



Vos Logistics Beheer b.v.
**Integrated financial &
sustainability report 2018**

We simplify. Whatever it takes.

Information and contact

This annual report provides a cohesive insight into Vos Logistics financial performance and its non-financial performance. It has been prepared conform the Global Reporting initiative standards (G4 Core).

Vos Logistics welcomes any questions, comments and suggestions you might have about this report.

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Entered in the Trade Registry of the Dutch Chamber of Commerce under number 34054561 Vos Logistics' Integrated Report presents the company's financial and sustainability performance and customer appreciation during the year in a single integrated report.

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2018 highlights **Overview**

Key numbers visualized

International transport

€197,000,000

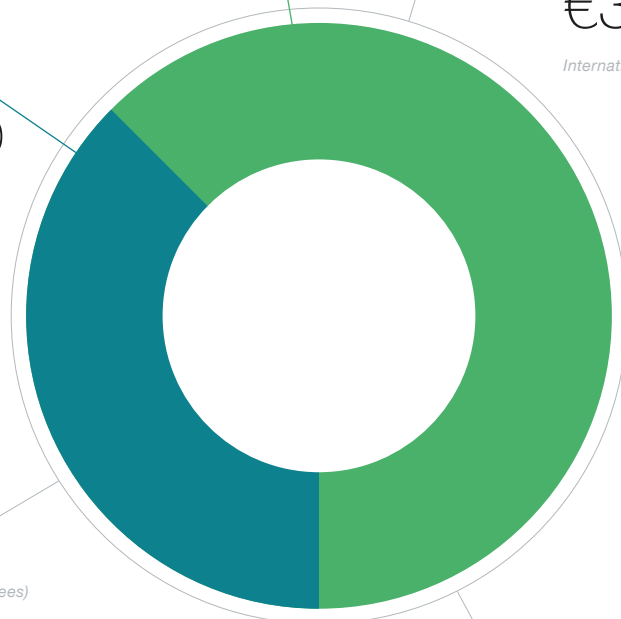
Solutions

€116,000,000

Total turnover 2018

€313,000,000

International transport and solutions combined.



Warehousing

Solutions

215,000 m²



Achieved from all premises.

FTE's

Year-end 2018 (incl. temporary employees)



2,560

All FTE's combined

International transport

1,770

Solutions

790

Fleet capacity

International transport

3,100

Solutions

400



Loading units

International transport

830

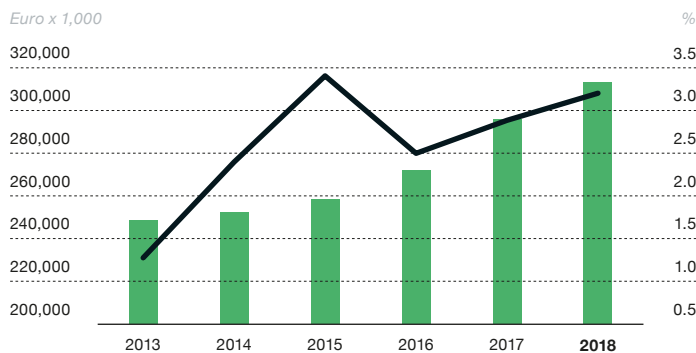
Solutions

275

Trucks

EBIT & Revenue

Euro x 1,000

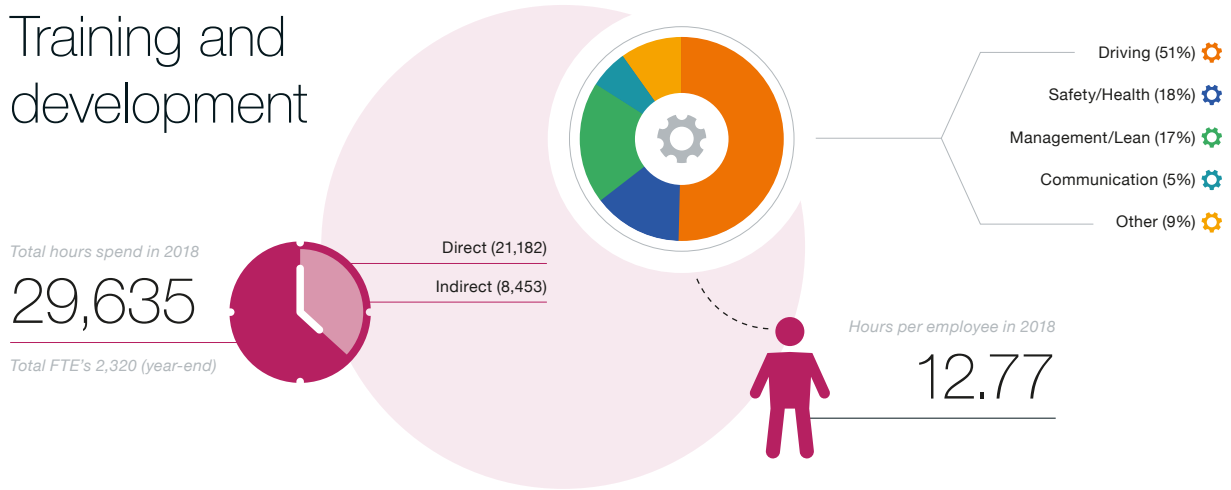


We achieved
turnover growth
of 8%

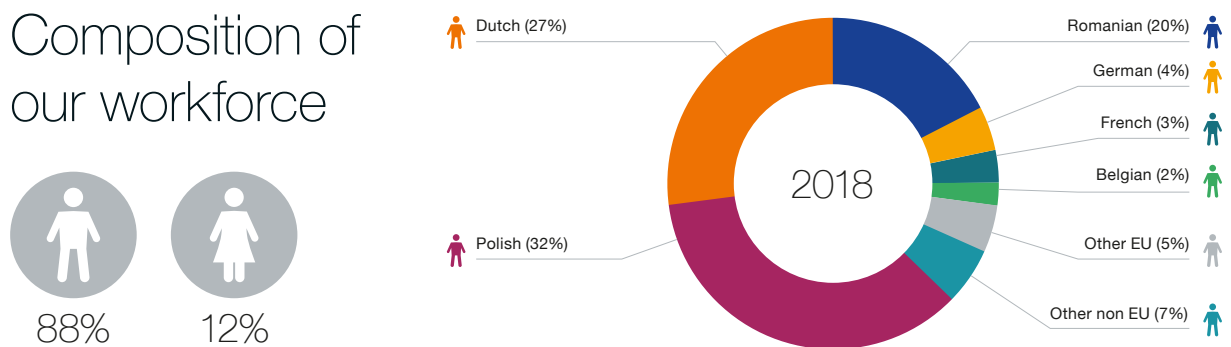
- Revenues (Euro)
- EBIT (%)

2018 highlights **Staff&Safety**

Training and development



Composition of our workforce



Safety rates



2018 Lost Time Injury Rate (LTIR)
1.01 0.81 (2017)

2018 Lost Workday Cases
47 34 (2017)

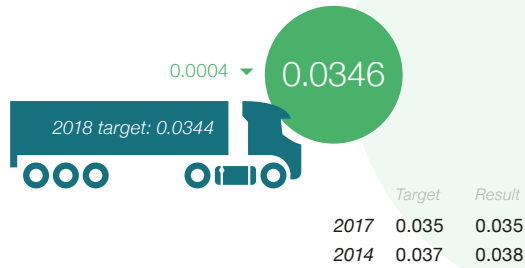
Incident reporting

Near miss reporting increased by
40% (2017-2018)

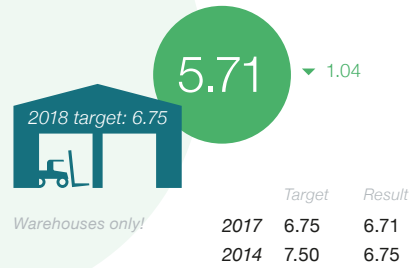
2018 highlights **Sustainability**

Carbon footprint

Fleet emission per ton/km

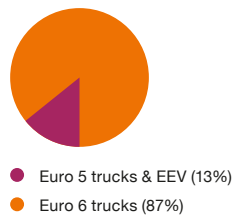


Premises emission per ton/m²

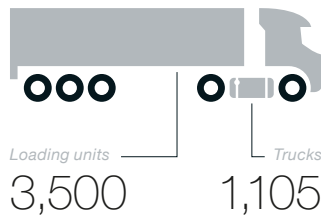


Euro Standard Trucks & Fleet

Euro Standard



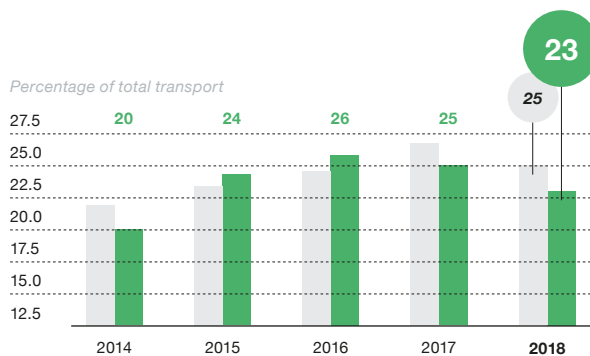
Fleet in numbers



New additions for 2018



Multimodal transport



In 46% of international cargo, multimodal transport was involved. This is equal to 29,095,000 km.

● Achieved results
● Targets





Letter from the board of management

Welcome to the Vos Logistics annual report. It is with pride that we present our integrated financial and sustainability report for 2018. Vos Logistics offers solutions for complex challenges in shippers' supply chain, empowered by our employees, our innovation capacity, and our customers' ambitions to team up with Vos Logistics as a sustainable, innovating, and stable logistics partner.

In 2018, Vos Logistics further reinforced the foundations for a healthy future, in large part through turnover growth of 8% to 313 million euros and a 25% rise in EBIT to 10 million euros, confirming our position as a stable logistics player in the European market. Targeted investments and innovations are making Vos Logistics smarter and better, as we build a logistics platform for the future.

Our customers want 'best value for money', driving us to provide better, faster, and more efficient mobility and storage solutions in the world of tomorrow. We use Lean as a guideline to improve the quality of our processes and to lower the costs. Through our innovation program, we work not only to improve but also to develop new processes and solutions.

Growth

In line with our commitment to growth, two acquisitions in 2018 were of strategic importance in shoring up our position in specific markets. In 2019, we will continue on our course of sustainable strategic growth, focused on strengthening our services in the Benelux countries.

Future

There are plenty of challenges for 2019, the year in which Vos will celebrate its 75th anniversary. In today's turbulent market with political shifts, rising costs, and labor shortages, we will again be alert and respond decisively to developments and possible threats this year, while also seizing any opportunities that may arise.

It is our ambition to facilitate shippers in their development in a rapidly changing market by reducing their complexity. We can only succeed at that with passionate and well-qualified employees, and by using the latest technology. We develop this technology together with partners and in close consultation with our customers. We simplify, whatever it takes. This is what we stand for.

We are grateful for the support and trust we get from all the parties we partner with in building a company with prospects for a healthy future for our employees and our customers alike.

Frank Verhoeven - Ben Vos

Vos Logistics Board of Management



Ben Vos Frank Verhoeven

About Vos Logistics

Vos Logistics is an independent logistics service provider. Our passion is to deliver sustainable transport and customer-specific logistics services. Through a network of 30 group-owned locations, we are active throughout Europe.

Profile

International transport

Cargo (Mega & High Volume): the international transport of full truck loads and part loads with mega trailers, CuBoLiners®, swap bodies and CuBoTainers® for high-volume transport and mobile storage.

Vos Logistics is a leading carrier in Europe particularly active in the automotive, time-critical transports, e-commerce, FMCG, packaging, recycling, personal care, apparel and construction industries.

Bulk network & storage: the international transport, storage and handling of mainly dry bulk goods (both granulates and powders).

Services include differentiated multimodal concepts (rail and road combinations), site-to-site transport, silo storage and handling as well as tank cleaning. Products include chemicals, foodstuffs, animal feed, starch, minerals and waste.

Solutions

Warehousing: dedicated and shared warehousing and value-added logistics (e.g. repacking, labeling, assembly, repair and building displays).


Regional distribution: business-to-business and consumer deliveries (FTL to parcel) including customer-specific solutions.

Bulk specialties: dedicated and customized transport with specialized or custom-built equipment. Products include liquid ADR goods, cement, concrete, lime, and gas.

International freight forwarding & management: organizing our customers' global goods flows (FTLs, part loads and groupage).

More information on the company can be found on our website: www.voslogistics.com

Key numbers 2018



	<u>Int. Transport</u>	<u>Solutions</u>
Turnover 2018 (x 1,000 euro)	197,000	116,000
FTEs*	1,770	790
Trucks	830	275
Loading units	3,100	400
Warehousing (x 1,000, in m ²)	45	170
EBIT (x 1,000 euro)	6,000	4,000

*incl. temporary employees

Strategic framework

Our Mission

Vos Logistics offers solutions to complex logistical challenges in a creative and entrepreneurial manner. Making complexity manageable and efficient for our clients is what we believe in.

We simplify. Whatever it takes.

Our Strategy

Vos Logistics' ambition is to deliver sustainable logistics solutions and transport services, enabling our customers to develop their business, improve their service and reduce costs. We want to make a difference by remaining proactive and riding the waves of innovation and technological developments. Through investments in digitization and Lean, we increase our organization's effectiveness and service level, as well as our employees' job satisfaction. In everything we do, safety comes first.

Our sustainability strategy is an integral part of our operations and is also focused on external factors that optimize our customers' goods flow by offering cleaner and more efficient transport and logistics solutions:

- ✓ Build partnerships with stakeholders who share our sustainability objectives;

- ✓ Work closely together with suppliers, for example, to reduce energy consumption and waste;
- ✓ Use alternative fuels, load optimization, redesigning supply chains and multimodal solutions together with our customers.

We want to offer our employees a great place to work, with a stimulating balance of professional challenges and job satisfaction. This is why we invest in the personal development and quality of our team of logistics specialists, drivers and support staff to enable them to perform optimally. We provide opportunities for personal development and encourage people to experiment with new solutions, especially in collaboration with our customers. We expect our people to be enterprising and open to change.

The matrix on page 40 defines the key areas, objectives and KPIs we use to ensure our operations are heading in the right strategic direction.

The added value of our activities

We are conscious of the impact that our activities have on society and make our decisions after due consideration of our stakeholders' interests.



Report of the board of management

In 2018, Vos Logistics further reinforced the foundations for a healthy future. The transition process that started in 2015 was successfully finalized in 2018. Turnover and EBIT growth is a key basis for our future, strengthening our position as a logistics player in the European market. Targeted investments and innovations are making Vos Logistics smarter and better, as we build a logistics platform for the future.

Financial performance

Vos Logistics looks back on healthy financial performance in 2018. Turnover was up 8% to 313 million euros. All business units across the organization have contributed to our growth. EBIT growth of 25% to 10 million euros is in line with our target. Net profit almost doubled to 6.7 million euros. Both liquidity and solvency were stable during the year. Solid financial performance also paved the way for significant investment in new vehicles, innovation, and our people in 2018.

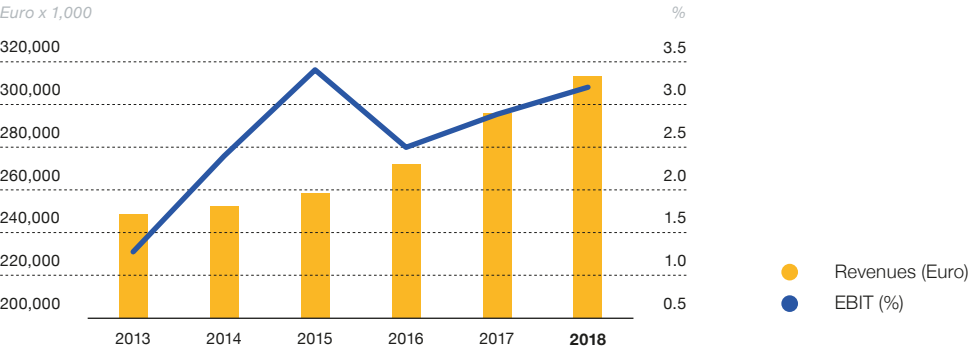
form of new business, as we team up with new customers to come up with smart solutions for their logistics issues.

Besides autonomous growth, Vos Logistics also pursues an acquisition strategy that targets companies that can represent value added for our portfolio. In line with this strategy we acquired Joosten and Gehlen Schols in 2018. With these acquisitions, we have strengthened our positions in specific markets, such as the automotive, construction, chemical, and paper industries. Through the acquisition of Gehlen Schols we also expanded our storage and transshipment facilities by 10,000m² in Kerkrade. In 2019, we will continue on our course of sustainable strategic growth, focused on strengthening our services in the Benelux countries.

Growth

Vos Logistics chooses growth. And growth begins with providing the best possible service to our existing customers to generate more business from them. Our strong market position and innovative approach also generate growth in the

EBIT & Revenue





People

In 2018, our workforce, including temporary staff, grew from 2,252 to 2,556 FTEs. This growth came primarily from the acquisitions of Gehlen Schols and Joosten, increased truck capacity at Cargo, and expansion of our distribution center in Oss. There was also growth in the number of employees at the IT department and other support services.

We realize our ambitions with a strong team of passionate and talented employees. Vos Logistics puts a lot of energy into recruiting, training, and retaining employees. And we offer our employees plenty of challenges to drive their personal development. This enables us to, in a tight labor market, keep talented people within the company. As far as recruitment is concerned, Vos Logistics increasingly uses modern e-communication resources such as a special jobs website and recruitment through social media.

Our priority is to ensure a safe, attractive, and inspiring place to work for people with different talents. Aside from that, we have an extensive training program in place to help those talents develop further. In 2018, significant steps were taken in further improving working conditions for our drivers. We invested in modern trucks and other equipment, while also creating scope for different work schedules for international drivers to allow them to strike a better work-life balance and work on their careers.

Lean

The 2018 result was fueled by higher volumes and better rates. We have been able to better absorb cost increases and to incorporate them into our rates. Our customers want best value for money, driving us to provide better and more efficient mobility and storage solutions. This forces us to, apart from dealing with day-to-day challenges correctly, come up with better, faster and more efficient solutions for tomorrow's challenges.

We use Lean as a guideline to improve the quality of our processes and to lower the costs. Innovative technology helps us to not only improve but also develop new processes and solutions, ultimately enabling us to do more with the same number of people. When it comes to reducing (indirect) costs, we will in 2019 continue down the path we have chosen.

Investments

In 2018, we invested over 46 million euros, primarily in 400 new tractor units (trucks) and 480 trailers and loading units. We replaced one third of our fleet, which now consists almost entirely of Euro 6 vehicles. Our fleet has been upgraded drastically over the past few years. In addition to training for drivers and other staff, this forms one of the pillars for improving safety and reducing the number of vehicle related incidents. And it means better fuel economy and improved well-being for our drivers. Aside from that, we have begun replacing all on-board computers for our own vehicles and those of our fixed charters. And finally, we have made several investments to further boost safety and reduction of our environmental impact.

Sustainable solutions

Sustainability is firmly integrated into our DNA. We provide solutions to meet demand for cleaner, more efficient, and more sustainable mobility and logistics, and we put these solutions in practice. These solutions include using longer trucks. We now have 25-meter-long instead of 18-meter-long trucks, and there are plans to ultimately also operate 32-meter-long trucks. Also when it comes to alternative fuels (LNG and biofuels) and electric vehicles, Vos Logistics is a pioneer in the logistics industry. In Belgium, we have managed to, thanks to our experience with sustainable solutions, position ourselves as a key parts supplier to the production line for Audi’s first electric car. We are in the process of getting the permits needed to run extra-length vehicles (so-called B-trains) and are thus helping to build one of the most sustainable and innovative supply chains in Europe.

This also includes training our drivers to give them the kind of advanced driving skills that will enable them to drive their vehicles in an eco-friendlier way. Technology and digitalization are also used to increase our vehicles’ utilization rate. We want to prevent our vehicles transporting ‘air’, both to spare the environment and to achieve costs savings. We always tackle these challenges together with our customers.

Customer satisfaction

Customer satisfaction is a permanent point of attention; it is the basis for our company. In summer 2018, a customer satisfaction survey was conducted among customers of Vos Logistics. In total, 227 customers participated in the survey (30% response rate). For every questionnaire completed, we donated €5 to the KidsRights Foundation. KidsRights stands up for vulnerable children everywhere, offering them direct support tailored to their needs and focusing attention on their position and their rights.

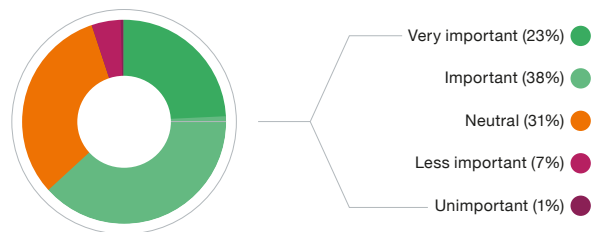
The feedback we received from customers through this survey provides vital input for continuous improvement and our Lean program. The results show an average satisfaction score of 7.68. Our customer services and account management received the highest average score. Customers are mainly satisfied with the accessibility, care and attention and the knowledge of both customer services and account management. This shows that employees are an important factor at Vos Logistics, as also reflected in the image statement on how important it is that Vos Logistics employees go that extra mile for our customers.

In order to increase customer loyalty, it is important to be more proactive, to improve communication (about planning, delays) and to increase service levels.

Customers were asked to rate the importance of the different indicators. Stock reliability, performance regarding uploading time, and timely provision of information are the top 3 most important aspects for customers. Looking towards the future, growth, cost reduction and quality improvement are the most important trends. With respect to these trends, Vos Logistics can mainly contribute by increasing (transport) capacity.

The results also show that the use of Biofuel is important for about 60% of the customers. 31% would be prepared to pay a surcharge (mainly 0-2%) for the use of Biofuel.

How important is it to you that Vos Logistics uses Biofuel to transport and demonstrably has a lower CO₂ emission because of it? (n=91)



Digitalization

The future of our industry is subject to change. Ongoing digitalization of administrative processes, optimization of capacities, and robotization will enable us to work faster, better, and more cost-effectively. To stay relevant as a logistics service provider, we have to embrace these changes and take the right steps ourselves. In 2018, we launched SmartFox to enable our planners to more efficiently and better plan deployment of our vehicles based on algorithms. Digitalization is making us more efficient and will enable our employees to raise the quality of their work by sharing better information with customers quicker and more efficiently.





Our divisions

Our core activities are spread over two divisions, International Transport and Solutions. We have focused specifically on our continuity and further professionalized and expanded our services. Both divisions performed as expected, resulting in autonomous growth, on top of growth through strategic acquisitions.

International Transport

Mega

The year 2018 showed strong performance in Mega activities. Turnover increased by 9%. Volumes were up 3% on 2017. Commercial efforts enabled by good market conditions enhanced quality of revenue during the year. Operational KPIs on kilometer productivity and loading efficiency could not be met due to the changing nature of the business as a result of an increase in time-critical solutions. Additional business was won chiefly in e-commerce, automotive and parcel shuttling. In the past year, 225 new mega trailers were acquired, most of which were acquired for renewal purposes.

High Volume

With a strong focus on industrial packaging and recycling, High Volume performed well in 2018. We vitalized the fleet by adding 225 trailers in 2017 and another 150 in 2018. Our business unit in Belgium started with just-in-time supply of components to the Audi plant in Brussels. Furthermore, this business line acquired Joosten and Gehlen Schols. When we include these acquisitions in the calculation, turnover increased by almost 30%.

Bulk Network & Storage

Bulk Network & Storage performed in line with expectations in 2018, achieving 6% turnover growth. EBIT was substantially enhanced. Within the road transport network, the main performance drivers are increased revenue per kilometer and higher loading efficiency. These KPIs compensated for the somewhat lower volumes and productivity. During 2018, 33 new silo trailer units were taken into operation, with another 50 set to be delivered in 2019. At Storage, mainly the silo business developed positively with the intake of new business.



Solutions

Bulk specialties

The activities of Cetra (joint venture) and our business unit in Uithoorn benefitted from the uplift in the construction industry with increasing volumes in cement and mortar distribution. The growing activities in gas distribution contributed also to the development of our Uithoorn site. Although the Lutz joint venture showed stable performance, they did suffer from diesel price increases.

Warehousing & National Distribution

Distribution performed on target in 2018, with storage and distribution volumes both showing growth. Turnover was up 17%. In order to cater to our customers' positive business developments, we occupied overflow locations in the different regions in which we operate.

Our distribution activities also enjoyed significant growth. Partly due to growing volumes from existing customers, but also as result of a growing customer portfolio. The fleet for consumer deliveries in particular performed well. The operating profit improved substantially. Freight management and forwarding stabilized during the year. We are seeing growing demand from customers for outsourcing of both their logistical needs and the organization thereof. For consolidation purposes, we integrated the Oss-based groupage forwarding activities into our business unit in Barendrecht.

“Warehousing & National Distribution performed on target in 2018, with storage and distribution volumes both showing growth. Turnover was up 17%.”

Business Cases

NOVIS

In 2010, Wolfgang Steiner, a Swiss entrepreneur, wanted to buy a multifunctional juice extractor and realized that there was none on the market that met his exact requirements. Four years and around 140 prototypes later, the Novis VitaJuicer was launched. Novis has in the meantime extended its product range to a wide variety of high-quality kitchen appliances and accessories.

For many years, Vos Logistics has managed a large part of Novis' supply chain. Vos Logistics arranges the worldwide import flows, customs clearance and stores the products. Vos Logistics is in charge of stock control and guarantees all shipments to businesses and consumers throughout Europe. Vos Logistics and Novis can both focus on what they do best, which brings value to both.



“We are very happy with the professional and customer oriented logistic services provided by Vos Logistics. Ever since several years, we keep doing some exciting things together on our growth path towards success. We can both focus on what we are best at, which brings value to both – a win win story.”

Patricia Fuchs - Head of Finance and Logistics - Novis

Emma Matratze

Founded in Frankfurt in 2015, Emma Matratze set out to make buying a mattress as simple and enjoyable as possible. The company soon became one of Germany's leading e-commerce startups, and subsequently expanded into 12 other European markets in no time. Emma offers a unique concept that lets customers try out a high-quality mattress for 100 days. Mattresses are delivered free of charge, and there is no charge for returns either. And this is where Vos Logistics comes in.

Vos Logistics picks up returned Emma Mattresses and takes care of packaging, storing, and returning them to Germany. Given that collaboration between Emma Matratze and Vos Logistics is to everyone's satisfaction, the parties are now looking into expanding it, such as by having Vos Logistics also pick up old mattresses and taking care of delivery of mattresses and related products.



“Vos Logistics takes care of the collection of Emma mattresses that are returned. They take care of ensuring that the mattress is packed, stored and returned to Germany. We are very satisfied with the cooperation. Together with Vos Logistics we look for opportunities to expand our cooperation. For instance the collection of the old mattresses or the delivery of other related products.”

Mariska Meints - Emma Matratze



Air Liquide

Vos Logistics Uithoorn and Air Liquide are using the first two IVECO LNG trucks for nitrogen distribution in the Netherlands and Belgium. Air Liquide is one of the major players in the European gas and chemicals market.

For Vos Logistics, which has been pioneering the use of LNG as a fuel for its trucks for some time now, Air Liquide is a relatively new customer. “Right off the bat, we looked at how we could realize Air Liquide’s sustainability ambitions. And together with truck manufacturer IVECO NLS, we have now pulled it off,” says Vos Logistics’ Marc van Alphen, Natural gas is the mature and cost-effective solution for sustainable transport, and it plays a key role in hitting emission and noise reduction targets. Using natural gas reduces the company’s carbon footprint and boosts returns.

Operating out of its Uithoorn site, Vos Logistics offers the chemical industry a specialist fleet of tank trucks for Pan-European transportation of heated and hazardous goods,

such as (coal) tar and bitumen. Yet liquid waste such as sediment is also transported on a regular basis. Air Liquide is the global market leader in the area of gases, technologies, and services for the manufacturing industry and health care. In the Netherlands, Air Liquide has a customer base of 5,000 industrial customers and its products are used in caring for 24,000 patients at various hospitals.

Both Vos Logistics and Air Liquide have set themselves the target of making their operations more sustainable. Vos Logistics’ Oss site is home to the first LNG filling station. The new LNG-powered trucks are used 24/7 to transport nitrogen. This gas is transported at a temperature of minus 196 degrees Celsius. Vos Logistics’ IVECO trucks are fitted with special loading and unloading technology, which is a customized system that also helps keep the weight down.

Amazon

Amazon started in 1995 as a website selling books. But from the start, founder Jeff Bezos had a vision for the company's explosive growth and e-commerce domination. Amazon now is the biggest e-commerce player and platform in the world as measured by revenue and market capitalization. They are known all over the world and have separate retail websites for specific countries.



Since 2014 Vos Logistics is working for Amazon. Our collaboration grew further every year, as well in volume as in the amount of services we are offering Amazon. At first we solely carried out international transport, but step by step Amazon starts using our other services. Within Vos Logistics there are different teams working together for Amazon, for an optimal combination of our services. From the Cargo department our own fleet and the expedition team take care of international routes between the different locations of Amazon. In Oss we run a X-dock operation for Amazon since the end of 2017.

“ At Amazon we pride ourselves on being Customer Obsessed and doing what is right on behalf of our customers, even if it seems impossible. Vos Logistics makes impossible possible. Since Day 1, Vos Logistics has remained agile and laser-focused on raising the operational bar each day. However, in no way is Vos Logistics' vision short sighted. Their partnership and industry expertise on key strategic logistics projects has (and will continue to be) a key enabler for our growth and ability to delight customers. Overall, Vos Logistics embodies the Amazonian spirit – Work Hard, Have Fun, and Make History!”

Rory Staiger - Senior Program Manager - Amazon

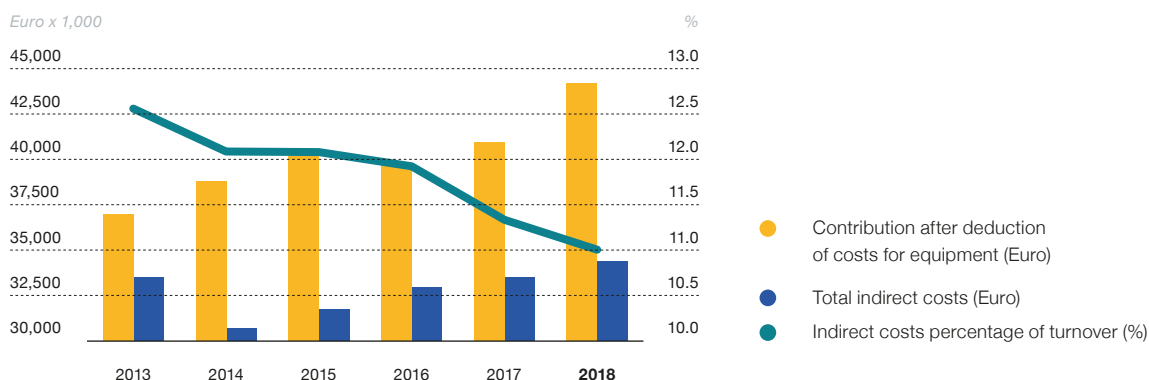


Financial performance

Results

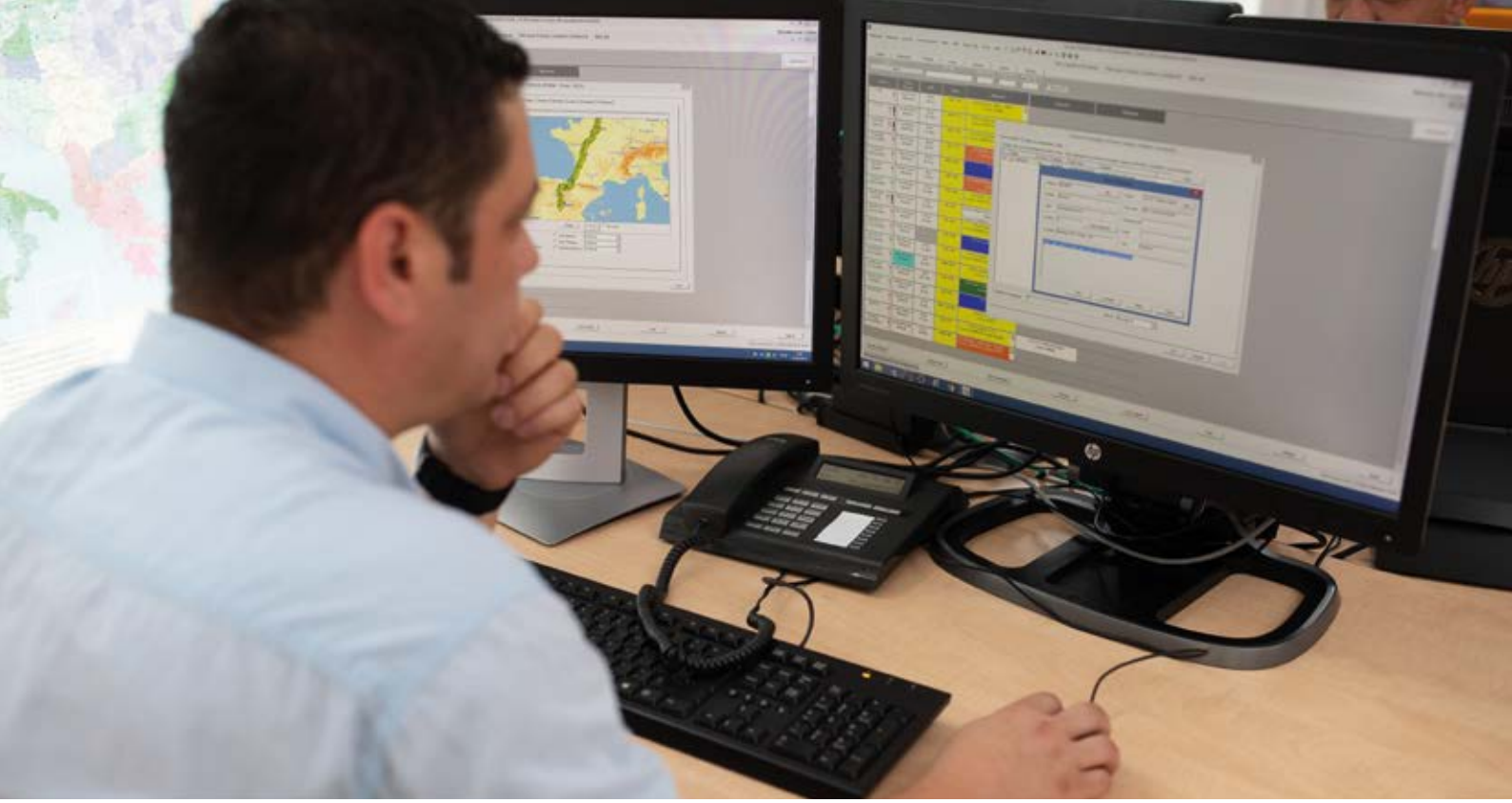
In 2018, Vos Logistics recorded turnover totaling 313.5 million euros (2017: 289.9 million euros), an increase of 8%. Adjusted for higher diesel prices, acquisition of Joosten and Gehlen Schols in 2018, and divestment of Zozaya in 2017, group turnover increased by 6% on the previous year. Earnings before taxes and interest rose by 25% to 10.1 million euros (3.2% margin). Excluding the impact of higher diesel prices, transition-related restructuring costs, and some other incidental items from the result, the EBIT margin would have reached 3.6%. Virtually all business lines saw turnover and EBIT rise. The rise in EBIT

stems mainly from volume increases in combination with modest improvements in quality of revenues. In the course of 2017 and 2018, we were able to pass on earlier absorbed cost increases, relating mainly to labor, through our rates. Indirect costs in relation to turnover continued their downward trend, driven mainly by the transition process of our international transport activities as well the launch of lean initiatives. Interest costs were down 40%, mainly as a result of repayment of the mezzanine loan in 2017. As a result of higher EBIT and lower interest charges, net profit jumped 90% on the previous year.



Group results

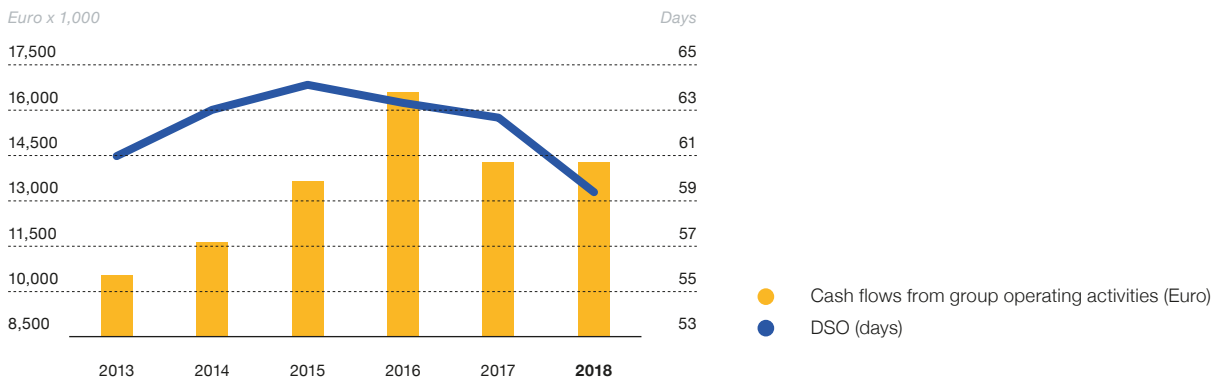
	2018		2017	
	€ (x 1,000)	%	€ (x 1,000)	%
Total net turnover	313,452		289,934	
Subcontracted work	94,367	30.1	90,042	31.1
Added value	219,085		199,892	
Total direct costs excl. equipment & housing	144,175	46.0	130,093	44.9
Contribution margin	74,910	23.9	69,799	24.1
Total indirect costs	34,489	11.0	33,053	11.4
EBIT before direct equipment & housing costs	40,421	12.9	36,746	12.7
Total depreciations & leases	30,349	9.7	28,294	9.9
EBIT	10,072	3.2	8,052	2.8
EBT	8,266	2.6	5,010	1.7



Cash flow and liquidity

Compared to the previous year, total cash flow improved when taking acquisitions and divestments into account. Operating cash flow remained on a similar level, although working capital absorbed more cash mainly due to increased rates of excise duties as well the refund terms. The pace of processing and payment of supplier invoices went up modestly. Vos Logistics'

net debt position increased to 48.8 million euros due to fleet renewals and acquisitions. The debtor portfolio remained at high quality. The average number of days of sales outstanding further trended down to 59 days. The group's liquidity is robust. At year-end, total available liquidity, including unutilized availability from factoring, stood at 18.3 million euros.



Balance sheet

Total assets rose by 16.4 million euros to 142.2 million euros. Fleet renewals, higher excise duties on receivables, and the Gehlen Schols acquisition accounted for most of this increase. Vos Logistics invested approximately 46.5 million euros, of which 16.1 million euros on balance. Solvency improved

to 22%, despite the longer balance sheet. The current ratio (current assets plus cash divided by current liabilities excluding financial lease obligations) came in at 103% (2017: 100%). Vos Logistics stayed comfortably within its financing covenants with ABN AMRO Commercial Finance.



Prospects

We will continue to invest unconditionally in our promise to our customers. We simplify. Whatever it takes. We make processes less complex and put a lot of energy into the Lean program to make our own organization better and more efficient. This is a key mainstay of our growth strategy.

We also invest in smart technology and digitalization. In 2019, we expect to invest approximately 26 million euros in upgrading our fleet and in new technology, such as new on-board computers, electronic CMRs, and planning algorithms. Investments made over the past few years have further strengthened our foundations. We are, therefore, cautiously optimistic in our short-term turnover and profit growth expectations. No significant changes are expected in the number of employees. We do need to keep an eye on turbulent developments in Europe in terms of regulation and unpredictable fallout from Brexit.

Still, we do not see these developments purely as threats, but also as opportunities to present ourselves as a strong partner to our customers, with a clear vision and pragmatic approach. The foundations are strong, and we have a well-filled order book. It is key that we continue along our chosen path, raising Vos Logistics' profile as a leading, strong party in the (extended) Benelux region, relentless in the pursuit of opportunities to further strengthen our position. The same goes for our ambitions in Poland and Romania. The aim is to strengthen our position both through autonomous growth and through possible acquisitions.



“We aim to simplify processes and put a lot of energy into the Lean program to make our own organization better and more efficient.”

Roy Schuurmans - Lean manager - Vos Logistics

Staff

To realize these ambitions and be the innovator we intend to be, we rely on our talented and passionate employees. It is of vital importance to us that we offer our existing workforce opportunities to develop further and that we attract new people. Only then will we be able to serve our customers, continue to grow, and come through on our brand promise: “We simplify. Whatever it takes.”

As an internationally operating company, Vos Logistics takes pride in its highly diverse workforce, which is built up of as many as 25 nationalities. In 2018, the number of permanent and temporary employees grew from 2,252 to 2,556. This upward trend is expected to continue in 2019. This is a combination of autonomous growth and growth through two company acquisitions. In 2018, the two acquisitions, Joosten and Gehlen Schols, were successfully integrated into the Vos Logistics organization, and this process will continue in 2019 to achieve maximum synergy.

Corporate culture

Vos Logistics invests in a strong corporate culture. Alongside our Values of Service, Ethical Code, and increased training intensity, our new corporate clothing is a visible manifestation of our commitment to our corporate identity. Our attractiveness as an employer primarily benefits our customers.

Labor market

Vos Logistics has shown a continued ability to attract and hire adequately qualified and talented employees in a labor market that is plagued by scarcity. Changes in the market require our employees having to meet different criteria such as internationalization, new technology, different forms of communication, a focus on sustainable solutions, and higher quality demands for services in an increasingly competitive

playing field. Combined with increasing shortages in the international labor market, this makes the human resources agenda one that requires our full focus. Retaining the right people and developing, as well as recruiting, talent is our number one priority here. Labor shortages are fact, but for Vos Logistics it is a source of inspiration rather than an obstacle. The tight labor market forces us to further streamline our internal processes, making them more efficient. But it also means we have to develop smart solutions, often driven by the use of new technology. In many cases, we sit down with our customers to assess how we can optimize processes and make the smartest possible use of the available labor force.

Cluj-Napoca (Romania) is home to the heart of Vos Logistics' International Transport division. All planning activities, fleet management, drivers, and back-office functions are run from this site. In late December 2018, our 120 employees moved into a new modern office that better reflects the professionalism of the services we provide.

Recruitment

We have also taken up the challenge in the tight labor market by launching a successful recruitment strategy. The basis of this strategy is attractive pay and benefits. Aside from that, we are unremitting in our efforts to improve working conditions, both for our drivers and for staff in other domains, which is instrumental in ensuring Vos Logistics continues to be an attractive company to work for. In all countries in which we operate, we have hired new people.

The age structure of our workforce has not changed significantly, albeit that Vos Logistics' recruitment programs and campaigns do primarily target young people. As an employer with a clear vision for the future, Vos Logistics has plenty of prospects to offer talents. We offer ambitious young people scope to pursue personal and professional development in a real-life environment and the opportunity



to take further training, with a prospect of a career at Vos Logistics.

An attractive website targeting the labor market and an active social media policy further shore up our recruitment efforts. This approach has proven to be successful, as have our recruitment efforts on Facebook, where Vos Logistics presents itself as an employer. We have furthermore laid the foundations for further development and simplification of job applications on our website.

Moreover our internal retention program that rewards employees who refer a new coworker has also worked well in recruiting new people, bringing in not only drivers but also logistics staff, and talents for our Sales and Finance departments.

Training and development

We offer our employees an extensive training program to raise their knowledge levels and further improve their skills and behavior. The focus is both on personal and professional skills. In 2018, the number of training hours was up substantially compared to 2017. The total number of hours of training in 2018 was 30,000 hours, compared to 26,000 hours in 2017. Even though the workforce has grown, the average number of training hours per employee still increased slightly, from 12.65 hours to 12.77 hours. Most training hours were spent on acquiring advanced driving skills, health and safety instructions, and improving communication skills.

Aside from that, important steps were taken in the Lean program, through Yellow and Green Belt training courses and several improvement projects. This development will continue in 2019. On top of that, 2019 will see us offer a wide variety of skills, knowledge, and leadership training courses to both blue-collar and white-collar workers.

Vos Logistics has set up partnerships with schools and universities to offer students the opportunity to gain real-life experience through work placements and final-year projects. Several of our units have traineeship programs that allow students to get to know our company by doing their research here, running practical studies, or preparing for their graduation. We have partnerships with various schools in several of the European countries in which we operate. In 2018, Vos Logistics had 51 trainees and undergraduates.



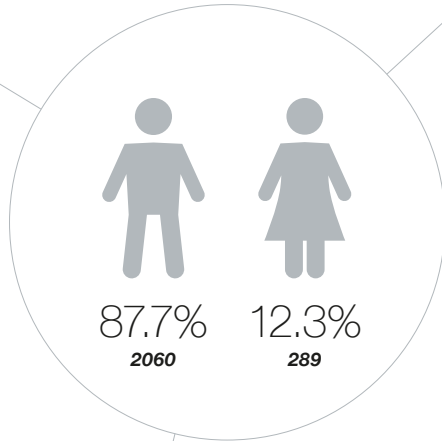
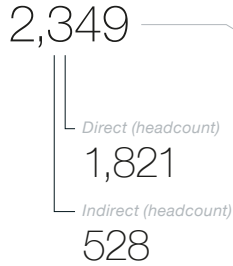
Drivers

Our priority is to offer a safe, attractive, and inspiring place to work for people with different talents. Aside from that, we have an extensive training program in place to help those talents develop further. In 2018, significant steps were taken in further improving working conditions for our international drivers. We invested in modern trucks and other equipment, while also creating scope for different work schedules for international drivers. Thanks to the increased flexibility in our planning, our drivers can now spend more time with their families. By introducing variety into our work schedules, we are investing in a larger driver pool to operate our fleet. The policy is geared towards making life more comfortable for our drivers, creating more scope for specific individual schedules. This allows our drivers to strike a better work-life balance.

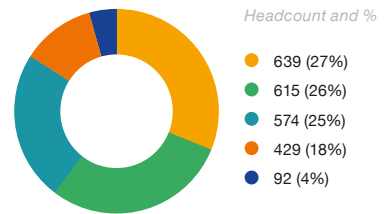
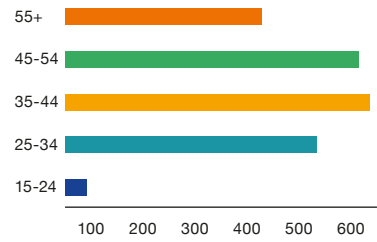
The number of drivers grew 15%. Compulsory and other training is largely given on premises at the various Vos Logistics sites in partnership with a training institute.

Composition of our workforce

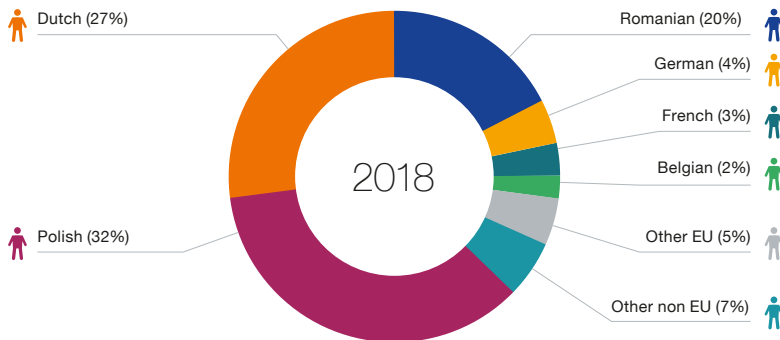
Total employees



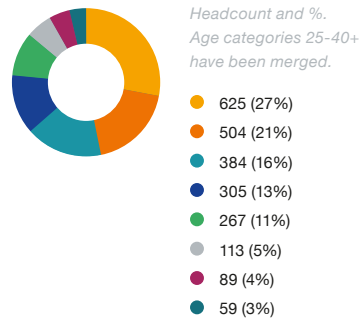
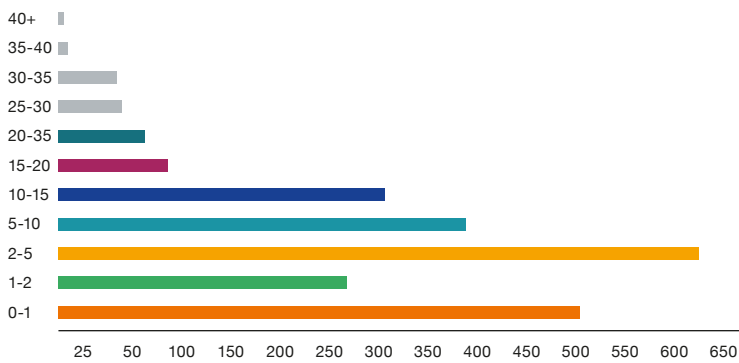
Age



Nationalities of our workforce



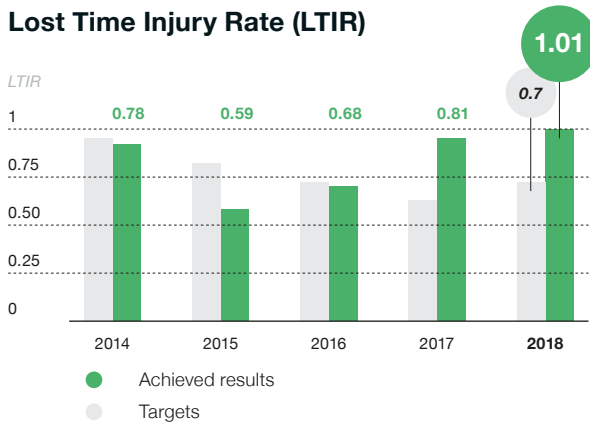
Years of employment



Health and safety

Occupational health and safety is our first priority. The target is zero accidents. Our policy is based on a simple concept: prevention and safety awareness. We are responsible for the health and safety of our own employees and of all others who come into contact with Vos Logistics. This requires awareness of our business and the associated risks: on the road, in the warehouse, in the workshop, in the office and at our customers' sites. Our motto is Safety First.

Lost Time Injury Rate (LTIR)



Safety rates

The higher level of activities in our organization in combination with the focus on safety triggered the awareness to report incidents. The Lost Time Injury Rate increased from 0.81 in 2017 to 1.01 in 2018 and we failed to meet our target of 0.70. The number of Lost Workday Cases for own employees increased from 34 in 2017 to 47 in 2018. 39 transport related and 8 warehouse related incidents, which means an increase in transport and a decrease in our warehouse operations compared to 2017. An important reason for the increase in transport operations is improving of reporting. All incidents have been subjected to thorough Root Cause Analyses and appropriate corrective actions have been taken. No fatalities occurred in 2018. For 2019 we will implement initiatives and policies to further increase the safety standards within our organization.

Incident reporting improved

In line with our policy of 'prevention is better than cure' we launched an online tool to report incidents in 2017. Improvement in reporting continued in 2018 and Near Miss reporting again increased by 40%. We issued several specific safety alerts for each business in 2018 in order to increase safety awareness and draw attention to the importance of reporting safety incidents.

Quality, Environment, Safety, Health & Sustainability (QESH&S) management

To keep our safety and quality at the highest possible level,

a Corporate Quality Team is in place. This team is supported by local quality officers and special quality teams that are responsible for QESH&S, i.e. Quality, Environment, Safety, Health & Sustainability. Quality staff, internal audit team members, and the members of the Food and Feed safety team will improve further knowledge in 2019. In 2018, we successfully implemented ISO 9001:2015 and switched to a different certifying body.

Damage ratio

Our European prevention program produced good results as there were fewer cases of damage and insurance claims. Improved driver instruction programs and training courses where prevention is key led to a score of 40.6%, which is slightly higher than the 39.6% reported in 2017, however below the benchmark of 41.4%. The growth of our fleet in combination with relatively high driver turnover in 2018 explain this slightly higher score. We will intensify our program for 2019 in order to contribute to a safer working environment, reduce the number of disruptions to processes, improve our delivery performance, and get a grip on repair and insurance costs.

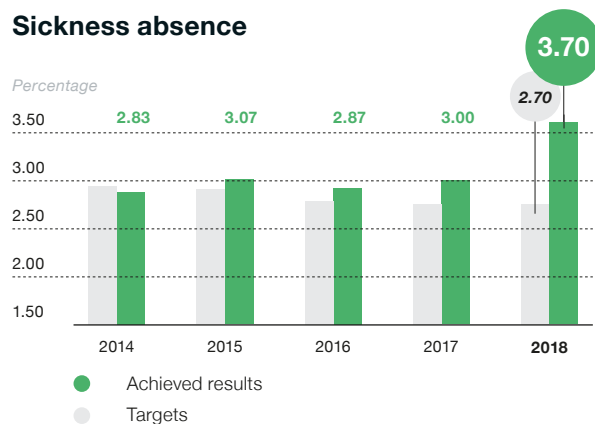
Health

To underline the importance of being fit for the job, we developed a health program that was rolled out in 2018. It actively encouraged staff members to stay fit. Including this program, specific health and safety training for direct and indirect staff added up to a total of 5,365 hours of training.

The overall sickness absence rate in 2018 was 3.70%, higher than in 2017, and higher than our target of 2.70.

In 2018 we faced an increase in absenteeism days for both direct and indirect staff. The increase started in September 2017 and continued during the first quarter of 2018 which is mainly a reflection of the long-lasting flu epidemic in Europe (December 2017 - April 2018).

Sickness absence



Environment

Our integrated sustainability program helps us reduce our carbon footprint year after year and ensures a cleaner and more efficient supply chain. We set ourselves specific environmental goals and help our customers realize theirs. Innovation is a key driver.

When developing new products and services, we opt for 'green' logistics services and technologies that reduce both our CO₂ emissions and our energy consumption. Here's how:

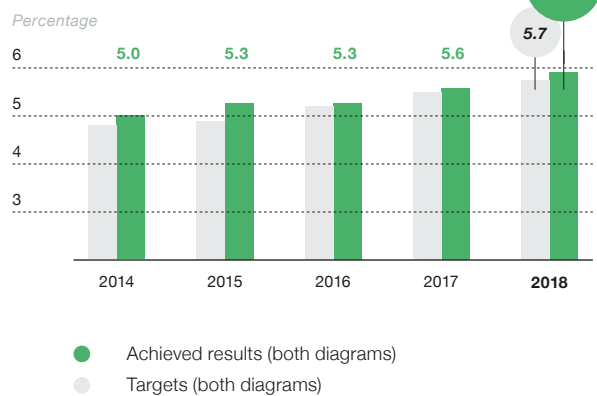
- ✓ Sustainable transport solutions (Roadtrain, Ecocombi, Multimodal, LNG trucks, Electric and hydrogen-powered vehicles).
- ✓ Strong focus on lowering fuel consumption and reducing empty runs.
- ✓ Sustainable warehouses (BREEAM certified).
- ✓ Minimal environmental impact of our transport solutions.
- ✓ Long-term partnerships with our customers.
- ✓ Close collaboration with suppliers to reduce energy consumption and waste.
- ✓ Together with customers, we look at alternative fuels, optimize loads, redesign supply chains, etc.

Improvements in transport sustainability

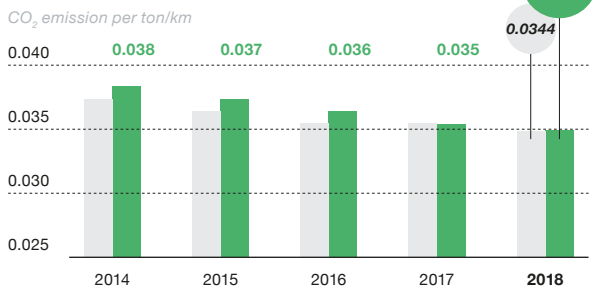
We again successfully reduced our CO₂ emissions in 2018, to 0.0346 kg per metric ton/kilometer, just below target (0.0344). We rejuvenated the fleet by decreasing Euro 5 trucks and increasing the number of Euro 6 trucks by 400. The % of Euro 5 trucks still increased though due to the acquisitions of Gehlen Schols and Joosten.

The average euro standard of our fleet increased from 5.6 to 5.9. Furthermore, the increase in LNG vehicles, smart transport solutions such as the Longer Heavier Vehicles (LHV) Ecocombi and multimodal transport (including inland barges in France and the Netherlands) contributed to the reduction in CO₂ emissions.

Percentage of Eurostandard trucks



CO₂ emission (Fleet)





Increase in multimodal transport

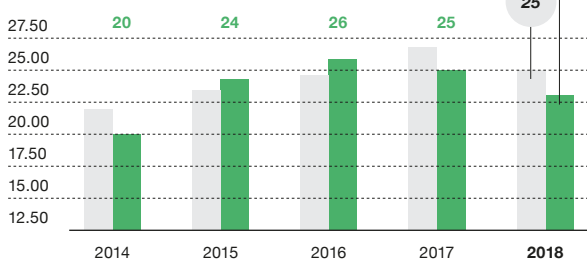
Multimodal transport is a vital element in Vos Logistics' international mobility solutions. It is an efficient and flexible combination of road transport with other modalities (train and boat). Vos Logistics has made substantial investments in multimodal equipment in recent years. In order to intensify multimodal solutions, we are also depending on market offerings (rail and ferry operators on the routes we serve) as well as service requirements on lead times and reliability. Despite our initiatives, the percentage of multimodal activities decreased by 2.2%. However, the percentage of multimodal shipments still represented 23% of our international shipments moved in 2018.

Multimodal transport was used mainly for packed cargo activities in 2018: 46% of international cargo shipments had a multimodal component, which represents over 29 million kilometers.

We will continue to focus on raising the proportion of multimodal transport, as it significantly reduces our carbon footprint and enables us to combine available modalities flexibly and so optimize our customer service.

Multimodal transport

Percentage of total transport



In 46% of international cargo, multimodal transport was involved. This is equal to 29,095,000 km.

- Achieved results
- Targets

Carbon footprint of premises

The CO₂ emission of our warehouses was 5.71 kg per m², which is much below target even though the overall activity volume was higher. An updated conversion factor conform DEFRA for 2018 contributes to this positive result. To give a better picture of our energy efficiency, we redefined this KPI in 2017 so that it gives a clear view of the energy impact of our warehouse operations.

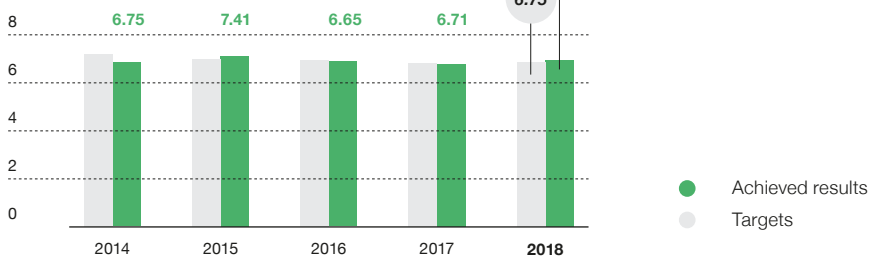
To further reduce CO₂ emissions from our buildings, we are planning to install solar panels. In Roosendaal the solar panels will be placed in 2019. Ultimately, 60% of the power we use will be solar. The complete roof will be covered with panels

(approx. 6,000 panels). For Vos Logistics, this will bring a reduction of 170,000 kg CO₂ per year. Further initiatives for the installation of solar panels at other locations are currently being looked into.

In accordance with the EU Energy Efficiency Directive, all qualifying locations in the Netherlands carried out an external energy audit. The external auditor concluded that our current sustainability program is producing excellent results and there is no need for substantial additional measures at the moment. This is a confirmation that we are on the right track.

CO₂ emission (Premises)

CO₂ emission per ton/m²





Sustainable operation in the value chain

Improve clean mobility

Vos Logistics collaborates with various parties to promote liquefied natural gas (LNG) transport. We are a member of the National LNG Platform and the Natural and Bio-Gas Vehicle Association Europe (NGVA). We also participate in Unilever's Connect2LNG project to develop the LNG fueling network. In addition, we are involved in LNG consultative bodies and in regular contact with public authorities, shippers, truck manufacturers and LNG suppliers. All this helps us stay on top of developments in the LNG infrastructure, LNG engines, and the introduction of LNG.

We are open to sustainable solutions such as truck platooning, extra-long vehicles like the 32-meter-long XL Ecocombi, as well as the use of alternative fuels. Truck platooning consists in trucks driving at a set close distance from each other in a convoy using automated driving support technology. This way of driving could reduce fuel consumption by 5% to 15% and cut CO₂ emissions correspondingly. From a technical point of view, it has huge potential, but the legislation is not yet up to speed. We expect truck platooning to be put into practice between 2020 and 2025.

Sustainable procurement policy

We challenge our suppliers to take a proactive approach to preventing and constantly reducing the environmental footprint of their operations. We ask them to identify and reduce product risks throughout the life cycle and to set and observe standards

and values that improve quality and protect the environment, health and safety. For major procurement processes, we work with expert procurement teams.

To strike up and keep sustainable partnerships, we maintain a Supplier Code of Conduct based on our Values Of Service and Ethical Principles. Our Supplier Code of Conduct is made up of four sections: business principles, mandatory requirements, supplier assessment, and supplier commitment.

Innovation with customers

In 2018, we added 1 full electric truck to our fleet to further sustain our equipment. The electric truck, together with several LNG trucks, is now being used for a sustainable project in collaboration with one of our customers. This combination contributes to a significant reduction of CO₂ emissions and confirms our position as a frontrunner in the field of sustainability.



Society

We contribute to society by providing sustainable and professional services. We are aware of our role in society, especially in an international and multicultural setting. Staff and management at various locations are eager to play an active role in this process. Vos Logistics is a member of national and international industry associations and is engaged in local community initiatives.

Active participation

Our social engagement also includes sharing knowledge and professional skills. We do that in the countries and communities where Vos Logistics is active. In Romania, Poland, Germany, France and the Netherlands, we offer students internships and work placements to encourage their interest in transport and logistics. In 2018, we hosted 51 trainees and interns.

On a local level, we are committed to maintaining close ties with schools and training institutes. As a company, we partner with them in enabling young people to fulfil their potential. Such partnerships are in the interest of our company, the logistics industry, education, but most of all in the interest of people's career prospects. We also work with relevant organizations to employ people with physical and/or mental challenges. For example: for many years now, we have been running a partnership with Senzer in Helmond (NL) that sees us employ people with poor job prospects.

We actively participate in the public debates that affect our industry. Through various partnerships with industry, local and regional authorities and educational institutions, and through our membership of relevant industry organizations, such as the Polish, Romanian and Dutch Road Associations, we keep track of developments that may affect our activities. Whenever we can, we actively contribute to the public debate, for instance by participating in consultations on the collective labor agreement for the industry.

Sustainable development goals

World leaders from all 193 UN member states adopted 17

goals to eradicate poverty, promote peace and equality, fuel inclusive growth, and protect the environment in the run up to 2030. This agenda contains 17 sustainable development goals (SDGs) and 169 sub-objectives. They constitute the most important international sustainability framework for the coming years.

To determine the suitability and relevance of the SDGs, a linkage has been made between Vos Logistics' strategic pillars, the material topics, and the SDGs. To safeguard the relevance of our reporting, we decided to match SDGs to the areas where we have an impact. We see alignment in SDG 3 (Good Health and Wellbeing), 4 (Quality Education), 8 (Decent Work and Economic Growth), 13 (Climate Action) and 17 (Partnerships). More information on our contribution to the SDGs can be found on page 42.

Community engagement

Many members of staff are socially engaged. Vos Logistics encourages them to be socially active and to take initiatives that help create a better world, including in fields such as education, health, local charities and local sports clubs. Support is also provided to projects carried out by international organizations. A great variety of local initiatives were again supported in 2018. Our ambition is to professionalize our policy on Community Engagement and to formulate a clear vision that justifies our role in (local) society.

Vos Logistics encourages members of staff to be socially active and to take initiatives that help create a better world.



Some examples:

- ✓ Vos Logistics supports the KidsRights Foundation through various activities. For every questionnaire completed for our customer survey, we donated €5 to KidsRights. KidsRights is a foundation that stands up for vulnerable children everywhere, offering them direct support tailored to their needs and focusing attention on their position and their rights.
- ✓ We encourage a healthy lifestyle. We sponsor our employees to participate in local marathons. We also sponsor a local female basketball team in Cluj Napoca (Romania).
- ✓ We donated two fully equipped PC's to a center for disabled children in Romania.
- ✓ We participated in a Sustainable Goals Event focusing on innovation in Oss (The Netherlands).
- ✓ We supported a local food bank with storage and fuel for their lorries in Oss.
- ✓ We supported a primary school in Górkı (Poland) during a family picnic.
- ✓ In Poland, we support a foundation that helps kids with cancer, by collecting gadgets and celebrity autographs for auction to raise funds for the foundation.
- ✓ We also contribute to the Noble Gift foundation, a well-known foundation in Poland that helps specific people and families in difficult situations.

Risk management

Policy

We have a low appetite for the risks the company might be exposed to. We seek to mitigate the risks in our ordinary activities by means of a robust professional organization and high-quality services. Service and efficiency levels are assured by consistent working methods, staff training and education, administrative procedures and transparency in costs and turnover. Our organization is supported by integrated communication and information systems. An ethical code was drawn up and introduced in 2016 to support the group's risk management policy.

Risk

Market risks

Vos Logistics is sensitive to fluctuations in economic activity and in the volumes generated by its customers. Our market is mainly based in Western Europe. Economic developments and changes in the overall volume of international goods flows can vary per country, impacting not only turnovers but also the capacity balance in our networks. We serve many industries in many countries with a variety of transport and logistics services. The different product-market combinations follow different dynamics. This partly mitigates our sensitivity to market fluctuations. One of our main Values Of Service, 'Agility', relates to these changes. With its international organization based on

the flexible and efficient operation of both its own vehicle fleet and external capacity, the company can respond effectively to rapidly changing demand for international transport in terms of both volumes and destinations. Market risks can potentially have a high impact on Vos Logistics' results and/or financial position.

Political and regulatory changes

European and national transport legislation and taxation are subject to continuous change. This is resulting in operational uncertainties and extra costs. Vos Logistics actively tracks these developments, adapting its operations to remain compliant with regulations and to take changed cost settings into account. The potential impact on results and the financial position is considered low.

Operational risks

Liability

Liability for direct and indirect losses is limited or excluded by means of general terms and conditions of trade and/or specific agreements with customers or suppliers. Remaining risks are mitigated through both internal procedures and insurance coverage. We have drawn up strict internal procedures to limit liability risks arising from non-conformity with local legislation or customs clearance activities. Compliance is continuously monitored, and staff is trained accordingly.

Fuel prices

Fuel costs are a major component of transport costs. Fuel prices have fluctuated up and down in recent years. In line with our sustainability ambitions, we actively manage our fuel consumption and offer more multimodal transport solutions, which reduce the use of fuel. Vos Logistics also applies fuel clauses in most of its sales agreements that transfer fuel cost fluctuations to customers with a minimum of delay.

IT systems' continuity and integrity

The company relies on several IT systems to safeguard the efficiency and effectiveness of its operations. Vos Logistics has an external backup facility, built-in redundancy and a recovery facility that enables continuity of critical IT systems. Several data and access protection systems and procedures as well as



security systems are in place to prevent unauthorized access to sensitive data and resources. We continuously work on improving data security and our internal procedures on data access and protection.

Safety

There is a risk of operating activities leading to accidents, physical injury and loss of reputation or breaches of health and safety regulations. Our safety measures are very strict. Prevention has the highest priority and the safety policy recognizes human awareness as one of the highest risk factors. A great deal of energy is spent on training staff about safety awareness and skills.

Staff availability

The availability of qualified employees is essential to the efficiency and effectiveness of our operations. The company manages this risk through training and retention programs and active recruitment. The potential impact of operational risks on the company's results and/or financial position is low.

We consider the potential impact of operational risks on the results and financial position of the company to be low to moderate.

Financial risks

Debtor risk

Vos Logistics is exposed to two types of debtor risk: the risk that a debtor cannot fulfill its obligations and the cash flow risks of late payments. We mitigate these risks by means of credit checks, credit insurance and active monitoring and collection.

Liquidity risk

Transport in general, and Vos Logistics in particular, is capital intensive with a fairly fixed cost base. The transport and logistics markets are cyclical. Liquidity risk is mitigated by maintaining liquidity buffers and factoring arrangements (until the end of 2021). Financing of the asset base is secured by long-term leasing. Financing arrangements are in place for intended investment programs. Liquidity risks are further mitigated by managing debtor risks (see above), using temporary workers, and using periodic exit options for our own workers.

Foreign exchange risk

As the group includes Polish and Romanian companies, its balance sheet may be influenced by movements in the Polish

zloty and the Romanian leu against the euro. The group is also exposed to foreign exchange risks arising from purchase and sales transactions denominated in a currency other than the group's functional currency. It is our policy not to hedge these risks. The potential impact of financial risks on the results and financial position is low.

Interest rate fluctuations

Euro interest rates are currently fluctuating at a low level. Vos Logistics has several financing arrangements that could be impacted by interest rate fluctuations. Financing from factoring includes an Euribor base. The interest rate risk to Vos Logistics as part of lease financing is limited as leases are based on a fixed rate. The Euribor rate is not hedged.

The potential impact of financial risks on the results and financial position is considered to be low.

Internal control system

Vos Logistics has an internal control system to control the risks inherent in its business operations and to oversee the effectiveness and efficiency of business processes and the consistency of accounting procedures. The Board of Management is responsible for implementing, operating and monitoring the internal control system. This system has been designed to control significant risks and to realize operational and financial objectives, as well as to ensure compliance.

In control statement

To the best of our knowledge, Vos Logistics' risk management and control systems:

- ✓ provide reasonable assurance that financial reporting is free of material misstatement;
- ✓ have functioned effectively during the financial year.

The aforementioned risks had no material negative effects in 2018. There are currently no indications that the risk management and control systems will not function effectively in 2019.

Oss, 1 April 2019

Board of Management,
Frank Verhoeven, CEO - Ben Vos, CFO

Governance

Legal structure

Vos Logistics Beheer B.V., a limited liability company incorporated under Dutch law, is Vos Logistics Group's top holding company. It is not a listed company and therefore under no obligation to adhere to the Dutch Corporate Governance Code. Nevertheless, we strongly endorse the principles underlying the Code and aim to comply with its best practice provisions wherever possible.

Vos Logistics Beheer B.V. does not meet the criteria of the 'large public company' (structuurvennootschap) regime under Dutch law due to the applicability of exemption grounds under Section 2:263 (3b) of the Netherlands Civil Code. The Board of Management and shareholders continue to periodically evaluate the status of and possible changes to this domain of the governance structure.

Shareholders

All shares in Vos Logistics Beheer B.V. are held by Elephantus B.V. The ordinary shares in Elephantus B.V. are divided between Scheybeeck Investments III B.V, Frank Verhoeven (CEO) and Ben Vos (CFO).

Organization of the company

Management

Vos Logistics Beheer B.V. is managed by a Board of Management consisting of a CEO (Frank Verhoeven) and a CFO (Ben Vos). The Board of Management is responsible for managing the company. It formulates and sets the vision and the corresponding mission, strategy and goals in close consultation with the shareholders' meeting. The Board of Management is responsible for the transparent management of the company. Members may be appointed, suspended and dismissed by a two-thirds majority of the shareholders' votes.

The shareholders' agreement contains reporting and consulting structures for the Board of Management and the shareholders. The shareholders' agreement also contains a list of management resolutions that may be adopted only with the prior approval of the annual general meeting. Furthermore, the shareholders' agreement lays down that certain shareholder resolutions may be adopted only by a qualified majority of shareholders' votes. The Articles of Association of Elephantus

B.V. and those of Vos Logistics Beheer B.V. were drawn up accordingly.

Management regulations have been drawn up and approved by the shareholders. They list all resolutions that must be adopted by the members of the Board of Management jointly and stipulate that in the event of a difference of opinion amongst the members on specific issues barring them from adopting resolutions, the annual general meeting may be requested to provide a binding recommendation.

The Board of Management exercises its duties in the interests of the company. It continuously and whenever required provides the shareholders with the information they need to carry out their task. We are aware that there are currently no women on the Board of Management. Gender will be one of the assessment criteria for future appointments and we will seek qualified female candidates should there be a vacancy on the Board of Management.

The shareholders of Elephantus B.V. have entered into a shareholders' agreement, setting out their internal arrangements with regard to, inter alia, decision-making and reporting structures.

Conflicts of interest

The annual general meeting is responsible for resolving any conflicts of interest between members of the Board of Management and the external auditor on the one hand and the company on the other. There were no conflicts of interest in 2018.

The shareholders have chosen not to appoint a Supervisory Board. Both the shareholders and the Board of Management are confident that the governance structure contains sufficient checks and balances to ensure the proper functioning of the organization.

Financial reporting

External auditor

The external auditor is appointed by the annual general meeting. The external auditor reports to the shareholders and to the Board of Management. The shareholders and the Board

of Management held one meeting with the external auditor, the CFO of Vos Logistics and the Group Controller.

Annual integrated reporting

The company’s annual report comprises not only the financial report, but also the company’s sustainability report. Such integrated reporting confirms the importance of sustainability as an integral part of Vos Logistics’ operational management on behalf of its stakeholders. Annual integrated reporting is supported by monthly integrated review meetings.

Governance

Sound business practices, integrity, respect, transparent reporting and accountability remain the cornerstones of Vos Logistics’ corporate governance policy. For Vos Logistics, corporate governance is determined by applicable national and European legislation, codes of best practice in the countries in which it operates and its own company values.

We have implemented several sets of regulations regarding the performance of the various bodies and the rules applicable within Vos Logistics. The regulations are reviewed from time to time and amended as and when necessary. They are:

- ✓ the Articles of Association of the Company
- ✓ the Articles of Association of Elephantus B.V.
- ✓ the shareholders’ agreement
- ✓ Vos Logistics’ policy
- ✓ Values Of Service
- ✓ the Ethical Code
- ✓ the whistleblower policy
- ✓ Management Regulations

Ethical code

We act in accordance with our Values Of Service and ethical principles. To provide our organization and our suppliers with specific guidelines on how to act, we have introduced the Vos Logistics Ethical Code, which contains ethical principles and explains what we expect from our organization and our suppliers. The Values Of Service represent what Vos Logistics stands for and provide guidance for all processes within our organization.

Vos Logistics has a whistleblower policy as part of its corporate compliance framework in order to make employees

and external business partners feel confident about raising concerns with Vos Logistics. The policy provides for a reporting mechanism that is objective, confidential and independent, and protects whistleblowers from reprisal or disadvantage resulting from raising concerns. The policy was not used by employees or business partners in 2018.

The Ethical Code, Values Of Service, whistleblower policy and the other regulations listed above embody Vos Logistics’ policies regarding environmental, social and staff matters, respect for human rights as well as the combating of corruption and bribery.

Values Of Service



Ethical code

- Ethical Principles**
- Respect for human life and dignity**
- Respect for diversity**
- Respect for the environment**
- Integrity**

Composition of the group's board of management

Board of management

Frank Verhoeven (b. 1966)

CEO

Nationality: Dutch

Joined Vos Logistics: April 2007

Supervisory Board memberships and board positions:

NDL/HIDC, OMO (Ons Middelbaar Onderwijs),

Munckhof Groep, Logistieke Agenda Brabant (Chairman)

Previous positions:

Between 2006 and 2007 CEO of Biegelaar. From 1994 until 2006, senior management positions at the Royal Frans Maas Group (currently DSV). Before 1994, marketeer at Lease Plan.

Ben Vos (b. 1966)

CFO

Nationality: Dutch

Joined Vos Logistics: May 2008

Other position: Member of the municipal council of Moerdijk

Previous positions:

Since 2000, senior financial management positions at Wilson Logistics (currently Geodis Wilson) and Brunel International. Before 2000, auditor (registeraccountant) at Deloitte and PwC.

Management team

Board of management

Frank Verhoeven (NL)

Ben Vos (NL)

Management International Transport

Gerald Mayrwöger (AT)

Marc van Alphen (NL)

Henk-Jan van der Molen (NL)

Marton Dozsa (RO)

Wojciech Cybulski (PL)

Management Solutions

Toine van Gils (NL)

Corporate staff

Twan Haerkens (NL)

Paul van Ham (NL)

About this report

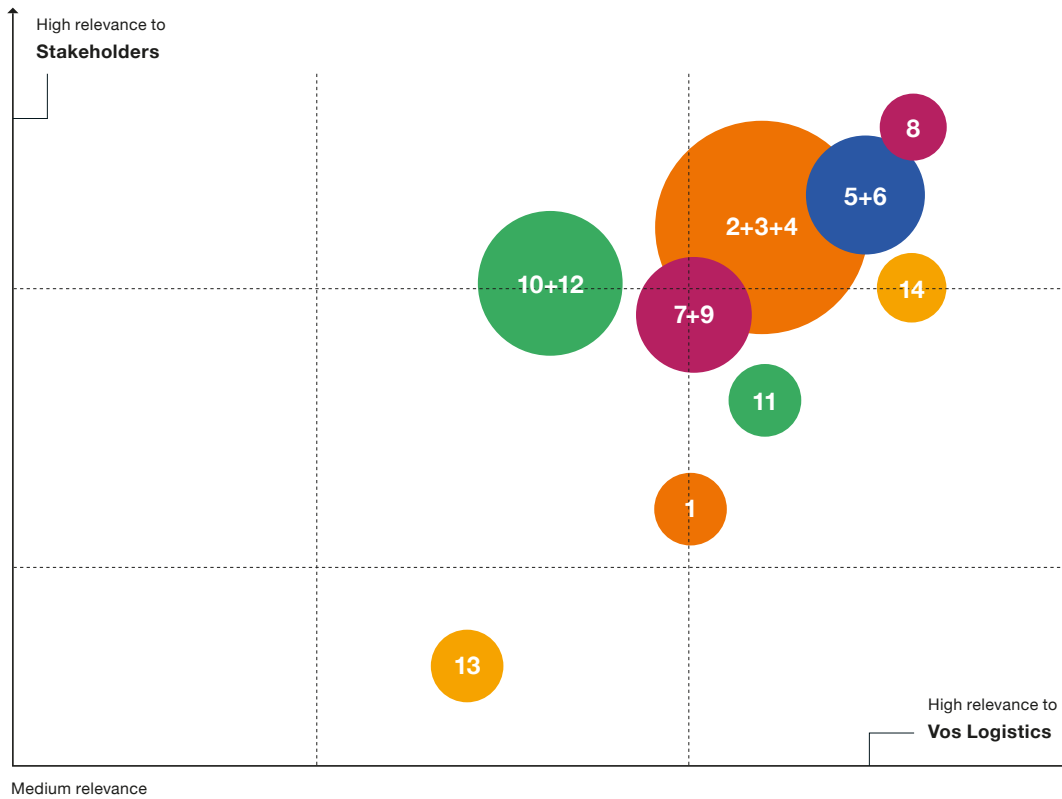
Stakeholder Engagement

Vos Logistics is an engaged, responsible logistics service provider. The company recognizes five stakeholder groups: customers, staff, suppliers, society and shareholders. We have identified these groups in accordance with the value chain and impact analysis relevant to our activities. The table below shows Vos Logistics' most important strategic themes

according to the stakeholder groups. We have used the outcome of the materiality analysis as a reporting framework, as a guideline for strategic decision-making and as a source of dialogue with our stakeholders. The table also shows the other communication channels we used for our stakeholder engagement.

<u>Stakeholder</u>	<u>Expectations</u>	<u>Main forms of dialogue</u>
Customers	<ul style="list-style-type: none"> Value for money Optimal service Innovation Corporate sustainability Responsibility Reliability Prompt complaint handling 	<ul style="list-style-type: none"> Client relationship Visits Performance measurements Complaint management Customer satisfaction survey Panel meetings Company updates
Staff	<ul style="list-style-type: none"> Safe workplace Personal development and training opportunities Attractive terms of employment Pleasant working conditions and atmosphere Career perspectives 	<ul style="list-style-type: none"> Personal development plans Appraisal/performance interviews Newsletters, social media Staff satisfaction survey CEO roadshows to meet colleagues Staff exchange programs Internal and external training courses
Suppliers	<ul style="list-style-type: none"> Reliability Long-term relationship Competitive pricing Compliance with laws and regulations Sustainability 	<ul style="list-style-type: none"> Day-to-day practice Regular visits Supplier assessments Benchmarking
Society (civil society organizations + public authorities/ supervisors)	<ul style="list-style-type: none"> Support for civil society organizations (sponsorships, donations, charity work, knowledge sharing, etc.) No activities that harm society Increasing accountability for how we create societal value Compliance with legislation and regulations Commitment to local community activities/ local sustainability initiatives 	<ul style="list-style-type: none"> Participation in/membership of alliances Bilateral consultation with various organizations Active participation in local initiatives Meetings Website
Shareholders	<ul style="list-style-type: none"> Value creation Financial solidity Solid risk policy, including reputation management Adherence to our values, including sustainability ambitions 	<ul style="list-style-type: none"> Shareholder meetings Management letters Annual report

Materiality Matrix 2018



Market

1. Innovations
2. Operational excellence
3. Sustainable transport solutions
4. Client focus

Financial

5. Financial performance
6. Risk management

Staff

7. Training & Communication
8. Safety
9. Labor conditions / working climate

Environment

10. Clean vehicle technologies
11. Energy efficiency
12. Supplier assesment

Society

13. Community engagement
14. Integrity






Materiality and strategy

A materiality analysis is an important aspect of integrated reporting. It identifies those issues that affect Vos Logistics' ability to create value in the short, medium and long term and that are important to its stakeholders. Last year, we checked the material themes with stakeholders. In doing so, we also

reviewed and tightened up the related KPIs. The materiality matrix shows the value of the strategic themes for our stakeholders and the priority they give them, set out against the value of the strategic themes for Vos Logistics.

Material - Theme	Strategy	Goal	KPI
Market - Controlled growth			
Innovations	<ul style="list-style-type: none"> Invest in innovation and quality of services Develop innovative logistics and transport solutions and equipment 	<ul style="list-style-type: none"> Act as a frontrunner with new developments Clean and efficient supply chain solutions 	<ul style="list-style-type: none"> Impact - (people - profit - planet)
Operational excellence	<ul style="list-style-type: none"> Maintain state-of-the-art infrastructure and equipment 	<ul style="list-style-type: none"> Reduce logistics costs for customers Efficient and effective operation 	<ul style="list-style-type: none"> Customer satisfaction
Sustainable transport solutions	<ul style="list-style-type: none"> Reduce CO₂ footprint together with customers and logistics partners Develop sustainable transport concepts 	<ul style="list-style-type: none"> Reduce CO₂ footprint of transport and warehousing Lasting and close alliances Contracts with sustainability features 	<ul style="list-style-type: none"> Multimodal solutions % Kg CO₂ emission, fleet per tonne/km Kg CO₂ emission, warehouses per m²
Client Focus	<ul style="list-style-type: none"> Provide added value and increased quality of revenue for customers Establish organic growth, using proven and new logistics and transport concepts Establish growth by selective acquisitions 	<ul style="list-style-type: none"> Focus on long-term relationships Strengthen market position Growth in the quality of revenue 	<ul style="list-style-type: none"> Growth in turnover and volume of shipments Profitability growth
Financial - Quality improvement in profit			
Financial performance	<ul style="list-style-type: none"> Ensure long term continuity by focusing on value added activities Optimize costs 	<ul style="list-style-type: none"> Improve quality of turnover Growth of added value activities 	<ul style="list-style-type: none"> Development of the margin Growth in selected business segments
Risk management	<ul style="list-style-type: none"> Focus on lasting and close alliances 	<ul style="list-style-type: none"> Financial health and scope for investment 	<ul style="list-style-type: none"> Working capital efficiency
Staff - Responsible employer			
Training & Communication	<ul style="list-style-type: none"> Facilitate training and development for employees 	<ul style="list-style-type: none"> Well-educated employees 	<ul style="list-style-type: none"> Training hours per FTE
Safety	<ul style="list-style-type: none"> Create a safe and healthy workplace 	<ul style="list-style-type: none"> Safety at work as part of the business culture Fewer accidents 	<ul style="list-style-type: none"> Lost Time Injury Rates Damage ratio
Labor Conditions / working climate	<ul style="list-style-type: none"> Ensure good labor conditions Support personal development Create an inspiring working environment 	<ul style="list-style-type: none"> Strengthen staff employability High retention rate and personal development Increase job rotation and mobility 	<ul style="list-style-type: none"> Retention rate Staff satisfaction
Environment - Sustainable business operation			
Clean vehicle technologies	<ul style="list-style-type: none"> Application of techniques and innovations in transport (Replacement and expansion measures) Increase use of Alternative transport modes 	<ul style="list-style-type: none"> Reduce CO₂ emissions 	<ul style="list-style-type: none"> Kg CO₂ emission, fleet per tonne/km Multimodal solutions %
Energy efficiency	<ul style="list-style-type: none"> Energy management 	<ul style="list-style-type: none"> Reduce CO₂ emissions of warehouses 	<ul style="list-style-type: none"> Kg CO₂ emission, warehouses per m²
Supplier assesment	<ul style="list-style-type: none"> Act as a sustainable operation in the value chain 	<ul style="list-style-type: none"> Sustainable procurement policy Innovating in collaboration with suppliers 	<ul style="list-style-type: none"> Supplier assessment % unloading and loading at the same site
Society - Responsible and involved			
Clean vehicle technologies	<ul style="list-style-type: none"> Develop the logistics sector by working with educational institutions, public authorities and interest groups 	<ul style="list-style-type: none"> Corporate Social Responsibility Social added value Labor participation, room for less abled employees 	<ul style="list-style-type: none"> Social projects carried out Participation in management bodies / engagements
Integrity	<ul style="list-style-type: none"> Work with integrity 	<ul style="list-style-type: none"> Act in accordance with the Vos Logistics Ethical Code Code of conduct for suppliers 	<ul style="list-style-type: none"> Breaches of Ethical Code Numbers of claims to Ethical Code

Vos Logistics contribution to the Sustainable Development Goals

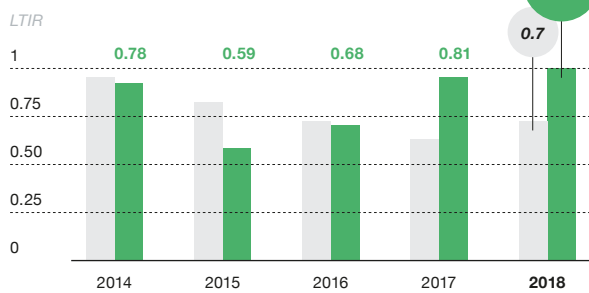
SDG	Definition	Reference in the report	Link to strategic pillar	contribution or alignment with SDS goal
 <p>3 Good health and well-being</p>	<p>Ensure heathy lives and promote well-being for all at all ages</p> <p>3.6 halve the number of global deaths and injuries from road traffic accidents by 2020</p>	<ul style="list-style-type: none"> • Health and safety 	<ul style="list-style-type: none"> • Responsible employer 	<ul style="list-style-type: none"> • Health and safety programmes
 <p>4 Quality education</p>	<p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities</p> <p>4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship</p> <p>4.7 By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development.</p>	<ul style="list-style-type: none"> • Training and development • Labour conditions / working climate 	<ul style="list-style-type: none"> • Responsible employer 	<ul style="list-style-type: none"> • Encourage training and education of workforce • Share knowledge and professional skills
 <p>8 Decent work and economic growth</p>	<p>Decent work and economic growth</p> <p>8.8 Project labour rights and promote safe secure working environments voor all workers</p>	<ul style="list-style-type: none"> • Quality & innovation • Labour conditions / working climate 	<ul style="list-style-type: none"> • Controlled growth 	<ul style="list-style-type: none"> • Offer opportunities to enter the transport and logistics sector • Invest in innovation and quality of services • Strengthe staff emplyability
 <p>13 Climate action</p>	<p>Climate change</p> <p>13.2 Action to improve climate change</p>	<ul style="list-style-type: none"> • Clean vehicle technologies • Energy efficiency • Innovation 	<ul style="list-style-type: none"> • Sustainable business operation 	<ul style="list-style-type: none"> • Clean and efficient supply chain solutions • Reduce CO₂ footprint of transport and warehousing • Develop innovative logistics and transport solutions and equipment
 <p>17 Partnerships for the goals</p>	<p>Partnerships</p>	<ul style="list-style-type: none"> • Sustainable transport solutions 	<ul style="list-style-type: none"> • Controlled growth • Sustainable business operation 	<ul style="list-style-type: none"> • Clean and efficient supply chain solutions • Reduce CO₂ footprint with customers and logistic partners

KPI Dashboard 2014-2018

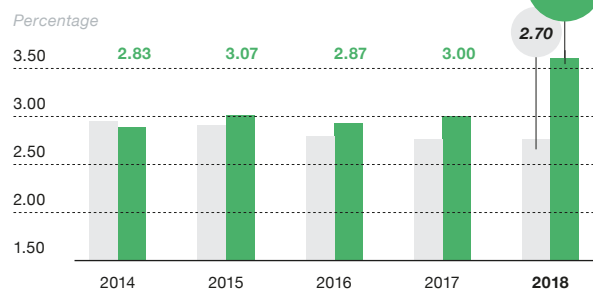
Vos Logistics has defined its sustainability goals in 6 key performance indicators (KPIs). The KPIs are measured identically at all business units and consolidated at group level since 2009. The sustainability goals and results are summarized in the dashboard. The sustainability policy is monitored in order to check progress made on the KPIs. Performance is measured each month and the sustainability KPIs are audited externally. Since 2014, the KPIs have been incorporated in the monthly financial report. On a monthly basis, the board

of management and cluster directors discuss the financial results and the sustainability, quality and safety results. As a consequence, the sustainability KPIs, the quality audits and the safety incidents form specific steering instruments for group and cluster management. The charts below show the results of 2014 till 2018. Looking back at the results since the start of our sustainability program in 2009, we are very proud of our achievements.

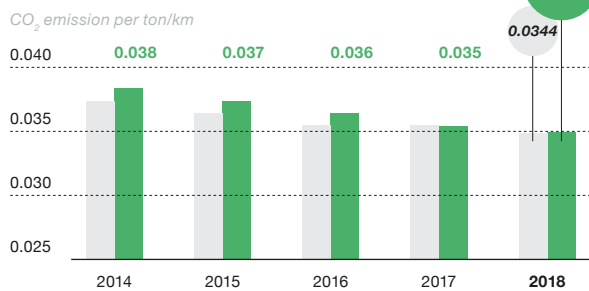
Lost Time Injury Rate (LTIR)



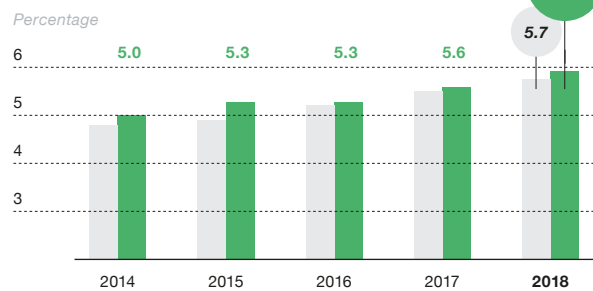
Sickness absence



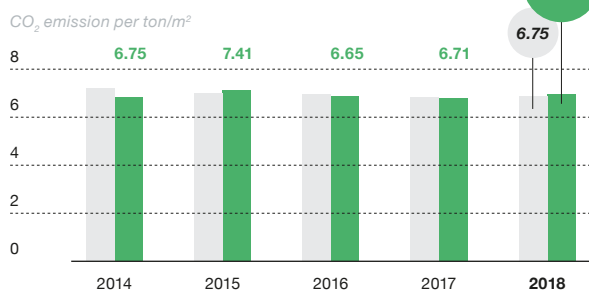
CO₂ emission (Fleet)



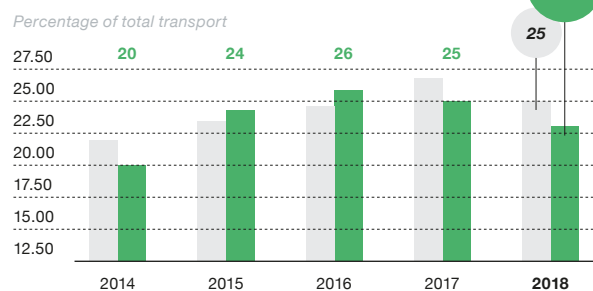
Percentage of Eurostandard trucks



CO₂ emission (Premises)



Multimodal transport



- Achieved results (all diagrams)
- Targets (all diagrams)

KPI Dashboard definition table

KPI	Definition	Scope	Measurement, calculation and estimation method
Kg CO₂ emission per ton/km	The CO ₂ in kilograms emitted by our trucks per ton/kilometer plus the CO ₂ emission per ton/km of multimodal transport	Vos Logistics Group, including joint venture Cetra	<ul style="list-style-type: none"> - Road Transport: Greenhouse Gas Protocol; Guidance on measuring and reporting Greenhouse Gas (GHG) emissions from freight transport operations. - Shipments reported are actual loaded weight where data is available. Other shipments are estimated at 24 tons. Approx. 85% of the locations record their loaded kilometers in LOVOS. The loaded kilometers of the location that do not use LOVOS (approx. 15%) are estimated (varying from 50% to 85%) based upon prior experience and actual data in TMS). - Multimodal transport: ((Number of multimodal shipments x average loaded weight) x average number of kilometers) x unit in accordance with 'Measuring and managing CO₂ emissions of European Chemical Transport' by Professor Alan McKinnon and Maja Pieczyk.
Kg CO₂ emission premises per m²	The CO ₂ emissions from our premises	Vos Logistics warehouse operations in the Netherlands + Goch (DE) + Oevel (BE)	Greenhouse Gas Protocol (conform DEFRA 2018) Number of kWh x GHG protocol unit divided by number of square meters. The measurement relates to the consumption of electricity; gas consumption is not concluded (limited till "0" use of gas in warehouse operations). The number of m2 per building is determined by lease contracts, measurement certificated and floor plans. The area of the location is Goch is 28,328 m ²
Multimodal	Transport using more than one modality, such as rail and short-sea	Vos Logistics International Transport: Cargo, Bulk and High Volume	Number of multimodal shipments (rail and short-sea), derived from the invoices of the rail and short-sea companies divided by the total number of shipments (road, rail and short-sea) from the LOVOS/Chainware planning system.
Fleet average	The average Euro standard of the fleet	Vos Logistics Group, including joint ventures, Cetra, Lutz, Gehlen Schols and Nedex	The number of trucks times the euro standard divided by the number of trucks. The euro standard for EEV (Energy Efficient Vehicles) is 5.5. PM levels at 0.02g/kWh, measured on the European transient test cycle, reduction in exhaust smoke opacity compared to Euro V.
Sickness absence	The absenteeism rate indicates the percentage of working times that is not worked owing to sickness or incapacity for work	Vos Logistics Group, including joint ventures Cetra and Lutz	Total number of days of reported in a given period divided by the number of calendar days in the same period x number of fte's x 100%
LTIR (Lost Time Injury Rate)	Number of reported accidents with one or more lost working days + number of fatal accidents involving Vos Logistics' staff relative to the number of hours worked in a given period	Vos Logistics Group, including joint venture Cetra	Number of reported Lost Workday Cases + number of fatalities x 1,000,000/number of man-hours worked/12 (153 per month). Reported and fatalities are registered and recorded centrally and checked against data at the HR department. Vos Logistics is confident that the data underlying the number Lost Workday Cases and the LTIR are reliable. Vos Logistics works on increasing safety awareness, including the reporting of incidents.



Glossary

ADR – Accord européen relatif au transport international des marchandises Dangereuses par Route

'ADR' is derived from the French title of the European treaty regarding international road transport of hazardous goods.

BREEAM - Building Research Establishment Environmental Assessment Method

A method to assess the sustainability performance of buildings.

Business Unit

Subsidiary of Vos Logistics.

ECTA - European Chemical Transport Association

ECTA is an association of European land transport companies. Its aim is to improve efficiency, safety and quality standards and reduce the environmental and social impact of the transport and logistics of chemical goods in Europe.

EEV – enhanced-environmentally-friendly-vehicle

A classification of European emission standards. The euro standard for an EEV is 5.5.

EFTCO - The European Federation of Tank Cleaning Organizations

EFTCO studies, protects and develops the professional interests of the federation and its members.

FTL

Full Truck Load.

FTE - Full-time equivalent

A unit to express the size of the workforce or number of employees.

ISO - International Standards Organization

An international standard-setting organization. ISO has a membership made up of national standards bodies.

KPI - Key Performance Indicator

Variables used to quantify and analyze performance.

LNG - Liquefied Natural Gas

Natural gas stored as a liquid at a temperature of -162°C.

LOVOS

Transport Management System developed by Vos Logistics.

Multimodal

Transport using more than one modality, such as rail and short-sea.

RC - Responsible Care®

A program based on a partnership agreement with the European Chemical Industry Council.

NGVA Europe

Natural Gas Vehicle Association Europe.

Ecocombi

With different combinations of up to 25,25 meters long we can service our clients better and more efficiently, because of the increased loading capacity. Since the Ecocombi is often pulled by eco-friendly trucks, the combination is both sustainable and cost-effective.

Financial Statements



CONSOLIDATED BALANCE SHEET

(After appropriation of the result)

<i>in thousands of euros</i>	Ref. note	31 December 2018	31 December 2017
ASSETS			
Fixed assets			
Intangible fixed assets	1	1,156	1,097
Financial fixed assets	2	5,402	6,778
Tangible fixed assets	3	60,169	50,461
		66,727	58,336
Current assets			
Inventories		1,826	1,568
Receivables	4	69,284	59,942
Cash at bank and on hand	5	4,316	5,925
		75,426	67,435
Total assets		142,153	125,771
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity			
Shareholders' equity	6	28,485	23,571
Minority interest		1,602	1,578
Group equity		30,087	25,149
Provisions			
Deferred tax liabilities	7	527	637
Other provisions	8	1,496	1,604
Long-term liabilities other	9	28,652	24,981
Current liabilities			
Liabilities to financial institutions	10	24,479	22,489
Trade creditors		38,108	32,021
Other liabilities	11	18,804	18,890
		81,391	73,400
Total equity and liabilities		142,153	125,771

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR 2018

<i>in thousands of euros</i>	Ref. note	2018	2017
NET TURNOVER	12	313,452	289,934
Subcontracted work and other external costs		94,367	90,042
Personnel costs	13	96,544	86,648
Depreciation and amortization	14	8,982	9,146
Release revaluation reserve	20	(35)	(35)
Other operating expenses	15	103,522	96,081
TOTAL OPERATING EXPENSES		303,380	281,882
EARNINGS BEFORE INTEREST AND TAX		10,072	8,052
Financial income & expense	16	(1,806)	(3,042)
		(1,806)	(3,042)
PROFIT/(LOSS) BEFORE TAXATION		8,266	5,010
Income taxes gain/(loss)	17	(1,182)	(835)
Share in profit/(loss) of participating interests		-	(254)
Minority interests		(429)	(420)
		(1,611)	(1,509)
NET RESULT		6,655	3,501

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT FOR 2018

<i>in thousands of euros</i>	Ref. note	2018	2017
NET RESULT		6,655	3,501
Release for the year and realization to P&L	20	(35)	(35)
Currency translation difference for the year	20	(42)	(25)
		(77)	(60)
COMPREHENSIVE INCOME		6,578	3,441

CONSOLIDATED CASH FLOW STATEMENT (INDIRECT METHOD)

(Indirect method)

<i>in thousands of euros</i>	Ref. note	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Earnings before interest and tax		10,072	8,052
ADJUSTMENTS FOR:			
Depreciation and amortization (in) tangible fixed assets	14	8,982	9,146
Movements in equity	6	(77)	(60)
Movement provisions	8	23	(273)
		8,928	8,813
CHANGES IN WORKING CAPITAL:			
Receivables		(5,433)	(7,652)
Inventories		(110)	(30)
Current liabilities		911	6,242
		(4,632)	(1,440)
Paid from provisions	8	(131)	(900)
Corporate income tax paid		(512)	(498)
		(643)	(1,398)
Cash flow from Group operating activities		13,725	14,027
CASH FLOW FROM INVESTING ACTIVITIES			
Additions tangible fixed assets		(1,732)	(2,748)
Additions intangible fixed assets		(238)	-
Acquisition/Divestment participations and changes financial fixed assets		(929)	2,397
Cash flow used in investing activities		(2,899)	(351)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid to shareholders	6	(1,050)	(445)
Dividends paid to minority interests	6	(405)	(310)
Minority share divestment participation	6	-	(1,440)
Repayment loans	9	(334)	(7,328)
Repayment lease	9	(7,705)	(7,239)
Factoring	10	(1,267)	(6,705)
Interest paid	16	(1,742)	(3,377)
Cash flow from Group financing activities		(12,503)	(26,844)
NET CASH INFLOW (OUTFLOW)		(1,677)	(13,168)
Cash and cash equivalents			
Cash and cash equivalents at 1 January		5,925	19,623
Cash included in investment/divestment participation		68	(530)
Cash and cash equivalents at 31 December		4,316	5,925
INCREASE/(DECREASE) IN CASH AT BANK AND ON HAND		(1,677)	(13,168)

General notes

The Company and its operations

Vos Logistics Beheer B.V. ("Vos" or the "Company"), which is registered in Oss, the Netherlands, is a logistics service provider, which operates in Europe. The activities include transportation services of packed goods and bulk goods, warehousing, value added services, forwarding, distribution services and supply chain management.

Elephantus B.V. directly holds 100% of the shares in Vos Logistics Beheer B.V. Elephantus B.V. is the ultimate parent company of Vos Logistics Beheer B.V. and includes the financial data of Vos Logistics Beheer B.V. in its consolidated financial statements, copies of which are available at cost from the Trade Registry of the Chamber of Commerce.

Statement of compliance

The accounting policies applied relate to both the consolidated financial statements and the Company financial statements. The consolidated financial statements have been prepared on a historical cost basis, unless stated otherwise. The consolidated financial statements are presented in euro and all values are rounded to the nearest thousand (€ 000) except when otherwise indicated. The financial statements have been prepared in accordance with the statutory provisions of Part 9, Book 2, of the Dutch Civil Code and the firm pronouncements in the Guidelines for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board. The financial statements are denominated in euro. In general, assets and liabilities (except for Group equity) are stated at the amounts at which they are acquired or incurred, or fair value. If not specifically stated otherwise, they are recognized at the amounts at which they were acquired or incurred. The balance sheet, income statement and cash flow statement include references to the notes. The comparable figures of previous year have been reclassified to conform to the current year's presentation and to increase the quality of the disclosures.

Basis of consolidation

The financial statements were prepared on 1 april 2019. The consolidated balance sheet and the profit and loss account comprises the financial statements of the Company and its subsidiaries as reported in the chapter Principal Participating interests at 31 December 2018. All intra-group transactions, balances, income and expenses and profits and losses resulting from intra-group transactions that are recognized in assets, are eliminated in full. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until

the date that such control ceases. Minority interests represent the portion of profit and loss and net assets in participating interests not held by the Group and are presented separately in the income statement and within equity in the consolidated balance sheet separately from parent shareholders' equity. Group companies are defined as participating interests which are part of the economic entity of Vos Logistics Beheer B.V., which are directly or indirectly controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Financial figures of participating interests are included in the consolidation from the effective date of acquisition or the date at which control is achieved. Goodwill is recognized for the difference between historical cost and fair value of the acquired participating interests. Since the financial data of Vos Logistics Beheer B.V. are included in the Group financial statements, the Company profit and loss account is presented in abbreviated form in accordance with the exemption permitted in Section 402 of Book 2 of the Dutch Civil Code.

Mergers and acquisitions

Acquisitions are recognized in the financial statements according to the purchase accounting method. This means that any assets and liabilities acquired are carried at fair value as at the acquisition date. The difference between cost and the company's share of the fair value of the identifiable assets and liabilities acquired at the time of the transaction of a participating interest is recognized as goodwill.

In 2018 Vos Logistics acquired 100% of the shares of Gehlen Schols Holding B.V., Kerkrade. The financial figures of Gehlen Schols Holding and her subsidiaries have been taken into the consolidated accounts as per November 1 2018. The purchase price is dependent on the financial results 2018 of Gehlen Schols Holding, which is not yet finally determined. The best estimate of the final purchase price has been used for the Purchase Price Allocation.

Foreign currency

Transactions in foreign currencies are initially recorded in the functional currency rate prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to profit or loss except for translation differences on investments. These are taken directly to equity until the disposal of the net investment at which time they are recognized in the profit and loss account.

Notes consolidated balance sheet

Intangible fixed assets

Intangible fixed assets are carried at historical cost net of straight line amortization. Allowance is made for any impairment losses expected at the balance sheet date; a loss qualifies as an impairment loss if the carrying amount of the asset (or the cash-generating unit to which it belongs) exceeds its recoverable amount. Fair value less costs to sell is determined based on the active market. An impairment loss is directly expensed in the profit and loss account. Goodwill and software are capitalised and amortized on a straight line basis over the estimated useful economic life of 20 years and 10 years respectively. The assessment of the useful economic life of 20 years is based upon the assumptions made at the time of each acquisition.

Tangible fixed assets

Land and buildings are stated in the balance sheet at cost less accumulated depreciation. Transport equipment and other tangible fixed assets are measured at cost, less accumulated depreciation. Depreciation is calculated on a straightline basis over the estimated useful life of the assets. Maintenance which increases the useful life of assets is capitalised, however the carrying value of the asset will not exceed the fair value. An allowance is made for any impairment losses if expected on the balance sheet date.

Financial fixed assets

The Group's investments in its subsidiaries are valued according to the equity method on the basis of net asset value. Minority interests are valued at historical cost or the lower recoverable amount. Loans are carried at amortized cost. The minority interests on participations are valued at cost price or a lower absolute value. Financial assets held for trading are valued at cost.

Inventories

Inventories are valued at the lower of cost and net realizable value. Inventories consist of raw materials and consumables.

Receivables

Trade receivables, amounts receivable from participating interests and other amounts receivable are carried at face value net of a provision for doubtful debts.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank balances and deposits held at call with maturities of less than 12 months. Bank overdrafts are shown within borrowing in current liabilities on the balance sheet.

Revaluation

The revaluation reserve is stated net of tax for assets recognized at fair value, the amount recognized in profit and loss account is determined on a gross basis. The tax amount that is connected with the decrease in the revaluation reserve is expensed in the profit and loss account within the income tax expense.

Minority interest

Minority interests in consolidated subsidiaries are carried at net asset value.

Pensions

Within the Vos Group pension plans are present for Dutch employees and for a part of the employees abroad. The basic pension plan for Dutch employees is administered by an industrial pension fund. This concerns a collective pension plan that is classified as a defined benefit plan which is administered by the industrial pension fund "PVF Nederland Stichting Bedrijfstakpensioenfondsvervoer over de weg". This pension fund does not provide the information required for recognising the pension liabilities as a defined benefit plan in the financial statements in accordance with accounting standard 271. This defined benefit plan is therefore recognized as a defined contribution scheme in the financial statements, as the Company is not liable for the deficit in the pension scheme other than by means of adjustments to pension premiums.

The other pension plans concern state pension plans and excedent pension plans which are classified as defined contribution schemes and are recognized as such. "Outside the Netherlands there are immaterial pension obligations."

Provisions

Provisions are recognized when the Group has a present obligation as a result of a past event and it is probable that the Group will be required to settle that obligation. Provisions

are measured at the managements best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present value where the effect is material.

Long-term liabilities

Long-term liabilities include commitments with a term of more than one year. The amount payable on the inception of a finance lease is recognized in the balance sheet at the fair value of the asset leased on the date upon which the lease agreement is entered into or, if lower, the present value of the minimum lease payments based on the implicit rate of interest.

Leases

Finance lease

The Company leases certain property, plant and equipment, of which it has substantially all the risks and rewards incidental to the ownership. These assets are capitalized and recognized in the balance sheet at the lower of the fair value of the asset and the present value of the minimum lease payments, each determined at the inception of the lease. Each lease payment is allocated between the liability and finance charge so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance costs is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

Operating lease

Leases in which a significant portion of the risks and rewards incidental to the ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight line basis over the period of the lease.

Current liabilities

Current liabilities include commitments with a term of one year.

Negative goodwill

The amount by which the interest in the fair values of the identifiable assets and liabilities at the acquisition date exceeds the purchase price of a participating interest is recognized as negative goodwill.

The negative goodwill is recognized as a deferred item on the liability side of the balance sheet. If negative goodwill relates to expected future losses and expenses that have been taken into account in the acquisition plan, and if they can be reliably measured at the acquisition date, then this part of the negative goodwill is taken to the profit and loss account as these losses and expenses arise. Negative goodwill not relating to expected future losses and not exceeding the amount of the fair value of the identifiable non-monetary assets is systematically taken to the profit and loss account. The amount is calculated in proportion to the weighted average remaining useful economic lives of the acquired fixed assets that are amortized. Any goodwill in excess of the aforementioned fair value is taken directly to the profit and loss account.

Offsetting

Assets and liabilities are only offset in the financial statements if and to the extent that:

- ✓ An enforceable legal right exists to offset the assets and liabilities and settle them simultaneously; and
- ✓ The positive intention is to settle the assets and liabilities on a net basis or simultaneously.

Off-balance sheet commitments

This item includes commitments arising from contracts usually with a term of more than one year (operating leases and rental contracts).

Notes income and expenses

General information

Profit or loss is determined as the differences between the realisable value of the goods delivered and services rendered, and the costs and other charges for the year. Gains or losses on transactions are recognized in the year in which they are realized; losses are taken as soon as they are foreseeable.

Foreign currencies

Transactions denominated in foreign currencies are translated at the exchange rates ruling as at transaction date.

Net turnover

Net turnover comprises invoiced amount to third parties for provided services during the financial year, net of sales related taxes and after elimination of intercompany transactions within the financial year.

Direct costs

Direct costs include costs of transportation charged by third parties, the costs of own and external means of transport (excluding depreciation and interest) and all other costs directly related to net turnover for the year.

Depreciation and amortization

Depreciation of tangible fixed assets and amortization of intangible fixed assets are based on a fixed percentage of the cost of the assets concerned.

Taxation

The Company and its Dutch subsidiaries form a fiscal unity for corporate income taxes. All taxes are reported separately by the participants after allocation. The Company accounts for corporate income taxes on a stand-alone basis. Transactions within the Group are based on arms length principles.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the income statement.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the

tax bases of assets and liabilities and their carrying amount for financial reporting purposes. Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Deferred income tax assets and liabilities are measured at the tax rates expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income tax relates to the same taxable entity and the same taxation authority.

Income from minority interests

Includes the pro rata share in the results of minority interests the Company has, after deduction of applicable taxes. Dividend income is recognized as soon as the right to that income is obtained.

Cash flow statement

The indirect method is used in preparing the cash flow statement. Bank overdrafts presented as current liability. Dividends received from minority participating interests and profits after tax are presented under cash flow from operating activities. Non-cash transactions relating to financial leases have been excluded from the cash flow statement. The current presentation reflects cash flows from continuing operations and from discontinued operations to the extent the proceeds have been received.

NOTES TO THE CONSOLIDATED BALANCE SHEET

1. Intangible fixed assets

Changes in intangible fixed assets are mentioned below.

<i>in thousands of euros</i>	Goodwill	Other	Total
Historical cost value at 31 December 2017	3,598	4,713	8,311
Accumulated amortization at 31 December 2017	(2,520)	(4,694)	(7,214)
Net book value at 31 December 2017	1,078	19	1,097
Movements			
Additions	-	242	242
Amortization	(174)	(9)	(183)
Historical cost value at 31 December 2018	3,598	4,955	8,553
Accumulated amortization at 31 December 2018	(2,694)	(4,703)	(7,397)
Net book value at 31 December 2018	904	252	1,156
Amortization rate	5%	10%	

Management has assessed the valuation of the goodwill and concluded that there are no impairment triggers. Other intangible fixed assets relate to capitalized software costs. No impairment charge was deemed necessary.

2. Financial fixed assets

Changes in intangible fixed assets are mentioned below.

<i>in thousands of euros</i>	Loans	Receivable on Shareholder	Other	Deferred tax assets	Total
Balance at 31 December 2017	809	943	946	4,080	6,778
Net payments/receipts	(73)	1,179	72	-	1,178
Dividend 2018	-	(1,664)	-	-	(1,664)
Other movements and reclassifications	(736)	-	-	(154)	(890)
Balance at 31 December 2018	-	458	1,018	3,926	5,402

Loans relate to a third party. Final maturity is 31 december 2019. Loans have been reclassified to short term receivables. Interest rates applicable vary from 2% to 3%.

Receivable on shareholder relates to costs made by the Company on behalf of Elephantus B.V. for the acquisition of the Company. No interest is charged on this loan (note 18). Other financial fixed assets contain mainly guarantees and long term receivables.

Deferred tax assets

in thousands of euros

The deferred tax asset results from net operating loss carry-forwards, withholding tax and timing differences incurred in the Netherlands, France, Spain, Belgium, Italy and Slovakia (for France including Abondances a meilleure fortune). The forecastable taxable profits for the next 9 years are included in this assessment. Total tax loss carry forward available amounts to € 15 million. These can be broken down as follows:

Country	Tax losses available	Tax rate	Tax loss eligible for recognition	Amount recognized
France	9,313	33,3%	3,101	-
Netherlands	2,614	25,0%	654	654
Spain	2,727	30,0%	818	-
Belgium	289	34,0%	98	98
Poland	325	19,0%	62	-
Slovakia	35	19,0%	7	-
Total	15,303		4,740	752
Timing differences				3,174
				3,926
Estimated amounts to be realized within 1 year				1,160
Estimated amounts to be realized after 1 year				2,766
				3,926

Based upon projections the Company should be able to partly offset the available accumulative fiscal losses against future taxable income over the years from 2019 through 2027, taking in account local national terms for utilization. These projections imply further continuation of the Company's profitability. Currently expected taxable profits in this time frame justify a recognition of tax losses carry forward of at least € 0.8 million.

Projections of future (fiscal) results contain by nature uncertainty. Market as well as other external or internal circumstances influence the Company's ability to realize its projections in due course. As the valuation of the deferred tax assets is depending on said projections, uncertainty is also applicable to the assessed value of the deferred tax asset itself.

3. Tangible fixed assets

Movements in tangible fixed assets are mentioned below.

<i>in thousands of euros</i>	Land and buildings	Transport equipment	Other tangible fixed assets	Total
Historical cost value at 31 December 2017	13,634	65,086	16,449	95,169
Accumulated depreciation at 31 December 2017	(6,504)	(27,437)	(10,767)	(44,708)
Net book value at 31 December 2017	7,130	37,649	5,682	50,461
Movements				
Additions	649	14,025	1,163	15,837
Depreciation	(857)	(6,242)	(1,700)	(8,799)
Disposals	-	(1,284)	-	(1,284)
New in consolidation	-	3,944	48	3,992
Realization in revaluation	(38)	-	-	(38)
	(246)	10,443	(489)	9,708
Net book value at 31 December 2018	6,884	48,092	5,193	60,169
Historical cost value at 31 December 2018	13,972	78,858	17,214	110,044
Accumulated depreciation at 31 December 2018	(7,088)	(30,766)	(12,021)	(49,875)
Net book value at 31 December 2018	6,884	48,092	5,193	60,169
Depreciation rate	2.5 - 4 5 - 10	5.9 to 20	10 - 20	

Tangible fixed assets are depreciated on a straight line basis over their estimated useful economic lives, taking into account the residual value. The net carrying amount of transport equipment under finance lease contracts amounts to € 40.3 million as of 31 December 2018 (31 December 2017: € 32.8 million).

4. Receivables

<i>in thousands of euros</i>	31 December 2018	31 December 2017
Trade debtors	55,275	51,718
Corporate income tax	141	249
Value added tax	8,090	5,473
Other receivables, prepayments and accrued income	5,778	2,502
	69,284	59,942

The term of settlement of receivables is less than one year. The provision for bad debts amounting to € 1.3 million in 2018 (2017 € 1.2 million) is deducted from trade debtors.

5. Cash at bank and on hand

<i>in thousands of euros</i>	31 December 2018	31 December 2017
Cash	66	76
Current accounts with banks	4,250	5,849
	4,316	5,925

Cash at bank and on hand is at the Company's free disposal.

6. Group equity and minority interest

<i>in thousands of euros</i>	Shareholders' equity	Minority interest	Group equity
Balance at 31 December 2017	23,571	1,578	25,149
Realization revaluation reserve	(35)	-	(35)
Net result	6,655	429	7,084
Dividends	(1,664)	(405)	(2,069)
Other movements	(42)	-	(42)
Balance at 31 December 2018	28,485	1,602	30,087

For further details of Group equity reference is made to the Company financial statements (note 20). Minority interests mainly relate to shares not owned by the Group in Nederlands Cement Transport Cetra B.V. and Silotransporte H.P. Lutz GmbH.

7. Deferred tax liabilities

in thousands of euros

2018

Carrying amount at 1 January	637
Utilization	(158)
New in consolidation	48
Carrying amount at 31 December	527

Deferred tax liabilities mainly refer to differences between the valuation of property for financial reporting and for tax purposes.

8. Provisions

in thousands of euros

**31 December
2018**

**31 December
2017**

Pensions	471	484
Reorganization	46	78
Other provisions	979	1,042
	1,496	1,604

Movements in provisions were as follows:

	Pensions	Reorganization	Other provisions	Total
Carrying amount at 1 January	484	78	1,042	1,604
Addition	27	-	291	318
Release	-	(32)	(262)	(294)
Usage	(40)	-	(92)	(132)
Carrying amount at 31 December	471	46	979	1,496
Estimated amounts to be paid within 1 year	40	46	154	240
Estimated amounts to be paid after 1 year	431	-	825	1,256
Carrying amount at 31 December	471	46	979	1,496

Other provisions relate mainly to costs for periodic maintenance of property and equipment and provisions for environmental risks.

9. Long-term liabilities other

<i>in thousands of euros</i>	Bookvalue 31 December 2018				31 December 2017
	Total	Term until 5 years	Term more than 5 years	Interest rates 2018	Total
Lease contracts	28,530	23,207	5,323		24,545
Other long-term liabilities	122	122	-	2-8%	436
	28,652	23,329	5,323		24,981

Long-term liabilities concern loans provided by external lenders to individual companies. Short-term repayments of the loans and the leases amounting to € 8.2 million are recognized at the current liabilities. The Company has concluded financial lease and hire-purchase arrangements for trucks and trailers. The lower of the fair value of the asset and the present value of the minimum lease payments (including residual value) under those arrangements are mentioned above. The residual value subject to purchase options amounts to € 0.4 million.

10. Liabilities to financial institutions

<i>in thousands of euros</i>	31 December 2018	31 December 2017
Factoring	16,251	16,065
Lease contracts	7,917	6,094
Other long-term liabilities	311	330
	24,479	22,489

Factoring concerns financing in the Netherlands, Belgium and France against a pledge of trade receivables. Interest rates are based upon Euribor plus a surcharge from 0.8% till 1.35%. Also a factoring fee over the pledged revenues is applicable. The current Dutch and Belgian factoring arrangement of € 35.0 million ends December 2021. The company is meeting it's 2018 covenants of a minimum EBITDA of € 12.0 million and a minimum solvency of 20%. A bank guarantee facility is made available by ABN AMRO Bank N.V. amounting to € 2.1 million. Apart from the above mentioned € 2.1 million bank guarantees other external institutions provided payment guarantees for € 0.2 million on behalf of the Company.

11. Other liabilities

<i>in thousands of euros</i>	31 December 2018	31 December 2017
Taxes and social insurance contributions	7,981	7,439
Pension fund	523	395
Other liabilities, accruals and deferred income	10,300	11,056
	18,804	18,890

The basic pension plan for Dutch employees is administered by an industrial pension fund. This concerns a collective pension plan that is classified as a defined benefit plan which is administered by the industrial pension fund "PVF Nederland Stichting Bedrijfstakpensioenfonds Vervoer over de weg". At 31 December 2018 the pension fund had a coverage ratio of 100.4%. The required coverage ratio is 117.2%. To improve this ratio the pensions are not indexed for the next year. The premium payable by the employer will remain the same in 2019.

In other liabilities € 0.7 million is included for negative goodwill relating to acquisitions made.

Commitments not disclosed in the balance sheet

The Company forms part of a fiscal unity for corporate income tax purposes, of which the parent Company is Vos Logistics Beheer B.V. Under the standard conditions, the Company is jointly and severally liable for the corporate income tax and VAT due by the fiscal unity.

In order to acquire vehicles several operational lease commitments have been agreed upon. Future minimum rental payments for these lease commitments with a term of more than one year as of 31 December 2018, are as follows:

< 1 year	€ 12,956
> 1 year but within 5 years	€ 26,610
> 5 years	€ 27
Total obligations	€ 39,593

Long-term rental commitments exist among others regarding property at Oss (NL), Helmond (NL), Kerkrade (NL), Oevel (BE), Meer (BE), Goch (DE) and Lyon (F).

Future minimal rental payments for these properties and other objects with a term of more than one year as of 31 December 2018 are as follows:

< 1 year	€ 9,752
> 1 year but within 5 years	€ 15,579
> 5 years	€ 261
Total obligations	€ 25,592

In 2018 Company contracted an investment and lease agreement for new trucks, trailers and other equipment
Total remaining obligations amount to € 12.2 million.

Financial Risks

Interest rate fluctuations

The euro interest rates are currently fluctuating at a low level. Vos Logistics has several forms of financing which could be impacted by the interest rate fluctuations. Financing from factoring includes an Euribor base. The interest rate risk to Vos Logistics for financing from leasings is limited as they are based on a fixed rate. The Euribor rate is not hedged.

Debtor risks

Vos Logistics faces two types of debtor risk. The risk that the debtor cannot fulfill its obligations and the cash flow risks of late payments. Vos Logistics mitigates these risks by means of credit checks, credit insurance and active monitoring and collection.

Liquidity risk

Transport in general, and Vos Logistics in particular, is capital intensive with a fairly fixed cost base. The transport and logistics markets are cyclical. Liquidity risk is mitigated, by maintaining liquidity buffers and factoring arrangements (until the end of 2021). Financing of the asset base is secured by long-term leasing. The financing required for the intended investment programs is secured. Management of debtor risks (see above), utilization of a flexible non-committed capacity shell, use of temporary workers as well as periodic exit possibilities of own capacity further mitigate liquidity risks.

Foreign exchange risk

As the Group includes Polish and Romanian companies, its balance sheet may be influenced by movements in the Polish zloty and the Romanian leu against the euro. The Group is also exposed to foreign exchange risks arising from purchase and sales transactions denominated in a currency other than the Group's functional currency. It is our policy is not to hedge these risks. The potential impact of financial risks on the result and financial position is low.

NOTES TO THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

12. Net turnover

<i>in thousands of euros</i>	2018	2017
International transport	197,313	176,700
Solutions	116,139	113,234
	313,452	289,934

The segmentation of net turnover is based on the organizational structure of the Company.

<i>Geographical segment information</i>	2018	2017
Romania	146,968	78,700
The Netherlands	115,267	136,554
Belgium	28,686	25,617
Germany	12,135	12,500
France	5,837	28,434
Other	4,559	8,129
	313,452	289,934

13. Personnel costs

<i>in thousands of euros</i>	2018	2017
Wages and salaries	77,950	69,368
Social security charges	7,789	7,822
Pension expenses	3,857	3,417
Other personnel costs	6,948	6,041
	96,544	86,648

14. Depreciation and amortization

<i>in thousands of euros</i>	2018	2017
Amortization of intangible fixed assets	183	219
Depreciation of tangible fixed assets	8,799	8,927
Total depreciation and amortization	8,982	9,146

15. Other operating expenses

in thousands of euros

	2018	2017
Transport costs	82,113	75,929
Warehouse costs	13,348	11,815
Other indirect costs	8,061	8,337
	103,522	96,081

In transport costs an amount of € 13.0 million is included for operational lease charges of trucks, trailers and other equipment. Also included in transport costs are costs for fuel, tires and repair and maintenance.

Audit fees

Total fees payable by the Group to EY for work performed in respect of the audit provided to the Company and its subsidiary companies during the period amount to € 274 (2017 € 270).

<i>in thousands of euros</i>	Annual report	Other assurance and advice	Tax	Total
EY the Netherlands	144	96	104	344
EY the rest of Europe	130	0	20	150
	274	96	124	494

Employees

Vos Logistics Beheer B.V. and its Group companies employed at year-end on a full-time basis	2,320 FTE
Previous year	2,056 FTE

The FTEs are employees that are on the Company's payroll; excluding temps and self-employed staff.

The number of foreign employees on a full-time basis amounts to 1,620 at year-end 2018.

The average number of employees was 2,170 in 2018 (2017: 2,082) on a full-time basis.

The employees can be specified by sector as follows:

	2018	2017
International transport	1,689	1,439
Solutions	631	617
	2,320	2,056

Remuneration of the board of management

in thousands of euros

	2018	2017
Remuneration of the board of management amounts to	789	754

16. Financial income & expense

in thousands of euros

	2018	2017
Interest income	23	22
Interest expenses	(1,829)	(3,064)
	(1,806)	(3,042)

17. Corporate income tax

in thousands of euros

	2018
Result before taxes	8,266
Tax charge at nominal tax rate 25.0%	(2,067)
Additional taxes previous years	317
Permanent differences	35
Not recognized prior losses	526
Effect tax rate foreign countries	7
Effective tax rate	14% (1,182)

The difference between effective and nominal tax rate is caused by:

- Permanent differences
- Not fully recognizing of (fiscal) losses
- Taxes previous years

Related party transactions

The shareholder Elephantus B.V. is rendering services to the group against a fee of € 100 per annum. There are immaterial transactions at arm's length with transport companies belonging to the Scheybeek Group (one of the shareholders of Elephantus B.V.).

Subsequent events

There are no relevant subsequent events in 2019 to report.

COMPANY BALANCE SHEET

(After appropriation of the result)

<i>in thousands of euros</i>	Ref. note	31 December 2018	31 December 2017
ASSETS			
Fixed assets			
Financial fixed assets	18	22,123	16,710
		22,123	16,710
Current assets			
Receivables	19	6,542	6,965
		6,542	6,965
Total Assets		28,665	23,675
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity			
	20		
Issued capital		800	800
Share premium cumulative preferent shares		4,450	4,450
Revaluation reserve		1,049	1,084
Reserve for translation differences		2,729	2,771
Other reserves		19,457	14,466
		28,485	23,571
Current liabilities	21	180	104
Total shareholders' equity and liabilities		28,665	23,675

COMPANY PROFIT AND LOSS ACCOUNT FOR 2018

<i>in thousands of euros</i>	2018	2017
Profit/(loss) after taxation	89	(65)
Share in profit/(loss) of participating interests	6,566	3,566
Net result	6,655	3,501

NOTES TO THE COMPANY BALANCE SHEET AND THE COMPANY PROFIT AND LOSS ACCOUNT

General

The accounting policies are the same as to those used in the consolidated financial statements. In accordance with Section 402 of Book 2 of the Dutch Civil Code an abbreviated Company profit and loss account is presented.

18. Financial fixed assets

<i>in thousands of euros</i>	31 December 2018	31 December 2017
Subsidiaries	22,028	15,952
Receivable on shareholder	66	758
Other	29	-
	22,123	16,710

Investments in subsidiaries in which the Company has significant influence are accounted under the equity method on the basis of net asset value. Significant influence is presumed to exist if at least 20% of the voting shares is owned. Investments in subsidiaries in which the Company has no significant influence are accounted for at their acquisition costs. Financial fixed assets are revaluated in case of any permanent impairment.

Receivable on shareholder relates to costs made by the Company on behalf of Elephantus B.V. for the acquisition of the Company. During the 2014 sales process Vos Logistics pre-financed the expenses involved on behalf of sellers & buyers. Following the agreement with the new shareholders and with the Company, these expenses shall be borne by Elephantus B.V. Consequently a long-term receivable is accounted for. The loan is provided for an indefinite period of time and no interest is charged. No securities are provided.

Movements in subsidiaries are mentioned in below scheme.

Subsidiaries

<i>in thousands of euros</i>	31 December 2018	31 December 2017
Financial fixed assets at 1 January	15,952	14,736
Result for the year	6,566	3,566
Other movements	(490)	(2,350)
Net book value at 31 December	22,028	15,952

Movements in receivable on shareholder are mentioned on the next page.

Receivable on shareholder

in thousands of euros

	Total
Balance at 31 December 2017	758
Net payments/receipts	972
Dividend 2018	(1,664)
Balance at 31 December 2018	66

19. Receivables

in thousands of euros

	31 December 2018	31 December 2017
Receivables from Group companies	6,503	6,598
Corporate income tax	-	22
Value added taxes	-	341
Other receivables, prepayments and accrued income	26	1
Current accounts with banks	13	3
	6,542	6,965

The receivable from Group companies have no repayment schedule and 3% interest is charged annually. Vos Logistics Beheer B.V. is part of the Group's cash pool facility with the banks. This current account position is part of the Group's net cash position of € 4.3 million (receivable).

20. Equity

	Issued capital	Share premium cumulative preferent shares	Revaluation reserve	Reserve for translation differences	Other reserve	Equity
Movements during 2018						
Opening balance	800	4,450	1,084	2,771	14,466	23,571
Release for the year and realization to P&L			(35)			(35)
Currency translation difference for the year				(42)		(42)
Dividend Cumprefs.					(445)	(445)
Dividend Ordinary shares					(1,219)	(1,219)
Result for the financial year					6,655	6,655
Closing balance	800	4,450	1,049	2,729	19,457	28,485

There are 800,000 shares with nominal capital of € 1.- per share. The Company holds 500 cumulative preferent shares with a nominal capital of € 0.01 and premium capital of € 8,899.99.

The revaluation reserve is used to record increases in the fair value of property and other tangible fixed assets. Part of the other tangible fixed assets has been valued at the lower recoverable value. The reserve for translation differences concerns foreign exchange adjustments as a result of consolidation.

The Board of Management proposes to pay € 445 dividend to the holders of the cumulative preferent shares, € 1,219 to the holders of ordinary shares and add the remainder of the 2018 net profit of € 4,991 to the other reserves. Anticipating the resolution of the General Meeting of Shareholders, the financial statements have been drawn up on the assumption that the proposed appropriation of profit will be adopted.

21. Current liabilities

<i>in thousands of euros</i>	31 December 2018	31 December 2017
Trade payables	32	25
Corporate income tax	30	-
Value added taxes	55	-
Other debts	63	79
	180	104

Oss, 1 April 2019

Board of management, Vos Logistics Beheer B.V.

F.J.M. (Frank) Verhoeven, CEO

G. (Ben) Vos, CFO

Other information



Independent auditor's report on the audit of the financial statements 2018 included in the financial report

To: the shareholders and board of management of Vos Logistics Beheer B.V.

Our opinion

We have audited the financial statements 2018 of Vos Logistics Beheer B.V. (hereinafter Vos Logistics) in Oss. The financial statements include the consolidated financial statements and the company financial statements.

In our opinion the accompanying consolidated and company financial statements give a true and fair view of the financial position of Vos Logistics as at 31 December 2018 and of its results for 2018 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- ✓ The consolidated and company balance sheet as at 31 December 2018
- ✓ The consolidated and company profit and loss account for 2018
- ✓ The consolidated comprehensive income statement for 2018
- ✓ The consolidated cash flow statement for 2018
- ✓ 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 Vos Logistics in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), 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.

Report on other information included in the financial report

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

- ✓ The report of the board of management
- ✓ Other information pursuant to 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 less 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 pursuant to Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities for the financial statements

Responsibilities of management for the financial statements

Management 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, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

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 have detected all material errors and fraud.

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

We have exercised professional judgment 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 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 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 management
- ✓ Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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
- ✓ Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

We communicate with management 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.

Venlo, 1 April 2019

Ernst & Young Accountants LLP

Signed by

W.J.C.A Weijers

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Assurance report of the independent auditor on the KPI dashboard

To: the shareholders and board of management of Vos Logistics Beheer B.V.

Our opinion

We have performed a reasonable assurance engagement on the six non-financial kpi's (hereafter: KPI dashboard) as included in chapter 'About this report' of the Integrated financial and sustainability report 2018 (the Report) of Vos Logistics Beheer B.V. (Vos Logistics).

In our opinion, the KPI dashboard is prepared, in all material respects, in accordance with the reporting criteria of Vos Logistics as disclosed in chapter 'About this report' of the Report.

Basis for our opinion

We have performed our reasonable assurance engagement on the KPI dashboard in accordance with Dutch law, including Dutch Standard 3000A, "Assurance-opdrachten anders dan opdrachten tot controle of beoordeling van historische financiële informatie (attest-opdrachten)" (Assurance engagements other than audits or reviews of historical financial information (attestation engagements)). Our responsibilities under this standard are further described in the section 'Our responsibilities'.

We are independent of Vos Logistics 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 requirements in the Netherlands. This includes that we do not perform any activities that could result in a conflict of interest with our independent assurance engagement. Furthermore we have complied with the "Verordening gedrags- en beroepsregels accountants" (VGBA, Dutch Code of Ethics).

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

Reporting criteria

The needs to be read and understood together with the reporting criteria. Vos Logistics is solely responsible for selecting and applying these reporting criteria, taking into account applicable law and regulations related to reporting.

The reporting criteria used for the preparation of the KPI dashboard are the reporting criteria as disclosed in chapter 'About this report' of the Report.

Limitations to the scope of our assurance engagement

Our assurance engagement is restricted to the KPI dashboard. We have not performed assurance procedures on any other information as included in the Report in light of this engagement. The references to external sources or websites in the KPI dashboard are not part of the KPI dashboard as assured by us. We therefore do not provide assurance on this information.

Responsibilities of the management board for the KPI dashboard

The management board is responsible for the preparation of the KPI dashboard in accordance with the reporting criteria as disclosed in chapter 'About this report' of the Report.

The management board is also responsible for such internal control as the management board determines is necessary to enable the preparation of the KPI dashboard that is free from material misstatement, whether due to fraud or errors.

Our responsibilities

Our responsibility is to plan and perform the reasonable assurance engagement in a manner that allows us to obtain sufficient and appropriate assurance evidence for our opinion.

Our reasonable assurance engagement has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud.

We apply the “Nadere voorschriften kwaliteitssystemen” (NVKS, Regulations for Quality management systems) and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and other relevant legal and regulatory requirements.

We have exercised professional judgment and have maintained professional skepticism throughout the assurance engagement, in accordance with the Dutch assurance standards, ethical requirements and independence requirements.

The procedures of our assurance engagement consisted amongst others of:

- ✓ Performing an analysis of the external environment and obtaining an understanding of relevant social themes and issues, and the characteristics of the company
- ✓ Evaluating the appropriateness of the reporting criteria used, their consistent application and related disclosures
- ✓ Obtaining an understanding of the systems and processes for collecting, reporting and consolidating the information in the KPI dashboard, including obtaining an understanding of internal control relevant to our assurance engagement, but not for the purpose of expressing an opinion on the effectiveness of the company’s internal control
- ✓ Identifying and assessing the risks that the KPI dashboard is misleading or unbalanced, or contains material misstatements, whether due to fraud or errors. Designing and performing further assurance procedures responsive to those risks, and obtaining assurance evidence that is sufficient and appropriate to provide a basis for our opinion. The risk that the KPI dashboard is misleading or unbalanced, or the risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from errors. Fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. These further audit procedures consisted amongst others of:

- ✓ Interviewing management and relevant staff at corporate level responsible for the KPI dashboard
- ✓ Interviewing relevant staff responsible for providing the information for, carrying out internal control procedures on, and consolidating the data in the KPI dashboard
- ✓ Obtaining assurance information that the KPI dashboard reconciles with underlying records of the company
- ✓ Evaluating relevant internal and external documentation, on a test basis, to determine the reliability of the information in the KPI dashboard
- ✓ Performing an analytical review of the data and trends
- ✓ Evaluating the consistency of the KPI dashboard with the information in the Report which is not included in the scope of our assurance engagement
- ✓ Evaluating the overall presentation, structure and content of the KPI dashboard

Venlo, 1 April 2019

Ernst & Young Accountants LLP

Signed by

R.T.H. Wortelboer

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Result Appropriation

Articles of Association provisions governing result appropriation

Following Article 17.3 of the Articles of Association the result appropriation will be at the disposal of the Annual General Meeting of Shareholders. Article 17.4 states that, if possible, the cumulative preferent shares will receive dividend over their nominal and premium share value.

Principal participating interests at 31 December 2018

Group companies

In cases in which less than 100% of the ordinary shares are held, the interest is stated. The Gehlen Schols companies are included in the consolidation from November 1, 2018 onwards.

The Netherlands

Vos Logistics International B.V., Oss *

Vos Logistics Solutions B.V., Oss *

Vos Logistics Oss B.V., Oss *

Vos Distri Logistics Oss B.V., Oss *

Vos Logistics Uithoorn B.V., Uithoorn *

Vos Logistics Helmond B.V., Helmond *

Vos Logistics Breukelen B.V., Breukelen *

Vos Forwarding Logistics B.V., Oss *

Nederlands Cement Transport Cetra B.V. (50%), Uithoorn

Vos Bulk Logistics Oss B.V., Oss *

Vos Management and Logistical Development B.V., Oss *

Vos Logistics Roosendaal B.V., Oss *

Vos Logistics Trailerpool B.V., Oss *

Gehlen Schols Holding B.V., Kerkrade

Gehlen Schols Transport B.V., Kerkrade

Gehlen Schols Transport en Logistics B.V., Kerkrade

Gehlen Schols Techniek B.V., Kerkrade

*) Statement of joint and several liability issued by
Vos Logistics Beheer B.V.

Belgium

Vos Logistics Holding Belgium N.V., Pittem

Vos Cargo Logistics Belgium N.V., Pittem

Vos Logistics België N.V., Oevel-Westerlo

Germany

Vos Logistics Holding Germany GmbH, Goch

Vos Logistics Deutschland GmbH, Goch

Nedex Internationale Spedition GmbH, Mönchengladbach

Vos Logistics Goch GmbH, Goch

H.P. Lutz GmbH, Wülfrath (50%)

Silotransporte H.P. Lutz GmbH, Wülfrath (50%)

Gehlen Schols Transport & Logistik GmbH, Duren

France

Vos Logistics Holding France S.A.S., Saint-Fons

Vos Logistics France S.A.S., Gerzat

Vos Logistics Lyon S.A.S, Saint-Fons

Poland

Vos Logistics Polska Sp. z o.o, Warsaw

Vos Logistics Forwarding Poland Sp. z o.o, Warsaw

Vos Logistics Cargo International S.A., Warsaw

Vos Logistics Bulk International S.A., Warsaw

Spain

Vos Logistics Barcelona S.A., Barcelona

Slovakia

Vos Logistics Slovakia sro, Bratislava

Portugal

Vos Logistics Iberica UL, Matosinhos

Romania

Vos Logistics Romania SRL, Cluj-Napoca

Vos Logistics Cargo SA, Cluj-Napoca

Vos Logistics Bulk SA, Cluj-Napoca





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