



Vos Logistics Beheer B.V.
**Integrated Financial &
Sustainability Report 2019**

We simplify. **Whatever it takes.**

Information & Contact

This report provides a cohesive insight into Vos Logistics' financial and non-financial performance. It has been prepared in accordance with the Global Reporting Initiative Standards (G4 Core).

We welcome your feedback at: corporate@voslogistics.com

Vos Logistics' General Terms and Conditions

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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.

Colophon

Copywriting & content management: Hidden Champion, Rotterdam

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Letter from the Board of Management

Welcome to the Vos Logistics Integrated Financial & Sustainability Report 2019. This report provides a concise view of the company's key developments and financial results for 2019.

Europe's continuing uncertain political and economic environment coupled with a significant drop in industry production presented a challenging environment for the logistics industry in 2019. Vos Logistics answered the challenge and achieved sound financial performance as well as positive strategic development. We also celebrated our 75th year with world class Brabant hospitality and by sharing cutting edge views on the future of the industry.

Sound financial performance

Vos Logistics achieved sound financial performance as well as positive strategic development throughout the year.

Market conditions became particularly challenging towards the end of the year. Therefore, despite an increase in turnover, International Transport experienced a downturn in results. In contrast, Logistics Solutions had a very successful year. Activity and earnings both increased and despite the pressure on the consolidated group's results, liquidity levels were maintained and solvency was enhanced.

Strategy

Vos Logistics is committed to providing better, faster, more efficient and sustainable logistics solutions. To achieve this, our strategy focuses on operational excellence, innovation, technological advances and taking on selected growth opportunities.

In 2019 we commenced the acquisition of SNEL Shared Logistics and established several new client partnerships. This acquisition was finalized in early 2020. Many customers extended strong partnerships and the Gehlen Schols acquisition of 2018 continued to show positive developments.

We also successfully served our customers' increasing activity levels in e-commerce and rising demand for home delivery.

We are actively involved in innovating ways to continuously improve our performance in terms of sustainability. Our 2019 sustainability KPIs show a positive trend compared to last year.

Our investment in Lean continues to increase our efficiency and improve the quality of our services. Employees across the company gave a positive appraisal in the 2019 employee satisfaction survey, confirming that Vos Logistics is a great place to work.

IMAGINEVosLogistics100!

This event gave our 600 guests a glimpse of what Vos Logistics may look like at our centennial celebrations. We outlined the four topics that will most influence the logistics industry in the next 25 years – digitalization, data analytics and robotics, the energy transition to reduce emissions, e-commerce, and the development of the labor market. We forecast that these developments will be driven by technology, changing markets and practices and, increasingly, by collaboration.

At Vos Logistics, we are not about predicting the future; we are about creating it. Together. We remain grateful for the strong partnerships and continuing trust we are given by our customers, staff and other stakeholders. You have our word that we will continue to simplify, whatever it takes.

Frank Verhoeven - Ben Vos

Vos Logistics Board of Management

Vos Logistics celebrates **IMAGINE** VosLogistics100!

Vos Logistics celebrated its 75 year anniversary at an innovative and forward-looking event that inspired guests to imagine what Vos Logistics may look like at our centennial celebrations.

Speakers included Henrik Henriksson from Scania, Jacques van den Broek from Randstad, Tom Selten from Lightyear and Elisabeth Fretheim from Nikola Motor. We also hosted an inspiring exposition with Lightyear One and Delft Hyperloop.

“It’s not about predicting the future, but creating it. Together!”

Frank Verhoeven, CEO Vos Logistics

Frank Verhoeven outlined the four topics that will most influence the logistics industry in the next 25 years – digitalization and data analytics, sustainability, e-commerce, and the labor market. He highlighted that these developments are driven by technology, changing markets and practices and, increasingly, collaboration. Frank inspired the audience with the suggestion that we can do more than just predicting the future, we can work together to create it.



About Vos Logistics

Vos Logistics is an independent logistics service provider with a network of 30 group-owned locations in Europe. We deliver sustainable transport and customer-specific logistics services.



Profile

International Transport

Vos Logistics is one of Europe's leading logistics service providers. We deliver transport and supply chain services across a wide range of industries.

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

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.

Logistics Solutions

Logistics Solutions offers a wide range of services including:

Warehousing: inbound services, storage and outbound logistics providing order fulfillment, shipping, and value added logistics (e.g. repacking, labeling, assembly, repair and building displays).

Regional distribution: B2B and consumer deliveries (Forwarded Transport Logistics (FTL) to parcel) including customer-specific solutions.

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

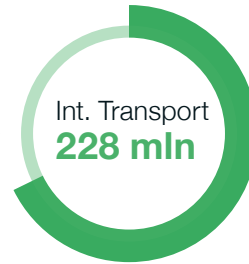
International freight forwarding & management: organizing global goods flows (FTLs, part loads and groupage).

To learn more, please visit our website: voslogistics.com

Key numbers 2019

Turnover

342 mln



Workforce

FTEs

Incl. temporary employees



Int. Transport	1,790
Solutions	860
Total	2,650

Training & Development

Time Invested



Indirect	7,500
Direct	21,500
Total	29,000

Per employee **11.64 hrs**

Safety



LTIR
2018: ▼ 67% **0.68**

LWC
2018: ▼ 47% **34**

Incident Reporting
2018-2019 **12% ▼**

Programs

Percentage of time invested in programs




Driving	59%
Safety/Health	14%
Management/Lean	8%
Communication	6%
Other	12%


Key numbers 2019

Fleet

Loading Units

	Int. Transport	3,400
	Solutions	400
	Total	3,800

Trucks

	Int. Transport	940
	Solutions	280
	Total	1,220




Warehousing

Premises

	Total	237,000 m²
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Fleet additions 2019

	Euro6 Trucks	187
	LNG Trucks	13
	Full Electric Trucks	1
	Loading Units	545
	Total	746

Carbon footprint



Fleet

Emission per ton/km

0.0356

CO₂
emission



Premises

Emission per ton/m²

5.79

3.3% Reduction in CO₂ emission since 2015

22% Reduction in CO₂ emission since 2015

Strategic framework

Our Mission

Vos Logistics is all about reducing complexity. We are here to support our clients in successfully tackling their transport and logistics business challenges.

We simplify. Whatever it takes.

Vision

As the logistics industry rapidly changes, we aim to stay ahead of the curve and become better, faster, cheaper and more sustainable. We stay future-proof by investing in people, assets and innovations. At Vos Logistics, it's always safety first.

Our robust financial backbone provides the basis for further growth and profitability. We are able to respond quickly in highly competitive and volatile markets. We do so by keeping both feet on the ground and creating an attractive and challenging environment for the development of our people and challenging environment for our staff.

Strategy

Our strategy is based on three pillars: operational excellence, transformation and organic growth. Sustainability underpins them all.

Operational excellence – continuous improvement for maximum efficiency

We strive for the most effective way to provide our customers with sustainable transport and logistics services to create maximum value. We continuously aim to improve our processes, reduce cost and generate value.

Transformation – we invest to be future-proof

The 'world of logistics' is experiencing rapid change. To adapt we have identified the main drivers of this transition as being: digitalization and data analytics, sustainability, the significant effects of e-commerce on the supply chain, and constraints on the labor market. We invest in these drivers to make sure we exceed customer expectations and create an environment where information can be seamlessly exchanged. We connect intelligent planning with efficient execution. We do all this to ensure we continually become faster, better, more efficient and increasingly sustainable.

Organic growth – focused and innovative expansion

To become a leading provider in selected market segments, we grow our business organically and, where feasible, through

acquisitions. We have identified the following areas for growth:

- ✓ Warehousing and distribution in the Benelux;
- ✓ Local business in the countries in which we have a presence, especially in Poland and Romania; and
- ✓ New customer solutions and expansion

Sustainability – it's in our DNA

At Vos Logistics, we are committed to providing sustainable logistics solutions. We look for the most efficient and sustainable ways to get the best results for our customers and engage in joint innovation projects. We enjoy working with companies who also value sustainability.



Lean

To continuously improve the quality of our service, we have implemented Lean as a guideline for operational excellence. Working as a Lean organization improves quality, reduces waste and keeps the focus on customer demand. It helps us to develop smarter and more efficient ways of working so we can achieve even more with the same resources.

In 2019 we continued to invest in our Lean transformation. Our green belt projects and daily huddles enhance value for customers, improve processes and reduce costs. Successful Lean projects this year included: the implementation of e-CMR to enable instant delivery confirmation and the speeding up of the invoicing process; a significant reduction in waiting hours at customer sites; and, strong progress in reducing fuel costs. We will continue to find the best solutions for our day-to-day and longer term challenges.

Report of the Board of Management

In 2019, Vos Logistics demonstrated both strength and agility. External market forces created challenges that our company faced head on to deliver continued growth and strong results. We served our customers with the creativity, professionalism and can-do approach we are known for. Our forward-looking strategy continued to make sound progress.

Our divisions

Vos Logistics comprises of two divisions: International Transport and Logistics Solutions. The results of each division diverged in 2019. Logistics Solutions delivered good results, but International Transport was affected by weakening market circumstances. Throughout the year, Vos Logistics demonstrated its strength and its essential ability to quickly adapt.



Raising sustainability awareness **at Transport Logistic Munich 2019**

International Transport

Mega

The international transport market weakened as the year progressed, and this affected Mega's results. The year began with considerably higher costs due to the pressure on the labor market in 2018. The decrease in industry production in Europe lowered demand for transportation services. These circumstances limited the company's ability to compensate for the higher cost in tariffs.

Following the summer period, volumes dropped. In response to these challenging conditions, we reduced the fleet in

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This year we attended Transport Logistic Munich, the largest logistics fair in the world. We were among 2,400 exhibitors and a record breaking 64,000 visitors.

As part of our commitment to raising sustainability awareness, we encouraged visitors to our booth to calculate the CO₂ emission of their journey to the fair. We then followed through by offsetting the total of their emissions by planting 200 trees after the event.

Official partner of ‘Untold’ and ‘Neversea’ music festivals in Romania

Untold, Cluj-Napoca, Romania

In 2019, Vos Logistics was the official logistics partner of Untold, Romania’s largest electronic open-air music festival held at the Cluj Arena in Cluj-Napoca. The festival was awarded Best Major Festival at the European Festival Awards 2015.

As logistics partner, we supported the supply of electronics, lighting, installations and other equipment throughout the fifth edition of the festival. The festival was a huge success. The first round of tickets sold out in three minutes and the event gathered a crowd of 370,000 over four days, making it the most successful edition in the festival’s history.

“We are proud to support these vibrant and positive events for Romania and electronic music lovers everywhere.”

Neversea, Constanța, Romania

Vos Logistics was also the official partner of Neversea, an EDM, electronic, and pop music festival held at the coastal city of Constanța, Romania. We provided international transport from The Netherlands and Germany to Constanța, and stayed for the party, with Vos Logistics trucks prominently placed around the festival site.

Growing partnership with European budget retailer Action

In 2019, Vos Logistics partnered with Action in Poland to provide logistics expertise and transport goods from the Action distribution center to stores throughout Poland.



The partnership is growing rapidly and this trajectory is set to continue. “Vos Logistics is able to scale up and down flexibly in volume and driver capacity. In the future, the goal is to further support Action’s rapid growth”, says Luc Derksen, Sales Manager at Vos Logistics. Jaime Perez De Carlos, Category Manager Transport – Procurement at Action says, “It is important to our customers that our products are in stores on time. By partnering with Vos Logistics, we know that this will happen. There is much potential for our cooperation to grow further by jointly expanding operations in different logistics services in Europe.”

Action’s target is to open a new store every working day of the week. The budget retailer aims to open 262 new stores in 2020 and two to three distribution centers each year. Action opened their first store in 1994 in Zwaagdijk, The Netherlands. They now run over 1,500 stores in seven countries.

our international network and adapted the organization accordingly. We were able to partly divert this capacity to other activities. We consider this agility as a core competence to best serve our customers.

High volume

High volume's positive results are attributed to two main drivers. Firstly, the high demand for mobile storage units (swap bodies), in particular for textile recycling and packaging materials. Secondly, the increase of inbound logistics services for a car manufacturer in Belgium. Transport services relating to construction (including insulation and building materials) remained stable. Acquired in 2018, Gehlen Schols developed as expected during the year. We reduced costs, replaced outdated trucks in the fleet and grew trailer capacity by 35 units. We also implemented our operating and financial systems throughout 2019. This will enable further collaboration and synergies within the organization including enhanced capacity utilization, greater transparency and control as well as cross-selling opportunities.

Bulk network and storage

The Bulk international network suffered in 2019 as the higher costs of 2018 could not be fully compensated. The decrease in industrial production had a negative impact on the volumes of our main petrochemical customers. In response, we adapted capacity to demand, in particular throughout the second part of the year.

In contrast, bulk storage and handling activities expanded during 2019. In response to high customer demand, we expanded facilities by 15,000 m².

Logistics Solutions

Bulk specialties

Bulk specialties experienced mixed results in 2019. While the activities in cement distribution were reasonably good throughout the year, volumes were slightly lower than in 2018. The relatively new domestic activities in mortar and gas distribution developed well and showed growing volumes.



Partnership agreement with Mebin

In 2019, we entered into a partnership agreement with Mebin, the largest concrete mortar producer in The Netherlands and part of the Heidelberg Group.

Through this partnership Mebin is expanding fleet capacity while reducing fixed costs and capex investment.

“We are happy with the long-term relationship with Vos Logistics. Their capacity and teamwork bring much added value to our operations and enable us to be more flexible and reduce our response time.”

Marcel Adriaans, Head of Supply Chain Management at Mebin

Mebin aims to maintain its leadership position in the Dutch concrete industry. Vos Logistics contributes by facilitating transport solutions and enabling Mebin to respond quickly with a flexible fleet in a volatile market. We are delighted with the new agreement that reflects the solid partnership that we have built with Mebin since 2014.

Acquisition of SNEL Shared Logistics

In December 2019, Vos Logistics began the process to acquire SNEL Shared Logistics. This acquisition is part of our growth strategy in the field of distribution, warehousing and cross-docking of goods with a focus on B2B, retail, e-commerce fulfillment and the delivery of large products to consumers.

Thanks to the acquisition, Vos Logistics now has one of the largest distribution networks in the Benelux. It has also increased Vos Logistics' storage capacity to 302,000 m², its fleet to 1,410 vehicles and its loading units to 3,975.

Frank Verhoeven, CEO: "Sustainability is of the utmost importance to both companies. Together we are even better able to respond to the growing demand for more efficient and sustainable mobility and logistics.



By combining the goods flows of both organizations, we can increase the occupancy rate of vehicles. This reduces CO₂ and nitrogen emissions, and enables us to respond in time to the energy transition for distribution in cities."

"By scaling up and digitalizing business processes, we are able to deliver faster throughout the Benelux, better integrate with customers' systems, and keep rising costs under control. In this way, we remain an attractive partner to work with."

Ben Vos, CFO Vos Logistics

Business activities in the bulk liquid and dry-bulk dangerous goods (ADR) business were at a relatively low level.

Warehousing and national distribution

Warehousing and distribution continued to develop positively in terms of growth and profitability in 2019. The results were strongly supported by our operations in Oss.

E-commerce related logistics grew and had a positive impact on our warehousing activities and the growth of home deliveries, especially oversized products.

Distribution activities developed well due to growing business and had a positive effect on vehicle utilization and production.

The service operations contracts in Goch and Roosendaal were extended. We consolidated our position in Helmond. The Belgium warehouse operations in Oevel and Meer performed satisfactorily. However, operations here will see challenges in the coming year given the termination of a service contract by a client who moved to insourcing logistics.

Freight management and forwarding

Our freight management services organize our customers' entire goods flow. This part of our business performed well during 2019. While we benefit from our own transport capacity, we outsource much of the transport. We were able to provide an excellent service to our customers at competitive cost

Continues on page 14

levels. Business volumes grew over the year and contracts have been extended.

Our Freight forwarding team consolidates part loads and LTL (less than truck loads), especially for Central, Eastern and

Southern Europe. In 2019 we concentrated these activities in our Barendrecht office. We invested in the team and the technology platform. In addition to enabling good performance in terms of growth and profitability throughout 2019, we have established an excellent basis for further development.

Collaboration with Medica Europe

In the spring of 2019, Vos Logistics established a unique partnership with Medica Europe, a supplier of medical devices based in Oss, The Netherlands, and a regional hospital. This new partnership expands the strong working relationship between Vos Logistics and Medica, which dates back to 2000.

“The CPTs streamline operating theater procedures. By working closely with the hospital and our specialized logistics partner, Vos Logistics, this concept was successfully implemented at a regional hospital.”

Mathieu van Lent, Director of Sales & Marketing at Medica

Medica Europe assembles Custom Procedure Trays (CPTs) for the European market. Hospitals require these trays at short notice, yet storage space is scarce. So Medica and Vos Logistics jointly found a solution – Medica's CPTs are repackaged in the Vos Logistics distribution center for immediate use in operating theaters.



In this partnership, Vos Logistics takes care of the logistics for the hospital and of the repacking of Medica's CPTs. This means that hospitals don't need to keep stock.

We are continuing to work closely with Medica to further expand this unique service to other hospitals in the Benelux.

Financial performance

Consolidated turnover increased by 9% to € 342.3 million. Excluding the Gehlen Schols acquisition, turnover grew by 4%. Organic growth was mainly achieved by High Volume, Mega and Solutions.

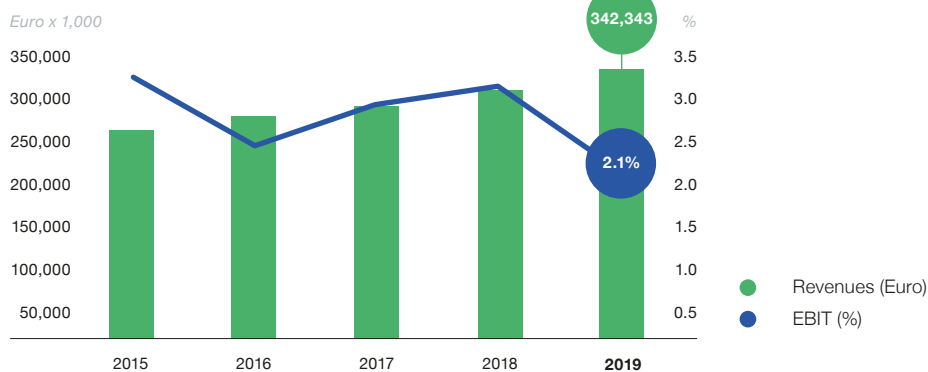
Earnings before interest and taxation dropped by 30% due to lower results in Mega and Bulk. In contrast, Logistics Solutions and High Volume recorded higher results.

Diesel prices fluctuated modestly throughout the year in an upward trend. An inherent delay in compensation

through freight rate adjustments negatively impacted price developments.

Corporate income tax charges were higher than last year as in 2018 previously unrecognized tax losses could be recognized. Furthermore, the composition of taxable results versus various tax rates in countries Vos Logistics is operating in, caused the consolidated tax rate to be higher than the previous year.

EBIT & Revenue

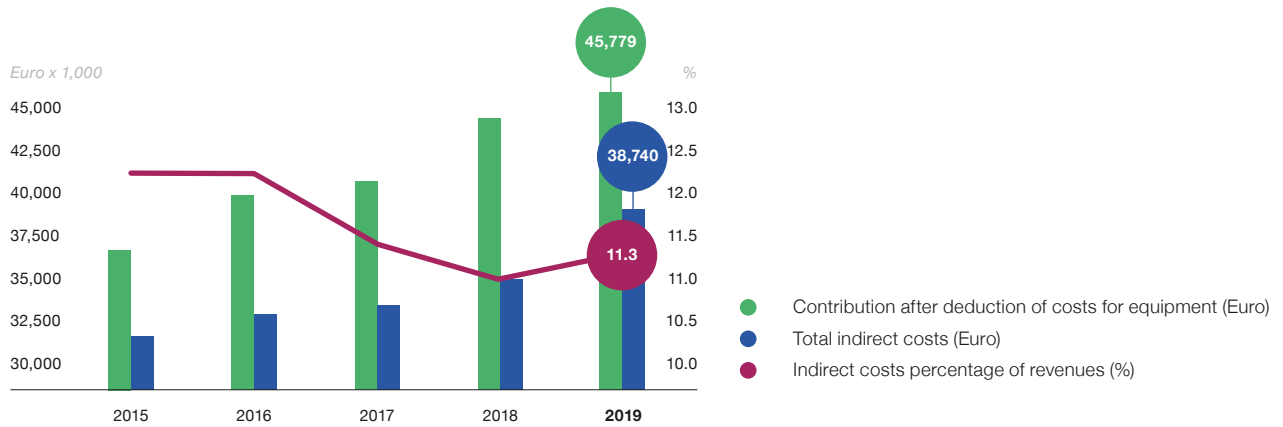


<u>Group results</u>	<u>2019</u>		<u>2018</u>	
	€ (x 1,000)	%	€ (x 1,000)	%
Total net turnover	342,343		313,452	
Subcontracted work	100,945	29.5	94,367	30.1
Added value	241,398		219,085	
Total direct costs excl. equipment & housing	162,451	47.5	144,175	46.0
Contribution margin	78,947	23.1	74,910	23.9
Total indirect costs	38,740	11.3	34,489	11.0
EBITDA before direct equipment & housing costs	40,207	11.7	40,421	12.9
Total depreciations & leases	33,168	9.7	30,349	9.7
EBIT	7,039	2.1	10,072	3.2
EBT	5,204	1.5	8,266	2.6

Investing in the future - indirect staff costs

Consolidated indirect staff costs were higher than in 2018 due to growing warehousing and distribution activities as well as the Gehlen Schols acquisition. To drive our digital agenda and prepare for our future, we also expanded the IT team.

These moves are proving to be an excellent investment in our future. A considerable part of higher indirect staff and consultancy costs are ensuring Vos Logistics becomes better, faster, cheaper and more sustainable.



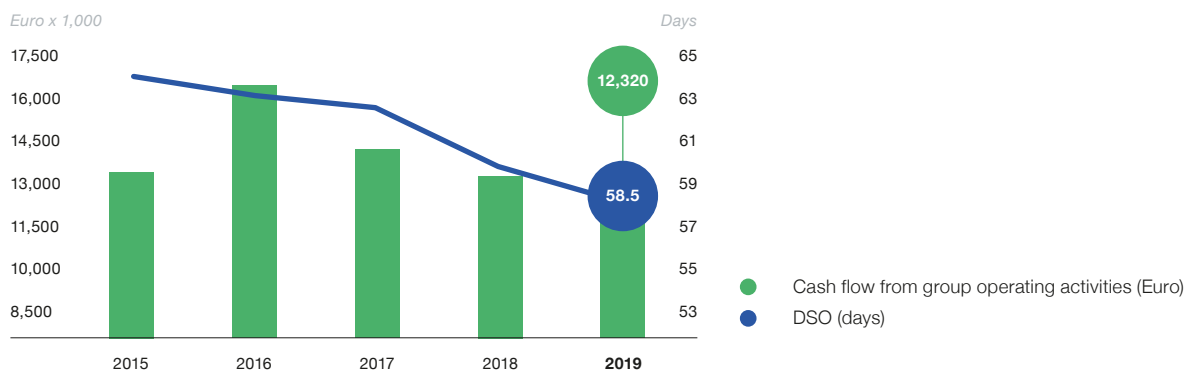
Financing and balance sheet

The 2019 net debt position amounted to € 51.1 million against the 2018 figure of € 48.8 million. Within total net debt equipment financing, related debt decreased by € 1.1 million to € 35.5 million.

(e.g. SmartFox) and in the purchase of used trailers.

Liquidity development was less than in 2018. One important reason was the lower results for earnings and interest before taxation. We also made more cash investments, mainly in IT

Working capital remained stable. The pace of invoicing was significantly enhanced with the support of our internally developed e-CMR application. Average days of sales outstanding decreased slightly compared to 2018. Further, outstanding VAT and excise duties were reduced. More liquidity was allocated to payment flows.



Growth and investments

Investments (including operating leases) amounting to €32 million, were made in acquiring 187 diesel trucks, one electric truck, 13 LNG trucks and 545 new loading units. Substantial amounts were invested in innovation and digitalization including on board computers and cyber security.

Innovation and digitalization

SmartFox

SmartFox is just one of the ways we are making ourselves future-proof.

The new technology supports advanced planning and scheduling (APS). It will enable Vos Logistics to optimize capacity planning while providing customers real time freight arrival information. The technology will enable Vos Logistics to meet unloading and delivery requirements even more effectively.



SmartFox

SmartFox uses live GPS location information and Google traffic data to predict truck arrival times and to provide early notice of possible delays across the network. In addition, truck routes and on time status are visualized through Google Maps. This information helps our customers prepare for unloading or signals that a redirect is required. The first phase of the APS implementation was rolled out in the Vos Logistics Cargo department. The tool has already improved our ability to tackle challenges and find solutions for our customers. It allows us to get more out of our trucks and drivers, reduce empty kilometers and improve our quality of service.

New eCMR app

In 2019, Vos Logistics gained considerable efficiencies through using eCMR. The app allows our drivers to use their smartphone to scan transport documents straight into our transport management system, LOVOS. It makes the delivery documentation instantly available upon delivery. In addition to real time proof of delivery for customers, it shortens the lead-time in finalizing shipments, including invoicing, and significantly reduces the time spent on handling, administration and communication. Close to 95% of all CMRs are available within a few hours after delivery. The complete

set of documentation is available within a few days. In 2020 Vos Logistics will continue to improve these figures through the wider use of the app and increased automation.

Installation of new on-board computers

During 2019, Vos Logistics equipped all its trucks and fixed charters with TX-SKY™ on-board computers. These TX-SKY™ on-board computers provide drivers with enhanced navigation and planning details, feedback on available driving and resting times as well as information on driving style. Vos Logistics will also use the WABCO TX-FLEX™ app to support our drivers with out-of-cabin activities.

Pieter Derksen, Vos Logistics Purchase Manager: "The ECO module will support Vos Logistics in its sustainability efforts. Sustainability is key for us. When developing new products and services we opt for logistics services and technologies that reduce both our CO₂ emissions and our energy consumption. WABCO's ECO module will make this easier."

Security

Our operations for transport and logistics rely heavily on systems and data. Keeping our systems up and running and protecting critical business, staff, contractor and customer information is a top priority.

Vos Logistics is constantly working to keep its IT infrastructure safe. IT security measures at Vos Logistics include regularly performing relevant checks and updating software and firewalls. We also undertake auditing and penetration tests (PEN tests).

In 2019, we hired a security engineer to improve our security and to research digital security threats. We are also working towards getting ISO27001 / 2 certification.



Sustainability and the environment

We are committed to providing sustainable logistics solutions. We're always looking for the most efficient and sustainable ways to get the best results for our customers. We strongly prefer to work with companies who also value sustainability.

Examples include:

- ✓ Developing new multimodal solutions;
- ✓ Using LNG and bio-fuels;
- ✓ Working closely with suppliers to reduce energy consumption and costs;
- ✓ Having our warehouses BREEAM certified;
- ✓ Testing and analyzing electric and hydrogen-powered vehicles;
- ✓ Redesigning supply chains to be more sustainable; and,
- ✓ Optimizing loads and reducing empty runs.
- ✓ Increase the use of Eco Combi (25.25 meter long vehicle).

In 2019 we took further steps, including:

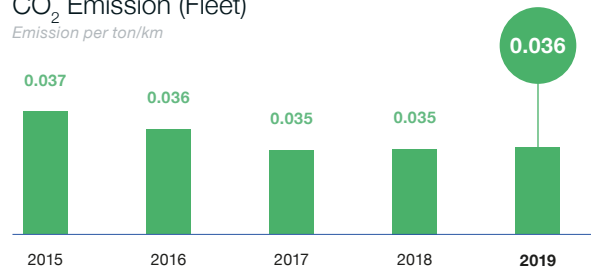
- ✓ Further reducing our buildings' CO₂ emissions by installing solar panels; and
- ✓ Participating in Super Eco Combi (SEC) testing (32 meter long vehicles).

Emissions in 2019

Reduced use of multimodal transport and slightly lower loading efficiency due to changes in mix of transport and distribution activities led to a rise in CO₂ emissions. In 2019 it increased from 0.0352 tonne/km to 0.0356, which is just short of our target for 2019. A higher level of activity and opening hours saw an increase in CO₂ emissions per m² in warehouses only, resulting in 5.79, up from 5.51 in 2018.

CO₂ Emission (Fleet)

Emission per ton/km



Multimodal transport

Multimodal transport is a vital element in Vos Logistics' international mobility solutions. In recent years we have made substantial investments in multimodal equipment. The benefits of combining road transport with other modalities include:

- ✓ Increased efficiency;
- ✓ Greater flexibility;
- ✓ Reduction in carbon footprint;
- ✓ Optimized customer services.

New sustainable vehicle concept: the Super Eco Combi (SEC)



Vos Logistics is actively involved in a new vehicle concept that increases efficiency and saves up to 27% of CO₂ emissions. Testing of the SEC began in Sweden in 2017 and we are now looking to progress the project in The Netherlands.

The SEC increases efficiencies by combining a tractor with two standard 13.6 meter trailers connected to a dolly. The vehicle is 32 meters long and can carry the same amount of cargo as

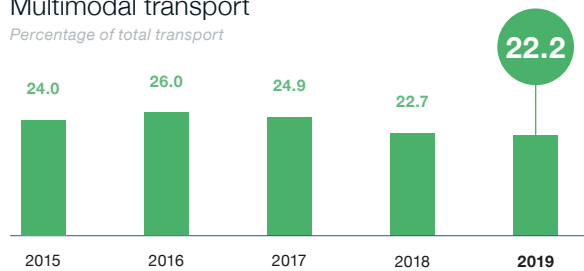
two regular combinations. The SEC takes less space on the road and requires fewer drivers.

The Netherlands Vehicle Authority (RDW) has granted permission for the SEC to be tested on a closed site in The Netherlands and the first test on public roads is planned for mid-2020. If this test is successful, a small-scale pilot test with four SECs will follow in 2021.

In 2019, our overall percentage of multimodal transport was down from 23% to 20%. We did, however, increase the number of intermodal crossings by ferry due to our business to and from Sweden. In 2020 we aim to increase train usage with new connections to and from Sweden and to maintain the high level of ferry crossings.

Multimodal transport

Percentage of total transport

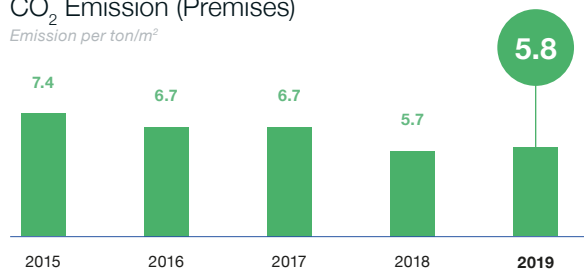


Carbon footprint of premises

In 2019, we continued to further reduce CO₂ emissions from our buildings by installing solar panels on our warehouse in Roosendaal. A large part of the roof surface of our Roosendaal warehouse is now covered with 1,560 solar panels, supplying 485,000 kWh per year. The slight increase in emissions per m² is related to intensified activities and extended hours of operation.

CO₂ Emission (Premises)

Emission per ton/m²



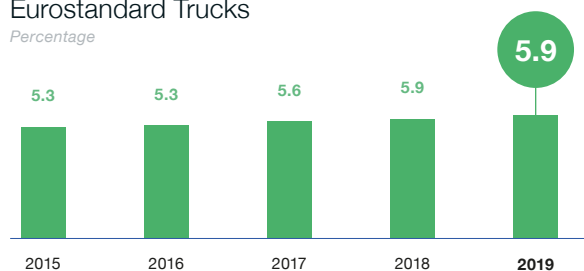
Sustainable operation in the value chain

Improve clean mobility

Vos Logistics actively supports the promotion of liquefied natural gas (LNG) transport and bio-fuels such as HV100 and

Eurostandard Trucks

Percentage



Sustainable transport solutions



In 2019, we continued to use the electric truck in our fleet in Belgium. The electric truck, together with several LNG trucks, continues to be used for a sustainable project in collaboration with one of our customers.

The truck has no CO₂ emission and releases almost no particulate matter. It drives through a residential area five days a week in a quiet and environmentally safe way.

Our drivers are positive about the addition of this truck to our fleet, pointing out that, in addition to the environmental benefits, the truck is a pleasure to drive and saves time as there is no need to stop and refuel.

LBG. We are a member of the National LNG Platform and the Natural and Bio-Gas Vehicle Association Europe (NGVA). In addition, we are involved in LNG consultative bodies and are in regular contact with public authorities, shippers, truck manufacturers and LNG suppliers.

Sustainable procurement policy

We challenge our suppliers to take a proactive approach to preventing and 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, as well as improve health and safety.

People

Employee satisfaction survey

To find out what helps our people to perform at their best and what we can do to improve working lives at Vos Logistics, we carry out regular employee satisfaction surveys. The 2019 survey, conducted by Integron, was our most comprehensive survey to date.

Our workforce responded the 2019 survey in record numbers. 61% of employees responded. This is considerably higher than in previous years (53% in 2016). The survey results show that safety is rated as the most important factor of working life at Vos Logistics. Safety also gained the highest score of 8.0 in terms satisfaction, up from 7.8 in 2016. The 2019 results

also show that an increasing number of our employees would recommend Vos Logistics as an employer - up from 43% in 2016 to 50%, surpassing the benchmark of 26%. The survey results will now form the basis for continuous improvement measures.

Labor market

Attracting and retaining qualified people remained a priority for Vos Logistics throughout 2019. While the labor market is challenging, Vos Logistics has responded to the tough labor market climate with the creative, innovative and determined approach we are known for.

Vos Logistics Employee survey 2019

Response



61%

Vos Logistics 2016: 53%
Benchmark: 62%

1,450

of 2,361 employees responded

Satisfaction



7.4

Result 2019
Benchmark: 7.2

7.2

Result 2016

Enthusiasm (promoters)

50%

Result 2016: 43%
Benchmark: 26%

“I would **recommend Vos Logistics as an employer to friends.**”

Employee potential

57%

Result 2016: 56%
Benchmark: 43%

“I **do my best for Vos Logistics.**”

(to the fullest)

Satisfaction per theme



Values of Service

“I recognize Vos Logistics in the values”

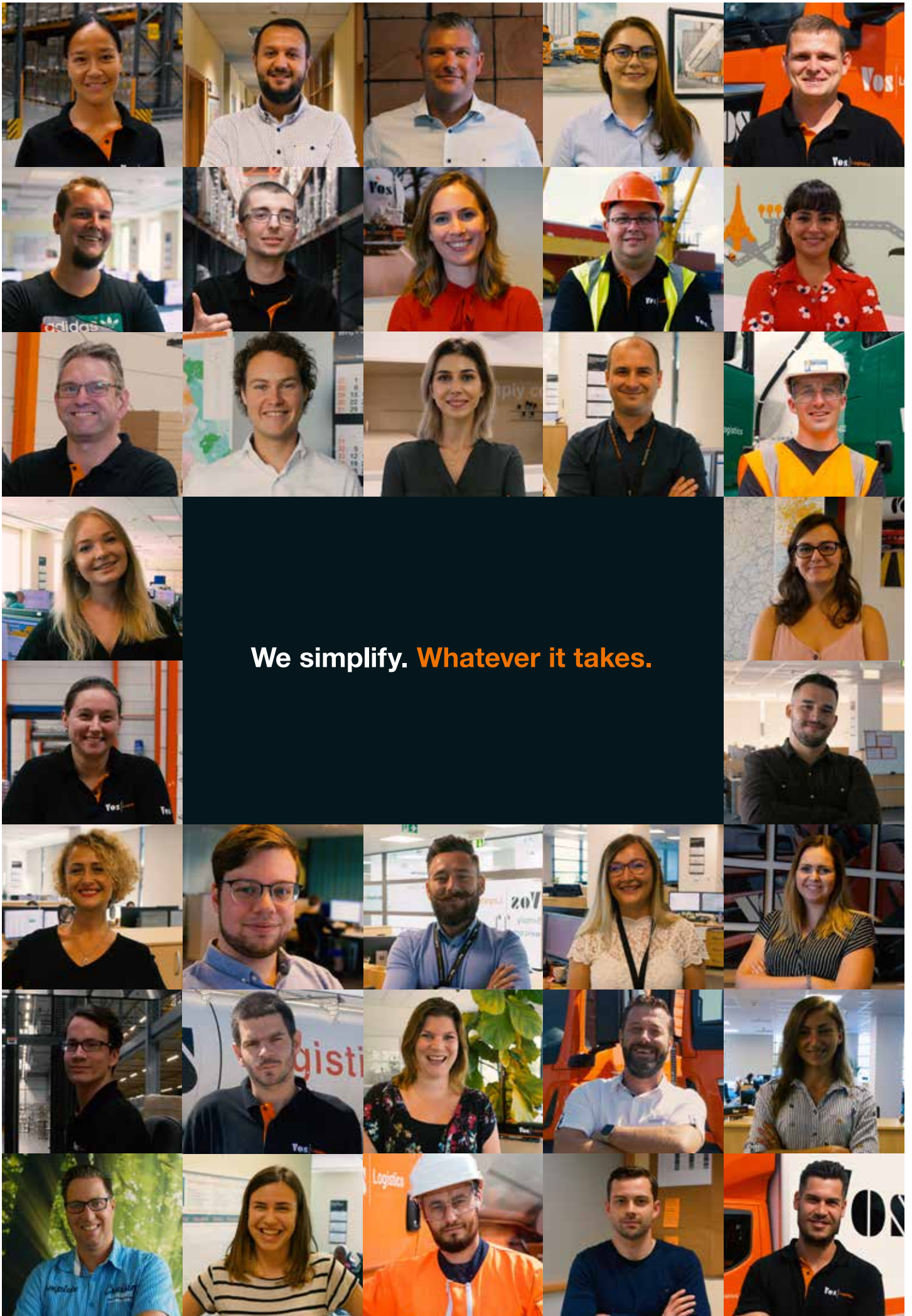
	2019	2016
Safety: “Prevention is better than cure.”	89%	84%
Customer Care: “We go the extra mile.”	80%	76%
Professionalism: “Delivering excellence.”	81%	72%
Sustainability: “Responsible, clean and efficient.”	79%	73%
Agility: “Constantly alert and anticipating promptly.”	79%	68%

A joint effort of 61% was reached. Therefore Vos Logistics

donated € 5,000

to the following charity organizations:

Unicef / WWF - World Wide Fund for Nature /
Caritas / Kids Rights / Doctors without borders



We simplify. **Whatever it takes.**

For example, the dynamic online strategy we launched to recruit new talent saw excellent results in 2019. Our online presence is engaging a growing audience, as reflected in the fact that we are attracting an increasing number of well-qualified applicants.

In addition to our strong online presence, we have also invested in connecting in person at events including job

Training and development

In 2019, we offered a broad range of training opportunities, although the number of training hours across the company was slightly down from 2018. This was due to a range of factors including: more Code 95 training hours, safety training requirements were current and did not require refreshing, and a narrowed focus on Yellow Belt training are now available.

Young professionals

In late 2019, Vos Logistics partnered with ICM to develop a customized training program for young professionals. During the program, 11 young professionals were given the opportunity to further develop themselves personally and professionally. In 2020 they will work on projects related to innovation, team development and inspiring company visits.

Workplace Learning Program

In 2019, Vos Logistics joined forces with De Leijgraaf to launch a mutually beneficial program called Workplace Learning. Workplace Learning gives students the opportunity to train on site and Vos Logistics is given the opportunity to inspire emerging talent to join the logistics industry. Bernadine Heijmans, Manager of Business Training at ROC de Leijgraaf says: "ROC de Leijgraaf is proud to work with Vos Logistics on training. We work in a small student team which leads to a better learning-work pathway. As a result, the employees are better trained and can start on a good career in logistics."

fairs and open days. As one of the leading companies in the sector, Vos Logistics is committed to contributing to raising interest in third party logistics (TPL). Throughout the year we engaged with emerging talent by showcasing the broad range of opportunities available in TPL across a variety of disciplines including finance, IT, engineering, operations, warehousing and driving.

The Vos Logistics referral program has had impressive results. The initiative has attracted excellent new talent to Vos Logistics, in particular in Poland where 70% of new drivers have come through employee referral.

Vos Logistics will continue to invest in the sector and progress efforts to attract new talent. Most importantly, we will continue to make sure our company remains a safe and enjoyable place to work.

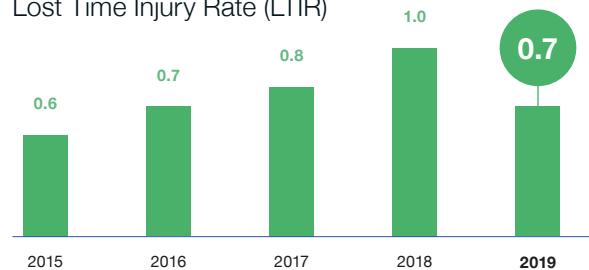
Safety

Vos Logistics puts safety first. Prevention and awareness are at the core of our safety policy. We make sure that every single one of our people are aware of the risks involved in all facets of our business, whether it is in a warehouse, a workshop, an office, on site or out on the road.

Safety rates

More hours were worked in 2019 than in 2018 and the amount of accidents stayed approximately the same. Accordingly, lost time injury rate results improved from 1.01 in 2018 to 0.68 in 2019.

Lost Time Injury Rate (LTIR)



Improved incident reporting

Improving reporting continued in 2019. Fewer near misses were reported. In 2019 we rolled out a safety video for all warehouse employees. In addition, the Quality, Environment, Safety, Health & Sustainability page was made available to every employee on their cell phone. This means that all the information and reporting forms are now available at employees' fingertips, wherever they may be. Information is communicated in real time and translated into a daily report.

In 2019, we focused on preventing accidents – both on the road and in warehouses. We increased both driving and safety training and lost workday cases reflected the success of our efforts. Lost workday cases went from 47 in 2018 to 34 in 2019.

Quality, environment, safety, health and sustainability management

The Vos Logistics Corporate Quality Team actively monitors safety and quality throughout the year. This team is supported by local quality officers and teams to ensure that quality and safety levels remain high throughout the company.

Damage ratio

In 2019, the damage ratio score for TPL accidents was 41.5%, slightly higher than 2018 when the score was 40.6%. Both scores are below the benchmark of 42.2%.

Insurers saw an increase of 5% more TPL accidents than previous years as result of more traffic on the highways and increased social media activity while driving. Insurers also saw an increase in the average claim amounts. This is because car and truck parts are more expensive. The increase is also due to changes in personal injury laws.

This year we also introduced training for fleet managers who work closely with our drivers. The additional training for drivers and new training for fleet managers are already getting positive results and will continue in 2020.

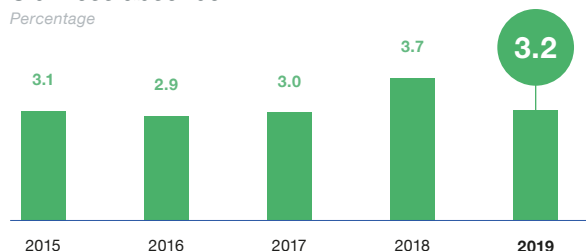
Health

As part of our continuing efforts to encourage a healthy lifestyle, Vos Logistics ran a successful pilot Health Week in 2019.

The program was a successful collaboration with students from the HAN and ROC de Leijgraaf and gave our Oss based employees the opportunity to take mindfulness workshops, yoga classes and workouts at the gym. The pilot also encouraged good daily habits – like taking the stairs instead of the elevator – and helped staff discover ways to sustain good health and have fun along the way.

Sickness absence

Percentage



Sickness ratio development

The sickness absence rate in 2019 fell to 3.18%, which is 0.59% lower than 2018. These improved results are due to intensive middle management training on capably handling employee absence.

Improved 
**health and
safety training**

During 2019, Vos Logistics continued to provide employees with thorough training to ensure their health and safety.

For example, we:

- ✓ launched an in-depth onboarding training online;
- ✓ increased training for safety when handling dangerous goods;
- ✓ rolled out a safety video to all warehouse employees;
- ✓ provided more training and greater focus to prevention officers;
- ✓ improved KPI dash boarding and updated info daily; and,
- ✓ adopted the QLIK business intelligence tool.

Society

Vos Logistics takes an active interest in our local communities and our employees are eager to contribute to the communities we work in. We are also long serving members of national and international industry associations.

Community engagement

On a local level, Vos Logistics is committed to maintaining close ties with schools and training organizations. We also work with organizations to employ people who may otherwise find it difficult to enter the workforce. For example, we have a long-term partnership with Senzer in Helmond (NL).

We also actively participate in the public debates that affect our industry. We keep track of developments that may affect our activities 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.

Vos Logistics encourages our workforce to be socially active and to take initiatives that help create a better world, including those in education and health, and local charities and local sports clubs. Some of the ways we contributed in 2019 are listed below.

Vos Logistics and the Sustainable Development Goals

The Vos Logistics strategic pillars and the material topics on which this report is based are aligned with five of the Sustainability Development Goals, namely: 3 (Good Health and Well-being); 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 34.

Working with asylum seekers with temporary residence

In The Netherlands, Vos Logistics actively works to create opportunities for people who may not otherwise find it easy to get work, including asylum seekers with temporary residence.

This involves working closely with the local branches of Vluchtelingenwerk, the municipality of Oss and the municipality of Meierijstad. In addition, Vos Logistics works with Koning Willem I College to give asylum seekers with temporary residence placements in the company.

Sponsorships

Poland

Vos Logistics is committed to give back through local community initiatives and supporting social programs. In 2019, we did the following:

- ✓ Donated the grand prize to a Polish primary school in need. We proudly donated the grand prize and gave away Vos Logistics merchandise that put smiles on faces.
- ✓ Donated to Szachetna Paczka, Poland's most recognized social program. In addition to making a donation, Vos Logistics Poland ordered pre-paid credit cards for our employees in cooperation with provider, Eden Red. Each employee received a special card proudly displaying the program's logo and was encouraged to make a personal donation to the program. Vos Logistics has supported Szachetna Paczka since 2015.
- ✓ Fund raising for Helping Children with Cancer. To support the son of one of our Polish drivers, we organized a collection of 37 gadgets from various artists, athletes, celebrities and famous people. These items were donated to the charity auction on Allegro.pl through the Foundation for Helping Children with Cancer. The auction money was then transferred directly to the family.

Romania

Romanian colleagues make up a core part of our workforce and we continue to undertake local initiatives in Romania. In 2019, Vos Logistics:

- ✓ Sponsored Casa de Tip Familial Casuta Bucuriei, a non-profit organization that provides a family environment for children in need. The money raised enabled the organization to arrange a summer camp for these children.

Donations

As a direct result of high engagement with our employee satisfaction survey, Vos Logistics donated 5,000 euros to the following organizations:

- ✓ Caritas
- ✓ Doctors without Borders
- ✓ KidsRights
- ✓ UNICEF
- ✓ World Wide Fund for Nature



Prospects



Consequences and future developments of the recent Corona-virus pandemic for human health, society and economy are extremely uncertain. Vos Logistics provides a wide range of logistics services in different geographical areas and various markets. The pandemic impacts our customers, our staff and inevitably also our company. Some activities will be affected more than others. Some may remain stable. These disturbances and changing market demands will also create new logistics requests. We follow developments closely and anticipate accordingly. In all our initiatives the safety of our employees, customers and environment stay our top priority. We'll take all adaptive actions required to respond volatile developments and prospects. We will utilize supports offered by governments in the countries we're operating in to safe-guard the health of our staff and continuity of Vos Logistics. We refer to the disclosure under subsequent events on page 55. Due to this high uncertainty we can't foresee the impact of the Corona pandemic on Vos Logistics in 2020.

Notwithstanding the Corona pandemic Vos Logistics will continue to invest in our promise to our customers. We will continue to seek business opportunities to strengthen our value proposition on the market. We will remain a strong, innovative and reliable partner to our customers, with a clear vision and pragmatic approach. We simplify complex logistics processes and drive a Lean program to continually improve the quality of service, reduce waste and create efficiencies throughout the company. These are key mainstays of our growth strategy. As far as we are able to under challenging circumstances, we will continue to invest in smart technology and digitalization. Investments made over the past few years have further strengthened our

foundations. 2020 investments and employment are highly depending on still unknown developments.

We also remain also vigilant in monitoring other turbulent developments in Europe in terms of regulations and enforcement as well as unpredictable developments related to international trade agreements and Brexit. Vos Logistics complies with the legislation in all the countries we operate in. Nevertheless the outcome of recent investigations and/or possible interpretation differences by Belgian authorities remain unsure. We're confident that this matter will be resolved in good faith.

In line with our ambition to strengthen our market position in warehousing and distribution in the Benelux, Vos Logistics acquired SNEL Shared Logistics (SNEL) in January 2020. This acquisition is helping us strengthen our market position. SNEL specializes in granulate distribution, warehousing and cross docking of goods with a focus on B2B, retail, and e-commerce fulfilment. Located in Woerden, SNEL Shared Logistics is well positioned at the heart of The Netherlands and is able to supply shops, businesses and consumers quickly and efficiently. The 65,000 m2 location also offers opportunities for warehousing and order fulfilment. With this acquisition, the Vos Logistics fleet grew by 200 trucks and our workforce gained 400 full-time employees.

We believe Vos Logistics' foundations are solid. Although on the near future developments are extremely uncertain and circumstances will be though we're confident that Vos Logistics together with supportive customers, staff, business partners and governments can overcome the huge challenges we're facing this year.

Risk management

Policy

We seek to mitigate the risks in our ordinary activities by maintaining a robust professional organization and high-quality services. Service and efficiency levels are assured by ensuring consistent working methods, staff training and education, administrative procedures, as well as transparency in costs and turnover. Our organization is supported by integrated communication and information systems. The group's risk management policy is supported by an ethical code.

Risk

Market risks

Vos Logistics provides transport and logistics services across many industries and our market is mainly based in Western Europe.

Our company is sensitive to fluctuations in economic activity and is affected by the ebbs and flows in volumes generated by our customers. The different product-market combinations follow different dynamics. This partly mitigates our sensitivity to market fluctuations.

Economic developments and changes in the overall volume of international goods flows can vary per country and per industry, impacting not only turnovers but also the capacity balance in our networks. One of our main Values Of Service, 'Agility', relates to these changes. We use our own vehicle fleet and external capacity to best serve our customers. We can effectively respond to changing demands in 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 results in operational uncertainties and extra costs. We actively track these developments and adapt our 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 to be 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 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 our staff is trained accordingly.

Fuel prices

Fuel costs are a major component of transport costs. Fuel prices have fluctuated in recent years. We actively manage our fuel consumption and offer more multimodal transport solutions, which reduce fuel consumption. We also apply fuel clauses in most of our sales agreements so that fuel cost fluctuations are transferred to customers as quickly as possible.

IT systems' continuity and integrity

Vos Logistics relies on several IT systems to safeguard the efficiency and effectiveness of our operations. We have an external backup facility, built-in redundancy and a recovery facility that enables the continuity of IT systems that are deemed to be critical. Several data and access protection systems and procedures, and 35 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

Our operating activities carry the risk of possible accidents, physical injury and breaches of health and safety regulations and/or loss of reputation.

Our focus is on prevention and our safety policy recognizes that one of the highest risk factors is human awareness. We put a great deal of energy into training staff about safety awareness and skills. We enforce strict safety measures.

Staff availability

The availability of qualified employees is essential to the efficiency and effectiveness of our operations. We manage this risk through training and retention programs and active recruitment. 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 making credit checks, taking out credit insurance and by actively monitoring our trade receivables and collection processes.

Liquidity risk

Vos Logistics is capital intensive with a fairly fixed cost base. Transport and logistics markets are cyclical. We mitigate liquidity risk by maintaining liquidity buffers and factoring arrangements (until the end of 2021). Liquidity risks are further mitigated by managing debtor risks (see above), using temporary workers, and using periodic exit options for our own capacity.

Financing of the asset base is secured by long-term leasing. Financing arrangements are in place for intended investment programs.

Foreign exchange risk

As the group includes Polish and Romanian companies, our balance sheet may be influenced by movements in Polish and Romanian currencies against the euro. We are 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 rate 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 our results and financial position is considered to be low.

Internal control system

Vos Logistics' internal control system controls the risks inherent in our business operations. The system oversees the effectiveness and efficiency of business processes and consistency in accounting procedures. The system has been designed to control significant risks, realize operational and financial objectives, and to ensure compliance.

The Board of Management is responsible for implementing, operating and monitoring the internal control system.



In control statement

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

- ✓ Provide reasonable assurance that the financial reporting is free of material misstatement; and
- ✓ Have functioned effectively during the financial year.

The aforementioned risks had no material negative effects in 2019. There are currently no indications that the risk management and control systems will not function effectively in 2020.

Oss, 31 March 2020

Board of Management,
F.J.M. (Frank) Verhoeven, CEO
G. (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 strive 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 Dutch 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 Vos Logistics B.V. The ordinary shares in Vos Logistics 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 the transparent management of the company. It formulates and sets the vision and the corresponding mission, strategy and goals in close consultation with the shareholders' meeting. 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 states that certain shareholder resolutions may be adopted only by a qualified majority of shareholders' votes. The Articles of Association of Vos Logistics 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 Vos Logistics 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 and the company. There were no conflicts of interest in 2019.

The shareholders appointed an Advisory Board consisting of two persons, Mr. Ruud Sondag and Mr. Paul Nielen. The Advisory Board provides the Board of Management on request, or on its own initiative, consulting and advice regarding policy and business developments. The Advisory Board can be requested to provide advice concerning subjects such as acquisitions, strategy, organization and investments. The prime focus of the Advisory Board is the interest of Vos Logistics and its shareholders. The Advisory Board provides consulting and advice to the shareholders on request or on its own initiative regarding the aforementioned subjects and the decisions as outlined in the shareholders' agreement.

Both the shareholders and the Board of Management are confident that this governance structure contains sufficient checks and balances to ensure the proper functioning of the organization.

Financial reporting

External auditor

An external auditor is appointed by the annual general meeting. The external auditor reports to the shareholders and

to the Board of Management. The shareholders, the Advisory Board and the Board of Management held one meeting with the external auditor, the CFO and the Group Controller.

Annual integrated reporting

This annual integrated report combines our financial report and our sustainability report. Integrated reporting is part of how we demonstrate that sustainability is an essential part of Vos Logistics’ operational management on behalf of its stakeholders. The report is supported by monthly integrated review meetings.

Governance

Sound business practices, integrity, respect, transparent reporting and accountability are the cornerstones of Vos Logistics’ corporate governance policy. Our corporate governance is determined by applicable national and European legislation, codes of best practice in the countries in which we operate, as well as our Values of Service.

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 Vos Logistics 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. The Vos Logistics Ethical Code provides our organization and our suppliers with specific guidelines on how to act. The Code contains ethical principles and explains what we expect from our organization and our suppliers. The Values of Service represent what we stand for and provide guidance for all the processes in our organization.

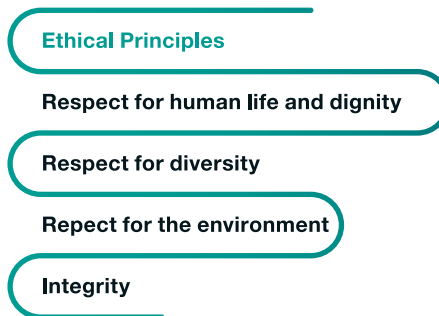
Vos Logistics has a whistleblower policy as part of its corporate compliance framework. This policy aims to ensure that employees and external business partners feel confident about raising concerns with Vos Logistics. The policy provides

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 2019.

Values Of Service



Ethical code



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.

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*

Previous positions:

Between 2006 and 2007 CEO of Biegelaar. From 1994 to 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: March 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 (registered accountant) at Deloitte and PwC.

Advisory board

Ruud Sondag (NL)

Paul Nielen (NL)

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 Logistics Solutions

Toine van Gils (NL)

Corporate Staff

Twan Haerkens (NL)

Paul van Ham (NL)

Paul van den Brink (NL)

About this report

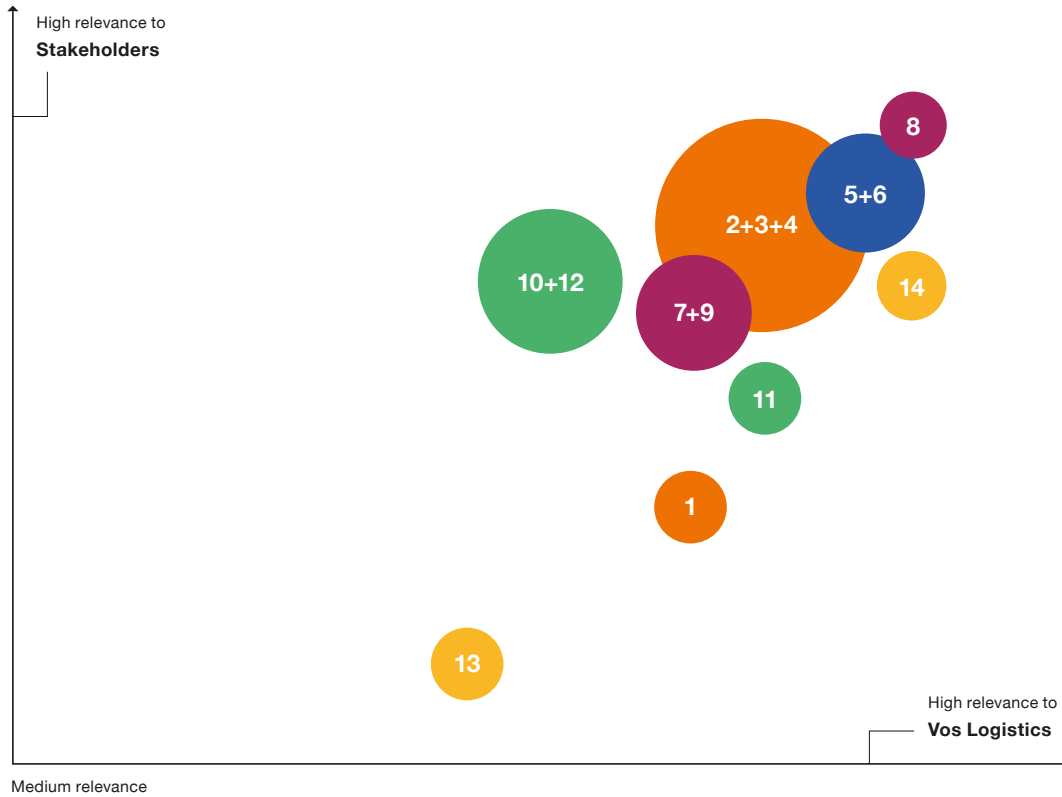
Stakeholder engagement

Vos Logistics is a 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 an impact analysis relevant to our activities. The table below shows Vos Logistics' most important strategic themes according

to our stakeholder groups. We have used the outcome of the materiality analysis as a reporting framework and as a guideline for strategic decision-making as well as a source of dialogue with our stakeholders. The table also shows the other communication channels we have used for 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 2019



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

According to the Global Reporting Initiative, 'determining materiality for a sustainability report includes considering economic, environmental, and social impacts that cross a threshold in affecting the ability to meet the needs of the present without compromising the needs of future generations'.






In defining Vos Logistics' material themes, we consulted our stakeholders. We also reviewed and tightened up the related KPIs. The materiality matrix above 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.

The results of the 2019 employee satisfaction survey confirmed the importance of sustainable transport solutions and client focus to our workforce. Labor conditions/working climate increased in ranking and training & communication slightly dropped.

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>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>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>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>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>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 2015-2019

Vos Logistics has defined its sustainability goals in 6 key performance indicators (KPIs). Since 2009, we have consistently measured KPIs across all our business units. All KPIs are consolidated at group level. The sustainability goals and results are summarized in the KPI dashboard below.

As we track progress on the KPIs, we monitor our sustainability policy. Performance is measured and reported monthly. Since 2014, the KPIs have been incorporated in the monthly financial

report. Each month, the Board of Management and cluster directors discuss the financial results and the sustainability, quality and safety results. The sustainability KPIs, the quality audits and the safety incidents form specific steering instruments for group and cluster management. The charts in this report refer to the results from 2015 - 2019. We are pleased with the progress we have made since our sustainability program began in 2009.

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 m ² per building is determined by lease contracts, measurement certificated and floor plans.
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.

APS

Advanced planning and scheduling system such as SmartFox to optimize capacity planning and making real time freight arrival information available.

BREEAM - Building Research Establishment Environmental Assessment Method

A method to assess the sustainability performance of buildings.

Business Unit

Subsidiary of Vos Logistics.

e-CMR

Electronic management of the United Nations Convention for the carriage of goods, known as the CMR (Convention relative au contrat de transport international de Marchandises par Route).

EEV – enhanced-environmentally-friendly-vehicle

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

FTL

Full Truck Load.

FTE - Full-time equivalent

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

HV100

HVO is a premium fossil free diesel product made of 100% renewable raw materials. HVO100 is pure HVO and can be used in diesel engines without modification and is approved for all heavy vehicles of market leading engine manufacturers.

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.

LBG

Liquefied bio gas similar to LNG made from feedstocks.

LNG - Liquefied Natural Gas

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

LOVOS

Transport Management System developed by Vos Logistics.

LTL

Less than Truck Load.

LTIR – Lost Time Injury Rate

Number of reported accidents with one or more lost working days and the number of fatal accidents involving Vos Logistics' staff, relative to the number of hours worked in a given period.

LWC – Lost Workday Cases

Number of working days that were lost due to reported accidents.

Multimodal

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

NGVA Europe

Natural Gas Vehicle Association Europe.

SEC

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.

TPL - Third Party Logistics

Outsourcing logistics services by using a third party.

Financial statements



CONSOLIDATED BALANCE SHEET

(After appropriation of the result)

<i>in thousands of euros</i>	Ref. note	31 December 2019	31 December 2018
ASSETS			
Fixed assets			
Intangible fixed assets	1	1,653	1,156
Tangible fixed assets	2	62,337	60,169
Financial fixed assets	3	6,304	5,402
		70,294	66,727
Current assets			
Inventories		1,805	1,826
Receivables	4	66,645	69,284
Cash at bank and on hand	5	3,597	4,316
		72,047	75,426
Total assets		142,341	142,153
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity			
Shareholders' equity	6	31,483	28,485
Minority interest		1,552	1,602
Group equity		33,035	30,087
Provisions			
Deferred tax liabilities	7	738	527
Other provisions	8	1,579	1,496
Long-term liabilities other	9	27,175	28,652
Current liabilities			
Liabilities to financial institutions	10	27,546	24,479
Trade creditors		33,593	38,108
Other liabilities	11	18,675	18,804
		79,814	81,391
Total equity and liabilities		142,341	142,153

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR 2019

<i>in thousands of euros</i>	Ref. note	2019	2018
NET TURNOVER	12	342,343	313,452
Subcontracted work and other external costs		100,945	94,367
Personnel costs	13	110,679	96,544
Depreciation and amortization	14	9,992	8,982
Release revaluation reserve	20	(35)	(35)
Other operating expenses	15	113,723	103,522
TOTAL OPERATING EXPENSES		335,304	303,380
EARNINGS BEFORE INTEREST AND TAX		7,039	10,072
Financial income & expense	16	(1,835)	(1,806)
PROFIT/(LOSS) BEFORE TAXATION		5,204	8,266
Income taxes gain/(loss)	17	(1,778)	(1,182)
Minority interests		(375)	(429)
NET RESULT		3,051	6,655

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT FOR 2019

<i>in thousands of euros</i>	Ref. note	2019	2018
NET RESULT		3,051	6,655
Release revaluation reserve	20	(35)	(35)
Currency translation difference for the year	20	(18)	(42)
COMPREHENSIVE INCOME		2,998	6,578

CONSOLIDATED CASH FLOW STATEMENT (INDIRECT METHOD)

(Indirect method)

<i>in thousands of euros</i>	Ref. note	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Earnings before interest and tax		7,039	10,072
ADJUSTMENTS FOR:			
Depreciation and amortization (in) tangible fixed assets	14	9,992	8,982
Movements in equity	6	(53)	(77)
Movement provisions	8	272	23
		10,211	8,928
CHANGES IN WORKING CAPITAL:			
Receivables		1,839	(5,433)
Inventories		21	(110)
Current liabilities		(5,445)	911
		(3,585)	(4,632)
Paid from provisions	8	(188)	(131)
Corporate income tax paid		(1,157)	(512)
		(1,345)	(643)
Cash flow from Group operating activities		12,320	13,725
CASH FLOW FROM INVESTING ACTIVITIES			
Additions tangible fixed assets		(4,599)	(1,732)
Additions intangible fixed assets		(682)	(238)
Disposals tangible fixed assets		304	-
Acquisition/Divestment participations and other changes in financial fixed assets		853	(929)
Cash flow used in investing activities		(4,124)	(2,899)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid to shareholders		(1,059)	(1,050)
Dividends paid to minority interests	6	(425)	(405)
Repayment loans		(310)	(334)
Repayment lease	9	(8,309)	(7,705)
Factoring	10	2,945	(1,267)
Interest paid		(1,757)	(1,742)
Cash flow from Group financing activities		(8,915)	(12,503)
NET CASH INFLOW (OUTFLOW)		(719)	(1,677)
Cash and cash equivalents			
Cash and cash equivalents at 1 January		4,316	5,925
Cash included in divestment participation		-	68
Cash and cash equivalents at 31 December		3,597	4,316
INCREASE/(DECREASE) IN CASH AT BANK AND ON HAND		(719)	(1,677)

General notes

The Company and its operations

Vos Logistics Beheer B.V. ("Vos" or the "Company") is a logistics service provider registered in Oss, the Netherlands that operates throughout Europe.

Company activities include transport services of packed goods and bulk goods, warehousing, value added services, forwarding, distribution services and supply chain management.

Vos Logistics B.V. directly holds 100% of the shares in Vos Logistics Beheer B.V. Vos Logistics 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. In 2019 Elephantus B.V. changed its name to Vos Logistics B.V.

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 euros 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 prepared on the going concern assumption.

In general, assets and liabilities (except for Group equity) are stated at the amounts in which they are acquired or incurred, or fair value. If not specifically stated otherwise, they are recognized at the amounts in which they were acquired or incurred. The balance sheet, income statement and cash flow statement include references to the notes.

Basis of consolidation

The financial statements were prepared on March 31, 2020. The consolidated balance sheet and the profit and loss account comprises of the financial statements of the Company and its subsidiaries as reported in the chapter Principal Participating interests at 31 December 2019. 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 that 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 when control is achieved.

Goodwill is recognized as 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.

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 the 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 on 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 capitalized 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 straight-line basis over the estimated useful life of the assets.

Maintenance that increases the useful life of assets is capitalized, 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 all Dutch employees have pension plans and a part of our workforce abroad have pension plans. 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 that is administered by the industrial pension fund "PVF Nederland Stichting Bedrijfstakpensioenfonds Vervoer over de weg".

This pension fund does not provide the information required for recognizing 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 top-up 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 management's 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 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 outstanding balance. 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 are 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 on income and expenses

General information

Profit or loss is determined as the differences between the realizable 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 under review.

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. The participants report all taxes separately 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 that is 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 are 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 that the proceeds have been received.

NOTES ON 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 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
<u>Movements</u>			
Additions	-	682	682
Amortization	(180)	(5)	(185)
Historical cost value at 31 December 2019	3,598	5,637	9,235
Accumulated amortization at 31 December 2019	(2,874)	(4,708)	(7,582)
Net book value at 31 December 2019	724	929	1,653
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. 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 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
Movements				
Additions	149	11,744	2,606	14,499
Depreciation	(861)	(6,971)	(1,975)	(9,807)
Disposals	(194)	(2,051)	(241)	(2,486)
Realization in revaluation	(38)	-	-	(38)
	(944)	2,722	390	2,168
Net book value at 31 December 2019	5,940	50,814	5,583	62,337
Historical cost value at 31 December 2019	14,103	82,382	18,849	115,334
Accumulated depreciation at 31 December 2019	(8,163)	(31,568)	(13,266)	(52,997)
Net book value at 31 December 2019	5,940	50,814	5,583	62,337
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 € 42.9 million as of 31 December 2019 (31 December 2018: € 40.3 million).

3. Financial fixed assets

Changes in intangible fixed assets are mentioned below.

<i>in thousands of euros</i>	Receivable on Shareholder	Other	Deferred tax assets	Total
Balance at 31 December 2018	458	1,018	3,926	5,402
Net payments/receipts	685	318	-	1,003
Other movements and reclassifications	-	-	(101)	(101)
Balance at 31 December 2019	1,143	1,336	3,825	6,304

Receivable on shareholder relates to costs made by the Group on behalf of Vos Logistics 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, Romania, Spain, Poland, The Netherlands 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 rounded € 17 million. These can be broken down as follows:

<i>Country</i>	Tax losses available	Tax rate	Tax loss eligible for recognition	Amount recognized
France	7,179	33.3%	2,391	500
Romania	4,172	16.0%	668	400
Spain	2,390	30.0%	717	-
Poland	1,779	19.0%	338	150
Netherlands	1,060	25.0%	265	250
Slovakia	44	19.0%	8	-
Total	16,624		4,387	1,300
Timing differences				2,525
				3,825
Estimated amounts to be realized within 1 year				500
Estimated amounts to be realized after 1 year				3,325
				3,825

Based upon projections the Company should be able to partly offset the available accumulative fiscal losses against future taxable income over the years from 2020 through 2028, 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 € 1.3 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.

4. Receivables

<i>in thousands of euros</i>	31 December 2019	31 December 2018
Trade debtors	54,278	55,275
Corporate income tax	31	141
Value added tax	7,577	8,090
Other receivables, prepayments and accrued income	4,759	5,778
	66,645	69,284

The term of settlement of receivables is less than one year. The provision for bad debts amounting to € 1.3 million in 2019 (2018 € 1.3 million) is deducted from trade debtors.

5. Cash at bank and on hand

<i>in thousands of euros</i>	31 December 2019	31 December 2018
Cash	58	66
Current accounts with banks	3,539	4,250
	3,597	4,316

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 2018	28,485	1,602	30,087
Realization revaluation reserve	(35)	-	(35)
Net result	3,051	375	3,426
Dividends	-	(425)	(425)
Other movements	(18)	-	(18)
Balance at 31 December 2019	31,483	1,552	33,035

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

2019

Carrying amount at 1 January	527
Utilization/other movements	211
Carrying amount at 31 December	738

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
2019**

**31 December
2018**

Pensions	460	471
Reorganization	-	46
Other provisions	1,119	979
	1,579	1,496

Movements in provisions were as follows:

	Pensions	Reorganization	Other provisions	Total
Carrying amount at 1 January	471	46	979	1,496
Addition	29	-	433	462
Release	-	(46)	(145)	(191)
Usage	(40)	-	(148)	(188)
Carrying amount at 31 December	460	-	1,119	1,579
Estimated amounts to be paid within 1 year	40	-	185	225
Estimated amounts to be paid after 1 year	420	-	934	1,354
Carrying amount at 31 December	460	-	1,119	1,579

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				31 December
				2019	2018
	Total	Term until 5 years	Term more than 5 years	Interest rates 2019	Total
Lease contracts	26,981	24,395	2,586		28,530
Other long-term liabilities	194	194	-	1-2%	122
	27,175	24,589	2,586		28,652

Long-term liabilities concern loans provided by external lenders to individual companies. Short-term repayments of the loans and the leases amounting to € 8.3 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 € 2.3 million.

10. Liabilities to financial institutions

<i>in thousands of euros</i>	31 December	31 December
	2019	2018
Factoring	19,197	16,251
Lease contracts	8,082	7,917
Other long-term liabilities	267	311
	27,546	24,479

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 its 2019 covenants of an 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 € 3.0 million, of which is used € 2.6 million.

11. Other liabilities

<i>in thousands of euros</i>	31 December 2019	31 December 2018
Taxes and social insurance contributions	8,541	7,981
Pension fund	596	523
Other liabilities, accruals and deferred income	9,538	10,300
	18,675	18,804

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 2019 the pension fund had a coverage ratio of 103.2%.

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 2020.

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 2019, are as follows:

< 1 year	€	12,588
> 1 year but within 5 years	€	25,984
> 5 years	€	31
Total obligations	€	38,603

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 2019 are as follows:

< 1 year	€	10,104
> 1 year but within 5 years	€	20,702
> 5 years	€	990
Total obligations	€	31,796

In 2019 Company contracted an investment and lease agreement for new trucks, trailers and other equipment.

Total remaining obligations amount to € 5.3 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 ON THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

12. Net turnover

<i>in thousands of euros</i>	2019	2018
International Transport	228,487	197,313
Solutions	113,856	116,139
	342,343	313,452

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

<i>Geographical segment information</i>	2019	2018
Romania	151,022	146,968
The Netherlands	133,590	115,267
Belgium	34,501	28,686
Germany	11,988	12,135
France	6,166	5,837
Other	5,076	4,559
	342,343	313,452

13. Personnel costs

<i>in thousands of euros</i>	2019	2018
Wages and salaries	89,240	77,950
Social security charges	9,004	7,789
Pension expenses	4,252	3,857
Other personnel costs	8,183	6,948
	110,679	96,544

14. Depreciation and amortization

<i>in thousands of euros</i>	2019	2018
Amortization of intangible fixed assets	185	183
Depreciation of tangible fixed assets	9,807	8,799
Total depreciation and amortization	9,992	8,982

15. Other operating expenses

<i>in thousands of euros</i>	2019	2018
Transport costs	89,158	82,113
Warehouse costs	14,942	13,348
Other indirect costs	9,623	8,061
	113,723	103,522

In transport costs an amount of € 15.5 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 € 313 (2018 € 274).

<i>in thousands of euros</i>	Annual report	Other assurance and advice	Tax	Total
EY the Netherlands	164	3	106	273
EY the rest of Europe	149	-	45	194
	313	3	151	467

Employees

Vos Logistics Beheer B.V. and its Group companies employed at year-end on a full-time basis	2,490 FTE
Previous year	2,320 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 1,750 at year-end 2019.

The average number of employees was 2,426 in 2019 (2018: 2,170) on a full-time basis.

The employees can be specified by sector as follows:

	2019	2018
International Transport	1,817	1,689
Solutions	673	631
	2,490	2,320

Remuneration of the Board of Management

<i>in thousands of euros</i>	2019	2018
Remuneration of the Board of Management amounts to	791	789

16. Financial income & expense

<i>in thousands of euros</i>	2019	2018
Interest income	31	23
Interest expenses	(1,866)	(1,829)
	(1,835)	(1,806)

17. Corporate income tax

<i>in thousands of euros</i>	2018
Result before taxes	5,204
Tax charge at nominal tax rate 25.0%	(1,301)
Additional taxes previous years	(100)
Permanent differences	184
Not recognized prior losses and recognized losses	44
Effect tax rate foreign countries	(605)
Effective tax rate	34% (1,778)

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

- Permanent differences
- Not fully recognizing of (fiscal) losses
- Taxes previous years
- Tax rate differences between the group companies

Related party transactions

The shareholder Vos Logistics 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 Vos Logistics B.V.).

Subsequent events

At the time of writing, it is impossible to predict what the impact of the 2020 coronavirus pandemic will be on our market, our customers and on our company. Our automotive customers have announced temporary closures of production facilities as of March 2020. As a result, turnover for our International Transport division will significantly decrease.

It is very possible that more of our customers will be affected by the pandemic, which in turn will further reduce demand for transportation and logistics services. Also our staff has been, or will be, confronted with the pandemic directly or indirectly. The financial impact on the company can't be estimated nor assessed yet as the situation is unprecedented and highly uncertain. Nevertheless many actions have been initiated to reduce costs and support the liquidity of the company in the year ahead. In almost all of the countries that we operate in, governments have announced abundant measures to support economy, companies and employment. Amongst other temporary unemployment schemes, guarantees to financiers and postponement of taxes and premiums will be made available, although details are not clear yet.

Continues on page 56

Vos Logistics shall apply in each of these countries for the available support. No dividends shall be distributed. Furthermore fixed and variable costs have been or will be further decreased wherever feasible by capacity reductions and other downscaling's. Moreover the company is in close contact with its financiers and suppliers to arrange temporary financial support for the remaining part of 2020.

On 6 January 2020 the company acquired all shares in SNEL Shared Logistics (Internationaal transportbedrijf G. Snel B.V.), Located in Woerden (The Netherlands). SNEL is a profitable company which employs approximately 400 FTEs, 65,000 m² warehouses and 200 trucks. Annual revenue is about Eur 40 million with an ebit margin in range of 3%. SNEL total assets amount to Eur 13.5 million and its solvency 25%. The purchase price cannot be determined yet due to uncertainty with respect to variable components of the purchase price.

In March 2020 Vos Logistics became aware of an investigation by Belgian authorities (Arbeidsauditoraat) regarding our international operations executed in Belgium. No formal charges have been brought against the company or any of its group companies. The inspectorate imposed preserving measures including amongst other mortgage on our premises in Pittem and a cash deposit of € 500 thousand. Vos Logistics is in dialogue with the Belgian inspectorate. It is unclear if, how and to what extent the investigation and/or dialogue will proceed. Given the uncertainty currently no possible impact can be assessed or estimated. Management is confident that Vos Logistics' operations are compliant with legislations throughout the various countries of the European Union.

COMPANY BALANCE SHEET

(After appropriation of the result)

<i>in thousands of euros</i>	Ref. note	31 December 2019	31 December 2018
ASSETS			
Fixed assets			
Financial fixed assets	18	25,623	22,123
		25,623	22,123
Current assets			
Receivables	19	5,923	6,542
		5,923	6,542
Total Assets		31,456	28,665
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity			
	20		
Issued capital		800	800
Share premium cumulative preferent shares		4,450	4,450
Revaluation reserve		1,014	1,049
Reserve for translation differences		2,711	2,729
Other reserves		22,508	19,457
		31,483	28,485
Current liabilities	21	63	180
Total shareholders' equity and liabilities		31,456	28,665

COMPANY PROFIT AND LOSS ACCOUNT FOR 2019

<i>in thousands of euros</i>	2019	2018
Profit/(loss) after taxation	(166)	89
Share in profit/(loss) of participating interests	3,217	6,566
Net result	3,051	6,655

NOTES ON 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 2019	31 December 2018
Subsidiaries	24,569	22,028
Receivable on shareholder	1,025	66
Other	29	29
	25,623	22,123

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 Vos Logistics 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 Vos Logistics 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 on the next page.

Subsidiaries

<i>in thousands of euros</i>	31 December 2019	31 December 2018
Financial fixed assets at 1 January	22.028	15,952
Result for the year	3.217	6,566
Other movements	(676)	(490)
Net book value at 31 December	24.569	22,028

Movements in receivable on shareholder are mentioned below.

Receivable on shareholder

<i>in thousands of euros</i>	Total
Balance at 31 December 2018	66
Net payments/receipts	959
Balance at 31 December 2019	1,025

19. Receivables

<i>in thousands of euros</i>	31 December 2019	31 December 2018
Receivables from Group companies	5,802	6,503
Corporate income tax	55	-
Value added taxes	59	-
Other receivables, prepayments and accrued income	4	26
Current accounts with banks	3	13
	5,923	6,542

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 € 3.6 million (receivable).

20. Equity

	Issued capital	Share premium cumulative preferent shares	Revaluation reserve	Reserve for translation differences	Other reserve	Equity
Movements during 2019						
Opening balance	800	4,450	1,049	2,729	19,457	28,485
Release for the year and realization to P&L			(35)			(35)
Currency translation difference for the year				(18)		(18)
Result for the financial year					3,051	3,051
Closing balance	800	4,450	1,014	2,711	22,508	31,483

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 not to pay the 2019 € 445 dividend to the holders of the cumulative preferent shares and add the 2019 net profit of € 3,051 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. At 31 December 2019 the total unpaid cumulative preferent dividend amounts € 445.

21. Current liabilities

<i>in thousands of euros</i>	31 December 2019	31 December 2018
Trade payables	-	32
Corporate income tax	-	30
Value added taxes	-	55
Other debts	63	63
	63	180

Oss, 31 March 2020

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 2019 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 2019 of Vos Logistics Beheer B.V. (hereinafter Vos Logistics) in Oss.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Vos Logistics as at 31 December 2019 and of its results for 2019 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 2019
- ✓ The consolidated and company profit and loss account for 2019
- ✓ The consolidated comprehensive income statement for 2019
- ✓ The consolidated cash flow statement for 2019
- ✓ The notes to the consolidated and company balance sheet and profit and loss account, 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.

Emphasis of matter relating to uncertainty about Corona

The developments surrounding the Corona (Covid-19) virus have a profound impact on people's health and on our society as a whole, as well as on the operational and financial performance of organizations and the assessment of the ability to continue as a Going Concern. The financial statements and our auditor's report thereon are snapshots. The situation changes on a daily basis giving rise to inherent uncertainty. Vos Logistics Beheer B.V. is confronted with this uncertainty as well, that is disclosed in the Prospects section on page 25 and the disclosure about events after the reporting period as per page 55. We draw attention to these disclosures. Our opinion is not modified in respect of this matter.

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 management report, as per pages 4-36
- ✓ Other information, as per pages 61-66

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 during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of 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

Continues on page 64

- ✓ 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, 31 March 2020

Ernst & Young Accountants LLP

Signed by

W.J.C.A Weijers

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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 as at 31 December 2019

Group companies

In cases in which less than 100% of the ordinary shares are held, the interest is stated.

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 Cargo Equipment B.V. Oss *

Vos Logistics Bulk Equipment B.V., Oss *

Gehlen Schols Holding B.V., Kerkrade

Gehlen Schols Transport en Logistics 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 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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We simplify. Whatever it takes.