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Confidential

Stichting TA AGRI3
The Board of Directors
Arthur van Schendelstraat 500
3511 MH UTRECHT

Our ref.: 2354128/22X00184051AVN
RS/CvdS/rn

Contact: R. Smeeing RA

Amstelveen, 14 July 2022

Subject: Permission letter special purpose financial statement 2021

Dear Lady and Gentlemen

Please find enclosed an authenticated copy of the special purpose financial statement for the year ended 31 December 2021 of Stichting TA AGRI3 as well as one copy of our signed auditor's report dated 14 July 2021. These copies are meant for your own use.

Our auditor's report is intended solely for Stichting TA AGRI3 and the Netherlands Ministry of Foreign Affairs and should not be distributed to or used by other parties than Stichting TA AGRI3 and the Netherlands Ministry of Foreign Affairs.

Yours faithfully,
KPMG Accountants N.V.

R. Smeeing RA
Partner

Enclosures:

Authenticated copy of the special purpose financial statements 2021
One copy of our signed auditor's report



Independent auditor's report

To: the Board of Directors of Stichting TA AGRI3

Report on the audit of the accompanying financial statement

Our opinion

We have audited the special purpose financial statement for the year ended 31 December 2021 (hereafter: 'the financial statement').

In our opinion, the accompanying financial statement is prepared, in all material respects, in accordance with the accounting policies selected and disclosed by the Foundation as set out in note 'Accounting policies'.

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 statement' section of our report.

We are independent of Stichting TA AGRI3 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.

Emphasis of the basis of accounting and restriction on use and distribution

We draw attention to note 'Basis of preparation' to the financial statement, which describes the special purpose of the financial statement, including the basis for accounting. The financial statement is intended for the Netherlands Ministry of Foreign Affairs and is prepared to assist Stichting TA AGRI3 to confirm compliance with the grant agreement with the Netherlands Ministry of Foreign Affairs. As a result, the financial statement may not be suitable for another purpose. Therefore, our auditor's report is intended solely for Stichting TA AGRI3 and the Netherlands Ministry of Foreign Affairs and should not be distributed to or used by other parties than Stichting TA AGRI3 and the Netherlands Ministry of Foreign Affairs. Our opinion is not modified in respect of this matter.

Description of the responsibilities for the financial statement

Responsibilities of the directors for the financial statement

The directors are responsible for the preparation of the financial statement in accordance with the accounting policies selected and disclosed by the Foundation. Furthermore, the directors are responsible for such internal control as the directors determine is necessary to enable the preparation of the financial statement that is free from material misstatement, whether due to errors or fraud.

As part of the preparation of the financial statement, the directors are responsible for assessing the foundation's ability to continue as a going concern. The directors should prepare the financial statement using the going concern basis of accounting unless the directors either intend to liquidate the Foundation or to cease operations, or have no realistic alternative but to do so. The directors should disclose events and circumstances that may cast significant doubt on the Foundation's ability to continue as a going concern in the financial statement.

Our responsibilities for the audit of the financial statement

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 the financial statement. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statement, whether due to errors or fraud, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from errors, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- concluding on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company ceasing to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statement, including the disclosures; and



— evaluating whether the financial statement represents the underlying transactions and events without material misstatements.

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

Amstelveen, 14 July 2022

KPMG Accountants N.V.

R. Smeeing RA

STICHTING AGRIS TA

SPECIAL PURPOSE

FINANCIAL STATEMENT

2021

FINANCIAL REPORT 2021

	2021	
	ACTUALS	
Category	Total EURO	Total USD
PERSONNEL	€ 198,352	\$ 225,655
GRANTS & AGREEMENTS		
G&A - Pre-Contracting		\$ -
G&A - Pre-Coordinator	€ 21,300	\$ 24,232
G&A - Post-Contracting	€ 71,006	\$ 80,779
G&A - Monitoring		\$ -
G&A - Learning	€ 32,705	\$ 37,207
G&A - Market Reconnaissance	€ 136,258	\$ 155,013
TRAVEL, MEETINGS & WORKSHOPS		\$ -
COMMUNICATION & EVENTS	€ 483	\$ 549
TAF OPERATIONAL COSTS	€ 159	\$ 180
STICHTING OPERATIONAL COSTS	€ 35	\$ 40
TOTAL ACTUALS	€ 460,296	\$ 523,656

ACCOUNTING PRINCIPLES

General

Principal activities

STICHTING TA AGRI3, a foundation (stichting) incorporated under the laws of the Netherlands, having its seat (statutaire zetel) in Utrecht, the Netherlands, having its office address at Arthur van Schendelstraat 500, 3511 MH Utrecht, the Netherlands and registered with the Dutch Commercial Register under number 78410053 (the "TA Foundation"). The TA Foundation oversees the provision of the activities relating to the TA Grant, including the provision of Technical Assistance, by the TA Manager, including approving strategy, budgets, workplans and reports.

IDH – the Sustainable Trade Initiative (CC reg. 53521129), is a foundation under Dutch law, and has its legal address at Arthur van Schendelstraat 500 in Utrecht, The Netherlands. The organization is primarily involved in promotion of sustainability within the main international trade chains. It wishes to reinforce public-private consortiums that operate in those international trade chains in order to achieve high impact and value creation (from an economic, social and ecological perspective) in developing countries and emerging markets.

IDH – the Sustainable Trade Initiative has a co-operation agreement with Stichting TA Agri3 (CC reg 53521129). The cooperation agreement allows IDH (TA Manager) to design, procure, manage, and monitor the activities relating to the TA Grant, including the provision of Technical Assistance, and will report to the TA Foundation.

Financial Reporting period

The financial year coincides with the calendar year.

Basis of preparation

This financial statement has been prepared in accordance with the accounting policies as set out below.

The purpose of this financial statement is to confirm to the Netherlands Ministry of Foreign Affairs that all amounts provided under the grant agreement between Agri3 and the Netherlands Ministry of Foreign Affairs with respect to the technical assistance facility have been accounted for in line with the accounting principles adopted by TA Foundation.

This financial statement is prepared based on the going concern assumption.

Accounting policies

General

Expenses are recognized if a decrease in the economic potential related to a decrease in an asset or an increase of a liability has arisen, the size of which can be measured with sufficient reliability.

The expenses are allocated to the period to which they relate.

The financial statement is presented in Euros and US Dollars, with the organization's functional currency as Euros.

Program expenditures

Program expenditures

IDH (on behalf of the TA Foundation) enters conditional, multi-year contracts with its implementing and other public and private partners. These multi-year contracts are not recognized in the year in which they have been committed, but the annual commitment to the implementing (project) partner is determined based on the (revised) approved annual budgets of the implementing partners taking into consideration the actual spending on the project. The annual commitment is recognized as program expenditure in the corresponding financial year. This accounting principle is derived from the fact that:

- The contracts include the provision that the parties (including IDH) reserve the right to terminate the agreement and/or the project with immediate effect and without the risk of incurring liability for damages or compensation.
- Every year Agri3 TA Foundation will initiate an evaluation and assessment of the projects for the past year. Agri3 TA Foundation reserves the right to lower or quit its contribution when the implementing partner or other parties do not meet the predefined deadlines and/or goals.
- The program expenditures in the budget of Agri3 TA Foundation are recognized on this same accounting principle.

Taxes

Agri3 TA Foundation do not perform any entrepreneurial activities. The Dutch tax authorities have ruled that IDH are exempt from VAT and from Corporate Income Tax.

Exchange Rate

The exchange rate used to convert Euros to US Dollars is € 1 = US\$ 1.13765. The contract between STICHTING AGRi3 TA Foundation and The AGRi3 Fund is in US Dollars. However, the STICHTING AGRi3 TA Foundation bank account is in Euros.

The AGR13 Fund sent two transfers to STICHTING AGR13 TA Foundation, the first transfer was for US\$1,600,000 and the STICHTING AGR13 TA Foundation received € 1,411,930.82. The second transfer was for US\$400,000 and € 346,185.47 was received. The weighted average exchange rate used by the bank for the two transfers is 1.13765.