

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

**Annual report 2017**

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**TAX**  
**AUDIT & ASSURANCE**  
**ACCOUNTANCY**  
**CORPORATE FINANCE**

To the Management Board of  
Gondrand Traffic B.V.  
Distriboulevard 27  
4782 PV Moerdijk

Breda, 19 March 2018

Dear Sirs,

## **INTRODUCTION**

The opinion is included in other information. It concerns an auditors' report.

## **GENERAL**

### **ADOPTION OF THE ANNUAL ACCOUNTS**

The Annual General Meeting has adopted the 2016 financial statements on December 27, 2017. The net result after taxation for the year ending 2016 was € 410,297.

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

Yours sincerely,

ESJ Audit & Assurance B.V.



Drs. E.H.I.M. Biemans  
Registeraccountant

## MANAGEMENT BOARD'S REPORT

### 1. General

#### 1.1. Objective

In line with the previous years strategy, Gondrand Traffic B.V. has the same objective to become a global premium logistics provider and in particular in the field of chemicals, important investments are on going to sustain Gondrand Traffic B.V. to reach this goal.

#### 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 2017 and are not to be expected for the near future.

### 2. Financial information

#### 2.1. Developments

The net result for 2017 is € 610,000, which means an increase of the net results by € 200,000 compared to 2016. The improvement of our business continued during 2017. We have improved our internal organization further 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 2017 important steps were made to invest in a new warehouse, fully compliant for use of chemical goods storage starting to be operated first half of 2018, the current old warehouse still used until the move.

We believe that the reorganization conducted in 2015, as well as the change of Director occurred early in 2017 has shown that the local management team of Gondrand Traffic B.V. is fully reliable to conduct the business, as well as important project for the company like the construction of the new warehouse in Moerdijk.

As in 2016 the financial year 2017 do not register any provisions for restructuring.

#### 2.1.1. Operations

Road and Logistics are well performing. Road revenues shows an increase vs 2016 (9%) and is expected to continue to strengthen its position on the Dutch market thanks to new partnerships with overseas agents building a strong network appreciated by our clients.

Logistics remains strong with 26% increase vs 2016, with a difficult growth as current warehouses are fully occupied. Next step is the move in 2018 allowing Gondrand Traffic B.V. to strongly boost its Logistics business.

Our Air & Ocean department is suffering, employees turnover and missing the right management lead in this field has made it complex to develop those units in 2017.

Our support functions have worked hard to help our operations to reach these results, ICT is working continuously on improving our software environment.

#### *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 2017 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.

### **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, market is still very aggressive, but our growing network compensates, as well as our quality service, with the help of the operational software.

### **4. Financial instruments**

Financial instruments are being valued as regulations prescribe. During 2017 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 2018 we still see a very challenging environment, business wise and profit wise with a continuing demand from the clients to contain or reduce the costs. Of course the major step is the move to the new warehouse in Moerdijk. We are fully confident that the current local Management team is strong enough to make it.

#### *5.2. Investments in/disposals of fixed assets*

We are currently in the construction phase of our new warehouse in Moerdijk with a move planned in the first half year of 2018. 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 with a combination of external financing as well as developer financing.

#### *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.

*5.4. Subsequent events*

The ultimate parent company of the Gondrand group in The Netherlands (Gondrand Holding AG in Switzerland) has decided to divest its freight forwarding activities worldwide. A Share purchase agreement has been approved by the ultimate parent company, as well by Gondrand Holding Netherlands B.V. to sell 100% of the shares of Gondrand Traffic B.V. to Nordic Transport Group A/S, a Danish company specialized in the Freight Forwarding & Logistics, mainly based in the North and Eastern Europe. With this acquisition Nordic Transport Group A/S will provide a large coverage in Europe/Russia/Asia, with complementary coverage thanks to Gondrand' subsidiaries.

It is the intention to finalize the Share purchase agreement by the end of March 2018.

Moerdijk, 19 March 2018

Mr. P. Flores  
Director

**BALANCE SHEET AS AT 31 DECEMBER 2017***(After proposal appropriation of result)*

	<u>31 December 2017</u>		<u>31 December 2016</u>	
	€	€	€	€
<b>ASSETS</b>				
<b>FIXED ASSETS</b>				
<i>Intangible fixed assets</i>				
Goodwill		581,250		656,250
<i>Tangible fixed assets</i>				
Other fixed assets	92,710		151,564	
Fixed assets in progress	<u>128,718</u>		<u>-</u>	
		221,428		151,564
<i>Financial fixed assets</i>				
Deferred tax asset		263,367		330,347
<b>CURRENT ASSETS</b>				
<i>Receivables</i>				
Trade debtors	5,620,421		3,831,382	
Receivables from group companies	113,849		76,828	
Taxes and social security premiums	102,779		210,136	
Other receivables and accrued assets	<u>29,917</u>		<u>58,240</u>	
		5,866,966		4,176,586
<i>Cash at bank and in hand</i>		515,626		1,259,013
		<u>7,448,637</u>		<u>6,573,760</u>



	<u>31 December 2017</u>		<u>31 December 2016</u>	
	€	€	€	€
<b>LIABILITIES</b>				
<b>SHAREHOLDERS' EQUITY</b>				
Issued share capital	453,780		453,780	
Share premium reserve	2,576,359		2,576,359	
Other reserve	<u>-862,146</u>		<u>-1,472,338</u>	
		2,167,993		1,557,801
<b>PROVISIONS</b>				
Other provisions		475,000		-
<b>SHORT-TERM LIABILITIES</b>				
Trade creditors	2,977,625		3,279,669	
Liabilities to group companies	382,020		718,048	
Taxes and social security premiums	205,619		218,606	
Other payables	623,835		508,010	
Accruals and deferred income	<u>616,545</u>		<u>291,626</u>	
		4,805,644		5,015,959
		<u>7,448,637</u>		<u>6,573,760</u>

**PROFIT AND LOSS ACCOUNT FOR THE YEAR 2017**

	2017		2016	
	€	€	€	€
<b>Net Turnover</b>	27,391,111		25,431,649	
Cost of sales	<u>-20,170,910</u>		<u>-18,592,474</u>	
<b>Gross margin</b>	7,220,201		6,839,175	
Other operating income	<u>262,409</u>		<u>298,612</u>	
<b>Gross profit</b>		7,482,610		7,137,787
Wages and salaries	2,923,816		3,049,654	
Social security charges	572,963		623,451	
Pension contributions	322,335		327,660	
Amortisation of intangible fixed assets	75,000		75,000	
Depreciation of tangible fixed assets	55,971		87,127	
Other operating expenses	<u>2,818,639</u>		<u>2,549,319</u>	
<b>Total operating expenses</b>		<u>6,768,724</u>		<u>6,712,211</u>
<b>Operating result</b>		713,886		425,576
Interest and similar income	635		-	
Interest and similar expenses	<u>-5,804</u>		<u>-15,279</u>	
<b>Financial income and expense</b>		<u>-5,169</u>		<u>-15,279</u>
<b>Result from operational activities before taxation</b>		708,717		410,297
Taxation		<u>-98,525</u>		<u>-</u>
<b>Result after taxation</b>		<u>610,192</u>		<u>410,297</u>

**CASH FLOW STATEMENT FOR THE YEAR 2017**

	2017		2016	
	€	€	€	€
<b>Cash flow from operating activities</b>				
Operating result		713,886		425,576
<i>Adjustments for</i>				
Depreciation of intangible and tangible fixed assets	130,971		162,127	
Movements in provisions	475,000		-	
Value changes of receivables from fixed assets	-31,545		-	
		574,426		162,127
<i>Changes in working capital</i>				
Trade debtors	-1,789,039		452,028	
Receivables from group companies	-37,021		337,654	
Other accounts receivable	107,357		-32,008	
Accrued income and prepaid expenses	28,323		19,635	
Short-term liabilities	-210,315		-905,467	
		-1,900,695		-128,158
<b>Cash flow from operating activities</b>		-612,383		459,545
Interest received	635		-	
Interest paid	-5,804		-15,279	
		-5,169		-15,279
<b>Cash flow from operating activities</b>		-617,552		444,266
<b>Cash flow from investment activities</b>				
Investments in tangible assets	-153,869		-61,476	
Disposal of tangible fixed assets	28,034		21,180	
<b>Cash flow from investment activities</b>		-125,835		-40,296
<b>Movements cash</b>		-743,387		403,970
<b>Turnover movement cash and cash equivalents</b>				
Balance at beginning of financial year		1,259,013		855,043
Movements during financial year		-743,387		403,970
Balance at financial year end		515,626		1,259,013

## **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**

#### **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.

#### **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.

#### **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 B.V. is not recorded as a subsidiary.

### **General accounting principles**

#### **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.

#### **Conversion of amounts denominated in foreign currency**

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 principles**

#### **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 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.

### **Applied policy of 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.

### **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 2017****Fixed assets****Intangible fixed assets**

	<u>Goodwill</u>
	<u>€</u>
Balance as at 1 January 2017	
Purchase price	750,000
Accumulated amortisation	<u>-93,750</u>
Book value as at 1 January 2017	<u>656,250</u>
<i>Movements</i>	
Amortisations	<u>-75,000</u>
Balance movements	<u>-75,000</u>
Balance as at 31 December 2017	
Purchase price	750,000
Accumulated amortisation	<u>-168,750</u>
Book value as at 31 December 2017	<u>581,250</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 2017			
Purchase price	2,298,351	-	2,298,351
Accumulated depreciation	-2,146,787	-	-2,146,787
Book value as at 1 January 2017	<u>151,564</u>	<u>-</u>	<u>151,564</u>
<i>Movements</i>			
Investments	25,151	128,718	153,869
Depreciation	-55,971	-	-55,971
Disposals purchase price	-1,508,283	-	-1,508,283
Disposals accumulated depreciation	<u>1,480,249</u>	<u>-</u>	<u>1,480,249</u>
Balance movements	<u>-58,854</u>	<u>128,718</u>	<u>69,864</u>
Balance as at 31 December 2017			
Purchase price	815,219	128,718	943,937
Accumulated depreciation	-722,509	-	-722,509
Book value as at 31 December 2017	<u>92,710</u>	<u>128,718</u>	<u>221,428</u>
Depreciation percentages	<u>10 - 25</u>	<u>-</u>	

**Financial fixed assets**

	Deferred tax asset
	€
Balance as at 1 January 2017	330,347
Usage	<u>-66,980</u>
Balance as at 31 December 2017	<u>263,367</u>



**Current assets****Receivables**

	31-12-2017 €	31-12-2016 €
<b>Trade debtors</b>		
Trade debtors	5,695,604	3,898,017
Provision for doubtful debts	-75,183	-66,635
	<u>5,620,421</u>	<u>3,831,382</u>
<b>Receivables from group companies</b>		
Receivables from other group companies	<u>113,849</u>	<u>76,828</u>
<b>Taxes and social security premiums</b>		
Social security contributions	7,872	162
Corporate income tax	-	31,545
Value added tax	94,907	178,429
	<u>102,779</u>	<u>210,136</u>
<b>Other receivables and accrued assets</b>		
Prepaid expenses	<u>29,917</u>	<u>58,240</u>
<b>Cash at bank and in hand</b>		
ABN AMRO Bank N.V.	431,426	928,008
Rabobank	80,915	328,349
Cash	3,285	2,656
	<u>515,626</u>	<u>1,259,013</u>

**Shareholders' equity**

	Issued share capital €	Share premium reserve €	Other reserve €	Total €
Balance as at 1 January 2017	453,780	2,576,359	-1,472,338	1,557,801
Appropriation of result	-	-	610,192	610,192
Balance as at 31 December 2017	<u>453,780</u>	<u>2,576,359</u>	<u>-862,146</u>	<u>2,167,993</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.

**Provisions**

	<u>31-12-2017</u>	<u>31-12-2016</u>
	€	€
<b>Other provisions</b>		
Other provisions	<u>475,000</u>	<u>-</u>
	<u>2017</u>	<u>2016</u>
	€	€
<b>Other provisions</b>		
Balance as at 1 January	-	-
Increase of other provision	<u>475,000</u>	<u>-</u>
Balance as at 31 December	<u>475,000</u>	<u>-</u>

Due to circumstances, the move to the new building has not yet been realized. As a result, we are forced to stay longer in the existing building than contractually agreed with the new owner for which a fee must be paid. Taking into account the expected turnaround time and contractual agreements, a provision has been determined.

**Short-term liabilities**

	<u>31-12-2017</u>	<u>31-12-2016</u>
	€	€
<b>Trade creditors</b>		
Trade creditors	<u>2,977,625</u>	<u>3,279,669</u>
<b>Liabilities to group companies</b>		
Liabilities to other group companies	132,020	468,048
Liability to Gondrand International AG	<u>250,000</u>	<u>250,000</u>
	<u>382,020</u>	<u>718,048</u>
The payables regarding a short term credit facility has an interest rate of 1.00% (2016: 1.35%). No securities are provided.		
<b>Taxes and social security premiums</b>		
Wage tax	<u>205,619</u>	<u>218,606</u>
<b>Accruals and deferred income</b>		
Other accruals and deferred income	<u>616,545</u>	<u>291,626</u>

## **Off-balance-sheet rights, obligations and arrangements**

### **The off-balance sheet liabilities relating to the 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.

### **Off-balance sheet liabilities relating to purchase commitments**

At balance sheet date, investment commitments exist up to an amount of € 765,000.

### **Off-balance sheet commitments relating to 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.

### **Off-balance sheet commitments relating to payments to obtain usage rights**

Estimated rental commitments regarding the new location exist up to an amount of € 1,071,000 per year. The rental commitments from one year to five years amount up to € 3,416,000. The rental commitments longer than five years amount up to € 4,253,000.

### **Disclosure of operating leases**

Lease commitments exist up to an amount of € 525,000, of which € 346,000 is due after one year. The lease commitments longer than five years amount up to € 98,000.

## **Proposal appropriation of result**

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

The appropriation of profit for the year 2017 in the amount of € 610,192 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 2017 of the company.

**NOTES TO THE PROFIT AND LOSS ACCOUNT FOR THE YEAR 2017****Net Turnover**

The net turnover increased with 7.7% in comparison to 2016.

**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**

31-12-2017  
€

Remuneration of supervisory board

**Average number of employees**

2017

	Active within the Netherlands	Active outside the Netherlands	Total
Operational staff	60.95	-	60.95
Sales staff	2.58	-	2.58
Management operations	2.75	-	2.75
Overhead	17.55	-	17.55
<b>Average number of employees</b>	<b>83.83</b>	-	<b>83.83</b>

2016

	Active within the Netherlands	Active outside the Netherlands	Total
Operational staff	64.80	-	64.80
Sales staff	2.21	-	2.21
Management operations	3.90	-	3.90
Overhead	15.45	-	15.45
<b>Average number of employees</b>	<b>86.36</b>	-	<b>86.36</b>

2017

€

2016

€

**Amortisation of intangible fixed assets**

Amortisation costs goodwill

75,000

75,000

**Depreciation of tangible fixed assets**

Other fixed assets

55,971

87,127

	2017 €	2016 €
<b>Other operating expenses</b>		
Other staff expenses	211,353	218,702
Housing expenses	900,682	438,547
Operating and machine expenses	62,674	35,113
Selling expenses	71,816	80,251
Car expenses	230,878	347,894
Office expenses	195,872	223,951
General expenses	1,145,364	1,204,861
	<u>2,818,639</u>	<u>2,549,319</u>
<b>Interest and similar income</b>		
Interest received	<u>635</u>	<u>-</u>
<b>Interest and similar expenses</b>		
Interest expenses third parties	3,305	13,396
Interest expenses to group companies	<u>2,499</u>	<u>1,883</u>
	<u>5,804</u>	<u>15,279</u>
<b>Taxation</b>		
Deferred income tax expense	-66,980	-
Income tax expense previous years	<u>-31,545</u>	<u>-</u>
	<u>-98,525</u>	<u>-</u>

Moerdijk, 19 March 2018

On behalf of,  
Gondrand Traffic B.V.

Mr. P. Flores  
Director

Supervisory board



Mr. J.B. Houart

Mr. V. Henze

## **Other information**

### **Provisions of the Articles of Association relating to profit appropriation**

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.

To the Management Board of  
Gondrand Traffic B.V.  
Distriboulevard 27  
4782 PV Moerdijk

## AUDITORS' REPORT

### *A. Report on the audit of the financial statements 2017*

#### **OUR OPINION**

We have audited the financial statements 2017 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 2017, and of its result for 2017 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. the balance sheet as at 31 December 2017;
2. the profit and loss account for 2017; 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 Wet toezicht accountantsverklaring (Wta, Audit firms supervision act), 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 less than the scope of those performed in our audit of the financial statements.

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

As part of the preparation of the financial statements, 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 financial statements 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 financial statements.



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

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

- Identifying and assessing the risks of material misstatements of the financial statements, 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 misstatements 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- Evaluating whether the financial statements represents the underlying transactions and events free from material misstatements.

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

Breda, 19 March 2018

ESJ Audit & Assurance B.V.

A handwritten signature in blue ink, consisting of several overlapping, fluid strokes that form the letters 'E', 'H', 'L', 'M', and 'B'.

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