-42	Identifying and selecting stakeholders	Sustainability statements
102-42	Approach to stakeholder engagement	Sustainability statements
102-44	Key topics and concerns raised	Sustainability statements
102-45	Entities included in the consolidated financial statements	Group structure
102-46	Defining report content and topic boundaries	Sustainability statements
102-47	List of material topics	Sustainability statements
102-48	Restatements of information	Sustainability statements
102-49	Changes in reporting	Sustainability statements
102-50	Reporting period	1 January – 31 December 2019
102-51	Date of most recent report	20 March 2020
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	communications@corbion.com
102-54	Claims of reporting in accordance with the GRI Standards	Sustainability statements
102-55	GRI content index	Sustainability statements
102-56	External assurance	Sustainability statements

Specific standard disclosures

Indicator	Description	Location in report
Material topic – Resource efficiency		
GRI 103: Management Approach 2016		Responsible operationsSustainability statements
GRI 302: Energy 2016		
302-1	Energy consumption within the organization	Sustainability statements
302-3	Energy intensity	Sustainability statements
GRI 305: Emissions 2016		
305-1	Direct GHG emissions (Scope I)	Sustainability statements
305-2	Energy indirect GHG emissions (Scope II)	Sustainability statements
305-3	Other indirect GHG emissions (Scope III)	Sustainability statements
305-4	GHG emissions intensity	Sustainability statements
GRI 306: Effluents and waste		
306-2	Waste by type and disposal method	Sustainability statements
Material topic - Occupational health and safety		
GRI 103: Management Approach 2016		Responsible operationsSustainability statements
GRI 403: Occupational health and safety		
403-2	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities	Responsible operationsSustainability statements
Material topic - Product quality and performance		
GRI 103: Management Approach 2016		Responsible operationsSustainable solutions
GRI 416: Customer health and safety		
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	There were no incidents of non-compliance in 2019.
Material topics which Corbion reports according to own indicators		
Material topic - Sustainable supply chain		
GRI 103: Management Approach 2016		Responsible sourcing
Own indicators	• Raw materials assessed on security of supply • Raw materials covered by generic supplier code • Responsibly sourced cane sugar • Responsibly sourced palm oil and primary oleochemicals • Responsibly sourced corn-based dextrose • Responsibly sourced soybean oil and primary oleochemicals • Responsibly sourced wheat-based raw materials	Responsible sourcing
Material topic - Resource efficiency		
GRI 103: Management Approach 2016		Responsible operations
Own indicators	• Renewable electricity • Total weight of by-products of lactic acid production • Total weight of by-products disposed, by disposal method • Water consumption	Responsible operationsSustainability statements

Indicator	Description	Location in report
Material topic - Product environmental impact		
GRI 103: Management Approach 2016		Responsible operations
Own indicators	• Innovation projects assessed on sustainability • Products covered by Life Cycle Assessment	Sustainable solutions
Material topic – Innovation		
GRI 103: Management Approach 2016		Sustainability statements
Own indicators	Qualitative description only	Business performance
Material topic – Safe, affordable, and healthy food		
GRI 103: Management Approach 2016		Sustainability statements
Own indicators	Qualitative description only	Business performance
Material topic – Transparency		
GRI 103: Management Approach 2016		Sustainability statements
Own indicators	Qualitative description only	Sustainability statements
Material topic – Renewable raw materials		
GRI 103: Management Approach 2016		Sustainable solutions
Own indicators	Biobased raw materials	Sustainable solutions

UN Global Compact

"Corbion is a signatory to the United Nations Global Compact. We are committed to aligning our operations and strategies with these ten principles in the areas of human rights, labor, the environment, and anti-corruption. We will continue to support the principles and communicate our progress in terms of practical actions and outcomes." Olivier Rigaud, CEO, Corbion

United Nations Global Compact Reference List

Topic	Principle	Reference
Human rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and Principle 2: make sure that they are not complicit in human rights abuses.	How we safeguard long-term valueResponsible sourcingResponsible operationsSustainability statementsCorbion Code of Business ConductCorbion Supplier CodeCorbion Cane Sugar Code
Labor	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; Principle 4: the elimination of all forms of forced and compulsory labor; Principle 5: the effective abolition of child labor; and Principle 6: the elimination of discrimination in respect of employment and occupation.	How we safeguard long-term valueResponsible sourcingResponsible operationsSustainability statementsCorbion Code of Business ConductCorbion Supplier CodeCorbion Cane Sugar Code
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges; Principle 8: undertake initiatives to promote greater environmental responsibility; and Principle 9: encourage the development and diffusion of environmentally-friendly technologies.	How we safeguard long-term valueResponsible sourcingResponsible operationsSustainability statementsCorbion Code of Business ConductCorbion Supplier CodeCorbion Cane Sugar CodeWho we are and what we do
Anti-corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	How we safeguard long-term valueCorbion Code of Business ConductCorbion Supplier CodeCorbion Cane Sugar Code

OTHER INFORMATION

Alternative performance measures (APM)

In this report, Corbion has included certain non-IFRS financial information. This information is presented to assist in making appropriate comparisons with prior periods and to assess the operating performance of the business. Corbion uses these measures to assess the performance of the business and believes that the information is useful to users of the financial information. The non-IFRS financial measures do not have a standardized meaning prescribed by the IASB, therefore may not be comparable to similar measures presented by other issuers.

The table below gives an overview of the alternative performance measures used and their definitions.

APM	Definition
EBITDA	The operating result before depreciation, amortization, and impairment of (in)tangible fixed assets.
Adjusted EBITDA	EBITDA as defined above after applying adjustments.
Adjusted EBITDA margin %	Adjusted EBITDA as defined above divided by net sales x 100.
Adjusted EBITDA excluding acquisitions and divestments, at constant currencies	Adjusted EBITDA as defined above excluding the impact of acquisitions and divestments, based on prior year currency rates.
Covenant EBITDA	Adjusted EBITDA as defined above increased by cash dividend of joint ventures received and annualization effect of newly acquired subsidiaries.
Organic EBITDA growth	Adjusted EBITDA as defined above versus prior year excluding impact of acquisitions and divestments and excluding currency impact.
Organic sales growth	Sales versus prior year excluding impact of acquisitions and divestments and excluding currency impact.
Adjusted operating result	Operating result after adjustments.
Adjusted result after taxes	Result after taxes after adjustments.
Interest cover	Covenant EBITDA as defined above divided by net interest income and charges.
Net debt position	Interest-bearing debts and lease liabilities less cash and cash equivalents, including third-party guarantees which are required to be included under the debt covenants.
Capital employed	The sum of equity, non-current liabilities, interest-bearing current liabilities, and lease liabilities minus cash and cash equivalents.
Average capital employed	Average of the quarterly average capital employed in the reporting period.
Market capitalization	Number of ordinary shares with dividend rights multiplied by the share price at period end.
Free cash flow	Cash flow from operating activities plus cash flow from investment activities.
Return on capital employed (ROCE)	Adjusted operating result as defined above, including results from joint ventures and associates, divided by the average capital employed x 100.
Adjustments	Adjustments relate to material items in the income statement of such size, nature, or incidence that, in the opinion of management, require disclosure. These items include amongst others write-downs of inventories to net realizable value, reversals of write-downs, impairments, reversals of impairments, additions to and releases from provisions for restructuring and reorganization, results on assets sold, gains on the sale of subsidiaries, joint ventures and associates, and any other provision being formed or released. The company only makes adjustments for items when the aggregate amount of the events per line item of the income statement exceeds a threshold of € 0.5 million.

The table below gives a selection of the APMs used versus the most directly comparable IFRS measure.

€ million	2019	2018
Operating result	61.3	87.9
Depreciation, amortization, and impairments	103.0	41.6
EBITDA	**164.3**	**129.5**
Adjustments to EBITDA		
- Past-service gain due to change in indexation CSM UK pension scheme	-7.9	
- Restructuring costs	2.9	0.3
- Acquisition costs	0.7	0.4
- One-off bonuses	1.0	
- Onerous contract provisions		0.6
- Legal fees	0.5	
- Incidental write-down of inventory	2.6	0.6
- Profit on sale of land		-0.6
- Valuation of tax assets	-3.5	
- Remeasurement contingent purchase price SB SB Renewable Oils	-14.7	
- Remeasurement contingent sales price Total Corbion PLA		0.8
Total adjustments to EBITDA	-18.4	2.1
Adjusted EBITDA	**145.9**	**131.6**
Operating result	61.3	87.9
Adjustments to operating result		
- Adjustments to EBITDA	-18.4	2.1
- Impairments	42.1	
- Reversal of previous recorded impairment		-0.4
Total adjustments to operating result	23.7	1.7
Adjusted operating result	**85.0**	**89.6**
Net result	25.8	54.3
Adjustments to result after taxes		
- Total adjustments to operating result	23.7	1.7
- Gain fair value remeasurement SB Oils		-9.6
- Loss related to write-down inventory SB Oils		2.8
- Tax effects on above adjustments	-3.5	-0.1
Total adjustments to result after taxes	20.2	-5.2
Adjusted result after taxes	**46.0**	**49.1**
Cash flow from operating activities	114.4	99.5
Cash flow from investment activities	-104.8	-87.6
Free cash flow	**9.6**	**11.9**
Equity	529.1	520.2
Borrowings	282.8	249.2
Lease liabilities	66.2	1.2
Other non-current liabilities	24.1	26.9

€ million	2019	2018
-/- Cash and cash equivalents	-45.7	-47.1
Capital employed	**856.5**	**750.4**
Borrowings	282.8	249.2
Lease liabilities	66.2	1.2
-/- Cash and cash equivalents	-45.7	-47.1
Net debt position	**303.3**	**203.3**

Group structure

As at 31 December 2019

Name	Nature of business	Proportion of ordinary shares held by the group (%)
Principal subsidiaries		
Argentina		
Purac Argentina S.A.	Operating company	100
Brazil		
Corbion Produtos Renovaveis Ltda.	Operating company	100
Corbion S.A. Nutrição e Biotecnologia	Operating company	100
Corbion S.A. Tecnologia para a Industria Alimentícia	Operating company	100
Putac Sínteses Indústria e Comercio Ltda.	Operating company	100
China		
Corbion Trading (Shanghai) Co., Ltd.	Operating company	100
France		
Corbion France SAS	Operating company	100
India		
Corbion India PL	Operating company	100
Japan		
Corbion Japan K.K.	Operating company	100
Mexico		
Purac Mexico S. de R.L. de C.V.	Operating company	100
The Netherlands		
Corbion Group Holdings bv	Holding company	100
Corbion Group Netherlands bv	Holding company	100
Corbion PLA Holding bv	Holding company	100
Corbion SB Oils Holding bv	Holding company	100
Expalkan V bv	Holding company	100
Purac Biochem bv	Operating company	100
Poland		
Purac Polska Sp. z o.o.	Operating company	100
Singapore		
Purac Asia Pacific PTE Ltd.	Operating company	100
Spain		
Purac Bioquímica S.A.	Operating company	100

Name	Nature of business	Proportion of ordinary shares held by the group (%)
Thailand		
Purac (Thailand) Limited	Operating company	100
United Kingdom		
Expalkan II Closed Scheme Ltd. *	Pension funding company	100
United States		
Corbion America Holdings Inc.	Holding company	100
Corbion America Subholdings Inc.	Holding company	100
Caravan Ingredients Inc.	Operating company	100
Corbion Biotech Inc.	Operating company	100
Purac America Inc.	Operating company	100
Joint ventures		
The Netherlands		
CM Biomaterials bv, Gorinchem	Operating company	50
Total Corbion PLA bv, Gorinchem	Operating company	50
Bioprocess Pilot Facility bv, Delft	Operating company	31.1
Icos Cleantech Early Stage Fund II bv, Badhoevedorp	Operating company	23.3
Dutch Technology Fund I bv, Badhoevedorp	Operating company	11.1

* Expalkan II Closed Scheme Ltd. (registration number 08559472) is exempt from the requirements of the Companies Act 2006 by virtue of Section 479A.

Independent auditor's report

To: the General Shareholders Meeting and the Supervisory Board of Corbion N.V.

Report on the audit of the financial statements 2019 included in the annual report

Our opinion

In our opinion:

— the accompanying consolidated financial statements give a true and fair view of the financial position of Corbion N.V. as at 31 December 2019 and of its result and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code;

— the accompanying company financial statements give a true and fair view of the financial position of Corbion N.V. as at 31 December 2019 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the financial statements 2019 of Corbion N.V. (''the Company'' or ''the group'') based in Amsterdam. The financial statements include the consolidated financial statements and the company financial statements.

The consolidated financial statements comprise:

1 the consolidated statement of financial position as at 31 December 2019;

2 the following consolidated statements for 2019: the income statement, the statements of comprehensive income, changes in equity and cash flows; and

3 the notes comprising a summary of the significant accounting policies and other explanatory information.

The company financial statements comprise:

1 the company statement of financial position as at 31 December 2019;

2 the company income statement for 2019; and

3 the notes comprising a summary of the accounting policies and other explanatory information.

KPMG

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 Corbion N.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

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

Audit approach

Summary

Materiality
— Materiality of EUR 5.5 million — 4.6% of normalized result before tax

Group audit
— 93% of total assets — 83% of revenue

Key audit matters
— Valuation of the Algae Ingredient business and the related contingent consideration — Valuation capitalized licenses and related development costs not yet available for use — Business combination - Acquisition of Granotec do Brazil

Opinion
Unqualified

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at EUR 5.5 million (2018: EUR 5.0 million), which represents 4.6% (2018: 4.5%) of the normalized result before tax. We consider normalized result before tax as the most appropriate benchmark, because Corbion N.V. is a profit-oriented entity, with a loss making Innovation Platform segment where new business platforms are developed.

The 2019 normalized result before tax therefore also excludes the effect of loss making activities in the segment Innovation Platforms and we have applied a lower materiality for these activities.

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

We agreed with the Audit committee of the Supervisory Board that misstatements in excess of EUR 275,000 (2018: EUR 250,000) which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

Corbion N.V. is at the head of a group of components. The financial information of this group is included in the consolidated financial statements of Corbion N.V.

Our group audit mainly focused on significant components that are (i) of individual financial significance to the group based on revenues or assets, or (ii) that, due to their specific nature or circumstances, are likely to include significant risks of material misstatement for the group financial statements.

The Group operates through a number of legal entities. These entities form reporting components which are primarily based on geography (countries).

Because we are ultimately responsible for the auditor's report, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for entities reporting for group audit purposes. Decisive were the size and/or the risk profile of the entities or operations.

On this basis, we selected 9 entities (2018: 10 entities) to perform audits for group reporting purposes on a complete set of financial information as well as 1 entity (2018: 2 entities) to perform audit procedures for group reporting purposes on specific items of financial information.

We performed audit procedures ourselves at group level in respect of areas such as the asset impairment tests, valuation of deferred tax assets for the entities in the Dutch fiscal unity, UK - defined benefit pension plan, business combinations and treasury.

We provided detailed instructions to all component auditors, covering the significant audit areas, including the relevant risks of material misstatement, and set out the information required to be reported back to us. We visited entity locations in the United States of America and Brazil. During these visits and telephone conferences with all component auditors we discussed the audit approach, the findings and observations in more detail. Also file reviews were performed for the entities in the United States of America and in Brazil.

For the remaining entities, we performed amongst others analytical procedures at (business) group level to validate our assessment that there are no significant risks of material misstatement within these entities.

By performing the procedures mentioned above at group components, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion about the financial statements.

Our procedures as described above can be summarized as follows:

Total assets

84%	11%	5%
Audit of the complete reporting package	Audit of specific items	Central procedures remaining entities

Revenue

83%	0%	17%
Audit of the complete reporting package	Audit of specific items	Central procedures remaining entities

Audit scope in relation to fraud

In accordance with the Dutch standards on auditing we are responsible for obtaining a high (but not absolute) level of assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error.

As part of our risk assessment process we have evaluated events or conditions that indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud ('fraud risk factors') to determine whether fraud risks are relevant to our audit.

We communicated identified fraud risks throughout our team and remained alert to any indications of fraud throughout the audit. This included communication from the group to component audit teams of relevant fraud risks identified at group level.

In accordance with the auditing standard we evaluated the fraud risks that are relevant to our audit:

- revenue recognition at year-end (cut-off). Risk of fraud related to recognition of revenue (overstatement), especially as a result of (manual) journal entries at year-end; and
- management override of controls. Risk of fraud related to unpredictable way management override of controls may occur.

Our audit procedures included an evaluation of the design and implementation of internal controls relevant to mitigate these risks and substantive audit procedures, including detailed testing of high risk journal entries and evaluation of management bias. In determining the audit procedures we will make use of the Company's evaluation in relation to fraud risk management (prevention, detections and response), including the set-up of ethical standards to create a culture of honesty.

As part of our evaluation of any instances of fraud, we inspected the incident register/whistle blowing reports and follow up by management.

We communicated our risk assessment and audit response to management and the Audit Committee of the Supervisory Board. Our audit procedures differ from a specific forensic fraud investigation, which investigation often has a more in-depth character.

Our procedures to address fraud risks did not result in the identification of a key audit matter.

We do note that our audit is based on the procedures described in line with applicable auditing standards and are not primarily designed to detect fraud.

Audit scope in relation to non-compliance with laws and regulations

We have evaluated facts and circumstances in order to assess laws and regulation relevant to the Company.

We identified laws and regulations that could reasonably be expected to have a material effect on the financial statements based on our general understanding and sector experience, through discussion with relevant management and evaluating the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. This included communication from the group to component audit teams of relevant laws and regulations identified at group level. The potential effect of these laws and regulations on the financial statements varies considerably:

- Firstly, the Company is subject to laws and regulations that directly affect the financial statements including taxation and financial reporting (including related company legislation). We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

- Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have an indirect material effect on amounts recognized or disclosures provided in the financial statements, or both, for instance through the imposition of fines or litigation.

We identified the following areas as those most likely to have such an indirect effect:

- Health and safety regulation;
- Product law such as product safety and product claims;
- Environmental regulation;
- Anti-bribery and corruption laws and regulations;
- Trade sanctions and export controls laws and regulations;
- Data privacy legislation;
- Labour/ human rights laws.

Auditing standards limit the required audit procedures to identify non-compliance with laws and regulations that have an indirect effect to inquiring of relevant management and inspection of regulatory and legal correspondence, if any. Through these procedures, we did not identify any additional actual or suspected non-compliance other than those previously identified by the Company in each of the above areas. We considered the effect of actual or suspected non-compliance as part of our procedures on the related financial statement items.

Our procedures to address compliance with laws and regulations did not result in the identification of a key audit matter.

We do note that our audit is not primarily designed to detect non-compliance with laws and regulations and that management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to errors or fraud, including compliance with laws and regulations.

The more distant non-compliance with indirect laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Audit Committee of the Supervisory Board. The key audit matters are not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of Algae Ingredient business and the related contingent consideration

Description

Based on the market adoption rate and adjusted sales outlook management has identified an impairment trigger for (in)tangible fixed assets of the Algae Ingredient business and recognized an impairment loss of EUR 37.0 million in 2019. The valuation of the (in)tangible assets within Algae Ingredient business and the related contingent consideration, are significant to our audit due to their size and judgement involved in the assessment of the valuation of these assets. In particular judgement was required in determining the key assumptions as described in our response.

Our response

We performed, amongst others, the following procedures:

- Evaluate the Company's policies and procedures and test the design of controls over the impairment analysis for the (in)tangible fixed assets of Algae Ingredient business.
- Evaluate the presence of an impairment by comparing the Value in Use (ViU) or Fair Value Less Cost of Disposal (FVLCD) against the carrying amount of the underlying assets.
- Management has engaged an external expert to assist in the determination of the FVLCD. We evaluate the external expert's competence, capabilities and objectivity for the purpose of assisting management in determining the FVLCD.
- Evaluate the key assumptions used by management in its ViU - calculation and the robustness of the different scenarios, amongst others, through comparing to market developments and historical analysis.
- Critically assess the reasonability of the key inputs in the ViU - calculation, such as the weighted average cost of capital, the projected cash flows, the perpetual growth rate and market adoption rate of DHA.
- Involvement of valuation specialists to analyze and evaluate the reasonability of the applied methodology, the mathematical accuracy of the ViU - calculation and the key assumptions used by the Company by performing sensitivity analyses and sanity checks.
- Evaluate the adequacy of the disclosure in accordance with IAS 36 Impairment of Assets.

Our observation

We consider management's key assumptions and estimates for the valuation of Algae Ingredient business and the related contingent consideration to be within an acceptable range and the disclosure (note 10) adequate.

Valuation of the capitalized licenses and related development costs which are not yet available for use

Description

The valuation of the capitalized licenses and related development costs which are not yet available for use, are significant to our audit due to their size and judgement involved in the assessment of the recoverability of those capitalized licenses and related development costs. In particular judgement was required in determining the key assumptions as described in our response.

Our response

We performed, amongst others, the following procedures:

- Evaluate the Company's policies and procedures and test the design of controls over the impairment analysis.
- Evaluate the presence of an impairment by comparing the value in use (ViU) against the carrying amount of the underlying assets.
- Evaluate the key assumptions used by management and the robustness of forecasts, amongst others, through comparing to market developments, historical analysis and cooperation agreements with third parties.
- Critically assess the reasonability of the key inputs, such as the weighted average cost of capital and the projected cash flows.
- Involvement of valuation specialist to analyze and evaluate the reasonability of the applied methodology, the mathematical accuracy of the valuation model and the key assumptions used by the Company by performing sensitivity analyses and sanity checks.
- Evaluate the adequacy of the disclosure in accordance with IAS 36 Impairment of Assets.

Our observation

We consider management's key assumptions and estimates for the valuation of capitalized licenses and related development costs to be within an acceptable range and the disclosure (note 12) adequate.

Business combination – Granotec do Brazil

Description

The acquisition of Granotec do Brazil is a significant acquisition in 2019. The Company recognised identifiable assets and liabilities acquired at fair value in accordance with IFRS 3 – Business Combinations. The measurement of the assets acquired at fair value is inherently judgemental. In particular judgement was required in determining the fair value of customer relationships, as the customer relationships are valued using the Multi-period Excess Earnings Method. Due to the size and judgement, the accounting for the Granotec business combination is significant to our audit.

Our response

We performed, amongst others, the following procedures:

- Evaluate the Company's policies and procedures and test the design of controls over the purchase price allocation.
- Management has engaged an external expert to assist in the determination of the fair value of the identifiable assets and liabilities acquired in the acquisition of Granotec do Brazil. We evaluate the external expert's competence, capabilities and objectivity for the purpose of assisting management in the valuation of the identifiable assets and liabilities acquired.
- Challenge the accounting for the business combination prepared by management by evaluating key assumptions used, such as the discount rate and the projected cash flows.
- Validation of the valuation model by reconciling the model with underlying supporting documentation (such as signed sale and purchase agreement, bank statements and the opening balance from the due diligence).
- Involvement of valuation specialist to analyze and evaluate the reasonability of the applied methodology, the mathematical accuracy of the valuation model and the key assumptions used.
- Evaluate the adequacy of the disclosure in accordance with IFRS 3 Business Combinations.

Our observation

We consider management's key assumptions and estimates for the valuation of the acquired customer relationships to be within an acceptable range and the disclosure (note 25) adequate.

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; and
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

The Board of Management is responsible for the preparation of the other information, including the information as required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Engagement

We were re-engaged by the General Shareholders Meeting as auditor of Corbion N.V. on 25 May 2018 for the audit for the year 2019 and have operated as statutory auditor since the financial year 2016.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audits of public-interest entities.

Description of responsibilities regarding the financial statements

Responsibilities of the Board of Management and the Supervisory Board for the financial statements

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

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

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements

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

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

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

A further description of our responsibilities for the audit of the financial statements is located at the website of de 'Koninklijke Nederlandse Beroepsorganisatie van Accountants' (NBA, Royal Netherlands Institute of Chartered Accountants) at: http://www.nba.nl/ENG_oob_01. This description forms part of our independent auditor's report

Amstelveen, 6 March 2020

KPMG Accountants N.V.

J. te Nijenhuis RA

Assurance report of the independent auditor

To: the General Shareholders Meeting and the Supervisory Board of Corbion N.V.

Our conclusion

We have reviewed the sustainability indicators of Corbion N.V. based in Amsterdam, The Netherlands. The sustainability indicators are marked with '√' and are included on pages 34 to 41 and on page 161 of the Corbion Annual Report 2019 ('the Report').

A review is aimed at obtaining a limited level of assurance.

Based on our procedures performed nothing has come to our attention that causes us to believe that the sustainability indicators are not, in all material respects, prepared in accordance with the reporting criteria as included in the section 'Reporting criteria' of our assurance report.

Basis for our conclusion

We performed our review in accordance with Dutch law, including Dutch Standard 3000A 'Assurance-opdrachten anders dan opdrachten tot controle of beoordeling van historische financiële informatie (attest-opdrachten) (assurance engagements other than audits or reviews of historical financial information (attestation engagements)). Our responsibilities in this regard are further described in the 'Auditor's responsibilities' section of our report.

We are independent of Corbion N.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence). Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

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

Reporting criteria

The sustainability indicators need to be read and understood together with the reporting criteria. Corbion is solely responsible for selecting and applying these reporting criteria, taking into account applicable law and regulations related to reporting.

The reporting criteria used for the preparation of the sustainability indicators are the applied internal reporting criteria as disclosed in the section 'Reporting policy' on page 160 of the Report.

Scope of the group review

Corbion is the parent company of a group of entities. The sustainability indicators incorporate the consolidated indicators of this group of entities to the extent as specified in the section 'Reporting policy' on page 160 of the Report.

Our group review procedures consisted of both review procedures at corporate (consolidated) level and at site level. Our selection of sites in scope of our review procedures is primarily based on the site's individual contribution to the consolidated indicators. Furthermore, our selection of sites considered relevant reporting risks and geographical spread.

By performing our review procedures at site level, together with additional review procedures at corporate level, we have been able to obtain sufficient and appropriate assurance evidence about the group's sustainability indicators to provide a conclusion about the sustainability indicators.

Limitations to the scope of our review

The sustainability indicators include prospective information such as ambitions, strategy, plans, expectations and risk assessments. Inherent to prospective information, the actual future results are uncertain. We do not provide any assurance on the assumptions and achievability of prospective information in the sustainability indicators.

The references to external sources or websites related to the sustainability indicators are not part of our review. We therefore do not provide assurance on this information.

The Board of Management's and the Supervisory Board's Responsibilities

The Board of Management is responsible for the preparation of the sustainability indicators in accordance with the reporting criteria as included in the section 'Reporting policy' on page 160, including the identification of stakeholders and the definition of material matters.

Furthermore, the Board of Management is responsible for such internal control as it determines is necessary to enable the preparation of the sustainability indicators is free from material misstatement, whether due to fraud or error.

The Supervisory Board is responsible for overseeing the reporting process of Corbion.

Auditor's responsibilities

Our responsibility is to plan and perform our review in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

Procedures performed to obtain a limited level of assurance are aimed to determine the plausibility of information and vary in nature and timing from, and are less in extent, than for a reasonable assurance engagement. The level of assurance obtained in a review engagement is therefore substantially less than the assurance obtained in an audit engagement.

We apply the 'Nadere Voorschriften Kwaliteitssystemen' (NVKS, Regulations for Quality management systems) and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our review included among others:

— performing an analysis of the external environment and obtaining an understanding of relevant social themes and issues, and the characteristics of Corbion;

- evaluating the appropriateness of the reporting criteria used, their consistent application and related disclosures in the sustainability indicators. This includes the evaluation of the results of the stakeholders' dialogue and the reasonableness of estimates made by the management board;
- obtaining an understanding of the reporting processes for the sustainability indicators, including obtaining a general understanding of internal control relevant to our review;
- identifying areas of the sustainability indicators with a higher risk of misleading or unbalanced information or material misstatements, whether due to fraud or error. Designing and performing further assurance procedures aimed at determining the plausibility of the sustainability indicators responsive to this risk analysis. These procedures included among others:
  - interviewing management and relevant staff at corporate level responsible for the sustainability strategy, policy and results;
  - interviewing relevant staff responsible for providing the information for, carrying out internal control procedures on, and consolidating the data in the sustainability indicators;
  - determining the nature and extent of the review procedures for the group components and locations. For this, the nature, extent and/or risk profile of these components are decisive. Based thereon we selected the components and locations to visit. The visits to production sites in the USA and Brazil are aimed at, on a local level, validating source data and evaluating the design and implementation of internal controls and validation procedures;
  - obtaining assurance information that the sustainability indicators reconcile with underlying records of Corbion;
  - reviewing, on a limited test basis, relevant internal and external documentation;
  - performing an analytical review of data and trends;
- evaluating the consistency of the sustainability indicators with the information in the Report which is not included in the scope of our review;
- evaluating the presentation, structure and content of the sustainability indicators;
- considering whether the sustainability indicators as a whole, including the disclosures, reflect the purpose of the reporting criteria used.

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the review and significant findings that we identify during our review.

Amstelveen, 6 March 2020

KPMG Accountants N.V.

J. te Nijenhuis RA

Five years in figures

Millions of euros	2019	2018	2017	2016	2015
Continuing operations*					
Net sales	976	897	892	911	918
Operating result	61	88	122	127	109
Adjusted EBITDA 1)	146	132	164	170	150
Result after taxes	26	54	85	104	80
Earnings per ordinary share in euros 2)	0.44	0.93	1.46	1.74	1.29
Diluted earnings per ordinary share in euros 2)	0.43	0.92	1.44	1.72	1.28
Cash flow from operating activities	114	100	118	123	110
Cash flow from operating activities per ordinary share, in euros 2**)	1.94	1.70	2.03	2.06	1.79
Depreciation/amortization (in)tangible fixed assets	62	42	45	50	46
Capital expenditure on (in)tangible fixed assets	83	58	49	51	68
Adjusted EBITDA margin % 3)	14.9	14.7	18.4	18.7	16.4
Result after taxes/net sales %	2.6	6.1	9.5	11.4	8.7
Total operations					
Statement of financial position					
Non-current assets	719	616	498	467	470
Current assets	327	303	295	316	246
Non-interest-bearing current liabilities	161	140	129	147	135
Net debt position 4)	303	203	162	98	62
Provisions	28	28	24	39	31
Equity	529	520	489	499	488
Key data per ordinary share					
Number of issued ordinary shares	59,242,792	59,242,792	59,242,792	57,862,037	59,904,209
Number of ordinary shares with dividend rights	58,819,590	58,764,635	58,620,564	57,365,098	59,420,763
Weighted average number of outstanding ordinary shares **	58,819,590	58,698,602	58,097,383	58,433,493	60,380,489
Price as at 31 December	28.12	24.46	27.00	25.43	22.32
Highest price in calendar year	29.96	29.74	29.39	25.65	22.91
Lowest price in calendar year	24.26	23.3	23.15	17.92	12.7
Market capitalization as at 31 December	1,654	1,437	1,583	1,459	1,326
Earnings in euros **	0.44	0.93	1.46	1.74	1.29
Diluted earnings in euros **	0.43	0.92	1.44	1.72	1.28
Other key data					
Cash flow from operating activities	114	100	118	123	110
Depreciation/amortization (in)tangible fixed assets	62	42	45	50	46
Capital expenditure on (in)tangible fixed assets	83	58	49	51	68
Number of employees at closing date (FTE)	2,138	2,040	1,794	1,684	1,673
Number of issued financing preference shares				2,279,781	2,403,781
Equity per share in euros 5)	9.00	8.85	8.35	8.36	7.89
Regular dividend in euros per ordinary share (reporting year)	0.56	0.56	0.56	0.56	0.43
Additional dividend in euros per ordinary share (reporting year)				0.44	0.42
Ratios					
Net debt position/EBITDA (for covenant purposes) 6)	2.0	1.6	1.0	0.6	0.4
Interest cover 7)	22.2	25.6	24.4	23.0	25.5
Balance sheet total : equity	1:0.5	1:0.5	1:0.6	1:0.6	1:0.6
Net debt position : equity	1:1.7	1:2.6	1:3	1:5.1	1:7.9
Current assets : current liabilities	1:0.9	1:0.7	1:0.6	1:0.5	1:0.4

* The previous years have not been restated for discontinued operations later on.

** Only the preceding year has been restated for stock dividend.

1 *Adjusted EBITDA is the operating result before depreciation, amortization, impairment of (in)tangible fixed assets and after adjustments.*
2 *Per ordinary share in euros after deduction of dividend on financing preference shares.*
3 *Adjusted EBITDA margin % is adjusted EBITDA as defined above divided by net sales x 100.*
4 *Net debt position comprises interest-bearing debts less cash and cash equivalents, including third-party guarantees which are required to be included under the debt covenants.*
5 *Equity per share is equity divided by the number of shares with dividend rights.*
6 *Covenant EBITDA is adjusted EBITDA as defined above, increased by cash dividend of joint ventures received and annualization effect of newly acquired subsidiaries.*
7 *Interest cover is covenant EBITDA as defined above divided by net interest income and charges.*

Investor Relations

Dividend

According to the Corbion Articles of Association, the Board of Management shall decide subject to the approval of the Supervisory Board which part of the profit is to be reserved. The remaining profit shall be at the disposal of the General Meeting of Shareholders. The General Meeting of Shareholders may decide upon a proposal by the Board of Management with the approval of the Supervisory Board to pay dividends to shareholders from the distributable equity.

In terms of dividend policy, Corbion's ambition is to pay out annually a stable to gradually increasing absolute dividend amount per share (progressive regular dividend policy). For 2019, the dividend proposal is a regular dividend in cash of € 0.56 per ordinary share (2018: € 0.56).

Proposed appropriation of profit

Millions of euros	**2019**	**2018**
Result after taxes	25.8	54.3
Proposed addition to the reserves	-7.1	21.4
Available for cash dividend to holders of ordinary shares	32.9	32.9
Regular cash dividend of € 0.56 (2018: € 0.56) per ordinary share with a nominal value of € 0.25	32.9	32.9

Share information

	2019	**2018**	**2017**	**2016**	**2015**
Number of ordinary shares with dividend rights					
x 1,000 as at 31 December	58,820	58,765	58,662	60,141	59,421
Market capitalization in millions of euros as at 31 December	1,654	1,437	1,583	1,459	1,326
Highest share price	29.96	29.74	29.39	25.65	22.91
Lowest share price	24.26	23.3	23.15	17.92	12.7
Share price as at 31 December	28.12	24.46	27	25.43	22.32
Average daily turnover of shares	1,138,349	86,888	170,440	142,677	196,700

Trends in share price

Financial calendar*

30 April 2020	Publication of the interim management statement first quarter 2020
11 May 2020	Annual General Meeting of Shareholders
13 May 2020	Ex date
14 May 2020	Record date
19 May 2020	Dividend payable for 2019
7 August 2020	Publication of half-year figures 2020
2 November 2020	Publication of the interim management statement third quarter 2020
19 May 2021	Annual General Meeting of Shareholders

* subject to change

Contact information

The Investor Relations and Media sections of the company's website www.corbion.com contain up-to-date financial information about Corbion.

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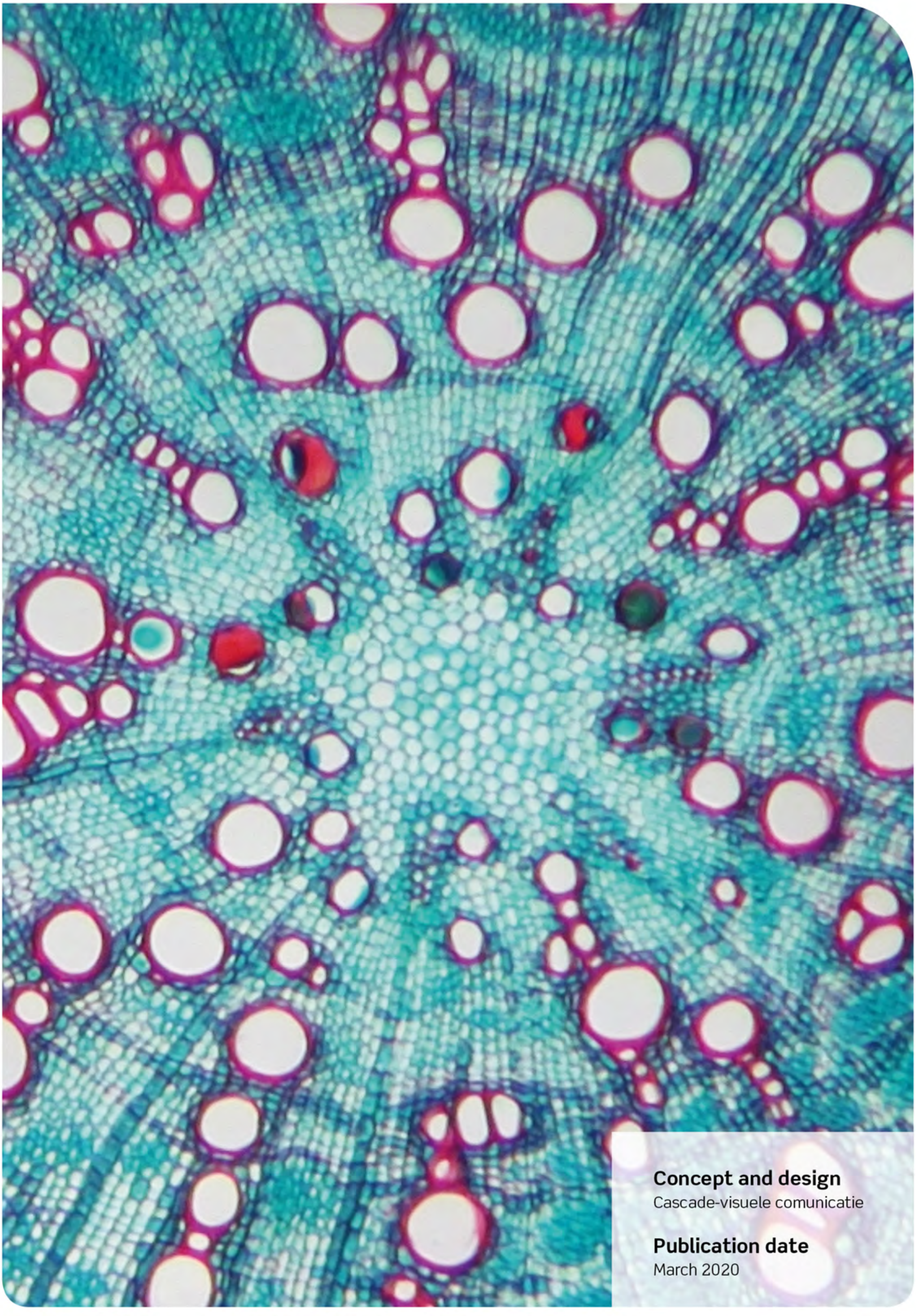

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