

TOTAL PRODUCE PLC

2020 PRELIMINARY RESULTS

Total Produce records strong results in 2020

- **Very strong performance in 2020 in the context of the unprecedented challenges posed by COVID-19 to the global economy**
- **The Group announced on 17 February 2021 an agreement to combine with Dole Food Company Inc under a newly created US listed company, Dole plc**
- **Total revenue up 1.7% to €6.259 billion**
- **Adjusted EBITDA up 8.2% to €219.4m**
- **Adjusted EBITA up 9.4% to €164.2m**
- **Adjusted profit before tax up 18.0% to €116.0m**
- **Adjusted fully diluted EPS up 9.1% to 15.41 cent**
- **The Group is in a strong financial position, net debt of €144.3m (2019: €221.2m)**
- **7.5% increase in 2020 final dividend to 2.770 cent per share**

Commenting on the results, Carl McCann, Chairman, said:

“The Group has reported strong results in 2020. Revenue grew 1.7% to €6.3 billion with an 8.2% increase in adjusted EBITDA to €219.4m and adjusted earnings per share increasing 9.1% to 15.41 cent. These strong results demonstrate the robustness of the Group’s business model in the face of the unprecedented challenges posed by the ongoing COVID-19 pandemic. We are very proud of our people worldwide. Their dedication, commitment and hard work ensured the Group’s supply chains and operations continue to function and remain open across our key markets.

On 17 February 2021, the Group announced a binding deal with Dole Food Company Inc to combine under a newly created US listed company, Dole plc. Dole plc will be the number one player in fresh produce with estimated combined revenues of almost US\$10 billion, adjusted EBITDA of approximately US\$379 million and total assets of approximately US\$4.5 billion. The decision to list the new company in the United States marks an exciting next step. The combined company will become the largest player in fresh produce with a highly diversified portfolio, resilient earnings and a strong balance sheet that positions us well for accelerated growth. We look forward to beginning this next chapter and providing increased opportunity for our shareholders, dedicated employees, customers, suppliers and partners.

The Group intends to pay a final dividend of 2.770 cent per share representing an increase of 7.5%. Trading has been satisfactory in early 2021”.

25 February 2021

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Preliminary Results

for the year ended 31 December 2020

	<i>Unaudited</i> 2020 €'million	2019 €'million	change
Total revenue	6,259	6,153 ¹	+1.7%
Group revenue	3,818	3,729	+2.4%
Adjusted EBITDA	219.4	202.8	+8.2%
Adjusted EBITA	164.2	150.1	+9.4%
Operating profit before exceptional items	93.4	82.3	+13.5%
Operating profit after exceptional items	83.4	87.5	(4.7%)
Adjusted profit before tax	116.0	98.3	+18.0%
Profit before tax (after exceptional items)	73.5	76.5	(4.0%)

¹ the Group's share of the 2019 revenue of Dole was restated. See Note 3 of the accompanying financial information.

	€'cent	€'cent	change
Adjusted fully diluted earnings per share	15.41	14.12	+9.1%
Basic earnings per share	10.40	13.72	(24.2%)
Diluted basic earnings per share	10.38	13.69	(24.2%)
Final dividend per share	2.770	2.5770	+7.5%
Total dividend per share	3.6829	3.4899	+5.5%

Overview

Total Produce (the 'Group') has delivered very strong results in 2020 against the backdrop of the unprecedented uncertainties and challenges in the global marketplace arising from the prolonged effects of the COVID-19 pandemic. The COVID-19 outbreak continues to be an ongoing challenge for the Group and the wider fresh produce industry. The health and wellbeing of our people is the Group's number one priority while at the same time recognising the vital role in continuing to keep the supply chains open and supplying essential foodstuffs. The Group's strong presence in the global fresh produce industry, the diversity of its operations and products together with the exceptional response from our people have enabled us to meet these challenges.

Total revenue grew 1.7% to €6,259m (2019: €6,153m), adjusted EBITDA increased by 8.2% to €219.4m (2019: €202.8m) with adjusted EBITA increasing 9.4% to €164.2m (2019: €150.1m). The increase in revenue was due to robust retail and wholesale demand offsetting reduced levels of activity in the food service sector. The Group also benefitted from the contribution of bolt-on acquisitions made in the past twelve months. Currency had a marginally negative impact on the translation of the overall results of foreign currency denominated operations to Euro due principally to the weakening of the US Dollar and to a lesser extent Sterling. On a like-for-like basis excluding the impact of acquisitions, divestments and currency translation, revenues were circa 1% ahead of prior year with average price increases offsetting a modest volume decrease. The strong growth in adjusted EBITDA (8.2%) and adjusted EBITA (9.4%) was due to the robust performance in the Eurozone (particularly in H2 of 2020), the International and Dole divisions. This was partially offset by a weaker performance in the Non-Eurozone division which has a proportionally higher wholesale and direct food service business.

Operating profit before exceptional items increased by 13.5% to €93.4m (2019: €82.3m). The operating profit after exceptional items was €83.4m (2019: €87.5m) with the decrease due to the effect of exceptional items year on year. The 2019 prior year included exceptional gains of €5.2m compared to a current year charge of €10.0m, as discussed further in Note 5 of the accompanying financial information.

Adjusted fully diluted earnings per share increased 9.1% to 15.41 cent (2019: 14.12 cent), due to the 9.4% increase in adjusted EBITA and lower interest charges offset by higher non-controlling interest charges.

Net debt at end of the year was €144.3m (2019: €221.2m) with strong adjusted operating cashflow of €113.6m (2019: €59.4m) due to strong earnings growth and working capital inflows of €52.1m (2019: €6.6m). The working capital inflow was due to the change in customer mix and tight working capital management. The Group managed its liquidity by curtailing some non-essential capital expenditure and discretionary costs. The Group is in a strong financial position with significant financial capacity. The Group is operating comfortably within its bank covenants and enjoys the support of its banking partners.

The Group paid the 2020 interim dividend of 0.9129 cent per share, unchanged on the prior year, on 29 January 2021. The Group intends to pay a final dividend of 2.770 cent per share in May 2021, representing an increase of 7.5% on 2019. The total dividend for 2020 will amount to 3.6829 (2019: 3.4899) cent per share and represents an increase of 5.5% on 2019. The total dividend represents a pay-out of almost 24% of the adjusted earnings per share.

Alternative performance measures 'APMs' The Group uses APMs, which are non-IFRS measures to monitor financial performance. These measures are referred to throughout the discussion of our reported operating performance and financial position and are measures which are regularly reviewed by Group management in assessing Group performance. The APMs are defined together with calculations in pages 33 to 36 of this statement.

Preliminary Results

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Transaction to combine with Dole Food Company Inc and become publicly listed in the US

On 17 February 2021, the Group, Dole Food Company, Inc. ('Dole'), and affiliates of Castle & Cooke, Inc. (the 'C&C shareholders'), which own a 55% interest in Dole's parent company ('Dole Holdings') (together, the 'Parties'), announced that they entered into a binding transaction agreement (the "Agreement") to combine under a newly created, U.S. listed company ('Dole plc') (the 'Transaction').

The Group had previously completed the acquisition of a 45% interest in Dole on 31 July 2018 with options to acquire the remaining 55% in future years.

The Transaction will simplify the existing structure between the two companies by unifying Dole and Total Produce under common ownership, with the objective of enabling full operational integration, realisation of synergies and value creation across the enlarged business. Under the terms of the Agreement, Total Produce shareholders will receive 82.5% of Dole plc shares and the C&C shareholders will receive 17.5% of Dole plc shares, in each case based on the fully diluted outstanding shares immediately prior to the completion of the Transaction.

Dole plc will be well positioned to deliver attractive long-term growth and utilise its increased size and network to drive market penetration and cross-selling. Dole plc will benefit from the strength of the Dole brand to further expand its product offering and pursue synergistic M&A in a fragmented and structurally growing industry.

Dole plc will have a balanced geographic presence with an extensive and diversified product portfolio, enhancing the overall financial resilience of the business.

Per the Agreement, Dole plc's completion of an initial public offering and a listing on a major U.S. stock exchange is a condition for completion of the Transaction (the 'IPO'). In connection with the Transaction, Dole plc intends to target raising US\$500 to US\$700 million in primary equity capital to strengthen and de-lever the combined balance sheet. Upon completion of the U.S. listing of Dole plc, Total Produce will cease to be listed on the Euronext Dublin and the London Stock Exchange.

Total Produce has secured fully committed debt facilities to backstop and refinance all existing Total Produce and Dole debt facilities upon completion of the Transaction, with the exception of the Dole vessel financing and certain other bilateral facilities which will remain post completion. Overall, this is expected to provide for a stronger balance sheet with a well-termed out capital structure, which is expected to enhance Dole plc's credit profile and lower its average cost of capital going forward.

Dole plc, operating under the Dole brand, will be incorporated in Ireland, with its Global Headquarters in Dublin, Ireland. Its headquarters for the Americas will be in Charlotte, North Carolina.

The highly regarded management teams of Total Produce and Dole, with combined experience of over 150 years in the fresh produce sector, will continue to operate the combined business.

The Transaction is subject to approval by Total Produce shareholders, regulatory approvals, market conditions and customary conditions.

Should the Transaction fail to complete for any reason the terms of the Initial Dole Transaction remain in place and Total Produce will continue to be listed on Euronext Dublin and the London Stock Exchange.

The full terms of the Transaction are outlined in the Stock Exchange announcement on 17 February 2021.

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Operating Review

The table below details a segmental breakdown of the Group's total revenue and adjusted EBITA for the year ended 31 December 2020. The European and International operating segments are primarily involved in the procurement, marketing and distribution of hundreds of lines of fresh fruit and vegetables. The Group's 45% share of the results of Dole is included as a separate operating segment. Dole is one of the world's leading fresh producers, marketers and distributors of fresh fruit and vegetables, which sell and distribute through a wide network in North America, Europe, Latin America, the Middle East and Africa. Segment performance is evaluated based on total revenue and adjusted EBITA.

	Unaudited 2020		2019**	
	Total revenue €'000	Adjusted EBITA €'000	Total revenue €'000	Adjusted EBITA €'000
Europe – Non-Eurozone	1,499,299	39,390	1,481,657	41,913
Europe – Eurozone	1,687,370	28,708	1,661,446	20,477
International	1,295,949	26,012	1,271,566	22,284
Dole* (Group share)	1,843,402	70,128	1,801,299	65,440
Inter-segment revenue	(66,522)	–	(62,874)	–
Total Group	6,259,498	164,238	6,153,094	150,114

*Dole's financial year for 2020 commenced on 29 December 2019 and ended on 31 December 2020. The 2019 comparative period ran from 29 December 2018 to 28 December 2019. The Group's share of the adjusted EBITA of Dole is after the deduction of the Group's share of the non-controlling interests charge within Dole and an allocation of a corporate overhead.

** The 2019 segmental comparatives have been restated to conform with the current year's presentation. In addition, the Group's share of the 2019 revenue of Dole was restated. See Note 3 of the accompanying financial information.

Total revenue increased 1.7% to €6,259m (2019: €6,153m) with robust demand from retailers and wholesalers offsetting reduced levels of activity in the food service sector. Across the Group companies modified sales strategies to further increase retail focus and to source more produce to meet increased retail demand. There was an increase in demand for the staple items, bananas, potatoes, vegetables and produce with high vitamin C content (citrus and kiwi fruit) with reduced demand for pineapples and melons due to lower foodservice activity. The Group also benefitted from bolt-on acquisitions made in the past twelve months. Currency had a marginally negative impact on the translation of the overall results of foreign currency denominated operations to Euro in the year primarily due to the weakening of the US Dollar. On a like-for-like basis excluding the impact of acquisitions, divestments and currency translation, revenues were circa 1% ahead of prior year with average price increases offsetting a modest volume decrease. Adjusted EBITA increased 9.4% to €164.2m (2019: €150.1m) due to strong performance in the Eurozone (particularly in H2 of 2020), the International and Dole divisions. This was partially offset by a weaker performance in the Non-Eurozone division which has a higher proportionate concentration of wholesale and direct food service business.

Within the European and International divisions, there were additional operating costs relating to COVID-19 such as employee personal protective equipment and costs of additional shifts in warehouses to comply with physical distancing. These additional costs were offset by reductions in other costs such as travel expenses. Within the Dole division certain one-off costs associated with COVID-19 were incurred and classified as exceptional items. The Group's 45% of these non-recurring COVID-19 costs were €4.4m.

Europe – Non-Eurozone

This segment includes the Group's businesses in the Czech Republic, Poland, Scandinavia and the UK. Revenue increased by 1.2% to €1,499m (2019: €1,482m) helped by the incremental impact of bolt-on acquisitions. Currency translation had a marginal negative impact on revenue on translation to Euro with weaker Sterling partially offset by a strong Swedish Krona. On a like-for-like basis excluding acquisitions, divestments and current translation revenue was circa 1% behind prior year with volume decreases offset in part by average price increases. Volume decreases are due to reduced demand in the food service sector in Scandinavia, the UK and the Czech Republic as a result of restrictions imposed due to COVID-19. This was offset by robust demand from retail, as well as an element of organic growth. Adjusted EBITA decreased 6.0% to €39.4m (2019: €41.9m) due to currency translation and an impact on margin due to a change in sales channel.

Europe – Eurozone

This segment includes the Group's businesses in France, Ireland, Italy, the Netherlands and Spain. Revenue increased by 1.6% to €1,687m (2019: €1,661m). Excluding the effect of acquisitions and divestments, revenue on a like-for-like basis was circa 1% ahead of prior year with average price increases offsetting a decrease in volumes. Throughout the Eurozone, robust retail and wholesale demand offset lower demand from the food service sector. Adjusted EBITA increased 40.2% to €28.7m (2019: €20.5m) with a resilient performance across all divisions particularly Spain and an overall much improved result in Holland. The Dutch horticultural division remained challenged with disappointing performance in vegetables offset by good results in the second half of the year from sales of local soft fruit and deciduous product. The Group recorded strong performance particularly in the second half of the year in its import business helped by solid results in its mango, citrus, ginger and avocado lines.

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International

This division includes the Group's businesses in North America, South America and India. Revenue increased by 1.9% to €1,296m (2019: €1,272m). Currency negatively impacted on translation of the results to Euro due to the weakening of US Dollar and Canadian Dollar by 1.9% and 3.3% respectively. This was partially offset by the benefit of an increase in the shareholding in a joint venture which is now treated as a subsidiary. On a like-for-like basis excluding the effects of currency and acquisitions, revenue increased circa 3% due to average price increases with volumes marginally behind the prior year. The International division is largely retail focussed. There was an increase in demand for the staple items of potatoes, vegetables, citrus as well as kiwifruit. The impact of COVID-19 in the first half of the year saw a reduced demand for more expensive product and produce with a shorter shelf life. Revenue strengthened in second half of the year particularly with stronger pricing in certain product lines and good volumes from new product sources. Adjusted EBITA increased 16.7% to €26.0m (2019: €22.3m) with improved margins, lower operating costs (primarily travel related), the benefit of a joint venture becoming a subsidiary offset in part by the negative impact on the translation of the results of US Dollar and Canadian Dollar denominated earnings to Euro.

Dole

This segment includes the Group's share of the results of Dole. The Group is equity accounting for its 45% share of the results of Dole on an IFRS basis.

Dole's 2020 financial year was from 29 December 2019 to 31 December 2020 and for 2019 was from 29 December 2018 to 28 December 2019. Dole's overall business is seasonal, with the greater share of adjusted EBITA earned in the first half of the financial year. As Dole is vertically integrated its operations are sensitive to a number of factors including weather related phenomena and the effects on industry volumes, prices, produce quality and growing costs.

Trading in Dole was good in the context of a challenging global environment due to COVID-19 and is benchmarked against a strong comparative year in the Fresh Vegetable division for some produce categories. On an IFRS basis, Dole has recorded 2020 revenues of \$4,672m (€4,096m) up 3.5% on 2019 revenue of \$4,516m (€4,003m). Adjusted EBITDA in 2020 of \$259.2m (€230.6m) was 5.8% ahead of prior year result of \$245.0m (€217.2m) with adjusted EBITA of \$184.6m (€164.2m) 6.2% ahead when compared to \$173.8m (€154.0m) recorded in the prior year.

The Fresh Fruit division (bananas and pineapples) remained strong and ahead of the prior period with higher banana volumes in Latin America and North America offset by some lower European volumes. The results in this division benefitted from lower fuel prices and some general cost efficiencies. This was offset by a general decrease in pineapple pricing due to the impact of COVID-19 on the food service sector.

Results in Fresh Vegetables were ahead of the prior period despite being benchmarked against a very strong comparative period in some categories. The results from value-added operations were significantly ahead of 2019 with favourable volumes and pricing helped by the launch of new product types and the change in product mix from a move to more premium products. The division also benefitted from cost saving initiatives implemented in recent years.

The Diversified division performed satisfactorily in the period. The results were helped by solid results in citrus and berries while results in Chile were impacted by timing differences in the crop harvest cycle of cherries as well as lower grape volumes due to drought.

Within the Dole segment, certain one-off charges associated with COVID-19 including costs of double shifts, protective equipment and additional transport were incurred and classified as exceptional items. These costs amounted to \$10.8m (€9.6m) and primarily related to the Fresh Vegetable division.

Total Produce's 45% share of 2020 revenue was €1,843m (2019: €1,801m) and its share of adjusted EBITA was €70.1m (2019: €65.4m).

Further details on the financial performance and position of Dole for the year ended 31 December 2020 are outlined in Note 7 of the accompanying financial information.

Financial Review

Revenue and adjusted EBITA

An analysis of the factors influencing the changes in revenue and adjusted EBITA are discussed earlier in the operating review.

Share of profits of joint ventures - Dole

The Group's share of the after-tax profits of Dole in 2020 amounted to €21.3m (2019: €19.3m) before exceptional items. The increase is due to higher EBITA as noted earlier in the operating review offset in part by lower interest costs due to a decrease in the US LIBOR rate in 2020. The Group's share of exceptional items in 2020 was a €5.9m charge compared to a €7.0m gain in 2019. The gain in 2019 was primarily due to the gain on the sale of a European salad business. Further information on exceptional items are detailed in Note 5 of the accompanying financial information. Post exceptional items the Group's share of after-tax profits was €15.4m (2019: €26.4m). Further details of the performance of Dole and its financial position at the end of the year is outlined in the operating review and in Note 7 of the accompanying financial information.

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Share of profits of joint ventures and associates – excluding Dole

Excluding the contribution from Dole the share of after-tax profits of joint ventures and associates increased in 2020 to €13.0m (2019: €11.3m). Dividends declared from joint ventures and associates in 2020 amounted to €12.5m (2019: €11.1m) with €11.3m (2019: €10.7m) received in cash reflecting the Group's continued focus on the cash contributions from these investments.

Intangible asset amortisation

Acquisition related intangible asset amortisation within subsidiaries amounted to €10.1m (2019: €10.3m). The share of intangible asset amortisation within joint ventures and associates was €2.5m (2019: €2.7m).

Exceptional items

Exceptional items in the year, net of tax amounted to a net charge of €10.9m (2019: €5.2m gain). The net charge in 2020 primarily relates to the Group's €5.9m share of the net charge within Dole (due primarily to exceptional COVID-19 costs and unrealised losses on foreign currency denominated intercompany borrowings). The Group also incurred a non-cash goodwill impairment charge of €3.5m and a property impairment charge of €1.1m. In 2019 the net gain primarily related to the Group's €7.0m share of the net gain within Dole on sale of a European salad business offset in part by Group restructuring charges. A full analysis of exceptional items for both 2020 and 2019 are set out in Note 5 of the accompanying financial information and have been excluded from the calculation of the adjusted numbers.

Operating profit

Operating profit before exceptional items increased by 13.5% to €93.4m (2019: €82.3m) due to earnings growth in the Eurozone and International divisions as well as an increase in the Group's share of earnings in Dole. Including exceptional items, operating profit decreased to €83.4m (2019: increased to €87.5m) with the decrease due to the effect of exceptional items year on year. The prior year included exceptional gains of €5.2m compared to a current year charge of €10.0m before tax. As noted earlier, a full analysis of exceptional items for both 2020 and 2019 are set out in Note 5 of the accompanying financial information.

Net financial expense

Net financial expense in the year decreased to €9.9m (2019: €11.0m) primarily due to the fall in US LIBOR rates and lower average net debt in the year.

The Group's share of the net interest expense of joint ventures and associates in 2020 was €38.3m (2019: €40.8m) with the decrease due to Group's share of a lower interest charge in Dole due to reduction in US LIBOR rates in the year.

Profit before tax

Excluding acquisition related intangible asset amortisation charges and costs, fair value movements on contingent consideration and share of joint venture interest and tax which is netted in profit before tax in the statutory income statement, the adjusted profit before tax increased by 18.0% to €116.0m (2019: €98.3m) with the benefit of the increase in the adjusted EBITA and the effect of lower interest charges. Statutory profit before tax after these items was €73.5m (2019: €76.5m) with the decrease due to the impact of exceptional items year on year. As noted earlier, there was a net exceptional charge of €10.0m before tax (2019: net gain of €5.2m).

Taxation

The adjusted tax charge for 2020, including the Group's share of joint ventures and associates' tax and before non-trading items as set out on page 34 of the accompanying financial information was €36.4m (2019: €27.9m) representing an underlying effective tax rate of 31.4% (2019: 28.0%) when applied to the Group's adjusted profit before tax.

Non-controlling interests

The non-controlling interests' share of after-tax profits in the year was €16.4m (2019: €12.9m). Included in this was the non-controlling interests' share of the net charge on exceptional items, amortisation charges and acquisition related costs (net of tax) of €3.3m (2019: €2.9m). Excluding these non-trading items, the non-controlling interests' share of adjusted after tax profits was €19.7m (2019: €15.8m) with the €3.9m increase due to higher non-controlling interests' share of earnings in certain non-wholly owned companies in Europe and North America.

Adjusted and basic earnings per share

Adjusted fully diluted earnings per share increased 9.1% to 15.41 cent (2019: 14.12 cent) due to the strong increase in adjusted EBITA in the year, lower interest charges offset by the increase in the non-controlling interest charge noted earlier.

Management believes that adjusted fully diluted earnings per share, which excludes acquisition related intangible asset amortisation charges and costs, fair value movements on contingent consideration, unrealised gains or losses on derivative financial instruments, gains and losses on foreign currency denominated intercompany borrowings, exceptional items and the related tax on these items, provides a fairer reflection of the underlying trading performance of the Group.

Basic earnings per share and diluted earnings per share after these non-trading items amounted to 10.40 cent per share (2019: 13.72 cent) and 10.38 cent per share (2019: 13.69 cent) respectively. The decrease on the prior year is due to the exceptional one-off gains in 2019 compared to the 2020 exceptional charges as noted earlier.

Note 6 of the accompanying financial information provide details of the calculation of the respective earnings per share amounts.

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Cashflow and net debt

Net debt (which excludes lease liabilities) at 31 December 2020 of €144.3m decreased on the prior year balance of €221.2m. Average net debt for year was €224.1m (2019: €284.0m). In addition, the Group has non-recourse trade receivables financing of €47.0m on 31 December 2020 (2019: €46.4m). The decrease in net debt on the prior year was primarily due to strong operating cashflows in 2020 and working capital inflows during the year as explained below.

The Group generated adjusted operating cashflows in the year of €61.5m (2019: €52.8m) with the increase due to the strong earnings growth. There was a positive working capital inflow of €52.1m (2019: €6.6m) primarily from the impact of a change in customer mix on receivables days and continued tight working capital management. In addition, there were initiatives and actions taken by the Group to protect the business and mitigate cash outflows due to COVID-19 with a deferral of some non-essential capital expenditure and curtailment of discretionary costs.

Cash outflows on routine capital expenditure, net of disposals, were lower at €15.4m (2019: €19.0m) due to the deferral of some non-essential capital expenditure. Dividends received from joint ventures and associates in the year were €11.3m (2019: €10.7m) representing the Group's continued focus on cash returns from these investments. Dividends paid to non-controlling interests were €20.5m (2019: €16.1m) with the increase due to higher earnings in subsidiaries with non-controlling interests.

Free cashflow generated by the Group was €89.0m (2019: €35.0m) with the increase due to higher earnings and the improved working capital inflow during the year. Free cashflow is the measure of the funds available after outflows relating to routine capital expenditure, dividends to non-controlling interests but before acquisition related expenditure, non-routine capital expenditure and the payment of dividends to equity shareholders of the Group.

Cash inflows from exceptional items were €0.8m (2019: €5.8m). Cash inflows from disposals net of acquisitions amounted to €1.5m (2019: €14.5m outflow) with proceeds from disposals of equity investments in the year offset by the costs of some bolt-on acquisitions primarily in the Eurozone. Payments relating to put option liabilities and contingent and deferred consideration relating to prior year acquisitions were €10.6m (2019: €11.1m). Payments for non-routine property and plant additions amounted to €4.2m (2019: €4.5m). Dividends paid to equity shareholders were €10.0m (2019: €13.3m) with the decrease due to the deferral of the 2020 interim dividend of €3.5m to January 2021. At 31 December 2020, there was a €11.4m gain (2019: €2.7m loss) on the translation of foreign currency denominated net debt to Euro due primarily to the weaker US Dollar and Sterling exchange rates prevailing at year end offset in part by the stronger Swedish Krona.

	<i>Unaudited</i> 2020 €'million	2019 €'million
Adjusted EBITDA¹	219.4	202.8
Deduct adjusted EBITDA of joint ventures and associates	(128.8)	(121.1)
Net financial expense and tax paid	(27.2)	(26.3)
Other	(1.9)	(2.6)
Adjusted operating cashflows before working capital movements	61.5	52.8
Working capital movements	52.1	6.6
Adjusted operating cashflows¹	113.6	59.4
Routine capital expenditure net of routine disposal proceeds ¹	(15.4)	(19.0)
Dividends received from joint ventures and associates	11.3	10.7
Dividends paid to non-controlling interests	(20.5)	(16.1)
Free cashflow¹	89.0	35.0
Cashflows from exceptional items	0.8	5.8
Cashflow receipts/(payments) from acquisitions, net of disposals ¹	1.5	(14.5)
Net (debt)/cash assumed on acquisition of subsidiaries	(1.0)	2.1
Contingent, and deferred consideration and put options payments	(10.6)	(11.1)
Non-routine capital expenditure	(4.2)	(4.5)
Dividends paid to equity shareholders	(10.0)	(13.3)
Other	–	0.1
Total net debt movement in year	65.5	(0.4)
Net debt ¹ at beginning of year	(221.2)	(219.7)
Finance leases reclassified to lease liabilities	–	1.6
Foreign currency translation	11.4	(2.7)
Net debt¹ at end of year	(144.3)	(221.2)

¹The APMs are defined together with calculations in pages 33 to 36 of this statement

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Liquidity

It has always been the policy of the Group to have adequate facilities available providing the Group with sufficient headroom in addition to the flexibility to take advantage of opportunities to develop the business. As the pandemic hit global markets in mid-March, the Group took a number of steps to protect its liquidity and financial position. As described earlier, the Group postponed or deferred some non-essential capital expenditure and discretionary costs.

In 2020, the Group increased the tenor of its corporate borrowing facilities and provided additional headroom including the renewal of a three-year private placement facility of US\$66m (€54m). This allows the Group to draw down long term funding for periods of up to twelve years. The Group has approved committed and uncommitted bank borrowings of up to €583m at 31 December 2020 (2019: €623m) in addition to approved overdrafts of €115m (2019: €109m). At 31 December 2020, the Group has utilised 39% of these facilities (2019: 46%). In addition, at 31 December 2020 the Group has cash and deposit balances of €131m (2019: €116m).

Post year end, in conjunction with the combination with Dole and the initial public offering and listing of Dole plc as described earlier, the Group has secured a committed debt facility with a term of five years to backstop and refinance certain existing Total Produce facilities in advance of the completion of the Transaction. In the event that the Transaction does not complete, this committed financing shall remain in place in the Total Produce Group.

Defined benefit pension obligations

The net liability of the Group's defined benefit pension schemes (net of deferred tax) was €14.3m on 31 December 2020 (2019: €9.3m). The increase in the liability was due to a decrease in the Eurozone and UK discount rates which increases the net present value of scheme obligations. This was offset by an average return of 7.5% on pension scheme assets in 2020. Other post-employment benefit obligations increased to €6.6m at 31 December 2020 (31 December 2019: €5.9m).

Shareholders' equity

Shareholders' equity increased by €7.5m in year to €458.6m. The increase was due to profit after tax of €40.4m attributable to equity shareholders. This was offset primarily by currency translation loss of €21.7m on the retranslation of the net assets of foreign currency denominated operations into Euro (primarily due to weaker US Dollar and Sterling) and remeasurement losses of €6.8m (net of deferred tax) on post-employment benefit schemes.

Development Activity

The Group made some bolt-on acquisitions in 2020, investments in existing joint ventures as well as acquisition of additional shares in non-wholly owned subsidiaries. The investments were in the Eurozone and International divisions and included the acquisition of additional shares in Eco Farms, a company based in California in the United States that specialises in avocados. This resulted in Eco Farms being consolidated as a subsidiary of the Group. The initial 45% interest was treated as a joint venture up to April 2020.

The total committed investment in the year was €5.8m including €0.6m contingent consideration payable on the achievement of future profit targets. The total investment included €3.6m related to the acquisition of the remaining shares in a subsidiary that were subject to a put and call option.

Dividends

The 2019 final dividend of 2.5770 was paid on 2 September 2020. The payment of the 2020 interim dividend of 0.9129 cent per share (which was unchanged on prior year) was paid post year-end on 29 January 2021.

The Group intends to pay a final dividend of 2.770 cent per share in May 2021 representing a 7.5% increase on 2019. The total dividend for 2020 will amount to 3.6829 (2019: 3.4899) cent per share and represents an increase of 5.5% on 2019. The total dividend represents a pay-out of almost 24% of the adjusted earnings per share.

Post Balance Sheet Events

The payment of the 2020 interim dividend of 0.9129 cent per share was paid post year-end on 29 January 2021. The total dividend amounted to €3,549,000.

On 17 February 2021, the Group and Dole Food Company Inc and affiliates of Castle & Cooke, Inc. (the "C&C shareholders"), which own a 55% interest in Dole's parent company ("Dole Holdings") (together, the "Parties"), announced that they entered into a binding transaction agreement (the "Agreement") to combine under a newly created, U.S. listed company ("Dole plc") (the "Transaction"). Further details are outlined on page 3 and in the Stock Exchange announcement on 17 February 2021. The Group has secured a committed debt facility with a term of 5 years to backstop and refinance certain existing Total Produce facilities in advance of the completion of the Transaction. In the event that the Transaction does not complete this committed financing shall remain in place in the Total Produce Group.

Preliminary Results

for the year ended 31 December 2020

Environmental, Social and Governance (ESG)

In Total Produce we are privileged to market the most nutritious of foods with the lowest environmental impact. Committed to transparency and the adherence to best agronomic and sustainable practices across our operations, our journey towards becoming an ever more sustainable business is ongoing. Having invested in solar power installations in Brazil and the Netherlands in late 2020 and early 2021, the group's UK operations completed the transition to 100% 'Deep Green' renewable electric energy sources to power its twenty four business units across Great Britain in February 2021. Part of "Vision 20/25", Total Produce's company-wide initiative dedicated to measuring and reducing carbon consumption throughout the group internationally, which has delivered an 18% reduction in group carbon emissions since 2018. This transition is expected to deliver a 20% reduction in TPUK's Co2 emissions throughout 2021 and beyond.

The adoption of renewable energy in the UK follows the launch in December 2020 of the group's sustainability website; www.totalproduce.com/sustainability. Dedicated to detailing Environmental, Ethical & Social and Economic practices across Total Produce, the site is a user friendly, central online resource through which stakeholders can download and review all of the content available in the Total Produce Sustainability Report. It further outlines the Group's approach to sustainability, its strategy, internal processes, targets and accomplishments to date alongside the policies, protocols and procedures are in place and up to date news on sustainability initiatives taking place across the Group.

In November 2020 Total Produce's commitment to best sustainable practices was recognised with the award of the prestigious Origin Green Gold standard, the only Irish fruit company to receive this accolade. Dedicated to recognising excellence in sustainability practices, Origin Green is operated by Bord Bia, the Irish Food Board. At its heart lies a comprehensive programme based on the setting of ambitious sustainability related targets and ongoing performance measurement.

Brexit and International Trade

The UK exited the European Union ('Brexit') in January 2021 after an 11-month transition period. It is still too early to assess the long-term implications of the UK departure from EU on the global fresh produce industry. Brexit committees set up in relevant areas of the business continue to monitor and assess the risks and opportunities from Brexit and have taken actions where appropriate. For example, the Group had ensured that product is transported directly from mainland Europe primarily Spain, France and Holland to avoid the UK land bridge.

COVID-19 Outbreak

Since the outbreak of COVID-19 all parts of our business have continued to work tirelessly to safely supply fresh produce to our customers. It is due to the efforts of our people that we have been able to join frontline workers and help feed consumers. The health and safety of all colleagues across the business is at the forefront of our thinking with the introduction of safe working practices. We have participated in helping local communities including supplying food packages to frontline healthcare workers, providing fruit to those in need, loaning vehicles to transport meals to the homeless and donating fresh produce to local food banks.

Going Concern

The Directors have reviewed forecasts and projected cashflows for a period not less than 12 months from the date of these financial statements. Consumer demand for fresh produce has remained robust through the pandemic and this is expected to continue. As highlighted earlier, when the pandemic hit in mid-March 2020, the Group took a number of steps to protect its liquidity and financial position. The Group has also increased the tenor of its corporate borrowing facilities providing additional comfort. Taking all these factors into consideration, the Directors are satisfied that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they have adopted the going concern basis in preparing the financial statements.

Board Changes

Frank Gemon, Executive Director, and Jerome Kennedy, Non-Executive retired as Directors on 31 March 2020. On 1 December 2020, the Group announced that Seamus Taaffe had indicated his intention to retire as a Non-Executive Director and formally retired on 5 January 2021. The Board currently comprises of five independent Non-Executive Directors and three Executive Directors.

Frank has been an integral part of our Group for over 45 years and has served as an Executive Director of Total Produce since 2007. His outstanding service, dedication and accomplishments have been invaluable. During his tenure he has played a key role in the stewardship and development of the Group.

Jerome has served as a Non-executive Director on the Board and its Committees since the formation of Total Produce Plc. The Group has benefitted greatly from his business acumen, professionalism and wise counsel over the years.

Seamus joined the Board as Non-Executive Director in 2012 and the Group has benefitted greatly from his experience and guidance over the years.

I join the Board in extending to Frank, Jerome and Seamus our sincerest appreciation for their dedication and commitment. Their valuable contributions have added greatly to the success of Total Produce. We wish them the very best for the future.

Preliminary Results

for the year ended 31 December 2020

Summary and Outlook

The Group has reported strong results in 2020. Revenue grew 1.7% to €6.3 billion with an 8.2% increase in adjusted EBITDA to €219.4m and adjusted earnings per share increasing 9.1% to 15.41 cent. These strong results demonstrate the robustness of the Group's business model in the face of the unprecedented challenges posed by the ongoing COVID-19 pandemic. We are very proud of our people worldwide. Their dedication, commitment and hard work ensured the Group's supply chains and operations continue to function and remain open across our key markets.

On 17 February 2021, the Group announced a binding deal with Dole Food Company Inc to combine under a newly created US listed company, Dole plc. Dole plc will be the number one player in fresh produce with estimated combined revenues of almost US\$10 billion, adjusted EBITDA of approximately US\$379 million and total assets of approximately US\$4.5 billion. The decision to list the new company in the United States marks an exciting next step. The combined company will become the largest player in fresh produce with a highly diversified portfolio, resilient earnings and a strong balance sheet that positions us well for accelerated growth. We look forward to beginning this next chapter and providing increased opportunity for our shareholders, dedicated employees, customers, suppliers and partners.

The Group intends to pay a final dividend of 2.770 cent per share representing an increase of 7.5%. Trading has been satisfactory in early 2021.

Carl McCann, Chairman

On behalf of the Board

25 February 2021

Forward-looking statement

Any forward-looking statements made in this announcement have been made in good faith based on the information available as of the date of this announcement and are not guarantees of future performance. Actual results or developments may differ materially from the expectations expressed or implied in these statements, and the Company undertakes no obligation to update any such statements whether as a result of new information, future events, or otherwise. Total Produce's Annual Report contains and identifies important factors that could cause these developments or the Company's actual results to differ materially from those expressed or implied in these forward-looking statements.

Group Income Statement

for the year ended 31 December 2020

	Note	Unaudited Before exceptional items 2020 €'000	Unaudited Exceptional items (Note 5) 2020 €'000	Unaudited Total 2020 €'000	Before exceptional items 2019 €'000	Exceptional items (Note 5) 2019 €'000	Total 2019 €'000
Group revenue	3	3,817,585	–	3,817,585	3,729,346	–	3,729,346
Cost of sales		(3,283,008)	–	(3,283,008)	(3,212,057)	–	(3,212,057)
Gross profit		534,577	–	534,577	517,289	–	517,289
Operating expenses (net)		(465,338)	(4,062)	(469,400)	(455,371)	(1,816)	(457,187)
Share of profit of joint ventures – Dole	7	21,292	(5,908)	15,384	19,327	7,048	26,375
Share of profit of joint ventures – Other		12,051	–	12,051	10,658	–	10,658
Share of profit of associates		954	–	954	666	–	666
Operating profit before acquisition related intangible asset amortisation		103,536	(9,970)	93,566	92,569	5,232	97,801
Acquisition related intangible asset amortisation		(10,144)	–	(10,144)	(10,301)	–	(10,301)
Operating profit after acquisition related intangible asset amortisation		93,392	(9,970)	83,422	82,268	5,232	87,500
Financial income		2,287	–	2,287	2,754	–	2,754
Financial expense		(12,211)	–	(12,211)	(13,721)	–	(13,721)
Profit before tax		83,468	(9,970)	73,498	71,301	5,232	76,533
Income tax expense		(15,798)	(916)	(16,714)	(10,282)	(47)	(10,329)
Profit for the year		67,670	(10,886)	56,784	61,019	5,185	66,204
<i>Attributable to:</i>							
Equity holders of the parent				40,412			53,302
Non-controlling interests				16,372			12,902
				56,784			66,204
Earnings per ordinary share							
Basic	6			10.40			13.72
Fully diluted	6			10.38			13.69

Group Statement of Comprehensive Income

for the year ended 31 December 2020

	<i>Unaudited</i> 2020 €'000	2019 €'000
Profit for the year	56,784	66,204
Other comprehensive income:		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Foreign currency translation effects:		
- foreign currency net investments – subsidiaries	(20,176)	5,664
- foreign currency net investments – joint ventures and associates	(17,681)	3,274
- foreign currency borrowings designated as net investment hedges	10,896	(3,397)
Effective portion of changes in fair value of cashflow hedges, net	(465)	(149)
Changes in fair value of cost of hedging, net of recycling	(91)	137
Deferred tax on items above	130	(9)
Share of joint ventures and associates effective portion of cashflow hedges	(1,723)	(5,101)
Share of joint ventures and associates deferred tax on items above	440	497
	(28,670)	916
<i>Items that will not be reclassified to profit or loss:</i>		
Remeasurement loss on employee benefit schemes	(9,003)	(3,009)
Revaluation gain on property, plant and equipment, net	11,440	2,095
Deferred tax on items above	(94)	(966)
Share of joint ventures gain on revaluation of property, plant and equipment	1,176	1,369
Share of joint ventures gain/(loss) on employee benefit schemes	429	(2,601)
Share of joint ventures deferred tax on items above	(110)	(75)
	3,838	(3,187)
Other comprehensive expense for the year	(24,832)	(2,271)
Total comprehensive income for the year	31,952	63,933
<i>Attributable to:</i>		
Equity holders of the parent	21,506	49,417
Non-controlling interests	10,446	14,516
	31,952	63,933

Group Balance Sheet

as at 31 December 2020

	<i>Unaudited</i> 2020 €'000	2019 €'000
Assets		
Non-current		
Property, plant and equipment	185,686	175,485
Right of use assets	119,242	113,032
Investment property	15,015	11,843
Goodwill and intangible assets	245,241	268,462
Investments in joint ventures and associates – Dole	265,744	264,893
Investments in joint ventures and associates – Other	96,677	104,050
Other investments	331	2,743
Other receivables	19,143	19,796
Deferred tax assets	18,514	13,497
Total non-current assets	965,593	973,801
Current		
Inventories	111,962	98,031
Biological assets	2,895	3,965
Trade and other receivables	347,372	380,791
Other investments	-	2,306
Corporation tax receivables	2,394	2,439
Derivative financial instruments	4,083	4,489
Cash and cash equivalents	130,863	115,529
Total current assets	599,569	607,550
Total assets	1,565,162	1,581,351
Equity		
Share capital	4,107	4,105
Share premium	295,619	295,487
Other reserves	(148,203)	(131,309)
Retained earnings	307,079	282,816
Total equity attributable to equity holders of the parent	458,602	451,099
Non-controlling interests	92,704	98,768
Total equity	551,306	549,867
Liabilities		
Non-current		
Interest-bearing loans and borrowings	250,416	250,572
Lease liabilities	106,188	99,770
Other payables	2,468	2,904
Contingent consideration and other provisions	5,401	7,957
Put option liability	13,443	23,083
Corporation tax payable	6,179	6,541
Deferred tax liabilities	31,601	27,731
Employee benefits	23,966	16,736
Total non-current liabilities	439,662	435,294
Current		
Interest-bearing loans and borrowings	24,740	86,150
Lease liabilities	19,207	20,306
Trade and other payables	511,261	475,202
Contingent consideration and other provisions	5,109	8,534
Put option liability	10,829	3,529
Derivative financial instruments	937	305
Corporation tax payable	2,111	2,164
Total current liabilities	574,194	596,190
Total liabilities	1,013,856	1,031,484
Total liabilities and equity	1,565,162	1,581,351

Group Statement of Changes in Equity
for the year ended 31 December 2020 (unaudited)

	Attributable to equity holders of the parent							Retained earnings €'000	Total €'000	Non- controlling interests €'000	Total equity €'000
	Share capital €'000	Share premium €'000	Undenom- inated capital €'000	Own shares reserve €'000	Currency translation reserve €'000	Reval- uation reserve €'000	Other equity reserves* €'000				
Balance at 1 January 2020 as presented in the Balance Sheet	4,105	295,487	140	(8,580)	(18,699)	30,809	(134,979)	282,816	451,099	98,768	549,867
Adjust for NCI subject to put option transferred for presentation purposes	–	–	–	–	–	–	(16,038)	–	(16,038)	16,038	–
As at 1 January 2020	4,105	295,487	140	(8,580)	(18,699)	30,809	(151,017)	282,816	435,061	114,806	549,867
Comprehensive income											
Profit for the year	–	–	–	–	–	–	–	40,412	40,412	16,372	56,784
Other comprehensive income:											
<i>Items that may be reclassified subsequently to profit or loss:</i>											
Foreign currency translation effects, net	–	–	–	–	(21,652)	–	446	–	(21,206)	(5,755)	(26,961)
Effective portion of cashflow hedges, net of recycling	–	–	–	–	–	–	(325)	–	(325)	(140)	(465)
Changes in fair value of cost of hedging, net of recycling	–	–	–	–	–	–	(68)	–	(68)	(23)	(91)
Deferred tax on items above	–	–	–	–	–	–	84	–	84	46	130
Share of joint ventures and associates effective portion of cashflow hedges	–	–	–	–	–	–	(1,723)	–	(1,723)	–	(1,723)
Share of joint ventures and associates deferred tax on cashflow hedges	–	–	–	–	–	–	440	–	440	–	440
<i>Items that will not be reclassified subsequently to profit or loss:</i>											
Revaluation gain on property, plant and equipment, net	–	–	–	–	–	11,222	–	–	11,222	218	11,440
Remeasurement loss on employee benefit schemes	–	–	–	–	–	–	–	(8,692)	(8,692)	(311)	(9,003)
Deferred tax on items above	–	–	–	–	–	(2,025)	–	1,892	(133)	39	(94)
Share of joint ventures remeasurement gain on employee pension schemes	–	–	–	–	–	–	–	429	429	–	429
Share of joint ventures revaluation gains on property, plant and equipment	–	–	–	–	–	1,176	–	–	1,176	–	1,176
Share of joint ventures deferred tax on items above	–	–	–	–	–	–	–	(110)	(110)	–	(110)
Total other comprehensive income	–	–	–	–	(21,652)	10,373	(1,146)	(6,481)	(18,906)	(5,926)	(24,832)
Total comprehensive income	–	–	–	–	(21,652)	10,373	(1,146)	33,931	21,506	10,446	31,952
Transactions with equity holders of the parent											
New shares issued	2	132	–	–	–	–	(41)	41	134	–	134
Non-controlling interest arising on acquisition of subsidiaries	–	–	–	–	–	–	–	–	–	1,928	1,928
Put option liability exercised	–	–	–	–	–	–	–	332	3,900	(3,900)	–
Fair value movement on put option liability	–	–	–	–	–	–	(1,228)	–	(1,228)	–	(1,228)
Acquisition of non-controlling interests	–	–	–	–	–	–	–	(74)	(74)	(922)	(996)
Disposal of shareholding to non-controlling interest	–	–	–	–	–	–	–	45	45	240	285
Dividends paid	–	–	–	–	–	–	–	(10,012)	(10,012)	(20,510)	(30,522)
Share-based payment transactions	–	–	–	–	–	–	(114)	–	(114)	–	(114)
Total transactions with equity holders of the parent	2	132	–	–	–	–	2,185	(9,668)	(7,349)	(23,164)	(30,513)
As at 31 December 2020	4,107	295,619	140	(8,580)	(40,351)	41,182	(149,978)	307,079	449,218	102,088	551,306
Transfer of NCI subject to put option for presentation purposes	–	–	–	–	–	–	9,384	–	9,384	(9,384)	–
Balance at 31 December 2020 as presented in the Balance Sheet	4,107	295,619	140	(8,580)	(40,351)	41,182	(140,594)	307,079	458,602	92,704	551,306

¹ Other equity reserves comprise the demerger reserve, share option reserve, cashflow hedge reserve, cost of hedging reserve and the put option reserve.

Group Statement of Changes in Equity

for the year ended 31 December 2019

	Attributable to equity holders of the parent								Total €'000	Non- controlling interests €'000	Total equity €'000
	Share capital €'000	Share premium €'000	Undenomi- nated capital €'000	Own share reserve €'000	Currency translation reserve €'000	Revaluation reserve €'000	Other equity reserves ¹ €'000	Retained earnings €'000			
Balance at 1 January 2019 as presented in the Balance Sheet	4,104	295,421	140	(8,580)	(22,721)	28,336	(120,232)	256,654	433,122	82,483	515,605
Adjust for impact of transition to IFRS 16, net of tax	–	–	–	–	159	–	–	(6,937)	(6,778)	(1,337)	(8,115)
Balance at 1 January 2019	4,104	295,421	140	(8,580)	(22,562)	28,336	(120,232)	249,717	426,344	81,146	507,490
Adjust for transfer of NCI subject to put option for presentation purposes	–	–	–	–	–	–	(34,673)	–	(34,673)	34,673	–
As at 1 January 2019	4,104	295,421	140	(8,580)	(22,562)	28,336	(154,905)	249,717	391,671	115,819	507,490
Comprehensive income											
Profit for the year	–	–	–	–	–	–	–	53,302	53,302	12,902	66,204
Other comprehensive income											
<i>Items that may be reclassified subsequently to profit or loss:</i>											
Foreign currency translation effects, net	–	–	–	–	3,863	–	33	–	3,896	1,645	5,541
Effective portion of cashflow hedges, net of recycling	–	–	–	–	–	–	(148)	–	(148)	(1)	(149)
Changes in fair value of cost of hedging, net of recycling	–	–	–	–	–	–	155	–	155	(18)	137
Deferred tax on items above	–	–	–	–	–	–	–	–	–	(9)	(9)
Share of joint ventures and associates effective portion of cashflow hedges	–	–	–	–	–	–	(5,101)	–	(5,101)	–	(5,101)
Share of joint ventures and associates deferred tax on cashflow hedges	–	–	–	–	–	–	497	–	497	–	497
<i>Items that will not be reclassified subsequently to profit or loss:</i>											
Revaluation gain on property, plant and equipment, net	–	–	–	–	–	1,624	–	–	1,624	471	2,095
Remeasurement loss on employee benefit schemes	–	–	–	–	–	–	–	(2,955)	(2,955)	(54)	(3,009)
Deferred tax on items above	–	–	–	–	–	–	–	(26)	(546)	(420)	(966)
Share of joint ventures remeasurement loss on employee pension schemes	–	–	–	–	–	–	–	(2,601)	(2,601)	–	(2,601)
Share of joint ventures revaluation gains on property, plant and equipment	–	–	–	–	–	1,369	–	–	1,369	–	1,369
Share of joint ventures deferred tax on items above	–	–	–	–	–	–	–	(75)	(75)	–	(75)
Total other comprehensive income	–	–	–	–	3,863	2,473	(4,564)	(5,657)	(3,885)	1,614	(2,271)
Total comprehensive income	–	–	–	–	3,863	2,473	(4,564)	47,645	49,417	14,516	63,933
Transactions with equity holders of the parent											
New shares issued	1	66	–	–	–	–	(20)	20	67	–	67
Non-controlling interest arising on acquisition of subsidiaries	–	–	–	–	–	–	–	–	–	959	959
Put option liability extinguished	–	–	–	–	–	–	–	11,657	11,657	–	11,657
Fair value movement on put option liability	–	–	–	–	–	–	–	(3,294)	(3,294)	–	(3,294)
Acquisition of non-controlling interests	–	–	–	–	–	–	–	(1,102)	(1,102)	(554)	(1,656)
Acquisition of non-controlling interests by a joint venture	–	–	–	–	–	–	–	(151)	(151)	–	(151)
Disposal of subsidiary	–	–	–	–	–	–	–	–	–	121	121
Dividends paid	–	–	–	–	–	–	–	(13,313)	(13,313)	(16,055)	(29,368)
Share-based payment transactions	–	–	–	–	–	–	109	–	109	–	109
Total transactions with equity holders of the parent	1	66	–	–	–	–	8,452	(14,546)	(6,027)	(15,529)	(21,556)
As at 31 December 2019	4,105	295,487	140	(8,580)	(18,699)	30,809	(151,017)	282,816	435,061	114,806	549,867
Transfer of NCI subject to put option for presentation purposes	–	–	–	–	–	–	–	16,038	16,038	(16,038)	–
Balance at 31 December 2019 as presented in the Balance Sheet	4,105	295,487	140	(8,580)	(18,699)	30,809	(134,979)	282,816	451,099	98,768	549,867

¹ Other equity reserves comprise the demerger reserve, share option reserve, cashflow hedge reserve, cost of hedging reserve and the put option reserve.

Group Statement of Cash flows

for the year ended 31 December 2020

	<i>Unaudited</i> 2020 €'000	2019 €'000
Net cashflows from operating activities before working capital movements	84,680	67,249
Movements in working capital	52,092	6,527
Net cashflows from operating activities	136,772	73,776
Investing activities		
Acquisition of subsidiaries	(1,265)	(6,683)
Cash assumed on acquisition of subsidiaries, net	1,527	2,308
Acquisition of, and investment in joint ventures and associates (including acquisition fees and net of loans advanced / repaid)	472	(7,145)
Payments of contingent consideration	(6,789)	(11,103)
Acquisition of equity investments	–	(150)
Disposal of shareholding to non-controlling interest	285	–
Proceeds from disposal of investments for resale	2,727	1,043
Proceeds from disposal of joint ventures and associates	98	48
Cash/(bank overdraft) derecognised on disposal of subsidiaries	–	(191)
Acquisition of property, plant and equipment	(15,011)	(19,518)
Acquisition of intangible assets-computer software	(5,370)	(4,621)
Acquisition of non-controlling interests subject to put options	(3,568)	–
Development expenditure capitalised	(112)	(62)
Proceeds from disposal of property and plant and equipment – routine	783	678
Proceeds from exceptional items – from disposals of investments	1,105	9,307
Payment of deferred consideration	(249)	–
Dividends received from joint ventures and associates	11,337	10,652
Government grants received	–	106
Net cashflows from investing activities	(14,030)	(25,331)
Financing activities		
Drawdown of borrowings	266,015	345,764
Repayment of borrowings	(317,162)	(333,211)
Lease payments	(23,497)	(17,902)
Proceeds from the issue of share capital, net	134	67
Acquisition of non-controlling interests	(796)	(1,656)
Dividends paid to non-controlling interests	(20,510)	(16,055)
Dividends paid to equity holders of the parent	(10,012)	(13,313)
Net cashflows from financing activities	(105,828)	(36,306)
Net increase in cash, cash equivalents and overdrafts	16,914	12,139
Cash, cash equivalents and bank overdrafts at start of year	106,027	92,739
Net foreign exchange difference	(1,245)	1,149
Cash, cash equivalents and bank overdrafts at 31 December	121,696	106,027

Group Reconciliation of Net Debt

	<i>Unaudited</i> 2020 €'000	2019 €'000
Net increase in cash, cash equivalents and bank overdrafts	16,914	12,139
Drawdown of borrowings	(266,015)	(345,764)
Repayment of borrowings	317,162	333,211
Interest-bearing loans and borrowings arising on acquisition	(2,550)	–
Foreign exchange movement	11,389	(2,672)
Movement in net debt	76,900	(3,086)
Finance lease reclassified from net debt on adoption of IFRS 16	–	1,636
Net debt at 1 January	(221,193)	(219,743)
Net debt at 31 December	(144,293)	(221,193)

Net debt is a non-IFRS measure which comprises bank deposits, cash and cash equivalents and current and non-current borrowings. It excludes lease liabilities. The calculation is outlined on Note 12.

Notes to the Preliminary Results

for the year ended 31 December 2020

1. Basis of preparation

The financial information included in this preliminary results statement has been extracted from the Group's Financial Statements for the year ended 31 December 2020 and is prepared based on the accounting policies set out therein, which are consistent with those applied in the prior year. As permitted by European Union (EU) law and in accordance with AIM/ESM rules, the Group Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and their interpretations issued by the International Accounting Standards Board (IASB) as adopted by the EU.

The financial information prepared in accordance with IFRSs as adopted by the EU included in this report does not include all the information and disclosures required in the full statutory financial statements. The Annual Report and Financial Statements will be approved by the Board of Directors and reported on by the Auditor in due course. Accordingly, the financial information is unaudited. The Group Financial Statements will be filed with the Company's annual return in the Companies Registration Office and circulated to shareholders in due course. The financial information for the year ended 31 December 2019 represents an abbreviated version of the Group's statutory financial statements on which an unqualified audit report was issued, and which has been filed with the Companies Registration Office.

The financial information is presented in Euro, rounded to the nearest thousand where applicable.

2. Translation of foreign currencies

The reporting currency of the Group is Euro. The rates used in the translation of results and balance sheets into Euro were as follows:

	Average rate			Closing rate		
	Unaudited 2020	2019	% change	Unaudited 2020	2019	% change
Brazilian Real	6.3727	4.4996	(41.6%)	6.3735	4.5157	(41.1%)
Canadian Dollar	1.5361	1.4864	(3.3%)	1.5628	1.4599	(7.0%)
Czech Koruna	26.3071	25.6150	(2.7%)	26.2420	25.4080	(3.3%)
Danish Kroner	7.4510	7.4647	0.2%	7.4412	7.4717	0.4%
Indian Rupee	84.4220	78.7716	(7.2%)	89.5594	79.9301	(12.0%)
Polish Zloty	4.4433	4.2969	(3.4%)	4.5706	4.2551	(7.4%)
Sterling	0.8942	0.8743	(2.3%)	0.8985	0.8506	(5.6%)
Swedish Krona	10.4877	10.5858	0.9%	10.0557	10.4778	4.0%
US Dollar ¹	1.1384	1.1173	(1.9%)	1.2265	1.1216	(9.4%)

¹For the year ended 31 December 2020 the average rate used in translating the revenues of Dole to Euro was 1.1405 (31 December 2019: 1.1282) and equity accounted profit after tax of Dole to Euro was 1.1239 (2019: 1.1282).

3. Revenue

	Unaudited 2020 €'000	Restated ² 2019 €'000
Group Revenue	3,817,585	3,729,346
<i>Plus:</i>		
Share of revenue of joint ventures – Dole	1,843,402	1,801,299
Share of revenue of joint ventures – Other	628,228	632,934
Share of revenue of associates	65,140	75,687
Total share of revenue of joint ventures and associates	2,536,770	2,509,920
<i>Less:</i>		
Elimination of proportionate share of transactions between Group subsidiaries and joint ventures and associates ¹	(94,857)	(86,172)
Total Revenue	6,259,498	6,153,094

¹ For calculation of Total Revenue which includes Group's share of joint ventures and associates, the Group eliminates the proportionate share of revenue transactions between Group subsidiaries and joint ventures and associates.

²The Group's Total Revenue (which is a non-statutory number including the Group's share of joint venture and associate revenue) was restated. This is due to a misstatement in the prior year financial statements of the Group's joint venture, Dole. Dole has restated its previously issued financial statements for year ended 28 December 2019 to correct a misstatement in its income statement related to revenue. The correction resulted in a \$50,395,000 decrease to revenue and costs of goods sold, with no impact to gross profit. Total Produces 45% share of this joint venture revenue was \$22,678,000 (€20,101,000). The Group reflects Total Revenue as a key metric in its segmental analysis, therefore Total Revenue in the 2019 comparative above, and as presented in Note 4 Segmental

Notes to the Preliminary Results continued

for the year ended 31 December 2020

Analysis, has been reduced by €20,101,000 from €6,173,195,000 to €6,153,094,000. There was no impact on gross profit or profit after tax from this error. This does not result in a restatement of the prior year Income Statement of Total Produce.

4. Segmental Analysis

IFRS 8 *Operating Segments* ('IFRS 8') sets out the requirements for disclosure of financial and descriptive information about the operating segments, products and the geographical areas in which the Group operates, as well as information on major customers.

In accordance with IFRS 8, the Group's reportable operating segments, based on how performance is assessed and resources are allocated, are as follows:

- *Europe – Non-Eurozone*: This operating segment is an aggregation of six operating segments in the Czech Republic, Poland, Scandinavia and the United Kingdom. These segments have been aggregated as they all are primarily involved in the procurement, marketing and distribution of fresh produce and share other similar economic characteristics in terms of sourcing and distribution arrangements, net margins earned and operate in similar regulatory environments.
- *Europe – Eurozone*: This reportable segment is an aggregation of thirteen operating segments principally in France, Ireland, Italy, the Netherlands and Spain. These segments have been aggregated as they all are primarily involved in the procurement, marketing and distribution of fresh produce and some health foods and consumer goods products and share other similar economic characteristics in terms of sourcing and distributions arrangements, net margins earned, transact in Euro and operate in the same regulatory environment.
- *International*: This segment is an aggregation of five operating segments in North America, one in South America and one in India. These segments have been aggregated as they all are primarily involved in the procurement, marketing and distribution of fresh produce and share other similar economic characteristics in terms of sourcing and distribution arrangements, net margins earned and operate in similar regulatory environments. They also primarily transact in US Dollar.
- *Dole*: This operating segment represents the Group's 45% interest in Dole. Dole is one of the world's leading producers, marketers and distributors of fresh fruit and vegetables. It has an iconic brand and leading market positions and scale. It is one of the world's largest producers of bananas and pineapples and a leader in other fresh fruits, value added and fresh-packed vegetables and berries. In terms of market share they hold the number one and three positions respectively for bananas in North America and Europe and are number two and three respectively for pineapples in North America and Europe. They sell and distribute throughout a wide network in North America, Europe, Latin America, the Middle East and Africa.

Segment performance is evaluated based on revenue and adjusted EBITA. Management believes that adjusted EBITA, while not a defined term under IFRS, gives a fair reflection of the underlying trading performance of the Group. Adjusted EBITA represents earnings before interest, tax, acquisition related intangible asset amortisation charges and costs, fair value movements on contingent consideration, unrealised gains or losses on derivative financial instruments, gains and losses on foreign currency denominated intercompany borrowings and exceptional items. It also excludes the Group's share of these items within joint ventures and associates. Adjusted EBITA is therefore measured differently from operating profit in the Group financial statements as explained and reconciled in full detail in the analysis that follows.

Finance costs, finance income and income taxes are managed on a centralised basis. These items are not allocated between operating segments for the purposes of the information presented to the Chief Operating Decision-Maker ('CODM') and are accordingly omitted from the detailed segmental analysis that follows.

Notes to the Preliminary Results continued

for the year ended 31 December 2020

	Unaudited 2020			2019 (Restated) ^{1,2}		
	€'000 Segmental Revenue	€'000 Third Party Revenue	€'000 Adjusted EBITA	€'000 Segmental Revenue	€'000 Third Party Revenue	€'000 Adjusted EBITA
Europe – Non-Eurozone ¹	1,499,299	1,474,661	39,390	1,481,657	1,454,172	41,913
Europe – Eurozone ¹	1,687,370	1,666,755	28,708	1,661,446	1,637,185	20,477
International	1,295,949	1,295,734	26,012	1,271,566	1,271,566	22,284
Dole	1,843,402	1,822,348	70,128	1,801,299	1,790,171	65,440
Inter-segment revenue	(66,522)	--	–	(62,874)	–	–
Total Group	6,259,498	6,259,498	164,238	6,153,094	6,153,094	150,114

All inter-segment revenue transactions are at arm's length.

¹ In 2020 there was a realignment in the reporting of small businesses in Europe due to change in divisional management responsibility. The comparative 2019 financial information for both European divisions have been restated to conform with the current presentation.

² As described in detail in Note 3, the Group's 45% share of the 2019 revenue of Dole was restated. There was no impact on adjusted EBITA or profit after tax resulting from this misstatement.

Reconciliation of segmental profit to operating profit

Below is a reconciliation of adjusted EBITA per the Group's management reports to operating profit and profit before tax as presented in the Group income statement.

	Unaudited 2020 €'000	2019 €'000
Adjusted EBITA per management reporting	164,238	150,114
Acquisition related intangible asset amortisation for subsidiaries (i)	(10,144)	(10,301)
Share of joint ventures and associates acquisition related intangible asset amortisation (i)	(2,543)	(2,696)
Fair value movements on contingent consideration (ii)	(456)	204
Acquisition related costs within subsidiaries (iii)	(348)	(177)
Share of joint ventures and associates net financial expense (iv)	(38,312)	(40,817)
Share of joint ventures and associates tax (before tax on exceptional items) (iv)	(19,043)	(14,059)
Operating profit before exceptional items	93,392	82,268
Net financial expense before exceptional items (v)	(9,924)	(10,967)
Profit before tax before exceptional items	83,468	71,301
Exceptional items (Note 5) (vi)	(9,970)	5,232
Profit before tax	73,498	76,533

- I. Acquisition related intangible asset amortisation charges are not allocated to operating segments in the Group's management reports.
- II. Fair value movements on contingent consideration are not allocated to operating segments in the Group's management reports.
- III. Acquisition related costs are transaction costs directly related to acquisitions of subsidiaries completed and are not allocated to operating segments in the Group's management reports.
- IV. Under IFRS, included within profit before tax is the Group's share of joint ventures' and associates' profit after acquisition related intangible asset amortisation charges, tax and interest. In the Group's management reports these items are excluded from the adjusted EBITA calculation.
- V. Financial income and expense is primarily managed at Group level, and is therefore not allocated to operating segments in the Group's management reports.
- VI. Exceptional items (Note 5) are not allocated to operating segments in the Group's management reports.

Notes to the Preliminary Results continued

for the year ended 31 December 2020

5. Exceptional items

	<i>Unaudited</i> 2020 €'000	2019 €'000
Loss on disposal of investment (a)	–	(670)
Restructuring and associated credits/(costs) with disposal/termination of a business (b)	547	(1,146)
Share of joint ventures and associates exceptional items - Dole (c)	(10,607)	5,523
Impairment of goodwill (d)	(3,546)	–
Impairment of property, plant and equipment and investment property (e)	(1,063)	–
Total exceptional items (before share of joint ventures and associates' tax)	(14,669)	3,707
Share of joint ventures and associates' tax on exceptional items - Dole (c)	4,699	1,525
Exceptional items within profit before tax*	(9,970)	5,232
Net tax charge on exceptional items (f)	(916)	(47)
Total net of tax	(10,886)	5,185
<i>Attributable as follows:</i>		
Equity holders of the parent	(10,861)	5,246
Non-controlling interests	(25)	(61)
	(10,886)	5,185

*Of the €9,970,000 net exceptional cost in 2020, €4,062,000 has been recognised as net operating expense, and €5,908,000 net exceptional cost has been recognised within profits of joint ventures and associates.

(a) Loss on disposal of equity investment

In July 2018 a subsidiary of the Group disposed of an interest in a farming entity for consideration of shares in an equity investment which was to be realised over a period of two to three years and could vary depending on certain circumstances. The exceptional loss of €670,000 in 2019 represents the gain on the equity investments sold in the year less the fair value movement on the remaining equity investment and associated costs.

(b) Restructuring and associated credits/(costs) with disposal/termination of a business

In 2020, the Group recorded a net gain of €547,000 on the disposal of and termination of a business and on restructuring in the Non-Eurozone division. The net credit includes the reclassification of €793,000 of currency translation gains from the currency translation reserve to the income statement on the disposal of a business.

In 2019, the Group incurred losses of €572,000 on the disposal of and termination of two small businesses in the Non-Eurozone division. Restructuring charges of €574,000 were incurred in 2019 on ongoing restructuring programs in the Eurozone division.

(c) Share of joint ventures and associates exceptional items - Dole

The Group's share of the exceptional items in Dole in the year was a net charge of €10,607,000 with a related tax credit of €4,699,000. Included in these were net charges of €6,520,000 on mark-to-market of derivative financial instruments (including ineffectiveness on interest rate swap hedging instrument) and foreign currency gains/losses on long term foreign currency denominated intercompany borrowings, net restructuring charges of €1,430,000, and €4,355,000 due to COVID-19 costs (costs of employee protective equipment, double shifts etc). These charges were offset by net gains of €1,698,000 on asset sales/impairments.

The Group's share of the exceptional items in 2019 was a net gain of €5,523,000 with a related tax credit of €1,525,000. Included in these exceptional items are net gains of €11,904,000 on disposals of businesses/assets, net gains of €33,000 on mark to market of derivative financial instruments and foreign currency gains/losses on long term foreign currency denominated intercompany borrowings, net restructuring charges of €4,118,000, transaction costs of €626,000 and costs of €1,670,000 associated with industry wide product recalls.

(d) Impairment of goodwill

In 2020 the Group recognised a non-cash impairment charge of €3,546,000 in relation to a business in the Non-Eurozone division.

(e) Impairment of property, plant and equipment and investment property

All property is recognised in the financial statements at fair value. As part of the Group bi-annual review of carrying amount of property, the Group identified two properties in the Non-Eurozone division and one in the Eurozone division where fair value exceeded historic cost resulting in an exceptional income statement charge of €1,063,000.

Notes to the Preliminary Results continued

for the year ended 31 December 2020

(f) Tax charge on exceptional items

The tax effect on exceptional items within Group companies was a net charge of €916,000 (2019: €47,000).

Effect of COVID-19 in 2020

Within the Eurozone, Non-Eurozone and International divisions, there were additional operating costs relating to COVID-19 such as employee personal protective equipment and costs of additional shifts in warehouse to comply with physical distancing. These additional costs were offset by reductions in other costs such as travel expenses.

As noted in (c), the Group's 45% share of exceptional COVID-19 costs in Dole was €4,355,000 and related primarily to charges in its Fresh Vegetable division such as costs of double shifts, protective equipment and additional transport.

Effect of exceptional items on cashflow statement

The net effect of these items was a cash inflow of €757,000 (2019: €5,818,000), including cashflows relating to prior period exceptional items.

6. Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period, excluding shares purchased by the Company which are held as treasury shares.

	<i>Unaudited</i> 2020 €'000	2019 €'000
Profit for the financial year attributable to equity holders of the parent	40,412	53,302
	'000	'000
Shares in issue at beginning of year	410,525	410,429
New shares issued from exercise of share options (weighted average)	35	51
Shares repurchased by company (weighted average)	–	(2)
Effect of treasury shares held	(22,000)	(22,000)
Weighted average number of shares	388,560	388,478
Basic earnings per share – cents	10.40	13.72

Diluted earnings per share

Diluted earnings per share is calculated by dividing the profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding after adjustment for the effects of all ordinary shares and options with a dilutive effect.

	<i>Unaudited</i> 2020 €'000	2019 €'000
Profit for the financial year attributable to equity holders of the parent	40,412	53,302
	'000	'000
Weighted average number of shares	388,560	388,478
Effect of share options with a dilutive effect	583	817
Weighted average number of shares (diluted)	389,143	389,295
Diluted earnings per share –cent	10.38	13.69

The average market value of the Company's shares for the purpose of calculating the dilutive effect of share options was based on the quoted market prices for the period during which the options were outstanding.

Notes to the Preliminary Results continued

for the year ended 31 December 2020

Adjusted basic earnings per share and adjusted fully diluted earnings per share

	<i>Unaudited</i> 2020 €'000	2019 €'000
Profit for the financial year attributable to ordinary equity holders of the parent	40,412	53,302
<i>Adjustments:</i>		
Exceptional items - net of tax (Note 5)	10,886	(5,185)
Acquisition related intangible asset amortisation within subsidiaries	10,144	10,301
Share of joint ventures and associates acquisition related intangible asset amortisation	2,543	2,696
Acquisition related costs within subsidiaries	348	177
Fair value movements on contingent consideration	456	(204)
Tax effect of amortisation charges of goodwill, intangible assets and fair value movements on contingent consideration	(1,548)	(3,188)
Non-controlling interests share of the items above	(3,279)	(2,915)
Adjusted profit attributable to equity holders of the parent	59,962	54,984
	'000	'000
Weighted average number of shares	388,560	388,478
Weighted average number of shares (diluted)	389,143	389,295
Adjusted basic earnings per share – cent	15.43	14.15
Adjusted fully diluted earnings per share – cent	15.41	14.12

Management believe that adjusted fully diluted earnings per share as set out above provides a fairer reflection of the underlying trading performance of the Group after eliminating the effect of acquisition related intangible asset amortisation charges and costs, fair value movements on contingent consideration, unrealised gains or losses on derivative financial instruments, gains and losses on foreign currency denominated intercompany borrowings and exceptional items and the related tax on these items.

Adjusted basic earnings per share is calculated by dividing the adjusted profit attributable to ordinary equity holders of the parent (as calculated above) by the weighted average number of ordinary shares outstanding during the period, excluding shares purchased by the Company which are held as treasury shares.

Adjusted fully diluted earnings per share is calculated by dividing the adjusted profit attributable to ordinary equity holders of the parent (as calculated above) by the weighted average number of ordinary shares outstanding after adjustment for the effects of all ordinary shares and options with a dilutive effect.

7. Investment in Dole

Total Produce (or the 'Group') has one joint venture which is material to the Group and which is equity accounted, Dole Food Company Inc ('Dole'). The registered address of Dole is 200 S. Tyron St, Suite 600, Charlotte, NC 28211.

Summary of Initial Transaction that is in place at 31 December 2020

As disclosed previously, on 31 July 2018, Total Produce completed the First Tranche of a transaction to acquire a 45% shareholding in Dole from Castle & Cook Inc and affiliates (owned by Mr David H. Murdock) for \$300m.

In addition, and at any time after 31 July 2018, the Group has the right, but not the obligation, to acquire (in any one or more tranches of 1%) up to an additional 6% of Dole common stock (the 'Second Tranche'). In the event the Group exercises the right to acquire the additional 6% the total consideration for the 51% stake shall be \$312 million.

From and after 31 July 2020, the Group has the right, but not the obligation, to acquire the balance of Dole common stock (the 'Third Tranche'), whereby the consideration for the Third Tranche is to be calculated based on nine times the preceding historical three-year average Dole adjusted EBITDA less net debt. However, in no event shall the Third Tranche purchase price be less than \$250m or exceed \$450m (such cap subject to increase after six years). The Third Tranche consideration is payable in cash or, if the parties mutually agree, Total Produce stock.

Effective as of 31 July 2023, if the Group has not exercised its right to acquire 100% of Dole, Mr. David H. Murdock is permitted to cause a process to market and sell 100% of Dole common stock. This is subject to a sales proceeds refund mechanism designed to protect the value of Total Produce's initial investment plus a guaranteed return.

Notes to the Preliminary Results continued

for the year ended 31 December 2020

On completion of the acquisition of the First Tranche on 31 July 2018, the Group and Mr. David H. Murdock have balanced governance rights with respect to Dole. The Board of Directors of Dole comprises of six members, three of which are appointed by Total Produce and three by Mr. David H. Murdock. Mr. David H. Murdock remains Chairman of Dole and Carl McCann was appointed Vice Chairman. Major decisions require consent of at least one Board Member appointed by each of Total Produce and Mr. David H. Murdock.

As part of the provisions of acquisition accounting, a fair value was determined for the Second Tranche Option which is recognised as a current derivative financial asset in the Total Produce Group balance sheet and correspondingly reduces the deemed cost of the acquisition of the First Tranche. The fair value of the Third Tranche Option was not deemed material at the date of acquisition or at 31 December 2020.

As part of the Securities Purchase Agreement, the seller provided indemnities against certain liabilities outstanding at the date of acquisition. The fair value of these indemnities was recognised as a long-term asset in the Total Produce Group balance sheet with a corresponding reduction in the deemed cost of the acquisition

The investment in Dole and its financial contribution is being treated as a joint venture and accounted for under the equity method in accordance with IFRS in the consolidated Group accounts following completion of the acquisition of the First Tranche on 31 July 2018 and until an exercise of the Third Tranche. Total Produce is therefore equity accounting for its 45% share of the results of Dole with effect from 1 August 2018.

Summary of Announcement post year-end on 17 February 2021

On 17 February 2021, the Group and Dole Food Company Inc and affiliates of Castle & Cooke, Inc. (the "C&C shareholders"), which own a 55% interest in Dole's parent company ("Dole Holdings") (together, the "Parties"), announced that they have entered into a binding transaction agreement (the "Agreement") to combine under a newly created, U.S. listed company ("Dole plc") (the "Transaction").

The Transaction will simplify the existing structure between the two companies by unifying Dole and Total Produce under common ownership, with the objective of enabling full operational integration, realisation of synergies and value creation across the enlarged business.

Under the terms of the Agreement, Total Produce shareholders will receive 82.5% of Dole plc shares and the C&C shareholders will receive 17.5% of Dole plc shares, in each case based on the fully diluted outstanding shares immediately prior to the completion of the Transaction.

Per the Agreement, Dole plc's completion of an initial public offering and a listing on a major U.S. stock exchange is a condition for completion of the Transaction (the "IPO"). In connection with the Transaction, Dole plc intends to target raising US\$500 to US\$700 million in primary equity capital to strengthen and de-lever the combined balance sheet. Upon completion of the U.S. listing of Dole plc, Total Produce will cease to be listed on Euronext Dublin and the London Stock Exchange.

The Transaction is subject to approval by Total Produce shareholders and other regulatory approvals.

Should the Transaction fail to complete for any reason the terms of the Initial Transaction (as described above) remain in place and Total Produce will continue to be listed on Euronext Dublin and the London Stock Exchange.

Summary of Financial Information for Dole for year ended 31 December 2020

Dole's 2020 financial year began on 29 December 2019 and ended on 31 December 2020. Dole's financial calendar for the 2019 financial year began on 30 December 2018 and ended on 28 December 2019.

The following is the summarised financial information of Dole for the financial year ended 31 December 2020 and the financial year ended 28 December 2019 based on consolidated financial statements prepared under IFRS, modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

Restatement of comparative financial information

Dole restated its IFRS financial information at the date of acquisition on 31 July 2018 due to an overstatement of post-retirement benefit liabilities. Dole's operations in Latin America are obliged by social regulations to provide certain termination benefits to employees involuntarily terminated. Under US GAAP these potential benefits of \$29,000,000 are recorded as post-retirement benefits. However, in the exercise to convert Dole financial information to IFRS, these termination benefits should not have been recorded as a liability in the IFRS acquisition balance sheet on 31 July 2018. The appropriate treatment under IFRS is to account for such benefits as period costs when incurred. The tax effect of this adjustment is an increase of \$2,604,000 in net deferred tax liabilities. As Total Produce acquired its 45% interest in Dole on 31 July 2018, the Group amended the IFRS acquisition accounting for its equity investment in Dole effective 31 July 2018 to correct this misstatement by increasing its share of the net assets acquired of Dole by \$11,878,000 (being 45% of \$26,396,000) with a corresponding \$11,878,000 decrease in goodwill. As the Group equity accounts for Dole, its 45% share of its net assets and the goodwill arising on acquisition are all part of the Group's carrying amount

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for the year ended 31 December 2020

of Dole that is reflected as one number on the Group's Balance Sheet. Therefore, this does not result in a restatement of the prior year Income Statement or Balance Sheet of Total Produce.

Dole restated its previously issued US GAAP financial statements and IFRS financial information for the financial year ended 30 December 2017, to correct a misstatement made in the calculation of long-term tax provisions. The correction resulted in an \$8,500,000 increase to other long-term liabilities and a \$8,500,000 decrease in retained earnings in Dole's own financial statements for the financial years ended 29 December 2018 and 28 December 2019. As Total Produce acquired its 45% interest in Dole on 31 July 2018, the Group amended the acquisition accounting for its equity investment in Dole effective 31 July 2018 to correct this misstatement by reducing its share of the net assets acquired of Dole by \$3,825,000 (being 45% of \$8,500,000) with a corresponding \$3,825,000 increase in goodwill. As the Group equity accounts for Dole, its 45% share of its net assets and the goodwill arising on acquisition are all part of the Group's carrying amount of Dole that is reflected as one number on the Group's Balance Sheet. Therefore, this does not result in a restatement of the prior year Income Statement or Balance Sheet of Total Produce.

Dole also restated its previously issued US GAAP financial statements and IFRS financial information for the financial year ended 28 December 2019 to correct a misstatement in its income statement related to revenue. The correction resulted in a \$50,395,000 decrease to revenue and costs of goods sold, with no impact to gross profit. Total Produces 45% share of this joint venture revenue was \$22,678,000 (€20,101,000). Total Produce includes the Group's share of joint ventures and associate revenue within its Total Revenue calculation, which is the key revenue metric in its segmental analysis. Therefore, Total Revenue in the 2019 comparative in Note 4 Segmental Analysis is reduced by €20,101,000 from €6,173,195,000 to €6,153,094,000. This does not result in a restatement of the prior year Income Statement of Total Produce.

Summary income statement Dole (in USD '000)

	12 months ended 31 December 2020 <i>Unaudited</i>			12 months ended 28 December 2019 <i>(Restated) ¹</i>		
	Pre- exceptional US\$'000	Exceptional Items US\$'000	Total US\$'000	Pre- exceptional US\$'000	Exceptional Items US\$'000	Total US\$'000
Revenue	4,671,999	–	4,671,999	4,515,959	–	4,515,959
Operating profit	184,554	(21,572)	162,982	173,790	13,846	187,636
Net financial expense	(70,326)	(4,921)	(75,247)	(78,369)	–	(78,369)
Leasing interest expense	(20,405)	–	(20,405)	(19,284)	–	(19,284)
Profit before tax	93,823	(26,493)	67,330	76,137	13,846	89,983
Income tax	(38,731)	11,737	(26,994)	(25,477)	3,823	(21,654)
Profit after tax	55,092	(14,756)	40,336	50,660	17,669	68,329
Non-controlling interests	(1,914)	–	(1,914)	(2,205)	–	(2,205)
Profit attributable to equity shareholders	53,178	(14,756)	38,422	48,455	17,669	66,124
Groups' 45% share of profit attributable to equity shareholders	23,930	(6,640)	17,290	21,805	7,951	29,756

¹ Restatement of 2019 comparative revenue due to prior year misstatement as explained above.

Summary of other comprehensive income statement Dole (in USD '000)

	<i>Unaudited 2020 US\$'000</i>	<i>2019 US\$'000</i>
Effective portion of cashflow hedges, net of recycling	(4,304)	(12,753)
Remeasurement gain/(loss) on employee benefit schemes	1,072	(6,459)
Revaluation gain on property, plant and equipment	2,938	3,411
Deferred tax on items above	823	1,048
Foreign currency translation effects	24,911	(8,015)
Other comprehensive income/(expense) for the period (net of tax)	25,440	(22,768)
Non-controlling interests share	–	–
Attributable to equity shareholders	25,440	(22,768)
Group's 45% share of other comprehensive income/(expense) attributable to equity shareholders	11,448	(10,246)

Notes to the Preliminary Results continued
for the year ended 31 December 2020

Summary income statement Dole (in Euro '000)

	12 months ended 31 December 2020 <i>Unaudited</i>			12 months ended 28 December 2019 <i>(Restated)</i> ¹		
	Pre- exceptional €'000	Exceptional Items €'000	Total €'000	Pre- exceptional €'000	Exceptional Items €'000	Total €'000
Revenue	4,096,448	–	4,096,448	4,002,887	–	4,002,887
Operating profit	164,209	(19,194)	145,015	154,044	12,274	166,318
Net financial expense	(62,573)	(4,378)	(66,951)	(69,465)	–	(69,465)
Leasing interest expense	(18,156)	–	(18,156)	(17,093)	–	(17,093)
Profit before tax	83,480	(23,572)	59,908	67,486	12,274	79,760
Income tax	(34,461)	10,443	(24,018)	(22,582)	3,388	(19,194)
Profit after tax	49,019	(13,129)	35,890	44,904	15,662	60,566
Non-controlling interests	(1,703)	–	(1,703)	(1,954)	–	(1,954)
Profit attributable to equity shareholders	47,316	(13,129)	34,187	42,950	15,662	58,612
Groups' 45% share of profit attributable to equity shareholders	21,292	(5,908)	15,384	19,327	7,048	26,375

¹ Restatement of 2019 comparative revenue due to prior year misstatement as explained on page 24.

Summary of other comprehensive income statement Dole (in Euro '000)

	<i>Unaudited</i> 2020 €'000	2019 €'000
Effective portion of cashflow hedges, net of recycling	(3,830)	(11,414)
Remeasurement gain/(loss) on employee benefit schemes	954	(5,781)
Revaluation gain on property, plant and equipment	2,614	3,041
Deferred tax on items above	732	938
Foreign currency translation effects	22,165	(7,173)
Other comprehensive income/(expense) for the period (net of tax)	22,635	(20,389)
Non-controlling interests share	–	–
Attributable to equity shareholders	22,635	(20,389)
Group's 45% share of other comprehensive income/(expense) attributable to equity shareholders	10,186	(9,175)

Key performance indicators Dole

	<i>Unaudited</i> 2020 US\$'000	2019 US\$'000	<i>Unaudited</i> 2020 €'000	2019 €'000
Adjusted EBITDA (adding back depreciation of right of use assets)	326,764	307,724	290,741	272,762
Adjusted EBITDA	259,174	245,013	230,603	217,176
Adjusted EBITA	184,554	173,790	164,209	154,045

Notes to the Preliminary Results continued
for the year ended 31 December 2020

Summary Balance Sheet of Dole

	<i>Unaudited</i> 2020 US\$'000	<i>(Restated)</i> 2019 ¹ US\$'000	<i>Unaudited</i> 2020 €'000	<i>(Restated)</i> 2019 ¹ €'000
Intangible assets – primarily brand	284,848	285,540	232,252	254,592
Property, plant and equipment	1,103,441	1,069,546	899,693	953,622
Right of use assets	249,539	279,068	203,462	248,821
Assets held for sale / Actively marketed property	49,131	64,760	40,059	57,741
Other non-current assets	118,428	107,753	96,561	96,074
Other current assets	868,976	862,588	708,521	769,096
Net debt	(1,209,727)	(1,287,328)	(986,353)	(1,147,800)
Employee benefit obligations	(137,942)	(146,059)	(112,472)	(130,228)
Lease liabilities	(268,306)	(294,034)	(218,764)	(262,165)
Other non-current liabilities	(246,522)	(249,740)	(201,002)	(222,672)
Other current liabilities	(673,018)	(617,365)	(548,747)	(550,452)
Non-controlling interests	(9,427)	(9,170)	(7,686)	(8,176)
Fair value of net assets attributable to equity shareholders	129,421	65,559	105,524	58,453
Total Produce's 45% share of net assets	58,239	29,501	47,485	26,304
Goodwill	267,634	267,634	218,259	238,589
Total carrying amount of 45% interest in Dole	325,873	297,135	265,744	264,893

¹ Restatement of 2019 comparative balances for employee benefit obligations and other non-current liabilities as explained on pages 23 and 24.

Reconciliation of Group's carrying amount of investment in Dole

	<i>Unaudited</i> 2020 US\$'000	2019 US\$'000	<i>Unaudited</i> 2020 €'000	2019 €'000
Opening carrying amount of 45% investment in Dole	297,135	281,432	264,893	245,881
Retained earnings adjustment on transition to IFRS 16	–	(3,807)	–	(3,326)
Group share of profit attributable to equity shareholders	17,290	29,756	15,384	26,375
Group share of other comprehensive income/(expense) attributable to equity shareholders	11,448	(10,246)	10,186	(9,175)
Foreign exchange movement	–	–	(24,719)	5,138
Closing carrying amount of 45% interest in Dole	325,873	297,135	265,744	264,893

Notes to the Preliminary Results continued
for the year ended 31 December 2020

8. Post-employment obligations

	<i>Unaudited</i> 2020 €'000	2019 €'000
Employee defined benefit pension schemes obligations	(17,330)	(10,828)
Other post-employment defined benefit obligations	(6,636)	(5,908)
	(23,966)	(16,736)

Employee defined benefit pension schemes

	<i>Unaudited</i> 2020 €'000	2019 €'000
Pension assets	199,805	192,227
Pension obligations	(217,135)	(203,055)
Net liability	(17,330)	(10,828)
Net related deferred tax asset	3,052	1,479
Net liability after tax	(14,278)	(9,349)
<i>Movement in year</i>		
Net liability at beginning of year	(10,828)	(10,941)
Net interest expense and current service cost recognised in the income statement	(2,093)	(1,677)
Employer contributions to schemes	3,357	4,866
Remeasurement loss recognised in other comprehensive income	(8,122)	(2,683)
Translation adjustment	356	(393)
Net liability at end of year before deferred tax	(17,330)	(10,828)

The table above summarises the movements in the net liability of the Group's various defined benefit pension schemes in Ireland, the UK, Continental Europe and North America in accordance with IAS 19 *Employee Benefits (2011)*.

The Group's balance sheet at 31 December 2020 reflects net pension liabilities of €17.3m in respect of schemes in deficit, resulting in a net deficit of €14.3m after deferred tax. The increase in the net liability was due to a decrease in the Eurozone and UK discount rates which increases the net present value of scheme obligations. This was offset by an average return of 7.5% on pension scheme assets in 2020.

The below table shows the discount rates and inflation rates:

	<i>Unaudited</i> 2020	2019
<i>Eurozone</i>		
Discount rates	1.08%	1.40%
Inflation rates	1.30%	1.40%
<i>UK</i>		
Discount rates	1.40%	2.00%
Inflation rates	2.90%	2.70%

9. Dividends

The 2019 final dividend of 2.5770 was paid on 2 September 2020. The payment of the 2020 interim dividend of 0.9129 cent per share (which was unchanged on prior year) was paid post year-end on 29 January 2021.

The Group intends to pay a final dividend of 2.770 cent per share representing a 7.5% increase on 2019, in May 2021. The total dividend for 2020 will amount to 3.6829 cent per share (2019: 3.4899) and represents an increase of 5.5% on 2019. The total dividend represents a pay-out of almost 24% of the adjusted earnings per share.

In accordance with company law and IFRS, these dividends have not been provided for in the balance sheet at 31 December 2020.

During the year dividends of €20,510,000 (2019: €16,055,000) were paid to non-controlling interests within certain of the Group's subsidiaries.

Notes to the Preliminary Results continued

for the year ended 31 December 2020

10. Businesses acquired and other developments**Summary of investments in 2020**

A key part of the Group's strategy is growth by acquisition. In line with this strategy the Group made a number of acquisitions in 2020 with initial cash spend of €1,265,000 (2019: €6,683,000), deferred consideration of €Nil (2019: €114,000) with a further €122,000 (2019: €1,461,000) of contingent consideration payable dependent on the achievement of profit targets. The acquisitions in 2020 included the acquisition of additional shares in Eco Farms, a company based in California in the United States that specialises in avocados. This resulted in Eco Farms being consolidated as a subsidiary of the Group. The initial 45% interest was treated as a joint venture up to April 2020.

Summary of fair values of assets and liabilities acquired

The table below provides details on the total fair value of acquisitions of subsidiaries in 2020. None of the business combinations completed during the year were considered sufficiently material to warrant separate disclosure of the fair values attributable to those combinations.

	<i>Unaudited</i> 2020 Total €'000	2019 Total €'000
Consideration paid and payable		
Cash consideration	1,265	6,683
Contingent consideration	122	1,461
Deferred consideration	–	114
Total fair value of consideration	1,387	8,258
Identifiable assets acquired and liabilities assumed		
Property, plant and equipment	6,398	1,054
Right of use assets	493	3,564
Biological assets	262	–
Intangible assets - Customer relationships	52	2,392
Intangible assets – Software	55	434
Intangible assets – Supplier relationships, brand and other	–	189
Inventories	989	590
Trade and other receivables	7,183	9,859
Cash, and cash equivalents	1,527	2,308
Interest-bearing loans and borrowings	(2,550)	–
Lease liabilities	(501)	(3,553)
Corporation tax	(12)	58
Trade and other payables	(6,837)	(10,921)
Deferred tax asset	82	74
Deferred tax liability	–	(398)
Fair value of net identifiable assets and liabilities acquired	7,141	5,650
Non-controlling interests arising on acquisition		
Non-controlling interests measured at share of net assets	1,928	959
Total value of non-controlling interests arising on acquisition	1,928	959
Goodwill calculation		
Fair value of consideration	1,387	8,258
Fair value of pre-existing interest in acquiree	4,680	–
Fair value of net identifiable assets and liabilities acquired	(7,141)	(5,650)
Non-controlling interest arising on acquisition	1,928	959
Goodwill arising	854	3,567

Cashflows relating to acquisition of subsidiaries

	<i>Unaudited</i> 2020 €'000	2019 €'000
Cash consideration for acquisition of subsidiary undertakings	(1,265)	(6,683)
Cash, cash equivalents and bank overdrafts acquired	1,527	2,308
Cash inflow/(outflow) per cashflow statement	262	(4,375)

Notes to the Preliminary Results continued

for the year ended 31 December 2020

Cash consideration paid

The cash spend on acquisitions in 2020 was €1,265,000 (2019: €6,683,000). Net of cash, cash equivalents and bank overdrafts acquired the net cash inflow was €262,000 (2019: outflow €4,375,000).

Contingent consideration

The Group has agreed to pay vendors additional consideration of €122,000 (2019: €1,633,000) in future periods which is payable on achievement of certain profit criteria. The fair value of this contingent consideration at the date of acquisition of €122,000 (2019: €1,461,000) was calculated by using the expected present value technique.

Fair value of identifiable assets and liabilities assumed

The acquisition method of accounting has been used to consolidate businesses acquired. Other than liabilities for contingent consideration, no contingent liabilities have been recognised on the business combinations in either year. Should any fair values need to be adjusted they will be reflected in the acquisition accounting within one year of the acquisition date in line with the provisions of IFRS 3 *Business Combinations*.

Goodwill arising

The principal factor contributing to the recognition of goodwill of €854,000 (2019: €3,567,000) is the value and skills of the assembled workforce in the acquired entities along with anticipated costs savings and synergies arising from integration into the Group's existing businesses.

Acquisition related costs

The Group incurred acquisition related costs of €348,000 (2019: €177,000) on legal and professional fees and due diligence in respect of the completed acquisitions. These costs have been included within other operating expenses.

Effect of acquisitions on income statement in the year

The acquisitions of subsidiaries in 2020 contributed €32,879,000 to total revenue and €1,874,000 to Group operating profit in the year. These numbers exclude the contributions from any joint venture and associate investments completed in the year.

If the acquisition date for these business combinations was 1 January 2020, the estimated total revenue for the year ended 31 December 2020 would have been €6,268,175,000 and estimated operating profit after exceptional items would have been €83,600,000. These numbers exclude the contributions from any joint ventures and associates completed in the year.

Notes to the Preliminary Results continued
for the year ended 31 December 2020

11. Cashflows generated from operations

	<i>Unaudited</i> 2020 €'000	2019 €'000
Operating activities		
Profit for the year	56,784	66,204
<i>Non-cash adjustments to reconcile profit to net cashflows:</i>		
Income tax expense	16,714	10,329
Income tax paid	(16,965)	(15,154)
Depreciation of property, plant and equipment	17,976	17,773
Depreciation of right of use assets	22,397	19,253
Exceptional items – impairment of property, plant and equipment and investment property	1,063	–
Exceptional items – goodwill impairment	3,546	–
Exceptional items – other operating expenses	(547)	1,816
Exceptional cashflows	(348)	(3,489)
Fair value movements on contingent consideration	456	(204)
Amortisation of intangible assets - acquisition related	10,144	10,301
Amortisation of intangible assets - development costs capitalised	170	238
Amortisation of intangible assets - computer software	2,616	2,046
Amortisation of government grants	(66)	(63)
Defined benefit pension scheme expense - normal	2,093	1,677
Contributions to defined benefit pension schemes - normal	(3,357)	(4,866)
Other post-employment benefit scheme expense	451	451
Net payments for other employee benefit scheme	(196)	(249)
Share-based payment (credit)/expense	(114)	109
Net gain on disposal of property, plant and equipment	(264)	(313)
Movement in provisions	504	(489)
Fair value gain on other investments	(245)	(854)
Financial income	(2,287)	(2,754)
Financial expense	12,211	13,721
Financial income received	2,289	2,005
Financial expense paid	(12,505)	(13,149)
Loss/(gain) on non-hedging derivative financial instruments	213	(115)
Loss on termination of right of use leased assets	4	146
Gain on disposal of joint venture	–	(88)
Fair value movement on joint venture becoming a subsidiary	80	–
Fair value movements on biological assets	252	666
Share of profit of joint ventures	(27,435)	(37,033)
Share of profit of associates	(954)	(666)
Net cashflows from operating activities before working capital movements	84,680	67,249
<i>Movements in working capital:</i>		
Movements in inventories	(16,592)	(6,091)
Movements in biological assets	757	530
Movements in receivables	28,615	27,342
Movements in payables	39,312	(15,254)
Total movements in working capital	52,092	6,527
Net cashflows from operating activities	136,772	73,776

Notes to the Preliminary Results continued

for the year ended 31 December 2020

12. Analysis of Net Debt and Cash and Cash Equivalents

Net debt is a non-IFRS measure which comprises cash and cash equivalents and current and non-current borrowings. The calculation of net debt at 31 December 2020 is as follows:

	<i>Unaudited</i> 2020 €'000	2019 €'000
Current assets		
Bank balances	130,807	99,445
Call deposits (demand balances)	56	16,084
Current liabilities		
Bank overdrafts	(9,167)	(9,502)
Current bank borrowings	(15,573)	(76,648)
Non-current liabilities		
Non-current bank borrowings	(250,416)	(250,572)
Net debt at end of year	(144,293)	(221,193)

Reconciliation of cash and cash equivalents per balance sheet to cashflow statement

	<i>Unaudited</i> 2020 €'000	2019 €'000
Cash and cash equivalents per balance sheet	130,863	115,529
Bank overdrafts	(9,167)	(9,502)
Cash, cash equivalents and bank overdrafts per cashflow statement	121,696	106,027

13. Post balance sheet events

The payment of the 2020 interim dividend of 0.9129 cent per share was paid post year-end on 29 January 2021. The total dividend amounted to €3,549,000.

On 17 February 2021, the Group and Dole Food Company Inc and affiliates of Castle & Cooke, Inc. (the "C&C shareholders"), which own a 55% interest in Dole's parent company ("Dole Holdings") (together, the "Parties"), announced that they entered into a binding transaction agreement (the "Agreement") to combine under a newly created, U.S. listed company ("Dole plc") (the "Transaction").

The Transaction will simplify the existing structure between the two companies by unifying Dole and Total Produce under common ownership, with the objective of enabling full operational integration, realisation of synergies and value creation across the enlarged business.

Under the terms of the Agreement, Total Produce shareholders will receive 82.5% of Dole plc shares and the C&C shareholders will receive 17.5% of Dole plc shares, in each case based on the fully diluted outstanding shares immediately prior to the completion of the Transaction.

Per the Agreement, Dole plc's completion of an initial public offering and a listing on a major U.S. stock exchange is a condition for completion of the Transaction (the "IPO"). In connection with the Transaction, Dole plc intends to target raising US\$500 to US\$700 million in primary equity capital to strengthen and de-lever the combined balance sheet. Upon completion of the U.S. listing of Dole plc, Total Produce will cease to be listed on the Euronext Dublin and the London Stock Exchange.

Total Produce has secured fully committed debt facilities to backstop and refinance all existing Total Produce and Dole debt facilities upon completion of the Transaction, with the exception of the Dole vessel financing and certain other bilateral facilities which will remain post completion. Overall, this is expected to provide for a stronger balance sheet with a well-termed out capital structure, which is expected to enhance Dole plc's credit profile and lower its average cost of capital going forward.

Dole plc, operating under the Dole brand, will be incorporated in Ireland, with its Global Headquarters in Dublin, Ireland. Its headquarters for the Americas will be in Charlotte, North Carolina.

The highly regarded management teams of Total Produce and Dole, with combined experience of over 150 years in the fresh produce sector, will continue to operate the combined business.

The Transaction is subject to approval by Total Produce shareholders and other regulatory approvals.

Should the Transaction fail to complete for any reason the terms of the Initial Dole Transaction remain in place and Total Produce will continue to be listed on Euronext Dublin and the London Stock Exchange.

The full terms of the Transaction are outlined in the Stock Exchange announcement on 17 February 2021.

Notes to the Preliminary Results continued

for the year ended 31 December 2020

The Group has secured a committed debt facility with a term of 5 years to backstop and refinance certain existing Total Produce facilities in advance of the completion of the Transaction. In the event that the Transaction does not complete this committed financing shall remain in place in the Total Produce Group.

14. Related party transactions

There have been no related party transactions or changes to related party transactions other than those described in the 2019 Annual Report that materially affect the financial position or the performance of the Group for the year ended 31 December 2020.

15. Board approval

This announcement was approved by the Board of Directors of Total Produce plc on 24 February 2021.

Appendix

Alternative Performance Measures (APMs)

The Group uses a number of alternative performance measures ('APMs') that are not required under International Financial Reporting Standards ('IFRS') which represent the generally accepted accounting principles ('GAAP') under which the Group reports. These measures are referred to throughout the discussion of our reported operating performance and financial position and are measures which are regularly reviewed by Group management. The Group believes that the presentation of these APMs provide useful supplementary information which, when viewed with the IFRS financial information provides investors with a more meaningful understanding of the underlying financial and operating performance of the Group.

These APMs may not be uniformly defined by all companies and accordingly they may not be directly comparable with similarly titled measures and disclosures by other companies. These APMs should not be viewed in isolation or as an alternative to the equivalent GAAP measures.

The principal APMs used by the Group, together with the reconciliation where the non-GAAP measures are not readily identifiable from the financial statements are as follows:

Total revenue

Definition

Total revenue includes the Group's share of the revenue of its joint ventures and associates. The calculation is presented in Note 3 of the accompanying financial information.

Adjusted EBITDA

Definition

Earnings before interest, tax, depreciation of property, plant and equipment, acquisition related intangible asset amortisation charges and costs, fair value movements on contingent consideration, unrealised gains or losses on derivative financial instruments, gains and losses on foreign currency denominated intercompany borrowings and exceptional items. It also excludes the Group's share of these items within joint ventures and associates. The calculation is presented in the table on page 34.

Adjusted EBITDA (after add back of right of use asset depreciation)

Definition

Earnings before interest, tax, depreciation of property, plant and equipment, depreciation of right of use assets, acquisition related intangible asset amortisation charges and costs, fair value movements on contingent consideration, unrealised gains or losses on derivative financial instruments, gains and losses on foreign currency denominated intercompany borrowings and exceptional items. It also excludes the Group's share of these items within joint ventures and associates. The calculation is presented in the table on page 34.

Adjusted EBITA

Definition

Earnings before interest, tax, acquisition related intangible asset amortisation charges and costs, fair value movements on contingent consideration, unrealised gains or losses on derivative financial instruments, gains and losses on foreign currency denominated intercompany borrowings and exceptional items. It also excludes the Group's share of these items within joint ventures and associates. The calculation is presented in the table on page 34.

Adjusted profit before tax

Definition

Excludes acquisition related intangible asset amortisation charges and costs, fair value movements on contingent consideration, unrealised gains or losses on derivative financial instruments, gains and losses on foreign currency denominated intercompany borrowings and exceptional items. It also excludes the Group's share of these items within joint ventures and associates. The calculation is presented in the table on page 34.

Appendix continued
Alternative Performance Measures (APMs)

Calculation	Reference in Financial Information	Unaudited 2020 €'000	2019 €'000
Profit before tax per income statement	Income Statement	73,498	76,533
<i>Adjustments:</i>			
Exceptional items	Note 5	9,970	(5,232)
Fair value movements on contingent consideration		456	(204)
Share of joint ventures and associates' tax (before tax on exceptional items)		19,043	14,059
Acquisition related intangible asset amortisation within subsidiaries		10,144	10,301
Share of joint ventures and associates acquisition related intangible asset amortisation		2,543	2,696
Acquisition related costs within subsidiaries	Income Statement	348	177
Adjusted profit before tax		116,002	98,330
<i>Exclude:</i>			
Net financial expense – subsidiaries	Income Statement	9,924	10,967
Net financial expense – share of joint ventures and associates		38,312	40,817
Adjusted EBITA		164,238	150,114
<i>Exclude:</i>			
Amortisation of software costs		2,616	2,046
Depreciation of property, plant and equipment – subsidiaries		17,976	17,773
Depreciation of property, plant and equipment – share of joint ventures and associates		34,592	32,870
Adjusted EBITDA		219,422	202,803
<i>Exclude:</i>			
Depreciation of right of use assets – subsidiaries		22,397	19,253
Depreciation of right of use assets – share of joint ventures and associates		31,745	29,115
Adjusted EBITDA (before depreciation of right of use assets)		273,564	251,171

Adjusted fully diluted earnings per share

Definition

Excludes acquisition related intangible asset amortisation charges and costs, fair value movements on contingent consideration, unrealised gains or losses on derivative financial instruments, gains and losses on foreign currency denominated intercompany borrowings, exceptional items and related tax on such items. It also excludes the Group's share of these items within joint ventures and associates. The calculation is outlined in Note 6.

Effective tax rate calculation

Definition

The Group's effective tax rate expresses the Group's income tax expense (including the share of joint ventures and associates) before tax impact of exceptional items and goodwill and intangible asset amortisation as a percentage of the Group's adjusted profit before tax.

Calculation	Reference in Financial Information	Unaudited 2020 €'000	2019 €'000
Income tax expense	Income Statement	16,714	10,329
Group share of tax charge of joint ventures and associates		14,344	12,534
Total tax charge		31,058	22,863
<i>Adjustments:</i>			
Deferred tax credit on amortisation of intangible assets – subsidiaries		1,217	2,623
Deferred tax credit on amortisation of intangible assets – share of joint ventures and associates		331	565
Tax charge on exceptional items in subsidiaries	Note 5	(916)	(47)
Group share of tax charge on exceptional items within joint ventures and associates	Note 5	4,699	1,525
Tax charge on underlying activities		36,389	27,529
Adjusted profit before tax	As calculated earlier	116,002	98,330
Effective tax on underlying activities		31.37%	28.0%

Appendix continued

Alternative Performance Measures (APMs)

Net debt

Definition

Net debt is a non-IFRS measure which comprises bank deposits, cash and cash equivalents and current and non-current borrowings. It excludes lease liabilities. The calculation is outlined in Note 12.

Routine capital expenditure and non-routine capital expenditure

Definition

Routine capital expenditure is cash spend on property, plant, and equipment and software (which under IFRS is classified within intangible assets) less proceeds on disposal of property, plant and equipment and any expenditure classified as non-routine or development capital expenditure.

Non-routine capital expenditure is expenditure on projects to grow the business and generally relate to the acquisition, and fit out of new facilities or extending the capacity of existing facilities.

Calculation	Reference in Financial Information	Unaudited	
		2020 €'000	2019 €'000
Acquisition of property, plant and equipment	Cashflow Statement	15,011	19,518
Acquisition of intangible assets – computer software	Cashflow Statement	5,370	4,621
Proceeds on disposal of property, plant and equipment – routine	Cashflow Statement	(783)	(678)
Non-routine (development capital expenditure)	Note (a)	(4,157)	(4,470)
Routine capital expenditure		15,441	18,991

(a) Non-routine capital expenditure is expenditure on projects to grow the business and generally relate to fit out of new facilities or extending the capacity of existing facilities.

Adjusted operating cashflow

Definition

Adjusted operating cashflow is the operating cashflow generated from operations as reported in the Group Cashflow Statement before cash outflows associated with exceptional items less lease liability payments and development loans provided to joint ventures and associates.

Calculation	Reference in Financial Information	Unaudited	
		2020 €'000	2019 €'000
Net cashflow from operating activities per cashflow statement	Cashflow Statement	136,772	73,776
Cash impact of exceptional items in operating cashflows	Note 11	348	3,489
Less lease liability payments	Cashflow Statement	(23,497)	(17,902)
Adjusted operating cashflow		113,623	59,363

Free Cashflow

Definition

Free Cashflow is defined by the Group as the funds available after outflows relating to routine capital expenditure, dividends paid to non-controlling interests but before acquisition related expenditure (including loans advanced to joint ventures and associates), development capital expenditure and the payment of dividends to equity shareholders.

Calculation	Reference in Financial Information	Unaudited	
		2020 €'000	2019 €'000
Net cashflow from operating activities per cashflow statement	Cashflow Statement	136,772	73,776
Cash impact of exceptional items in operating cashflows	Note 11	348	3,489
Less lease liability payments	Cashflow Statement	(23,497)	(17,902)
Dividends received from joint ventures and associates	Cashflow Statement	11,337	10,652
Dividends paid to non-controlling interests	Cashflow Statement	(20,510)	(16,055)
Routine capital expenditure	As calculated earlier	(15,441)	(18,991)
Free Cashflow		89,009	34,969

Appendix continued

Alternative Performance Measures (APMs)

Net Debt/Adjusted EBITDA

Definition

Net debt is a measure of the Group's leverage and is calculated by dividing net debt (as defined earlier) by adjusted EBITDA (as defined earlier).

	Reference in Financial Information	Unaudited 2020 €'000	2019 €'000
Calculation			
Net debt	Note 12	144,293	221,193
Adjusted EBITDA	As calculated earlier	219,422	202,803
Net debt/ Adjusted EBITDA (times)		0.7 x	1.1 x

Interest cover: EBITA interest cover

Definition

Interest cover is a measure of the Group's ability to meet its interest payments and is calculated by dividing Adjusted EBITA (as defined earlier) by net financial expense.

	Reference in Financial Information	Unaudited 2020 €'000	2019 €'000
Calculation			
Adjusted EBITA	As calculated earlier	164,238	150,114
Net financial expense	Income Statement	9,924	10,967
Adjusted EBITA/net finance expense (times)		16.5 x	13.7 x

Acquisition related expenditure, net

Definition

Acquisition related expenditure is cash outflows in respect of acquisition and investment in subsidiaries, joint ventures and associates, non-controlling interests and is net of contributions from non-controlling interests and proceeds on disposal of shares to non-controlling interests and proceeds from sale of equity investments.

	Reference in Financial Information	Unaudited 2020 €'000	2019 €'000
Calculation			
Cash (inflow)/outflow relating to investment and return of investment in joint ventures and associates	Cashflow Statement	(472)	7,145
Investment in subsidiaries	Note 10	1,265	6,683
Proceeds from disposal of joint venture	Cashflow Statement	(98)	(48)
Acquisition of non-controlling interests	Cashflow Statement	796	1,656
Disposal of shareholding to non-controlling interest	Cashflow Statement	(285)	–
Proceeds on disposal of investments for resale	Cashflow Statement	(2,727)	(1,043)
Acquisition of equity investments	Cashflow Statement	–	150
Acquisition related expenditure		(1,521)	14,543