

**Gondrand Traffic B.V.
situated in Moerdijk**

Annual report 2016

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- Accountancy
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- Corporate Finance

To the Board of Directors of
Gondrand Traffic B.V.
Distriboulevard 27
4782 PV MOERDIJK

Breda, 21 December 2017

Dear Sirs,

INTRODUCTION

The opinion is included in the other information.

GENERAL

ADOPTION OF THE ANNUAL ACCOUNTS

The Annual General Meeting had adopted the 2015 financial statements on November 4, 2016. The net result after taxation for the year ending 2015 was € -708.443.

We shall be pleased to furnish you with any further information you may require.

Yours sincerely,

ESJ Audit & Assurance B.V.



Drs. E.H.L.M. Biemans
Registeraccountant

MANAGEMENT BOARD'S REPORT

1. General

1.1. Objective

The objective of the Gondrand Swiss Group for the coming years is to be "The Global Premium Logistics Provider". As a member of the Gondrand Group, Gondrand Traffic B.V. has the same objectives and missions in their business fields.

1.2. Core activities

The core activities of Gondrand Traffic B.V. are acting as a forwarding company for sea, air and road transport.

The major activities for warehousing are mainly the storage of ADR and packed chemicals, as well as the storage and distribution of retail, fashion and consumer goods.

1.3. Legal structure

The Gondrand group in The Netherlands contains of Gondrand Holding Netherlands B.V. as head of the group, with her two subsidiaries, Gondrand Properties Netherlands B.V. and Gondrand Traffic B.V. The ultimate parent company of the Gondrand group in The Netherlands is Gondrand Holding AG in Switzerland.

The 100% participation of Gondrand Traffic B.V. in GT Chemical Logistics B.V. had no significant activities during 2016 and are not to be expected for the near future.

2. Financial information

2.1. Developments

The net result for 2016 is € 410,000, which means an increase of the net results by € 1,118,000 compared to 2015. The past year 2015 was a year of changes and the beginning of the improvement of our business which continued during 2016. During 2016 we have improved our internal organization to facilitate the expected growth in the near future.

Hereby we want to regain our former market status as a prime Contract Logistics & Freight Forwarding company step by step.

During the year 2016 Gondrand Properties Netherlands B.V. (a sister company of Gondrand Traffic B.V.) who owned our current warehouse in Moerdijk sold the premises to a third party. Until the end of March 2018 we are allowed to use the warehouse, as part of this deal we are granted a rent free period from 2016 till the end of the rental period. Nevertheless this also means that we have to relocate our business in Moerdijk by the end of this period, we are currently in the final phase of formalizing all contract to develop a new warehouse in Moerdijk.

We believe that the reorganization in 2015 we performed created a solid foundation for further growth and therefore the process was successful. The financial year 2016 is therefore, the first year in many years, where we do not have any provisions for restructuring.

2.1.1. Operations

Our road department in Venlo moved to their new location in the beginning of 2016 which gave them a fresh start of the year. During the second half of the year we became the preferred supplier of a multinational company, which had a slight impact on the 2016 figures because of the start-up period. However we expect a more significant impact on the 2017 figures because of this gained client.

We have been able to continue the positive trend on the net results which started in 2015. Although there is still a long way to go, the growth in sales is positive and new sales are being gained on a regular basis. The current organization is sufficient to facilitate this growth in sales. For our Ocean division we welcomed a new business unit manager who has a strong background in the Ocean freight business and should be able to finetune this business unit and achieve the milestones for this department.

We welcomed quite some new talented people as well throughout the year and lots of our current employees celebrated their jubilee from 10 to even 35 years.

We have invested as a company in new IT software and our ICT and operational teams have worked hard to roll out the upgraded road software. The roll out for the logistics team is rescheduled for the end of 2017 and is expected to be fully operational in the new warehouse.

2.1.2. Organization

The organization structure by the business units Air, Ocean, Road and Logistics and their supporting departments Human Resource and Finance continued in 2016 with a strong focus on compliance. We are certified as Full AEO for customs and we are part of the Horizontal Monitoring for other taxes. To comply with these regulations we need and therefore have a strong internal control framework. Not only to comply to applicable law, but also to give our clients a steady and reliable service.

3. Risks and uncertainties

As we are a big player in the chemical logistics business, one of our biggest risks is losing our permits. Therefore we have set several control mechanisms throughout our complete organization, even with our non-hazard locations. This is to create the unanimous awareness of the business we are in. We try to minimize these risks by continuously evaluating and improving our measures and by educating our employees.

Financial risks and uncertainties are to be found in bad debts, but also in the erosion of the gross margin in the business unit Road. The expected decrease of the margins in the Road continued, but our solid logistic solutions have compensated any further loss.

4. Financial instruments

Financial instruments are being valued as regulations prescribe. During 2015 no derivatives were used and we do not expect to use them on a short term. We limit our currency risk by keeping an USD-account with our local bank.

5. Future

5.1. General

Looking forward at 2017 we still see a very challenging environment, business wise and profit wise, but our focus for 2017 remains growth! This means autonomous growth for our ocean and road department as well as growth by acquisition, specific for our air department. Currently we are orienting the market for a suitable candidate. Together with the plans for a new warehouse our goal remains to regain our former market status as a prime Contract Logistics & Freight Forwarding!

5.2. Investments in/disposals of fixed assets

We are currently in the construction phase of our new warehouse in Moerdijk. Although the warehouse will be rented from a third party there remain significant investments to be done for the specific installations for PGS15 warehouses. These investments will be financed by our parent company.

5.3. Development in number of employees

The drop in FTE's in previous years stopped in 2016, we believe that the current employees are able to deal with the operations and are sufficient to facilitate the expected growth in the near future.

Gondrand Traffic B.V., Moerdijk

5.4. Subsequent events

The managing director of Gondrand Traffic BV was dismissed during the first quarter of 2017. His duties and responsibilities will be divided to the members of the management team of Gondrand Traffic BV. We have trust that the management team will be able to deal with all challenges arising.

Moerdijk, 21 December 2017

Mr. P. Flores
Director

BALANCE SHEET AS AT 31 DECEMBER 2016*After proposal result appropriation*

	<u>31 December 2016</u>		<u>31 December 2015</u>	
	€	€	€	€
ASSETS				
FIXED ASSETS				
<i>Intangible fixed assets</i>				
Goodwill		656.250		731.250
<i>Tangible fixed assets</i>				
Other fixed assets	151.564		154.664	
Fixed assets in progress	<u>-</u>		<u>43.731</u>	
		151.564		198.395
<i>Financial fixed assets</i>				
Deferred tax asset		330.347		330.347
CURRENT ASSETS				
<i>Receivables</i>				
Trade debtors	3.831.382		4.283.410	
Receivables from group companies	76.828		414.482	
Taxes and social security premiums	210.136		178.128	
Other receivables and accrued assets	<u>26.748</u>		<u>75.475</u>	
		4.145.094		4.951.495
<i>Cash at bank and in hand</i>		1.259.013		855.043
		<u>6.542.268</u>		<u>7.066.530</u>

	<u>31 December 2016</u>		<u>31 December 2015</u>	
	€	€	€	€
LIABILITIES				
SHAREHOLDERS' EQUITY				
Issued share capital	453.780		453.780	
Share premium reserve	2.576.359		2.576.359	
Other reserve	<u>-1.472.338</u>		<u>-1.882.635</u>	
		1.557.801		1.147.504
SHORT-TERM LIABILITIES				
Trade creditors	3.279.669		3.649.399	
Liabilities to group companies	718.048		995.163	
Taxes and social security premiums	218.606		205.076	
Other payables	476.518		485.472	
Accruals and deferred income	<u>291.626</u>		<u>583.916</u>	
		4.984.467		5.919.026
		<u>6.542.268</u>		<u>7.066.530</u>

PROFIT AND LOSS ACCOUNT FOR THE YEAR 2016

	2016		2015	
	€	€	€	€
Net Turnover	25.431.649		24.379.100	
Cost of sales	<u>-18.592.474</u>		<u>-17.865.540</u>	
Gross margin	6.839.175		6.513.560	
Other operating income	<u>298.612</u>		<u>53.940</u>	
Gross profit		7.137.787		6.567.500
Wages and salaries	3.049.654		3.107.922	
Social security charges	623.451		557.777	
Pension contributions	327.660		287.348	
Amortisation of intangible fixed assets	75.000		18.750	
Depreciation of tangible fixed assets	87.127		110.396	
Other operating expenses	<u>2.549.319</u>		<u>3.074.096</u>	
Total operating expenses		<u>6.712.211</u>		<u>7.156.289</u>
Operating result		425.576		-588.789
Interest and similar income	-		19	
Interest and similar expenses	<u>-15.279</u>		<u>-61.092</u>	
Financial income and expense		<u>-15.279</u>		<u>-61.073</u>
Result from operational activities before taxation		410.297		-649.862
Taxation		<u>-</u>		<u>-58.581</u>
Result after taxation		<u>410.297</u>		<u>-708.443</u>

CASH FLOW STATEMENT FOR THE YEAR 2016

	2016		2015	
	€	€	€	€
Cash flow from operating activities				
Operating result		425.576		-588.789
<i>Adjustments for</i>				
Depreciation of intangible and tangible assets	162.127		129.146	
Movements in provisions (excluding banks)	-		-119.000	
		162.127		10.146
<i>Changes in working capital</i>				
Trade debtors	452.028		-752.828	
Receivables from group companies	337.654		-47.862	
Other accounts receivable	-32.008		-	
Accrued income and prepaid expenses	48.727		-117.926	
Short-term liabilities	-934.559		744.106	
		-128.158		-174.510
Cash flow from operating activities		459.545		-753.153
Interest received	-		19	
Interest paid	-15.279		-61.092	
		-15.279		-61.073
Cash flow from operating activities		444.266		-814.226
Cash flow from investment activities				
Investments in intangible assets	-		-750.000	
Investments in tangible assets	-61.476		-55.672	
Disposal of tangible fixed assets	21.180		27.464	
Cash flow from investment activities		-40.296		-778.208
Cash flow from financing activities				
Share premium in financial year		-		1.660.000
Movements cash		403.970		67.566
Turnover movement cash and cash equivalents				
Balance at beginning of financial year		855.043		787.477
Movements during financial year		403.970		67.566
Balance at financial year end		1.259.013		855.043

NOTES TO THE FINANCIAL STATEMENTS

Entity information

Registered address and registration number trade register

The registered and actual address of Gondrand Traffic B.V. is Distriboulevard 27, 4782 PV in Moerdijk Nederland. Gondrand Traffic B.V. is registered at the trade register under number 20087292.

General notes

Description of the most important activities of the entity

The activities of Gondrand Traffic B.V. primarily consist of providing services as a logistics service provider for sea-, air-, and road transport, and for warehousing and other logistic activities.

Consolidation

Description of the exemption of consolidation

The 100% participation GT Chemical Logistics B.V. has no activities. Because the assets and liabilities of GT Chemical Logistics B.V. are insignificant, no consolidated accounts are prepared, GT Chemical Logistics is not recorded as a subsidiary.

Group structure

Disclosure of group structure

The company forms part of a group, headed by Gondrand Holding Netherlands B.V., situated in Moerdijk. The ultimate parent company is Gondrand Holding AG, situated in Basel, Switzerland.

General accounting principles

Description of the accounting standards used to prepare the financial statements

The financial statement is drawn up in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving').

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost.

Foreign currency translation

Foreign currency translation

Receivables, liabilities and obligations denominated in foreign currency are translated at the exchange rates prevailing at balance sheet date. If futures have been concluded, the respective future exchange rate is used. Transactions in foreign currency during the financial year are recognised in the financial statements at the exchange rates prevailing at transaction date. The exchange differences resulting from the translation as of balance sheet date, taking into account possible hedge transactions, are recorded in the profit and loss account.

Accounting policies for the balance sheet

Intangible assets

Intangible fixed assets are presented at cost less accumulated amortization and, if applicable, less impairments in value. Amortization is charged as a fixed percentage of cost, as specified in more detail in the notes to the balance sheet. The useful life and the amortization method are reassessed at the end of each financial year.

Goodwill

Goodwill is the positive difference between the acquisition price of the participating interests and the net asset value at the time of their acquisition, less amortization.

Capitalized goodwill is amortized, on a straight-line basis, over a period of ten years.

Property, plant and equipment

Tangible fixed assets are presented at cost less accumulated depreciation and, if applicable, less impairments in value. Depreciation is based on the estimated useful life and calculated as a fixed percentage of cost, taking into account any residual value. Depreciation is provided from the date an asset comes into use.

Financial assets

The deferred tax asset refers to loss compensation. Deferred tax assets and liabilities are calculated using the rate of 17.0%.

Receivables

Upon initial recognition the receivables are valued at fair value and then valued at amortized cost. The fair value and amortized cost equal the face value. Provisions deemed necessary for possible bad debt losses are deducted. These provisions are determined by individual assessment of the receivables.

Receivables from group companies are recognized at face value. Provisions deemed necessary for doubtful debts are deducted. These provisions are determined based on individual assessment of the receivables.

Provisions

Provisions are formed in respect of concrete or specific risks and liabilities existing on the balance sheet date, which extent is uncertain, but can reasonably be estimated.

Current liabilities

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price. This is usually the nominal value.

Accounting policies for the income statement

Accounting principles for determining the result

The result is the difference between the realisable value of the goods/services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

Revenue recognition

Net turnover represents amounts invoiced for goods and services supplied during the financial year reported on, net of discounts and value added taxes.

Pension costs

Gondrand Traffic B.V. applies the liability approach to account for all pension schemes. The premium payable during the reporting year is recorded as an expense. Changes in the pension provision are also charged to the result. The contributions are recorded as personnel costs from the date that they become payable. Prepaid contributions are reported as accrual if this results in a repayment or a reduction in future payments. Contributions that are not yet paid are included as a liability in the balance sheet.

Amortisation of intangible assets and depreciation of property, plant and equipment

Amortization of intangible fixed assets is charged as a fixed percentage of cost.

Depreciation of tangible fixed assets is based on the estimated useful life and calculated as a fixed percentage of cost, taking into account any residual value. Depreciation is provided from the date an asset comes into use. Book profits and losses upon disposal of a business asset are included in depreciation.

Other operating expenses

Costs are determined on a historical basis and are attributed to the reporting year to which they relate.

Financial income and expenses

Interest income and expenses consist of interest received from or paid to group companies and third parties.

Income tax expense

Corporate income tax is calculated at the applicable rate on the result for the financial year, taking into account permanent differences between profit calculated according to the financial statements and profit calculated for taxation purposes, and with which deferred tax assets (if applicable) are only valued insofar as their realisation is likely.

Accounting policies for the cash flow statement

Cash flow statement

The cash flow statement is prepared according to the indirect method.

The funds in the cash flow statement consist of cash at bank and in hand.

Corporate income taxes, interest paid, interest received and dividends received are presented under the cash flow from operating activities. Issuance of share capital and dividends paid are presented under the cash flow from financing activities.

NOTES TO THE BALANCE SHEET AS AT 31 DECEMBER 2016

Fixed assets

Intangible fixed assets

	<u>Goodwill</u> €
Balance as at 1 January 2016	
Purchase price	750.000
Accumulated amortisation	<u>-18.750</u>
Book value as at 1 January 2016	<u>731.250</u>
<i>Movements</i>	
Amortisations	<u>-75.000</u>
Balance movements	<u>-75.000</u>
Balance as at 31 December 2016	
Purchase price	750.000
Accumulated amortisation	<u>-93.750</u>
Book value as at 31 December 2016	<u>656.250</u>

Capitalized goodwill is amortised, on a straight line basis, based on the estimated economic benefits of the investment, which is considered to be equal to a period of ten years, the yearly amortisation amounts to 10%.

Tangible fixed assets

	Other fixed assets	Fixed assets in progress	Total
	€	€	€
Balance as at 1 January 2016			
Purchase price	2.645.685	43.731	2.689.416
Accumulated depreciation	-2.491.021	-	-2.491.021
Book value as at 1 January 2016	154.664	43.731	198.395
<i>Movements</i>			
Investments	61.476	-	61.476
Finished	43.731	-43.731	-
Depreciation	-87.127	-	-87.127
Disposals purchase price	-452.535	-	-452.535
Disposals accumulated depreciation	431.355	-	431.355
Balance movements	-3.100	-43.731	-46.831
Balance as at 31 December 2016			
Purchase price	2.298.351	-	2.298.351
Accumulated depreciation	-2.146.787	-	-2.146.787
Book value as at 31 December 2016	151.564	-	151.564
Depreciation percentages	10 - 25	-	

Current assets**Receivables**

	31-12-2016	31-12-2015
	€	€
<i>Trade debtors</i>		
Trade debtors	3.898.017	4.337.502
Provision for doubtful debts	-66.635	-54.092
	3.831.382	4.283.410
<i>Receivables from group companies</i>		
Receivables from other group companies	76.828	114.482
Rental securities Gondrand Properties Netherlands B.V.	-	300.000
	76.828	414.482

	<u>31-12-2016</u>	<u>31-12-2015</u>
	€	€
<i>Taxes and social security premiums</i>		
Social security contributions	162	-
Corporate income tax	31.545	31.545
Value added tax	<u>178.429</u>	<u>146.583</u>
	<u>210.136</u>	<u>178.128</u>

Other receivables and accrued assets

Prepaid expenses	<u>26.748</u>	<u>75.475</u>
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Cash at bank and in hand

ABN AMRO Bank N.V.	928.008	782.243
Rabobank	328.349	70.527
Cash	<u>2.656</u>	<u>2.273</u>
	<u>1.259.013</u>	<u>855.043</u>

Shareholders' equity

	Issued share capital	Share premium reserve	Other reserve	Total
	€	€	€	€
Balance as at 1 January 2016	453.780	2.576.359	-1.882.635	1.147.504
Appropriation of result	<u>-</u>	<u>-</u>	410.297	410.297
Balance as at 31 December 2016	<u>453.780</u>	<u>2.576.359</u>	<u>-1.472.338</u>	<u>1.557.801</u>

Issued share capital

The issued share capital of Gondrand Traffic B.V. is € 2.000.000 divided into 2.000.000 shares of € 1 per share of which € 453.780 has been issued and fully paid.

Short-term liabilities

	<u>31-12-2016</u>	<u>31-12-2015</u>
	€	€
<i>Trade creditors</i>		
Trade creditors	<u>3.279.669</u>	<u>3.649.399</u>

	<u>31-12-2016</u>	<u>31-12-2015</u>
	€	€
<i>Liabilities to group companies</i>		
Liabilities to other group companies	468.048	995.163
Liability to Gondrand International AG	<u>250.000</u>	<u>-</u>
	<u>718.048</u>	<u>995.163</u>
<i>Taxes and social security premiums</i>		
Wage tax	218.606	200.746
Social security premiums	<u>-</u>	<u>4.330</u>
	<u>218.606</u>	<u>205.076</u>
<i>Accruals and deferred income</i>		
Other accruals and deferred income	<u>291.626</u>	<u>583.916</u>

Off-balance-sheet rights, obligations and arrangements

Investment commitments

At balance sheet date, no investment commitment exists.

Rental obligations

Rental commitments exist up to an amount of € 220.000 per year. The rental commitments from one year to five years amounts up to € 331.0000. There are no rental commitments longer then five years.

Lease obligations

Lease commitments exist up to an amount of € 322.000, of which € 199.000 is due after one year, no amounts are due after 5 years.

Guarantees

In favor of third parties:

At year-end, the following guarantees exist:

- Custom authority: € 800.000
- Tax authority: € 34.000
- Rental partners: € 35.000

All of the guarantees are withdrawn from the contingent liability facility which amounts to € 1.500.000.

In favor of group companies:

Regarding the contingent liability facility and the loan of Gondrand Properties Netherlands, the company has:

- Joint and several liability to GT Chemical Logistics B.V.;
- Joint and several liability to Gondrand Holding Netherlands B.V. and Gondrand Properties Netherlands B.V.;
- Pledge of goods;
- A right of pledge on the rights of recourse and the subrogated rights arising pursuant to the joint and several liability.

Fiscal unity

Gondrand Traffic B.V. is part of a fiscal unity with Gondrand Holding Netherlands B.V., Gondrand Properties Netherlands B.V. and GT Chemical Logistics B.V. for the corporate income tax and therefore jointly and severally liable for these debts.

Proposal appropriation of result

The management of the company proposes to appropriate the profit as follows:

The appropriation of profit for the year 2016 in the amount of € 410.297 has been added to the general reserve.

This proposal needs to be approved by the Annual General Meeting, but has already been processed in the annual accounts 2016 of the company.

NOTES TO THE PROFIT AND LOSS ACCOUNT FOR THE YEAR 2016

Net Turnover

The net turnover increased with 4.3% in comparison to 2015.

Remuneration of directors

Based on the exemption of article 2:283 BW sub 1, the remuneration of the director is not enclosed separately.

Remuneration of supervisory board

	<u>31-12-2016</u>
	€

Remuneration of supervisory board

-

Average number of employees

2016

	Active within the Netherlands	Active outside the Netherlands	Total
Operational staff	62,99	-	62,99
Sales staff	6,00	-	6,00
Head / administration staff	17,37	-	17,37
Average number of employees	86,36	-	86,36

2015

	Active within the Netherlands	Active outside the Netherlands	Total
Operational staff	62,20	-	62,20
Sales staff	5,00	-	5,00
Head / administration staff	16,37	-	16,37
Average number of employees	83,57	-	83,57

<u>2016</u>	<u>2015</u>
€	€

Amortisation of intangible fixed assets

Amortisation costs goodwill	<u>75.000</u>	<u>18.750</u>
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Depreciation of tangible fixed assets

Other fixed assets	<u>87.127</u>	<u>110.396</u>
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	2016	2015
	€	€
Other operating expenses		
Other staff expenses	218.702	201.098
Housing expenses	438.547	1.056.781
Operating and machine expenses	35.113	40.778
Selling expenses	80.251	55.634
Car expenses	347.894	357.130
Office expenses	223.951	195.491
General expenses	1.204.861	1.167.184
	<u>2.549.319</u>	<u>3.074.096</u>
Interest and similar income		
Interest received	<u>-</u>	<u>19</u>
Interest and similar expenses		
Interest expenses third parties	13.396	43.856
Interest expenses to group companies	1.883	17.236
	<u>15.279</u>	<u>61.092</u>
Taxation		
Change in deferred tax provision	<u>-</u>	<u>-58.581</u>

Moerdijk, 21 December 2017

On behalf of,
Gondrand Traffic B.V.

Mr. P. Flores
Director

Supervisory board

Mr. J.B. Houart

Mr. V. Henze

OTHER INFORMATION

Statutory provision regarding appropriation of result

Article 33 of the Articles of Association provides as follows for the appropriation of net result:

1. The General Meeting shall determine the allocation of accrued profits.
2. Dividends may be paid only up to an amount which does not exceed the amount of the distributable part of the net assets.
3. Dividends shall be paid after the adoption of the Annual Accounts from which it appears that the payment of dividends is permissible.
4. The General Meeting may resolve to pay any interim dividend subject due observance of paragraph 2 and to the payment at the expense of a reserve.
5. A claim of a shareholder for payments of dividend shall be barred after five years have elapsed.

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To the Board of Directors of
Gondrand Traffic B.V.
Distriboulevard 27
4782 PV MOERDIJK

AUDITORS' REPORT

A. Report on the audit of the financial statements 2016

OUR OPINION

We have audited the financial statements 2016 of Gondrand Traffic B.V., based in Moerdijk.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Gondrand Traffic B.V. as at 31 December 2016, and of its result for 2016 .

The financial statements comprise:

1. the balance sheet as at 31 December 2016;
2. the profit and loss account; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

BASIS FOR OUR OPINION

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

We are independent of Gondrand Traffic B.V. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

B. Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- The management board's report;
- Other information as required by Part 9 of Book 2 of the Dutch Civil Code.

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

- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially than the scope of those performed in our audit of the financial statements.

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

C. Description of responsibilities regarding the financial statements

RESPONSIBILITIES OF THE BOARD FOR THE FINANCIAL STATEMENTS

The board is responsible for the preparation of the special purpose financial information. Furthermore, the board is responsible for such internal control as the board determines is necessary to enable the preparation of the special purpose financial information that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the special purpose financial information, the board is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the board should prepare the special purpose financial information using the going concern basis of accounting unless the board either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The board should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the special purpose financial information.

Those charged with governance are responsible for overseeing the company's financial reporting process.

OUR RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

Breda, 21 December 2017

ESJ Audit & Assurance B.V.

A large, stylized handwritten signature in blue ink, consisting of several overlapping loops and strokes, positioned diagonally across the page.

Drs. E.H.L.M. Biemans
Registeraccountant