GREENYARD

Financial Report 2017-2018








for a healthier future

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REPORT OF THE BOARD OF DIRECTORS

HIGHLIGHTS AY 17/18

- In the beginning of 2018, Greenyard came under joint leadership of Hein Deprez (CEO) and Carl Peeters (COO). We also further strengthened our management team at the business segment level.
- Greenyard has entered into an agreement regarding the acquisition of Mykogen, a leading manufacturer of top quality mushroom substrate. The addition of Mykogen to Greenyard yields a number of important strategic benefits as it enhances our direct connection to the grower and increases our access to hand-picked and mechanically harvested mushrooms, creating opportunities for cross-segment synergies with the Fresh, Long Fresh and within the Horticulture segment. The growing production volumes of these substrates in Poland, Ukraine and neighbouring markets are beneficial to the Group's growth rate. Besides, the acquisition raises the strategic profile of our Horticulture business, positioning it for further strategic development.
- We reorganised our geographical footprint and organisational design in Fresh to come closer to our customer. In this context, we opened two new state-of-the-art distribution centres in Germany, with the latest technology in terms of ripening, value-add packing, controlled atmosphere storage and service providing opportunities. As a result, Greenyard closes its logistical centres in Bremen and Neunkirchen.
- Since the announcement of the share buyback program on 14 March 2017, Greenyard bought back 1.750.000 shares for a total amount of € 30,0m, corresponding to 3,94% of the total shares outstanding and has thereby ended its share buyback. Over the total share buyback, Greenyard has paid on average € 17,17 per share.

COMMENTS ON THE CONSOLIDATED FINANCIAL STATEMENTS

These comments relate to the consolidated financial statements of Greenyard NV ('the Company') and its subsidiaries (together, 'the Group') for the year ended 31 March 2018.

1. Consolidated income statement

Sales

The year-over-year decrease of consolidated sales (€ 4.175,9m) by € 73,3m, or 1,7%, is primarily attributable to a decline in volumes sold in Fresh (€ 3.342,9m, down 2,4% from € 3.425,8m), despite stable sales in Long Fresh landing at € 742,8m, down from € 748,3m (0,1% year-over-year internal growth, but impacted by negative foreign exchange headwinds of -0,8%) and a continued growth in Horticulture closing at € 90,3m, up € 15,2m from € 75,1m (+20,2%), primarily thanks to the four month consolidation impact of the Mykogen acquisition.

Fresh represents 80,1% of consolidated sales, Long Fresh 17,8% and Horticulture 2,2%.

EBIT before non-recurring items

EBIT before non-recurring items decreases by € 9,2m to € 72,4m. This decrease is mainly due to lower sales, mainly resulting from a loss of volumes in Fresh.

REBITDA[1] decreases by 3,8% or € 5,5m, while the REBITDA margin remains stable at 3,4%. REBITDA for Fresh amounts to € 72,2m, which is a decrease of € 7,0m compared to AY 16/17. The margin remains relatively stable at 2,2%, down from 2,3%. For Long Fresh, REBITDA amounts to € 56,6m, stable (+0,3%) from € 56,5m, representing a margin of 7,6%. REBITDA for Horticulture amounts to € 11,4m, which results in a margin of 12,6%, down from 13,2%. The reason for the decrease in margin is linked to the difficult harvest conditions in the summer of 2017, resulting in higher costs.

Non-recurring items from operating activities

Non-recurring items amount to € 31,9m versus € 8,2m last year. Reorganisation and restructurings costs of € 22,0m primarily include costs made for the reorganisation of our geographical footprint and organisational design, in particular in Germany.

[1] Please refer to *Key Financial Information* for the reconciliation of REBITDA and to *Financial definition*s for the definition.

The main constituents of the merger and acquisition project costs relate to the efforts made to acquire Dole Food Company Inc. at the end of 2017, as well as costs made in respect of the Mykogen transaction.

Net finance income / cost

Net finance costs come down by € 37,7m year-over-year to € 34,9m. Net interest expenses (excluding amortisation) drop by € 23,0m. Excluding interest income and last year's one-off costs related to the early redemption of the Fresh bond and interest rate swaps, the underlying interest cost savings amount to € 11,5m, continuing to display the savings related to Greenyard's refinancing in December 2016.

The increase in amortisations is driven by the amortisation of the conversion option of the convertible bond for an amount of € 2,1m.

Income tax expense / income

The corporate income tax expense of € 2,1m translates into a consolidated effective tax rate of 38,5%, in line with Greenyard's continued efforts to structurally improve its tax rate and reach a lower effective tax rate over the coming years.

2. Consolidated statement of financial position

Non-current assets

Non-current assets increase by € 96,2m to € 1.361,4m, primarily due to an increase in property, plant and equipment of € 43,6m, an increase in goodwill for an amount of € 41,9m linked to the acquisition of Mykogen, as well as an increase of € 14,2m in other intangible assets.

Property, plant & equipment increases as it is the net result of ongoing investments (€ 73,3m) and depreciation (€ 52,0m). The investments consist of land and buildings (€ 6,9m), plant, machinery and equipment (€ 37,6m), furniture and vehicles (€ 5,4m), leasing (€ 1,9m) and assets under construction (€ 21,4m).

The increase in other intangible assets mainly results from new customer relationships due to the new business combination (€ 23,0m) and investments in other intangible assets (€ 7,0m). The latter are primarily consisting of software and licenses. The increase is partly offset by the ongoing amortisation of customer relationships (€ 11,5m).

Current assets

Current assets drop by € 23,2m to € 702,2m. The decrease is mainly clarified by a decline in cash and cash equivalents by € 55,8m, only partly offset by an increase in inventories and trade and other receivables.

The decrease in cash and cash equivalents can mainly by linked to the Mykogen transaction.

Equity

Total equity amounts to € 709,2m and represents 34,4% of total equity and liabilities at 31 March 2018. The decrease of € 3,0m compared to 31 March 2017 mainly results from negative currency translation differences, the share buyback program and the dividend payment, almost fully countered by the transfer of the fair value of the conversion option of the convertible bond from liabilities to equity. Since the announcement of the share buyback in March 2017, the Company repurchased 1.750.000 shares for a total amount of € 30,0m. The dividend paid in October 2017 amounted to € 8,5m.

Non-current liabilities

Non-current liabilities decline by € 38,2m to € 479,6m. This decline is mainly due to a decrease in interest-bearing loans of € 9,4m, as well as a decrease in other financial liabilities of € 27,2m.

The decrease in interest-bearing loans is the net result of the decrease in bank loans of € 11,8m (in terms of our annual instalment under the bank loans, slightly countered by the amortisation of the transaction costs) and the increase in bond loans of € 2,7m (due to the amortisation of the conversion option and the transaction costs). The decrease in other financial liabilities is linked to the waiver of 23 November 2017, whereby Greenyard Fresh NV waived the Cash Alternative Election (set out in clause 6(m) of the terms and conditions of the convertible bond), which led to the transfer of the fair value of the conversion option of the convertible bond from liabilities to equity following IAS 39.39.

Current liabilities

Current liabilities amount to € 874,8m, representing a € 108,1m increase compared to 31 March 2017. This increase is the result of an increase in interest-bearing loans (€ 51,6m), provisions (€ 7,2m) and trade and other payables (€ 47,8m).

The increase in interest-bearing loans is mainly the result of the higher withdrawn amount on the revolving credit facility on 31 March 2018 compared to 31 March 2017. The increase in provisions is primarily linked to provisions related to the reorganisation in Germany.

There are no changes in valuation rules with a significant impact on the Group's reported results or financial position, apart from those included in note 2.3. *Basis of consolidation*.

3. Consolidated statement of cash flows

The cash inflow from operating activities amounts to € 115,1m in AY 17/18, compared to a cash flow from operating activities of € 192,2m in AY 16/17 or a decrease of € 77,1m. This decrease is the result of a combination of lower EBIT and a decrease in the improvement in working capital[2] compared to AY 16/17. The amount of income taxes paid is in line with prior year.

The cash outflow from investing activities amounts to € -131,1m, which is € 88,1m higher than in AY 16/17. Acquisitions of intangible assets and property, plant & equipment increase by € 26,9m, given the investments that are now being phased in. Acquisitions of subsidiaries/ associates increase by € 58,6m, mainly related to the Mykogen transaction.

The cash outflow from financing activities firmly decreases with € 136,7m to € -38,7m. This is mainly the result of increased borrowings and strong improvement of interest expenses.

DIVIDENDS

The Board of Directors proposes to keep the dividend stable at € 0,20 per share. The dividend is subject to shareholder approval at the General Meeting of Shareholders to be held at 21 September 2018. Ex-coupon date is 2 October 2018 and the dividend would be payable 4 October 2018. It is the Board's aim to have a sustainable dividend going forward. This reflects the confidence from the Board of Directors in the future of the Group.

POSITION OF THE COMPANY: RISKS AND UNCERTAINTIES

The Group is required to disclose the key risks and uncertainties, which have affected or may impact its financial position and results. Together with the mitigating actions associated therewith, these risks are described below. Nevertheless, the list below does not rank the risks by priority, neither is it an exhaustive description of all risks currently faced with.

Availability and prices produce and consumables

The results of the Group may be adversely affected by shortage of produce and consumables. With regard to the production of frozen fruit and vegetables, Long Fresh obtains fresh supplies from 800 farmers in Belgium, France, Poland and Hungary. The UK supplies are secured by agricultural cooperatives and various dealers. On the other hand, with regard to the production of canned fruit and vegetables, the supply of fresh produce is sourced from approximately 4.500 ha agricultural land in a radius of 100 km around the main processing sites in Belgium and the Netherlands. Long Fresh sources with pre-season fixed price annual contracts. Possible shortfalls in the market can be compensated by purchasing raw materials on the spot market. Depending on the type of fresh produce, the number of hectares and the expected yield (tons per hectare) are fixed.

Fresh obtains most of its supply directly from third party growers. For all of its business models sourcing is done at market prices or in advance negotiated price ranges. In general, growers are compensated based on the prices obtained from the customers, occasionally with a minimum guaranteed price (through well monitored pre-season advances to growers) or based on agreed price ranges.

Horticulture sources its growing media for plants for the majority through own production primarily in Latvia, Poland and Russia and also purchases specialty raw materials from long-lasting supply partners who have been working closely with the Group. The majority of growing media for mushrooms is sourced from local supply partners in Poland and Ukraine.

[2] Please refer to *Financial definitions* for the definition.

Despite the attention and efforts dedicated to these aspects and active supplier relationship management, the Group also strongly depends on temporary weather phenomena, while climate and soil conditions can also influence supplies and raw materials prices (see further).

Energy prices

Due to the high energy intensity of the production, cooling, ripening and storage processes, the Group is strongly dependent on the evolution of energy prices (mainly gas, electricity and oil prices). The cost of diesel fuel also has an impact on the exploitation costs of the machinery used in the harvesting of peat (Horticulture). The majority of these costs are secured through mid- to long-term contracts.

Sales prices

While price increases in produce and consumables may enable the Group to renegotiate contracts with its customers or pass on the cost increase to its customers, such increases can in certain cases not be passed on, in all or in part, due to the bargaining power of certain key customers, such as large retail distribution chains, affecting the margin of the Group. In some cases, aiming at more flexibility and higher responsiveness, the Group applies a decentralised pricing policy, leaving its local management to determine product prices taking into account local demand and market characteristics.

Furthermore, changing climate conditions, internationalisation of the market and the competitive environment have an important influence on pricing and profitability.

Customer dependency

The Group faces a high customer concentration, i.e. top ten customers, primarily retailers, represent approximately 66% of total sales. The Group believes its customers make purchase decisions based on, among other things, price, product quality, consumer demand, customer service performance and desired inventory levels. Changes in the strategies or purchasing patterns of the customers may adversely affect the operating profit, as the Group may not be in a position to sell the surplus produce or hedge its position given the long-term obligations towards certain growers. Customers may also reduce their purchases in response to (i) any price increase implemented by the Group, (ii) a decision to switch to another supplier or begin sourcing (or to source a greater amount of) fresh produce directly from growers, and/or (iii) changing trends in the industry.

The Group believes its customer intimacy strategy is key to the pursuit of margin and volume improvement and stability. The Group, in all of its management layers, increasingly focuses on innovation and customer preferences, and intends to continue to build long-term relationships by meeting customer needs through innovative solutions in several areas such as logistics and product ranges. In this context, the Group has been focusing on customer and portfolio management in order to realise a profitable growth. This portfolio management includes a strong focus on countries, customers and products. In addition, and more specifically in the Fresh segment, the Group operates as a full service provider to a number of customers and is pursuing the transition of other existing customer relationships away from a transactional model and towards a joint and more integrated business planning model.

Credit risk is managed and continuously monitored centrally by the Group. To protect itself against customer defaults and bankruptcies, the Group uses the services of international credit insurance companies, and also applies internal customer credit limits. Further reference is made to note 7.18. *Risk management policy*.

Climate conditions

From time to time, the Group's growers experience crop disease, insect infestation, severe weather conditions (such as floods, droughts, windstorms and hurricanes), natural disasters (such as earthquakes) and other adverse environmental conditions. Severe weather conditions could be further exacerbated due to the impacts of climate change. These adverse environmental conditions, and more specifically unpredictable weather patterns, could result in production and price volatility. To the extent possible, this risk is mitigated by the geographical spread of sourcing.

In so far as the Fresh segment is concerned, even though it acts to a certain extent on a free consignment basis, for the produce from growers, in practice, it often shares the risk of adverse environmental conditions with the growers given the growers' long-term relationship with the Fresh segment. Further, the Fresh segment occasionally finances crop production of certain of its growers and suppliers and may be adversely affected if it is not repaid or repayment is postponed due to adverse environmental conditions affecting those growers and suppliers or for any other reason.

In so far as the Long Fresh segment is concerned, notwithstanding the large majority of its raw materials for processing are contracted, adverse environmental conditions may cause raw material shortages forcing the Group to buy additional volumes at higher prices on the spot market.

In addition, in so far as Horticulture is concerned, the quality and the quantity of peat are also highly dependent on weather conditions. The harvest of peat is only possible after a natural drying cycle (i.e. wind or sun) and important precipitation will therefore reduce the volumes of peat that can be harvested. In addition, wet peat will be less stable, generate less fractioning, lower the quality of the substrates and be heavier to transport.

Along with other elements, such as soil fatigue in fields for specific crops, the weather conditions are a compelling reason for the Group to reduce its dependency on the harvest in a specific region as much as possible. This risk is managed by the geographical spread of the activities and by sustainable relations with the growers.

Seasonality and working capital

Seasonality is important for the Group, and more specifically, opposite underlying trends exist across the operating segments. Long Fresh has a production peak in the period from July to November with corresponding inventory build-up, whereas the demand is relatively stable during the year. This gives rise to high working capital swings in the last two quarters of the calendar year. On the contrary, Fresh realises a greater portion of its sales during the first two quarters of the calendar year, whereas the third and fourth calendar quarters typically have slightly lower sales and less homogenous sales patterns than the first half of the calendar year. As Fresh reports a negative working capital, positive working capital of Long Fresh and Horticulture is partly offset on Group level.

Due to high seasonality, the reduction of production capacity can highly influence the results of the Group during high season and large inventories are to be held and financed. The Group actively manages and closely monitors working capital and liquidity[3], in order to cope with important working capital swings, and continuously aims at securing its funds and resources accordingly.

Geopolitical changes

Governmental measures to curb inflation and speculation about possible future governmental measures have contributed to the negative economic impact of inflation and created general economic uncertainty. Depreciation of local currencies relative to the euro may also create additional inflationary pressures in local jurisdictions that may negatively affect the Group as depreciation generally curtail access to foreign financial markets and may prompt government intervention, including recessionary governmental policies. In the past few years the US, the EU and the UN have increased their imposition of various sanctions and embargoes on trading with countries such as Iran, Syria, Sudan and others. Similar sanctions were taken by the US and EU against the Russian Federation and subsequently by the Russian Federation against the US and the EU. As the activities and operations of the Group are worldwide, the Group and its competitors, distributors, suppliers and customers may not be able to comply with or suffer from such trading sanctions and embargoes.

In this respect, the Group's management monitors global geopolitical trends and takes prompt measures, where needed, responding to these accordingly. Geographical spread of operations and sourcing channels also partly mitigate the risks associated herewith.

Product liability

If the produce sourced by the Group are alleged or proved to contain contaminants or bacteria affecting the safety or quality of its products, the Group may need to find alternative produce, delay production of its products, or discard or otherwise dispose of its products, which could adversely affect its results of operations. Additionally, if the presence of such contaminants or bacteria are not alleged or discovered until after the affected product has been distributed, the Group may need to withdraw or recall the affected product and the Group may experience adverse publicity or product liability claims.

The Group may also be exposed to product recalls, including voluntary recalls or withdrawals, and adverse public relations if its products are alleged to cause injury or illness or if the Group is alleged to have mislabelled or misbranded its products or otherwise violated governmental regulations. The Group may also voluntarily recall or withdraw products that it considers below its standards, whether for taste, appearance or otherwise, in order to protect its (brand) reputation. Consumer or customer concerns (whether justified or not) regarding the safety of the products of the Group could adversely affect its business. A product recall or

[3] Please refer to *Financial definitions* for the definition.

withdrawal could result in substantial and unexpected expenditures, destruction of product inventory, and lost sales due to the unavailability of the product for a period of time, which could reduce profitability and cash flow.

The Group applies HACCP and ISO standards and Group and segment management actively monitor quality and compliance to these standards. Moreover, long-lasting relationships have been developed with key growers who provide the same commitment and compliance to the Group's quality standards and requirements.

Changes in legislation and regulations

The activities of the Group are subject to extensive regulations in each country in which it operates, including corporate governance, labour, tax, competition, environmental and health and safety regulations. Failure to comply with existing laws and regulations might result in damages, fines and criminal sanctions being levied against the Group or the loss of its operating licenses and might adversely affect its reputation. Compliance with future material changes in food safety or health-related regulations and increased governmental regulation of the food industry (such as proposed requirements designed to enhance food safety, impose health-protection requirements or to regulate imported ingredients) might result in material increases in operating costs and might require interruptions in the operations of the Group to implement such regulatory changes, thereby affecting its profitability.

There has been a broad range of proposed and promulgated national and international regulations aimed at reducing the effects of climate change. Such regulations apply or could apply in countries where the Group has interests or could have interests in the future. The Group reviews the impact of any changes on a regular basis, and at its best estimate has budgeted for future capital and operating expenditures to maintain compliance with environmental and health and safety regulations.

Talent attraction and retention

Our future success depends on our ability to attract, retain and motivate qualified and talented employees. Being unable to do so would compromise our ability to fulfil our strategic ambitions. To enhance our recruitment pool we have initiated a global employer brand, supporting our recruitment activities and communication with potential candidates. Furthermore, attractive development and training programs, adequate remuneration and incentive schemes and a safe and healthy work environment also mitigate this risk.

Human rights and anti-corruption

Risks from the improper behaviour of employees and business partners, which could go against the fundamental human rights, could adversely affect our reputation and our business prospects, operating results and financial condition. We could be subject to liabilities under human rights, corruption, environmental, health and safety laws or regulations, or fines, penalties or other sanctions. Therefore, high ethical standards are maintained throughout the entire Group at all levels with zero tolerance for corruption or bribery.

Exchange rate risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. The US dollar and the British pound are the most important non-euro currencies. Of minor importance are the Polish zloty and the Czech koruna. The Group's management has set up guidelines to require subsidiaries to manage their foreign exchange risk against their functional currency. Following the guidelines, subsidiaries are required to hedge their entire foreign exchange risk exposure with Corporate Treasury. To manage its foreign exchange risk arising from future commercial transactions, the Group uses foreign exchange forward contracts. Although the Group engages in natural and transactional hedging, there can be no assurance that the Group will be able to successfully mitigate such foreign exchange exposure, particularly over the long-term. In casu, concerns regarding the Eurozone sovereign debt crisis may result in increased volatility of euro exchange rates. Further reference is made to note 7.18. *Risk management policy*.

Interest rate risk

The Group's financing positions are exposed to both fixed and floating interest rates. The Group issued a retail and convertible bond with a fixed interest rate of 5% and 3,75% respectively. On the other hand, the Group is exposed to floating interest rates through a revolving credit facility, factoring programs and term loans. The Group partly hedges floating interest rate exposure through interest rate swaps. Further reference is made to note 7.18. *Risk management policy*.

Liquidity risk and covenant compliance

Current liabilities exceed current assets which might imply a short-term liquidity risk. In this respect, the Group's management has put strict measures in place. Short-term cash flow forecasting is performed by the operating entities of the Group and aggregated by the Corporate Treasury team, who monitor forecasts of the Group's liquidity and working capital requirements to ensure it has sufficient cash to meet operational needs, while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Further reference is made to note 7.18. *Risk management policy*.

Impairment non-current assets including goodwill

The carrying amounts of financial assets, property, plant & equipment and other intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. In addition, goodwill is tested for impairment annually. An impairment loss is recognised whenever the carrying amount of an asset or the related cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement. Goodwill impairment indicators are monitored on a semi-annual basis, reported to the Audit Committee annually, and appropriate actions are taken when deemed necessary. Further reference is made to note 7.2. *Goodwill*.

RESEARCH AND DEVELOPMENT, INNOVATION AND SUSTAINABILITY

1. Product development and innovation

The Group takes a consumer-centric approach with regard to product development taking into account consumer needs such as health, convenience, pleasure and sustainability with the goal of driving forward product innovation in each division. In the past accounting year, as well as in previous years, many new products, product varieties, dishes and packaging have been developed and successfully marketed. Some of these products have also been recognised for their innovative character and were nominated for industry awards.

In order to focus its innovation efforts, the Group identified five major opportunity areas.

- Think Meal Solutions: Healthy meal solutions are taking off fast, helping people to cook aspiring, fresh recipes from scratch or with convenient short-cuts.
- 24/7 Healthy Snacking: Food is being redesigned to be eaten anytime, anyplace. Packaging, shape and size are adapted to fit flexible, on-the-go lifestyles.
- Meat & Fish Replacers: As people are looking to replace meat and fish with tasteful alternatives, creative cooks come up with plant-based steaks, sushi or nuggets.
- Vegan & Like Minded: Plant-based is the diet of the future, driven by concerns about health and the environment. Vegan may be the hard core, but there are many related vegetarian lifestyles, full-time or part-time.
- More, Less, Better: The ecological footprint of food is a major concern. What can the Group do to improve packaging, prevent waste and reduce the impact of its products?

Development quality and the circulation of information throughout the organisation are monitored throughout the process by the internal research and development (R&D) departments. Fresh, Long Fresh and Horticulture employ respectively 25, 10 and 5 dedicated permanent staff in order to develop new products and engage in research partnerships. Currently there are a number of R&D programs in place, which are co-financed by external national and international institutions. The Group's R&D budget amounts to € 4,0m.

The food processing operations of the Group continue to make investments in the best-performing and innovative machines and installations allowing them to develop products at a quick pace, in step with market trends.

2. Sustainability

Sustainability is an important pillar of the Group's strategy. It is integrated within the vision and mission of the Group and supported by a clear commitment to supply its markets in the most sustainable way possible with healthy and safe fruits and vegetables.

The Group has prepared a sustainability report for AY 17/18 which complies with the requirements of EU Directive 2014/95 with regard to the disclosure of non-financial and diversity information by certain large undertakings and groups. The EU's reporting requirement directly affects capital market companies such as Greenyard with more than 500 employees and/or a balance sheet total of over € 20,0m and/or a net turnover of over € 40,0m. The report includes information on the Group's efforts with regards to the environment, society, employees, human rights, anti-corruption and diversity.

By publishing this first sustainability report, the Group aims to provide a more comprehensive overview of its sustainability efforts at local level and how these help solve the global challenges in the food sector.

To this end, the Group has developed a sustainability framework consisting of five pillars and twelve drivers. This is the result of a participatory process of reflection and consultation. During the next months, the Group will use this framework to set up concrete sustainability targets with appropriate indicators.

Global challenges

Decrease in active and healthy lifestyles	Loss of biodiversity and degradation of natural resources	Future food availability	Social standards in the supply chain	Pressure on agricultural sector

5 pillars

PEOPLE	PLANET	PROSPERITY	PEACE	PARTNERSHIP
Promoting people's well-being	Fostering responsible resource use	Ensuring food availability	Stimulating sustainable trade	Strengthening collaboration in the chain

12 strategic drivers

Healthy diet	Water & energy efficiency	Innovation & product development	Responsible sourcing	Collaboration with our producers
Food safety	Waste management		Ethics in our operations	Collaboration with our customers
Employee well-being	Biodiversity and responsible land use			
Employee development				

The framework is based on the United Nations Sustainable Development Goals (SDGs). The United Nations 2030 Agenda for Sustainable Development is a plan of action for our planet centred around people and their prosperity, and for peace and justice. The 17 SDGs define global sustainable development priorities and aspirations for 2030 and seek to mobilise global efforts around a common set of goals and targets. The SDGs call for worldwide action among governments, business and civil society to end poverty and create a life of dignity and opportunity for all, within the boundaries of the planet.

As one of the largest suppliers of fruit and vegetables in the world, the Group is deeply committed to the implementation of the 2030 Agenda.

The establishment of the Group's new sustainability framework provides an opportunity to take a constructive look at where the Group is now and where the Group wants to be in the future. Through five pillars and twelve strategic drivers, the Group is taking some meaningful steps to achieve the sustainable development agenda.

The strategic framework outlines the direction that the Group will take and serves as the foundation for planning and budgeting, mobilising resources, crafting partnerships and delivering results. The Group is looking forward to implementing the framework together with its partners and for the benefit of their stakeholders. The five pillars - People, Planet, Prosperity, Peace and Partnership - of the 2030 Agenda for Sustainable Development will guide the Group's work.

2.1. Promoting people's well-being (PEOPLE)

Greenyard's ambition

The Group's mission is to strive for a '*healthier future*', especially when considering the current global challenges such as the increase in obesity or the lack of physical activity. Promoting the well-being of employees, customers and end consumers is therefore one of its key ambitions.

Greenyard's approach

The Group encourages people around the world to follow healthy diets by offering a broad range of convenient products and tastes that are available throughout the year. This is backed up by ensuring that stringent food safety standards are at the top of the Group's priorities to protect people's health. The Group is also fully committed to safeguarding the well-being, health and safety of its employees. Finally, this pillar aims to empower everyone working at the Group and to encourage and support them in developing their knowledge, skills and talents.

Greenyard's impact

A. By offering a healthy diet

Fruit and vegetables are the basis for a healthy and balanced diet. They contain fibres, minerals and vitamins that are good for us. However, research shows that on average people eat only 60% of the recommended daily allowance.

The Group offers a broad variety of fruit and vegetables which means that there is a great potential to raise this percentage. By working closely with retailers, the Group aims to offer consumers healthy, convenient and pleasurable products. Moreover, the Long Fresh segment makes sure that fruit and vegetables are available year-round, independent of the season.

Additionally, the Group takes into account the nutritional value, by reducing salt and sugar content without compromising the unique taste of the products.

B. By offering food safety

The Group shares a fundamental responsibility to ensure that consumers can trust the safety and quality of all products. Therefore, all the Group sites comply with the most stringent international food quality standards (IFS food, BRC, ISO 9001 or ISO 5001).

In order to comply with these standards, the Group's focus on food safety and quality covers the entire production chain. It starts literally in the field with the raw materials. All farmers have to comply with strict growing terms. From that point onwards, the Group assures the quality through the entire production chain via a combination of advanced control systems and inspection equipment, as well as by carrying out visual inspections.

C. Through a safe and healthy work environment

The Group values its employees as its most important asset. Thanks to the commitment of its more than 10.000 employees, the Group has been able to become the thriving company it is today. The Group is therefore deeply committed to offering a safe and healthy working environment for every single one of them.

The Group creates a safe working environment by actively preventing workplace accidents and fatalities. Additionally, the Group inspires its employees to take initiative and improve the safety of the organisation in any way they can. In 2017, the Group registered 367 working accidents with lost time. The Group aims to continuously decrease this number.

Furthermore, by encouraging all its employees to maintain a healthy diet and take regular exercise, the Group wants to make their own people's lives healthier, both at work as well as at home.

D. By empowering employees

Learning is crucial to promoting people's well-being. The Group invests in its employees by bringing them together and encouraging everyone to work on their personal development. To support this, the Group offers several formal and informal training and development programs. In 2017, the Group provided on average 10 hours of training per employee.

The Group's workforce is a reflection of social diversity with more than 80 different nationalities working at the various locations. Recruiting the right people with the right skills and mindset is a priority in the human resources strategy. Furthermore, the Group recognises its role in society and therefore wants to be an active provider of social employment.

2.2. Fostering responsible resource use (PLANET)

Greenyard's ambition

One of the Group's most valuable suppliers is nature. Without nature, the Group would not be able to conduct its business. This is why the Group is always aware of its vision on '*fostering nature*'. Greenyard believes in the responsible and sustainable production of food and agricultural products. However, this is only possible if the Group deals with its resources in a responsible way.

Greenyard's approach

The drivers under this pillar focus on water and energy efficiency in all operations, closing the loop through an effective waste policy, the responsible use of land, and the maintenance of biodiversity.

Greenyard's impact

A. With water and energy efficiency in our own operations

To process fruit and vegetables, the Group requires a lot of water, energy and other resources. The ambition is to use these raw materials as efficiently as possible. By measuring and monitoring the use of these resources in our operations, it is possible to optimise efficiency.

The Group pays specific attention to its water use when washing fruit and vegetables. Advanced water treatment installations and water collectors measure exactly how much water is used in each process. In addition, by purifying and reusing water, water consumption can be decreased by enormous amounts. In total, the Group consumed 4 million m^3 water in 2017.

Besides water, energy is also required. This year, the Group used 2,3 million GJ of energy. To reduce the energy use, the Group continues to actively seek for alternative energy sources. Solar panels and biomass production allow a share of its total energy needs to be produced internally. Also, a focus on more efficient processing solutions in production through investments in the latest technologies, warehousing, intermodal transport and logistics has resulted in a reduction of energy use.

B. With waste management

The Group recognises different waste streams related to its business. Food waste, both in its own production processes as at the consumer side, is a global problem. As a food producer, the Group can have a significant impact on reducing food waste. Another stream is material waste, such as paper, plastic and metals, coming from the Group's operations and the packaging of its products. The Group sees it as its duty to manage its resources in a responsible manner, with as little waste as possible. As the majority of waste is generated during the consumption phase, the Group faces the important trade-off between packaging and the shelf–life of food. By using packaging only when necessary and by designing recyclable, reusable and lighter packaging, the Group can extend and protect the life of products and by doing so, help reduce the overall food waste at the consumer side.

C. By preserving biodiversity and encouraging responsible land use

The process of delivering high-quality fruit and vegetables to consumers starts in the field and so does the focus on responsible resource use. The Group has the ambition to take good care of the land so that it can keep on producing healthy food without getting exhausted. Therefore, measures to safeguard the natural balance and biodiversity have been taken in its operations. The Group does so by educating the growers and supporting them to work in more efficient ways.

2.3. Ensuring food availability (PROSPERITY)

Greenyard's ambition

One of the main challenges for global agriculture is the rising demand for products. Driven by a growing world population, a higher average life expectancy and land scarcity, agriculture needs to find solutions to ensure that enough high-quality food is accessible for everyone. The Group's ambition is to support new alternatives, such as innovative techniques, technologies and infrastructure, which will be key enablers for future food security.

Greenyard's approach

As a global market leader of fresh, frozen and prepared fruit and vegetables, the Group's approach is to stimulate efforts that lead to innovative techniques and products. The Group supports research and development, aligned with circular economy models, so it can lead to a prosperous progress in harmony with nature and the limits of our planet.

Greenyard's impact

The Group focuses on innovative growing methods such as farming on water, vertical farming, controlled-environment agriculture (CEA) and indoor farming. These techniques help ensure quality fresh products all year round without having to rely on skilled labour, favourable weather, pesticides, high soil fertility or high water usage. For instance, by producing food in vertically stacked layers, vertically inclined surfaces, and/or integrated in other structures, less land is needed to produce the same amount of fruit and vegetables. Urban farming is another infrastructure, which helps decrease the dependency on supplies from other regions.

Moreover, with R&D, the Group develops new varieties of fruit and vegetables that can be more resilient to the external environment.

2.4. Stimulating sustainable trade (PEACE)

Greenyard's ambition

Worldwide, food chains are becoming longer and more complex. The Group sees this as an incentive to generate social, economic and environmental benefits through the entire chain and is also committed to the highest standards of business ethics and compliance.

Greenyard's approach

On the supply side, the Group actively focuses on social standards, responsibility, transparency and traceability by working in close collaboration with its growers and suppliers. Internally, the Group is taking measures to maintain an ethical business spirit by, for example, developing and implementing its Code of Conduct.

Greenyard's impact

A. With a responsible supply chain

Throughout the value chain, ensuring social standards is of utmost importance for the Group. For this reason, the Group has established the ambition to conduct business with suppliers that are certified according to Global Social Compliance Initiative (GSCI) equivalents in high risk countries. In order to foster a responsible supply chain, the Group works in close collaboration with its suppliers and provides direct training and support.

B. Within Greenyard's own operations

The basis of sustainable trade is present in the Group's own operations. Through the new Code of Conduct, which was set out in 2017, the Group now has a set of rules outlining the unified social norms and responsibilities for all its operations. It explains and details the commitment in respect to diversity, human rights, fair employment, fraud, anti-corruption, environment, health and safety and privacy issues.

Every person working at the Group is subject to the Code. It provides the employees with guidance and solid principles to follow, even in complex situations. The Group has made a special effort to reach all employees by translating the Code into 12 languages. Furthermore, as of today, the whole management has signed the Code of Conduct. In 2018, the Group aims to develop an e-learning programme in order to embed the Code of Conduct within the whole organization.

Diversity (cultural, between generations, linguistic, between men and women, etc.) and equal opportunities are also important values for the Group. Greenyard focuses on the evolution towards a gender balance at all levels and retaining older, experienced employees, by providing a supportive work environment. In 2017, 16% of the employees were older than 54.

This year, the Group has not registered any lawsuits regarding non-compliance with human right, anti-corruption and fraud regulations.

2.5. Strengthening collaboration in the chain (PARTNERSHIP)

Greenyard's ambition

The Group recognises that fostering a sustainable and responsible chain is not a path it can take alone. For achieving its ambition to be a responsible supplier of high-quality, healthy and sustainable products, the Group needs to have strong collaboration with several partners.

Greenyard's approach

Since the very beginning, the Group has always worked closely together with its food suppliers and growers. Thanks to these collaborations, the Group is able to give sustainability a central focus. Furthermore, several entities collaborate with other business partners, both in food and non-food, who share similar believes. In addition to that, Greenyard strives for partnerships with customers and end-consumers. Together, it is the Group's ambition to develop product ranges that appeal to modern consumers and inspire them to live a healthier life.

The Group's engagement for partnerships goes beyond the supply chain by supporting several local and social engagement projects.

Greenyard's impact

A. Through strong partnerships with growers and suppliers

The Group sources its fruit and vegetables from a worldwide network of growers and suppliers. All products are largely the result of their hard work. The Group believes that by providing training, and by building strong, long-term partnerships with this network of growers and suppliers, it can work together with them and constantly improve efficiency, availability, sustainability and working conditions. The Group's training includes optimising cultivation, reduction of environmental impacts, transition to organic cultivation, and the safeguarding of nature.

B. Through strong partnerships with customers

The Group actively partners with its customers and shares expertise and know-how in order to guarantee that its products are ideally suited to their needs. In the Group's collaboration with customers, it mainly works together on the optimization of its product range and on innovative packaging. The collaboration also allows Greenyard to optimally tailor production and logistics with customers and, as a result, work more time-consciously and efficiently.

IMPORTANT EVENTS AFTER BALANCE SHEET DATE

The Group announced on 3 April 2018 that an agreement with Ben De Pelsmaeker, Managing Director and Co-shareholder of Greenyard Fresh Direct Belgium NV, has been reached to take over his 49% stake in Fresh Direct Belgium NV. Through this transaction, closed in May 2018, the Group became 100% shareholder of Fresh Direct Belgium NV and Ben De Pelsmaeker became shareholder of Greenyard at € 19,68 per share.

There are no other major events subsequent to the balance sheet date which have a major impact on the further evolution of the Group.

CORPORATE GOVERNANCE STATEMENT

The general principles and provisions relating to the governance structure of Greenyard, and more in particular the role and responsibilities, the composition and the functioning of the Board of Directors, its advisory Committees and the Leadership Team, are described in the Corporate Governance Charter of Greenyard.

Greenyard closely follows up the developments and adjusts its corporate governance structure where necessary. The Board of Directors revises the Corporate Governance Charter regularly and if needed, adaptations are made. The Charter which was adopted by the Board of Directors on 2 July 2015, has been revised during AY 17/18 and last amended on 29 March 2018.

The Corporate Governance Charter can be consulted on the website of the Company (https://www.greenyard.group).

Greenyard uses the Belgian Corporate Governance Code of 2009 as reference code[4], thereby taking into account the specific nature of the Company's listed shares. The Company meets the provisions provided for by the Belgian Corporate Governance Code of 2009, except as explicitly stated otherwise and justified in this Corporate Governance Statement.

Except for a minor deviation in relation to provision 5.2/4 of Appendix C, provision 5.3/1 of Appendix D (until 21 February 2018) and provision 6.2 (until 1 February 2018) of the Belgian Corporate Governance Code of 2009, Greenyard is fully compliant with the provisions of the Belgian Corporate Governance Code of 2009. The deviations are indicated and explained in more detail in the relevant sections of the Corporate Governance Statement.

1. Board of Directors

The Board of Directors is the main decision-making body and decides on the values and the strategy of Greenyard, on its risk profile and on the key elements of its strategy. The role of the Board of Directors is to aim for long-term success of the Group by means of efficient risk management and internal control. The Board of Directors procures that the necessary financial and human resources are available to enable Greenyard to achieve its goals.

[4] The Belgian Corporate Governance Code of 2009 can be consulted on the website of the Corporate Governance Committee (https://www.corporategovernancecommittee.be).

1.1. Composition of the Board of Directors

The Board of Directors consists of at least three directors. At least half of the directors are non-executive and at least three of them are independent. The directors are appointed by the General Shareholders' Meeting for a maximum term of six years. The Board of Directors makes a proposal to the General Shareholders' Meeting for the (re)appointment as director based upon the candidate list drawn up by the Nomination and Remuneration Committee.

As per 31 March 2018, the Board of Directors is composed of ten directors, of whom one executive director and four independent directors within the meaning of article 526*ter* of the Company Code. The term of office of all directors, with the exception of Aalt Dijkhuizen B.V. (represented by Mr Aalt Dijkhuizen) and Ahok BVBA (represented by Mr Koen Hoffman), expires immediately after the 2019 Annual General Shareholders' Meeting regarding the accounting year ending on 31 March 2019. The mandate of Aalt Dijkhuizen B.V. (represented by Mr Aalt Dijkhuizen) and Ahok BVBA (represented by Mr Koen Hoffman) as director ends immediately after the 2020 Annual General Shareholders' Meeting regarding the accounting year ending on 31 March 2020.

During AY 17/18, the Board of Directors was composed of the following persons:

Director's name	Appointment Date	Term of office ends on
Deprez Invest NV, rep. by Mr Hein Deprez(2) and (3)	19/06/2015	AGM 2019
Ahok BVBA, rep. by Mr Koen Hoffman(1) and (3)	4/10/2017(4)	AGM 2020
Ms Hilde Laga(1)	25/11/2014	AGM 2019
Gescon BVBA, rep. by Mr Dirk Van Vlaenderen(1)	5/07/2016	AGM 2019
Aalt Dijkhuizen B.V., rep. by Mr Aalt Dijkhuizen(1)	21/02/2017	AGM 2020
Management Deprez BVBA, rep. by Ms Veerle Deprez	19/06/2015	AGM 2019
Mr Charles-Henri Deprez(5)	19/06/2015	26/01/2018(6)
Omorphia Invest BVBA, rep. by Ms Valentine Deprez(7)	26/01/2018	AGM 2019
Mr Thomas Borman	19/06/2015	AGM 2019
Bonem Beheer BVBA, rep. by Mr Marc Ooms	19/06/2015	AGM 2019
Intal BVBA, rep. by Mr Johan Vanovenberghe	19/06/2015	AGM 2019
Mr Marc Wittemans	16/09/2016	21/06/2017(8)
Mavac BVBA, rep. by Ms Marleen Vaesen	19/06/2015	31/01/2018(9)

(1) Independent director within the meaning of article 526*ter* of the Company Code.

(2) The Board of Directors of 26 January 2018 appointed Mr Hein Deprez (as permanent representative of Deprez Invest NV) as Chief Executive Officer (CEO) and managing director of Greenyard for an indefinite period of time, with effect as from 1 February 2018. Subsequently, Mr Hein Deprez stepped down as Executive Chairman of the Board of Directors as per the same date.

(3) Mr Hein Deprez (as permanent representative of Deprez Invest NV) was succeeded by Mr Koen Hoffman (as permanent representative of Ahok BVBA), independent director, in the position of Chairman of the Board of Directors, with effect as from 1 February 2018.

(4) The Board of Directors of 4 October 2017 co-opted Mr Koen Hoffman (as permanent representative of Ahok BVBA) as independent director, with effect as from 4 October 2017, in replacement of Mr Marc Wittemans who voluntarily resigned as non-executive director, with effect as from 21 June 2017. The Board of Directors will propose to the 2018 Annual General Shareholders' Meeting regarding the accounting year ending on 31 March 2018 to formally and definitively appoint Ahok BVBA, represented by Mr Koen Hoffman, as independent director, for the remaining term of the mandate of Mr Marc Wittemans which ends immediately after the 2020 Annual General Shareholders' Meeting regarding the accounting year ending on 31 March 2020.

(5) During the term of his mandate as director, Mr Charles-Henri Deprez held an executive position as Finance Manager of Bakker Barendrecht B.V. (a subsidiary of Greenyard) and therefore qualified as executive director.

(6) Given his promotion as Managing Director of the Long Fresh segment, Mr Charles-Henri Deprez voluntarily resigned as executive director, with effect as from 26 January 2018.

(7) Ms Valentine Deprez (as permanent representative of Omorphia Invest BVBA) has been co-opted by the Board of Directors of 26 January 2018 as non-executive director, with effect as from 26 January 2018, in replacement of Mr Charles-Henri Deprez who voluntarily resigned as executive director, with effect as from the same date. The Board of Directors will propose to the 2018 Annual General Shareholders' Meeting regarding the accounting year ending on 31 March 2018 to formally and definitively appoint Omorphia Invest BVBA, represented by Ms Valentine Deprez, as non-executive director, for the remaining term of the mandate of Mr Charles-Henri Deprez which ends immediately after the 2019 Annual General Shareholders' Meeting regarding the accounting year ending on 31 March 2019.

(8) Mr Marc Wittemans voluntarily resigned as non-executive director, with effect as from 21 June 2017.

(9) Ms Marleen Vaesen (as permanent representative of Mavac BVBA) resigned in mutual consent as Chief Executive Officer (CEO) and managing director of Greenyard, with effect as from 31 January 2018. The mandates of Mavac BVBA and Ms Marleen Vaesen held within the companies belonging to the Group were terminated as per the same date.

Board of Directors (from left to right): Johan Vanovenberghe, Veerle Deprez, Hein Deprez, Valentine Deprez, Thomas Borman, Koen Hoffman, Aalt Dijkhuizen, Dirk Van Vlaenderen, Marc Ooms, Hilde Laga

Hein Deprez – Chief Executive Officer and managing executive director

Please refer to the *Composition of the Leadership Team* for the biography of Mr Hein Deprez.

Koen Hoffman – independent director and Chairman of the Board of Directors

Mr Koen Hoffman obtained a Master in Applied Economics and an MBA at Vlerick Business School. Between 1992 and July 2016, he was active at KBC Group in which he started his career in the corporate finance department and later became the CEO of KBC Securities as from October 2012. Since August 2016, he is the CEO of Value Square asset management. Mr Koen Hoffman serves also as board member at Fagron (Chairman), Mithra Pharmaceuticals and SnowWorld.

Hilde Laga – independent director

Ms Hilde Laga holds a Ph.D. in Law. She is founding partner of the law firm Laga, which she led as Managing Partner, and was head of the corporate M&A practice until 2013. Until 2014 she served as a member of the supervisory board of the Financial Services and Markets Authority. She is member of the Belgian Corporate Governance Committee and also serves as independent board member at Barco, Gimv (Chairman) and Agfa-Gevaert.

Aalt Dijkhuizen – independent director

Mr Aalt Dijkhuizen has obtained his Ph.D. in Animal Health Economics and holds a Master in Agricultural Economics. He was Managing Director of the Agri Northern-Europe Business Group of Nutreco. Between 2002 and 2014, he served as President and CEO of Wageningen University and Research. Since 2014, he is President of the Dutch Topsector Agri & Food. He serves as board member at several companies, is co-director of the Holland Center in China, Chairman of the Food & Beverage Innovation Forum in Shanghai and high-level expert to the European Commission in Brussels. Mr Aalt Dijkhuizen was awarded Honorary Citizen of Fujian Province in 2008 and Commander in the Order of Orange-Nassau in the Netherlands in 2014.

Dirk Van Vlaenderen – independent director

Mr Dirk Van Vlaenderen holds a Master in Applied Economics. He has been partner of Arthur Andersen since 1993 and member of the audit management committee and Managing Partner at Deloitte from 2002 until 2016. He served a wide variety of national and international companies as statutory auditor. He was also lecturer at the Universities of Brussels and Leuven for Basics of IFRS and Reporting in International Context. He serves as board member at other companies, of which amongst others IEP Invest.

Veerle Deprez – non-executive director

Ms Veerle Deprez started her early career with Alcatel Bell in 1980. In 1987, together with her brother, Mr Hein Deprez, she laid the foundations of Univeg, which would later become the Greenyard Fresh segment. Ms Veerle Deprez serves also as board member at Fagron and Tessenderlo Group, as well as at various companies belonging to the Group, the Nova Natie group and De Weide Blik group.

Valentine Deprez – non-executive director

Ms Valentine Deprez holds a Master of Arts in Art History from the Catholic University of Leuven, went to Vlerick Business School and holds a Postgraduate Diploma in Hospitality from the Glion Institute of Higher Education in Switzerland. Being born in the founding family, she has been involved with the business from a very early stage. Besides her mandate as director, she also manages historic real estate projects.

Thomas Borman – non-executive director

Mr Thomas Borman served more than eleven years with the BHP Billiton Group in various senior managerial roles, including that of Chief Financial Officer of an Australian-listed mining company. He has an extensive expertise in the mining and minerals industry. He was part of the executive management team that established and consolidated the Optimum group of companies (Optimum is listed on the Johannesburg Stock Exchange since 2010 and was subsequently acquired by a Glencore led consortium in March 2012). Mr Thomas Borman is currently self-employed and serves as a board member in different companies world-wide.

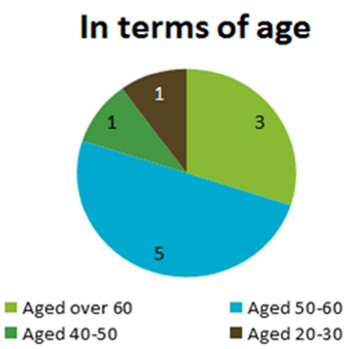
Marc Ooms – non-executive director

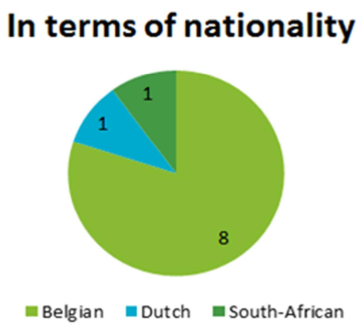
Mr Marc Ooms was General Partner of the Petercam group, a Benelux Investment Bank, and Chairman of Petercam Bank Nederland until 2011. Today, he is a private equity investor and board member of several companies like Sea-Invest Corporation, BMT Group, Baltisse, Universal Partners and De Weide Blik.

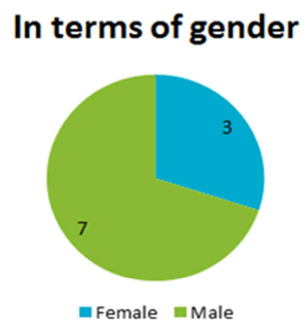
Johan Vanovenberghe – non-executive director

Mr Johan Vanovenberghe began his career in 1987 at the audit firm Grant Thornton where he worked in various audit capacities. He became Partner in Grant Thornton in 1995. From 2006 until 2009, he was Chief Financial Officer of the Univeg group. Afterwards, he acted as advisor of the companies which would become Greenyard in 2015. Since 2015, next to his mandate as director, he also provides consultancy services to Greenyard. As from February 2018, he is also board member of Resilux, and member of its audit committee and its remuneration and nomination committee.

1.2. Diversity in the Board of Directors







In accordance with the requirements on gender diversification as laid down in article 518*bis* of the Company Code and the Corporate Governance Charter, at least one-third of the members of the Board of Directors must be of the opposite gender to the remaining members. In addition, in accordance with the Belgian Corporate Governance Code of 2009 and the Belgian Act of 3 September 2017 on the disclosure of non-financial information and diversity information by certain large companies and groups, the composition of the Board of Directors needs to be based on diversity in terms of age and gender and diversity in general as well as on complementarity of skills, experience and knowledge.

As per 31 March 2018, the Board of Directors is composed of three female directors out of the ten directors in total, representing three different nationalities and different age categories. Furthermore, the directors have different educational and professional backgrounds, as can be read in each of their biographies (above).

As a result of this, the Board of Directors complies with the gender quota requirement and will continue to monitor further compliance. The Company does not have a formal diversity policy. However, in proposing candidate-directors, particular consideration is given to diversity in gender, age, nationality, educational and professional background as well as complementary skills, knowledge and experience.

1.3. Role of the Chairman

Given his appointment in the position of Chief Executive Officer (CEO) and managing director of Greenyard, Mr Hein Deprez (as permanent representative of Deprez Invest NV) stepped down as Executive Chairman of the Board of Directors, with effect as from 1 February 2018. In his replacement, the Board of Directors of 26 January 2018 appointed Mr Koen Hoffman (as permanent representative of Ahok BVBA), independent director, as Chairman of the Board of Directors for his term of office as director starting as from 1 February 2018.

The Chairman leads the Board of Directors in fulfilling its duties and acts as an intermediary between the shareholders, the Board of Directors and the Leadership Team of Greenyard. He also takes the initiative in promoting the effectiveness of the Board of Directors in accordance with the Corporate Governance Charter.

The Chairman maintains a close relationship with the Chief Executive Officer and the Chief Operating Officer, providing support and advice, while fully respecting their executive responsibilities.

1.4. Activity report

The Board of Directors meets at least six times a year on predefined dates and each time as such is necessary. Over the past AY 17/18, the Board of Directors met on eighteen occasions (of which nine meetings were organised via telephone conference). All meetings were attended by the secretary of the Board of Directors, Ms Fran Ooms, legal counsel of the Company.

During AY 17/18, the Board of Directors has been engaged with:

- Drawing up of the statutory accounts and the consolidated financial statements and approving the reports of the Board of Directors;
- Convening and setting the agenda of the General Shareholders' Meetings;
- Evaluating and approving budgets, forecasts and investment projects for the segments for AY 17/18;
- Approving the long-range plan for the Group;
- Reviewing the financial and operational results of the Group;
- Supervising its advisory Committees and the Leadership Team;
- Appointing the members of the advisory Committees and the Leadership Team;
- Approving press releases;
- Monitoring and approving the ongoing simplification and rationalization in the Group's structure, including the divestment and closing of certain non-strategic and non-core operating units and assets;
- Monitoring and approving the changes in the organizational chart on corporate and divisional level;
- Implementing a long-term incentive plan for the members of the Leadership Team and selected key management personnel;
- Approving amendments to internal policies (including Corporate Governance Charter and Code of Conduct);
- Deliberating on the renewal of the mandate of the statutory auditor;
- Taking all the necessary steps and decisions in view of:
    - the engagement in the bidding process for the potential acquisition of Dole Food Company Inc., which negotiations ended without a definitive agreement;

- o the acquisition of the Polish and Ukrainian Mykogen operating companies, which together are a leading manufacturer of top quality mushroom substrate;
- o the acquisition of the remaining 49% in the direct-store-delivery specialist of fresh products, Greenyard Fresh Direct Belgium NV, finalised on 11 May 2018;
- o the acquisition of an equity stake of 49% in Mor International Ltd., an Israeli fruit sourcing and exporting company, finalised on 3 April 2018;
- o the waiver of the cash alternative settlement option embedded in the convertible bond issued by Greenyard Fresh NV (formerly Greenyard Fresh Holding BE NV).

1.5. Evaluation

Every two years the Board of Directors, led by its Chairman, evaluates its size, composition and functioning, as well as those of its advisory Committees and the interaction with the Leadership Team. Such self-evaluation is prepared by the Nomination and Remuneration Committee. During AY 17/18 a self-evaluation has been conducted of the Board of Directors' performance as from completion of the business combination on 19 June 2015. The results of the self-assessment questionnaire were positive to very positive. Based on the results of this evaluation, certain areas for improvement have been identified which will be further addressed.

The non-executive directors evaluate on a regular basis their interaction with the Leadership Team. To this end, they meet at least once a year without the presence of the Chief Executive Officer or the other executive directors, if any.

The task performance as well as the roles and responsibilities of each individual director are evaluated on a regular basis.

2. Audit Committee

The Audit Committee has been set up to provide support to the Board of Directors in fulfilling its monitoring responsibilities in respect of control in the broadest sense. In this respect, the Audit Committee is responsible for notifying the Board of Directors of the outcome of the statutory audit of the annual and consolidated financial statements and explaining how this audit contributed to the integrity of the financial reporting and which role the Audit Committee had in that process. The Audit Committee also monitors the financial reporting process, the efficiency of the internal control and risk management systems, and the internal audit and its efficiency. In addition, the Audit Committee assesses the independency of the statutory auditor, and regularly reports to the Board of Directors on the fulfilment of its duties.

During AY 17/18 the Audit Committee consisted of:

- Gescon BVBA(1), Chairman, represented by Mr Dirk Van Vlaenderen;
- Ms Hilde Laga(1);
- Mr Thomas Borman;
- Intal BVBA(2), represented by Mr Johan Vanovenberghe.

(1) Independent director within the meaning of article 526*ter* of the Company Code.
(2) Member as from 21 February 2018.

The Chief Operating Officer and the Chief Financial Officer have a standing invitation to attend the meetings of the Audit Committee.

The members of the Audit Committee have collective expertise related to the activities of the Company and relevant experience and competence in the accounting and auditing area in order to effectively fulfil their role, as evidenced by their biographies under "*Composition of the Board of Directors*".

As from 21 February 2018, the Audit Committee is no longer composed of a majority of independent directors but of an equal number of independent and non-independent directors. This divergence from provision 5.2/4 of Appendix C of the Belgian Corporate Governance Code of 2009 is considered justified given that the Board of Directors believes that in its current composition the Audit Committee has the most relevant experience and expertise in the accounting and auditing area.

The Audit Committee has been engaged with the following subjects during AY 17/18:

- Monitoring the consolidated half-year and annual results of the Group and the Company's annual and consolidated financial statements;
- Monitoring and evaluating the internal and external audit;
- Evaluating and controlling the one-to-one rules;

- Monitoring the Group's internal control and risk management systems and their efficiency;
- Following up on pending litigations and material claims reported by the Group entities;
- Following up on the effects of the European and Belgian audit reform legislation and legislative updates on IFRS;
- Addressing specific topics such as GDPR compliance;
- Advising on the renewal of the mandate of the statutory auditor.

The Audit Committee evaluates its functioning, efficiency and internal regulations on a regular basis (at least every two to three years). The following formal evaluation procedure is scheduled for AY 18/19.

The Audit Committee met on four occasions over the past AY 17/18. The statutory auditor has attended two meetings.

3. Nomination and Remuneration Committee

On 21 February 2018, the Nomination Committee and the Remuneration Committee were combined into the Nomination and Remuneration Committee. The role of the combined Committee is twofold: providing recommendations to the Board of Directors regarding the individual remuneration and the remuneration policy of the directors and the members of the Leadership Team as well as assisting the Board of Directors in relation to the appointment of directors and Leadership Team members. The Nomination and Remuneration Committee also draws up a remuneration report, which is included in this Corporate Governance Statement, as part of the report of the Board of Directors.

	Before 21 February 2018		As from 21 February 2018
	Nomination Committee	Remuneration Committee	Nomination and Remuneration Committee
Aalt Dijkhuizen B.V., rep. by Mr Aalt Dijkhuizen[1]	●	Δ	Δ
Ahok BVBA, rep. by Mr Koen Hoffman[1]			●
Bonem Beheer BVBA, rep. by Mr Marc Ooms	●		
Deprez Invest NV, rep. by Mr Hein Deprez	Δ		
Gescon BVBA, rep. by Mr Dirk Van Vlaenderen[1]	●	●	
Management Deprez BVBA, rep. by Ms Veerle Deprez	●	●	●

(1) Independent director within the meaning of article 526ter of the Company Code.
● Member of the Committee.
Δ Chairman of the Committee.

In the period between 1 April 2017 and 21 February 2018, the Nomination Committee was not composed of a majority of independent directors. This derogation of provision 5.3/1 of Appendix D of the Belgian Corporate Governance Code of 2009 was considered justified given that the Nomination Committee was composed of the best experts in terms of industry know-how and nomination policy. The Nomination and Remuneration Committee takes into account the recommendations laid down in the Belgian Corporate Governance Code of 2009 and demonstrates the skills and the expertise required in matters of remuneration policies as set forth in article 526*quater* of the Company Code.

The Chief Executive Officer is invited to attend the meetings of the Nomination and Remuneration Committee when it deliberates on the appointment and remuneration of the other members of the Leadership Team. The Nomination and Remuneration Committee may at its own discretion invite other individuals to its meetings, if it deems necessary.

The Nomination Committee has met on two occasions (of which one meeting was held by telephone conference) in AY 17/18 to discuss on and make proposals to the Board of Directors regarding the changes to the composition of and positions held within the Board of Directors, its advisory Committees and the Leadership Team.

During AY 17/18 the Remuneration Committee held four meetings dealing with matters pertaining to grants of Performance Share Units (PSUs) and bonuses to the Leadership Team members and to selected key management personnel, as well as changes to the remuneration policy of the directors and the Leadership Team members. In addition, the Remuneration Committee advised the Board of Directors on the severance pay to be provided to Mavac BVBA, represented by Ms Marleen Vaesen, upon her resignation in mutual consent as Chief Executive Officer and managing director of Greenyard.

No meetings of the combined Nomination and Remuneration Committee have taken place in AY 17/18.

4. Strategic Committee

The mission of the Strategic Committee is to advise the Board of Directors with respect to the guidelines of general policy, the strategy of Greenyard and regarding mergers and acquisitions.

The Strategic Committee is composed of:

- Deprez Invest NV, Chairman, represented by Mr Hein Deprez;
- Mavac BVBA[(2)], represented by Ms Marleen Vaesen;
- Mr Thomas Borman;
- Bonem Beheer BVBA, represented by Mr Marc Ooms;
- Aalt Dijkhuizen B.V.[(1)], represented by Mr Aalt Dijkhuizen;
- Ahok BVBA[(1) and (3)], represented by Mr Koen Hoffman.

(1) Independent director within the meaning of article 526*ter* of the Company Code.
(2) Member until 31 January 2018.
(3) Member as from 1 February 2018.

In accordance with the Corporate Governance Charter, the Strategic Committee is convened by its Chairman at his own discretion or upon the request of a member of the Strategic Committee. The Strategic Committee has met two times during AY 17/18 to investigate and discuss possible interesting investment opportunities and to advice the Board of Directors in this respect.

5. Attendance

AY 17/18 Number of meetings[(1)]	Board of Directors 18	Audit Committee 4	Remuneration Committee 4	Nomination Committee 2	Strategic Committee 2
Deprez Invest NV, rep. by Mr Hein Deprez	18/18			2/2	2/2
Ahok BVBA, rep. by Mr Koen Hoffman[(2)]	9/9				1/1
Ms Hilde Laga	17/18	4/4			
Gescon BVBA, rep. by Mr Dirk Van Vlaenderen	18/18	4/4	4/4	2/2	
Aalt Dijkhuizen B.V., rep. by Mr Aalt Dijkhuizen	16/18		4/4	2/2	2/2
Management Deprez BVBA, rep. by Ms Veerle Deprez	17/18		4/4	2/2	
Mr Charles-Henri Deprez[(3)]	16/16				
Omorphia Invest BVBA, rep. by Ms Valentine Deprez[(4)]	2/2				
Mr Thomas Borman	17/18	4/4			2/2
Bonem Beheer BVBA, rep. by Mr Marc Ooms	17/18			2/2	2/2
Intal BVBA, rep. by Mr Johan Vanovenberghe[(5)]	18/18	0/0			
Mr Marc Wittemans[(6)]	2/3				
Mavac BVBA, rep. by Ms Marleen Vaesen[(7)]	15/16				1/1

(1) The first figure represents attendance and the second figure the number of meetings. Where a director stood down from the Board of Directors or an advisory Committee during AY 17/18, or was appointed during AY 17/18, only meetings before standing down or after the date of appointment are shown.
(2) Director as from 4 October 2017 and member of the Strategic Committee as from 1 February 2018.
(3) Director until 26 January 2018.
(4) Director as from 26 January 2018.
(5) Member of the Audit Committee as from 21 February 2018.
(6) Director until 21 June 2017.
(7) Director and member of the Strategic Committee until 31 January 2018.

6. Leadership team

6.1. Role of the Leadership Team

The role of the Leadership Team is to provide assistance in the execution of the day-to-day management under the leadership of the Chief Executive Officer and to execute all responsibilities delegated by the Board of Directors taking into account the values, strategies, policies, plans and budgets established by the Board of Directors. The Leadership Team does not qualify as a management committee (“*directiecomité*”/“*comité de direction*”) in accordance with article 524*bis* of the Company Code.

6.2. Composition of the Leadership Team

The members of the Leadership Team are appointed by the Board of Directors upon the proposal of the Nomination and Remuneration Committee and after consultation with the Chief Executive Officer, for an indefinite period of time. The Leadership Team is assisted by a team of key persons active in each of the different divisions and clusters of the Group.

The Leadership Team consists as per 31 March 2018 of:

- Deprez Invest NV(1), Chief Executive Officer and Chairman of the Leadership Team, represented by Mr Hein Deprez;
- PDN BVBA, Chief Operating Officer and Chief Financial Officer *ad interim*, represented by Mr Carl Peeters;
- VLT Consulting BVBA(1), Managing Director Fresh, represented by Mr Tim Van Londersele;
- Ms Irénke Meekma, Managing Director Fresh-Bakker;
- Alvear International BVBA(1), Managing Director Long Fresh, represented by Mr Charles-Henri Deprez;
- T-I BVBA, Managing Director Horticulture, represented by Mr Stefaan Vandaele;
- HCTL Consulting BVBA, Group HR Director, represented by Ms Christine Buytaert;
- Qualexco BVBA, Group Legal Director, represented by Mr Alexander Verbist.

(1) Member as from 1 February 2018.

As per 1 February 2018, the divisions Frozen and Prepared are represented in the Leadership Team by the newly appointed Managing Director of the Long Fresh segment instead of the respective Managing Directors at divisional level. In addition, the Managing Director of the cluster Fresh Region German Market was replaced in the Leadership Team by the newly appointed Managing Director for the Fresh division, with effect as per the same date.

Until 1 February 2018, Mr Carl Peeters (as permanent representative of PDN BVBA) was the Chief Financial Officer (CFO) of Greenyard. As from this date, he took up the new position of Chief Operating Officer (COO). Until the appointment of a new CFO, he remains temporarily exercising the powers granted to the CFO. Mr Geert Peeters has been appointed as new CFO, starting as from September 2018. He will also be member of the Leadership Team as from this date.

In derogation of provision 6.2 of the Belgian Corporate Governance Code of 2009, not all executive directors were member of the Leadership Team during the period between 1 April 2017 and 1 February 2018. During the term of his mandate as Executive Chairman of the Board of Directors, Mr Hein Deprez (as permanent representative of Deprez Invest NV) did not participate at the meetings of the Leadership Team. However, he received regular updates on the day-to-day management during weekly debriefing meetings. Mr Charles-Henri Deprez was not a member of the Leadership Team during the term of his mandate as executive director, given that Bakker Barendrecht B.V., in which he held the position of Finance Manager, was already represented in the Leadership Team by its Managing Director. The Company is compliant with provision 6.2 of the Belgian Corporate Governance Code of 2009 as from 1 February 2018.

Hein Deprez – Chief Executive Officer and Chairman of the Leadership Team

Mr Hein Deprez started out in 1983 with a small mushroom farm. In 1987, he founded Univeg, which later became the Greenyard Fresh segment. It was the foundation on which he built one of the largest fruit and vegetables companies in the world, with a unique offering in fresh produce, frozen and prepared products, and growing media. In the beginning of 2018, he took up the role of Chief Executive Officer for Greenyard.

Carl Peeters – Chief Operating Officer

Mr Carl Peeters started his career at Agfa as a product manager in the medical imaging division. He joined Barco in 1986, where he became responsible for mergers & acquisitions within the Barco group in 1996, playing a key role in the company's international expansion. In 2000, Mr Carl Peeters became Chief Financial Officer of the BarcoNet spin-off. In 2010, he was appointed Chief Financial Officer within Barco. In September 2016, he became Chief Financial Officer at Greenyard. Early 2018, he took up the position of Chief Operating Officer, a newly created function within the Company.

Tim Van Londersele – Managing Director Fresh

Mr Tim Van Londersele started his career in 2005 as a consultant at Ernst & Young. In 2010, he joined Univeg, which is now the Greenyard Fresh segment. He has taken up various positions within the Company, including the position of Finance Director for the Fresh segment and Chief Financial Officer of Greenyard USA (from September 2012 to March 2014). In February 2018, he was appointed Managing Director of the Fresh division which together with the Fresh-Bakker division, constitute the Fresh segment.

Leadership Team (from left to right): Tim Van Londersele, Alexander Verbist, Carl Peeters, Hein Deprez, Stefaan Vandaele, Irénke Meekma, Christine Buytaert, Charles-Henri Deprez

Irénke Meekma – Managing Director Fresh-Bakker

Ms Irénke Meekma joined Bakker Barendrecht in 2000 as Commercial Director. Before that, she worked almost eleven years at Albert Heijn in several positions. In 2005 Bakker Barendrecht became part of Univeg, which is now the Greenyard Fresh segment. After joining the team of Mr Hein Deprez in Belgium, she returned to Bakker Barendrecht to become the Managing Director. Today she is Managing Director of the Fresh-Bakker division, including the US.

Charles-Henri Deprez – Managing Director Long Fresh

Being born in the founding family, Mr Charles-Henri has been involved with the business from a very early stage. After graduating as an Economist in 2013, he moved to Argentina as a project manager for Expofrut Argentina. He succeeded in rapid professional growth, which gave him the opportunity to move to Bakker Barendrecht in September 2015 to head the financial department. He has been a member of the Board of Directors of Greenyard from June 2015 until he was appointed Managing Director of the Long Fresh segment in January 2018.

Stefaan Vandaele – Managing Director Horticulture

Mr Stefaan Vandaele joined Greenyard in 2005 and helped merge the then recently acquired companies Agrofino and Peltracom, turning them into a unified, thriving company in the growing media industry. Today he is leading the Horticulture segment, focusing on opportunities for further growth.

Christine Buytaert – Group HR Director

Ms Christine Buytaert started her career as a Legal Counsel at FedEx and decided to reorient towards human resources management. Since then she has been active in the IT sector at Capespan and in a European HR role at Panalpina, a Swiss logistics company. In May 2016, she joined Greenyard, leading the Human Resources Management of the Company.

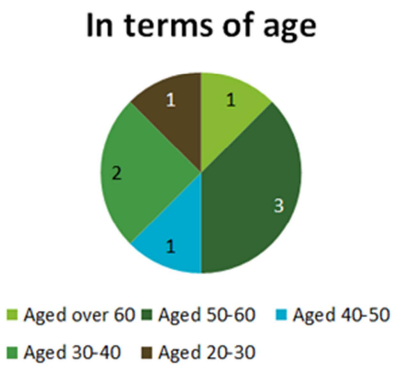
Alexander Verbist – Group Legal Director

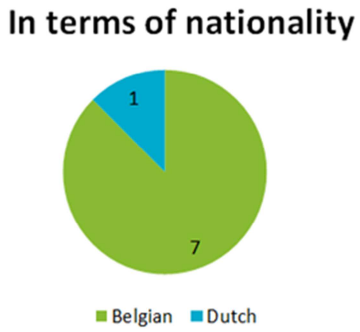
Mr Alexander Verbist started his career as an attorney in the law firm Laga, specializing in corporate law, mergers & acquisitions and capital markets transactions. He later joined the Belgian chemical group Tessenderlo Chemie as Legal Counsel. In 2015, he became Head of the Legal Department at Greenyard.

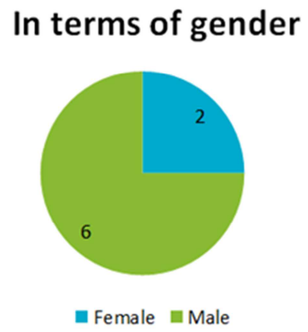
6.3. Diversity in the Leadership Team

As per 31 March 2018, the Leadership Team is composed of two female members out of the eight members in total, representing two different nationalities and different age categories. Furthermore, the members of the Leadership Team have different professional backgrounds and experience, as can be read in each of their biographies (above).

The Company does not have a formal diversity policy. However, in proposing candidates for open positions in the Leadership Team, particular consideration is given to diversity in gender, age, nationality, educational and professional background as well as complementary skills, knowledge and experience.







6.4. Change in the position of Chief Executive Officer

Ms Marleen Vaesen (as permanent representative of Mavac BVBA) resigned in mutual consent as Chief Executive Officer and managing director of Greenyard, and therefore also as member of the Leadership Team, with effect as from 31 January 2018. Ms Marleen Vaesen was responsible for aligning the organisation after the successful completion of the business combination in June 2015. After this accomplishment, Greenyard now needs to be brought to the next level by further strengthening its operations. Taking into account the objectives aimed for in this new phase, the Board of Directors of 26 January 2018 decided that Mr Hein Deprez (as permanent representative of Deprez Invest NV) is the most suitable candidate for the position of Chief Executive Officer (CEO). Mr Hein Deprez agreed to step down as Executive Chairman of the Board of Directors to take up the position of CEO. All powers of the day-to-day management have been delegated by the Board of Directors to the new CEO, who is also managing director of the Company. He has been appointed for an indefinite period of time, starting as from 1 February 2018.

In his capacity of CEO, Mr Hein Deprez is the main spokesperson for Greenyard, both within the Group and to its stakeholders and, more in general, to the outside world. He is responsible for building and maintaining strong relationships with the Group's key customers. Given his profound experience in every segment of the Group, he takes the lead in creating and implementing the vision, mission and strategy, with focus on long-term shareholder value creation. As Chairman of the Strategic Committee, the CEO also has a prominent role in investigating possible interesting investment opportunities, and in making proposals to the Board of Directors with respect to the strategic direction of the Group.

6.5. New position of Chief Operating Officer

Mr Carl Peeters (as permanent representative of PDN BVBA) held the position of Chief Financial Officer until his appointment by the Board of Directors of 26 January 2018 to the newly created position of Chief Operating Officer (COO) of Greenyard. He has been appointed for an indefinite period of time, starting as from 1 February 2018.

The Chief Executive Officer (CEO) exercises his responsibilities with respect to the day-to-day management in close cooperation with the COO. In mutual consultation, the CEO delegates certain of his responsibilities and powers in respect of day-to-day management to the COO, who reports directly to the CEO. The primary focus of the COO is on the development and follow-up of the daily operations of the Group. In addition, the COO monitors the execution and implementation of the strategic policy in the Group.

7. Statutory auditor

The audit of the annual accounts and consolidated financial statements of the Company has been entrusted to Deloitte Bedrijfsrevisoren BV o.v.v.e. CVBA, with registered office at Luchthaven Nationaal 1J, 1930 Zaventem. Deloitte Bedrijfsrevisoren BV o.v.v.e. CVBA has been appointed as the Company's statutory auditor for a period of three years, which ends immediately after the 2018 Annual General Shareholders' Meeting regarding the accounting year ending on 31 March 2018. For the exercise of its duties, Deloitte Bedrijfsrevisoren BV o.v.v.e. CVBA is represented by Ms Charlotte Vanrobaeys and Mr Mario Dekeyser in the capacity as permanent representatives, both having their offices at Raymonde de Larochelaan 19A, 9051 Sint-Denijs-Westrem. The Board of Directors will propose to the 2018 Annual General Shareholders' Meeting to renew the mandate of Deloitte Bedrijfsrevisoren BV o.v.v.e. CVBA as statutory auditor for a new term of three years.

8. Transactions with related parties

Pursuant to the Belgian Corporate Governance Code of 2009, the Board of Directors has developed a policy with respect to transactions with related parties that do not fall under the conflict of interest regulations. Under this regime, all directors and members of the Leadership team and their respective permanent representatives have to give prior notice to the Board of Directors and the statutory auditor of all contemplated transactions between them and Greenyard or one of its subsidiaries. Only the Board of Directors is authorised to decide whether Greenyard or the subsidiary concerned may enter into such a transaction. The Board of Directors has to motivate its decision in its minutes and makes certain that the transaction is at arms' length. By way of exception, this prior approval by the Board of Directors is not required, if the contemplated transaction concerns a customary transaction for the Company or its subsidiary and is executed under conditions in accordance with general market practice for comparable transactions.

8.1. Application of article 523 of the Company Code

The procedure laid down in article 523 of the Company Code shall be applied in case a director or a permanent representative of a director-legal entity has a direct or indirect financial interest that is conflicting with a transaction or decision to be resolved upon by the Board of Directors. This procedure was applied during four Board of Directors' meetings in AY 17/18 (on 31 May and 5 July 2017, and on 26 January and 21 February 2018).

Participation by the members of the Leadership Team and selected key management personnel in the Performance Share Units plan – Annual bonus payments to the members of the Leadership Team

Prior to the start of the deliberations, the Board of Directors held on 31 May and 5 July 2017 was informed about a conflict of interest in the meaning of article 523 of the Company Code in connection with the proposed decisions on grants of long-term incentive awards in the form of performance shares and annual bonuses to the members of the Leadership Team and to selected key management personnel.

Ms Marleen Vaesen (as permanent representative of Mavac BVBA) declared at the beginning of the meeting of 31 May 2017 to have a conflicting financial interest given her membership of the Leadership Team. This statement was recorded as follows in the minutes of this Board of Directors' meeting:

"*Mavac BVBA, in its capacity as director-legal entity of the Company, and Ms Marleen Vaesen, in her capacity as legal representative of a director-legal entity of the Company, declared that she has to be regarded as having a conflicting financial interest within the meaning of article 523 of the Company Code which arose from the fact that the Board of Directors will have to decide on the remuneration for AY 17/18 and the bonus to be paid for AY 16/17 to the members of the Leadership Team, including Mavac BVBA, who is member of the Leadership Team. After having made the above-mentioned statement, the director concerned declared not to participate in the deliberation and voting on this agenda item. She will inform the Company's statutory auditor of the application of article 523 of the Company Code immediately after the Board meeting*." The Board of Directors of 31 May 2017 decided with respect to the implementation of the proposed long-term incentive scheme at management level as follows: "*At a first stage, the Leadership Team will be granted performance share units. For other key persons (talents and people to be retained), this will be submitted for approval to the Board*." In addition, the following decision was taken by the Board of Directors: "*Upon recommendation of the Remuneration Committee, the Board of Directors approved the remuneration for AY 17/18 and the bonus to be paid to the members of the Leadership Team for AY 16/17*." For the financial impact of this long-term incentive scheme and the annual bonus payments on the Company, reference is made to section 9.1.2. (with respect to the annual bonus payments for AY 16/17) and section 9.1.3. (which contains an overview of the number of PSUs granted to the Leadership Team members on 15 June 2017) of the Corporate Governance Statement.

Mr Charles-Henri Deprez declared at the beginning of the Board of Directors' meeting of 5 July 2017 to have a potential financial interest conflicting with the decision which the Board of Directors needs to take in respect of this long-term incentive scheme: "*The potential conflict of interest arises from the fact that Mr Charles-Henri Deprez (as permanent representative of Alvear International BVBA) in his capacity as Finance Manager of Bakker Barendrecht B.V. is considered one of the key persons (talents and people to be retained) within the Group, whose participation in the performance share units program is submitted for approval to the Board of Directors.*

After having made the above-mentioned statement, the director concerned declared not to participate in the deliberation and voting on this agenda item. He will inform the Company's statutory auditor of the application of article 523 of the Company Code immediately after the Board meeting."

The Board of Directors of 5 July 2017 took the following decision with respect to this agenda item: "*The Board of Directors agreed with the selected Group's key persons, considered talents and people to be retained, who are proposed by the Remuneration Committee, in consultation with the Group HR Director, for participation in the performance share units program."* The financial impact of this decision for the Company is equal to the nominal value of the total number of the Share Performance Units allocated during AY 17/18 to key persons within the Group, amounting to € 140.000 in total.

Changes within the composition of the Board of Directors and the advisory Committees

The meetings of the Board of Directors held on 26 January and 21 February 2018 decided on the changes within the composition of the Board of Directors and its advisory Committees and to the positions held by certain directors.

Changes within the composition of the Board of Directors

At the beginning of the meeting of 26 January 2018, the Board of Directors was informed that Mr Hein Deprez (as permanent representative of Deprez Invest NV), Mr Koen Hoffman (as permanent representative of Ahok BVBA) and Ms Marleen Vaesen (as permanent representative of Mavac BVBA) have a conflict of interest within the meaning of article 523 of the Company Code in relation to the decisions to be taken by the Board of Directors in respect to the position held by them within the Company (as recorded in the minutes of the Board of Directors' meeting of 26 January 2018):

"Deprez Invest NV and Mavac BVBA have a conflicting interest of a financial nature with the decisions to be taken at the current Board meeting given that the decisions relate to the replacement of Mavac BVBA, represented by Ms Marleen Vaesen, by Deprez Invest NV, represented by Mr Hein Deprez, current Executive Chairman of the Board of Directors, as Chief Executive Officer of the Company.

There is further a resolution on the agenda to appoint Ahok BVBA, represented by Mr Koen Hoffman, independent and non-executive director, as Chairman of the Board of Directors, and in this respect Ahok BVBA may also have a conflicting interest of a financial nature with respect to the decisions to be taken.

Mr Hein Deprez and Mr Koen Hoffman did not participate in the deliberation and vote with respect to the agenda items concerned on this Board meeting. Ms Marleen Vaesen did not attend the Board meeting.

The financial consequences of the relevant decisions pertain to the remuneration of Deprez Invest NV and Ahok BVBA as respectively, new Chief Executive Officer and new Chairman of the Board of Directors of the Company, as well as the amounts to be paid to Mavac BVBA within the framework of the proposed settlement agreement.

In view of the above, Mr Hein Deprez (as permanent representative of Deprez Invest NV) requests Mr Aalt Dijkhuizen (as permanent representative of Aalt Dijkhuizen B.V.) to further preside this Board meeting."

After deliberation and consideration, the Board of Directors of 26 January 2018 took the following decisions with respect to these agenda items, which were recorded as follows in the minutes of the Board of Directors' meeting: "*Upon advice of the Remuneration Committee, it is proposed to pay to Mavac BVBA, represented by Ms Marleen Vaesen, severance pay of 1,026,135 €, which is in line with the annual remuneration received during previous AY 16/17 as stipulated in the Company's annual report. The Board of Directors approved and, insofar as necessary, ratified the Settlement Agreement setting out, amongst others, the above severance payment, entered into by the Company, on the one hand, and Mavac BVBA and Ms Marleen Vaesen, on the other hand.*" The Board of Directors further agreed "*to appoint Deprez Invest NV (represented by Mr Hein Deprez), current Executive Chairman of the Board of Directors, as new Chief Executive Officer (CEO) and managing director of the Company*." In addition, it was decided that "*Ahok BVBA (represented by Mr Koen Hoffman), independent and non-executive director, will replace Deprez Invest NV (represented by Mr Hein Deprez) in the position of Chairman of the Board of Directors*". The Board of Directors requested the Nomination and

Remuneration Committee (at that time the Remuneration Committee) to seek external advice on their remuneration as, respectively, newly appointed Chief Executive Officer and newly appointed Chairman of the Board of Directors on the basis of a benchmark analysis of similar companies and to make a proposal in this respect.

Changes within the composition of the advisory Committees

On 21 February 2018, the Board of Directors decided on the changes to be made in the composition of the advisory Committees following recent changes within the Board of Directors.

Mr Koen Hoffman (as permanent representative of Ahok BVBA) and Mr Johan Vanovenberghe (as permanent representative of Intal BVBA) declared at the beginning of the meeting of the Board of Directors to have a conflicting financial interest with the decisions to be taken by the Board of Directors on their appointment as new member of an advisory Committee. After having made the above-mentioned statement, the directors concerned declared as follows (as recorded in the minutes of the Board of Directors' meeting of 21 February 2018): "*the directors concerned declared not to participate in the deliberation and voting on the respective proposed decisions. The financial consequences of the relevant decisions pertain to the remuneration to be paid to the directors concerned in their new position. They will inform the Company's statutory auditor of the application of article 523 of the Company Code immediately after the Board meeting*."

The Board of Directors approved to appoint Ahok BVBA (represented by Mr Koen Hoffman) as member of the Nomination and Remuneration Committee as well as the Strategic Committee, in which capacity he will receive an attendance fee per Committee's meeting which he attends. Intal BVBA (represented by Mr Johan Vanovenberghe) has been appointed as new member of the Audit Committee. Intal BVBA is paid a fixed monthly fee for the consultancy services provided to the Company and does not receive any additional compensation in his capacity of director or member of an advisory Committee.

Amendments to the remuneration policy for the new Chairman of the Board of Directors and the new Chief Executive Officer

At the beginning of the Board of Directors' meeting of 21 February 2018, Mr Hein Deprez (as permanent representative of Deprez Invest NV) and Mr Koen Hoffman (as permanent representative of Ahok BVBA) made the following statement with respect to the agenda item on their proposed remuneration as, respectively, newly appointed Chief Executive Officer and newly appointed Chairman of the Board of Directors (as recorded in the minutes of the meeting of the Board of Directors held on 21 February 2018):

"*Prior to the start of the deliberations and decision-making, Mr Hein Deprez (as permanent representative of Deprez Invest NV) and Mr Koen Hoffman (as permanent representative of Ahok BVBA) declared in their capacity as directors of the Company to have a conflicting financial interest within the meaning of article 523 of the Company Code with respect to the decisions to be taken in agenda item 6 on their remuneration package as respectively, newly appointed CEO and Chairman of the Board of Directors.*

[…]

After having made the above-mentioned statements, the directors concerned declared not to participate in the deliberation and voting on the respective proposed decisions. The financial consequences of the relevant decisions pertain to the remuneration to be paid to the directors concerned in their new position. They will inform the Company's statutory auditor of the application of article 523 of the Company Code immediately after the Board meeting."

With respect to the remuneration of the new Chief Executive Officer, the following decision was taken by the Board of Directors held on 21 February 2018: "*Taking into account the defined grades and the outcome of a benchmark analysis carried out, the Board of Directors approved upon advice of the Remuneration Committee the proposed new remuneration package for each of the Leadership Team members. The members will be paid on the basis of this new remuneration policy with effect as from 1 February 2018*". In addition, with respect to the remuneration of the new Chairman, the Board of Directors decided that "*Given the responsibilities and time commitment resulting from his role, the Chairman of the Board of Directors will be paid an additional fixed fee of 10 k€ per annum on top of his director's remuneration*."

8.2. Measures for the prevention of market abuse

In accordance with provision 3.7 and the guidelines laid down in Appendix B of the Belgian Corporate Governance Code of 2009, a dealing code has been adopted by the Company which is intended to ensure that any persons who are in possession of inside information (*i.e.* information relating to the Group or Greenyard securities that is precise, not public, and that would, if it were made public, be likely to have a significant effect on the price of these securities) at any given time, do not misuse, and do not place themselves under suspicion of misusing such inside information and to ensure that such persons maintain the confidentiality of such inside information and refrain from market manipulation. The dealing code was revised following Regulation (EU) No.

596/2014 of 16 April 2014 on market abuse. The adapted version of the dealing code is applicable as from 3 July 2016 and has been last revised and modified by the Board of Directors of 31 May 2017.

The dealing code can be consulted on the website of the Company (https://www.greenyard.group).

9. Remuneration report

9.1. Description of the procedure applied during AY 17/18 for the development of a remuneration policy for and the determination of the remuneration of the directors and the members of the Leadership Team

The remuneration policy, including the attendance fees, for non-executive directors is set by the Board of Directors upon proposal of the Nomination and Remuneration Committee, thereby taking into account the listed character and the scope of the Company, the industry in which the Group operates and relevant benchmarks with appropriate peer companies. The remuneration policy is subsequently submitted for approval to the General Shareholders' Meeting.

The Board of Directors develops the remuneration policy for the members of the Leadership Team with the aim to attract, motivate and retain highly qualified and promising management talent and to align the managers' interests with the interests of all Company's stakeholders. The remuneration policy is determined by the Board of Directors on the basis of proposals from the Nomination and Remuneration Committee, taking into account relevant benchmark analyses and the Group's performance rating system. Each year, the Nomination and Remuneration Committee evaluates the levels and structure of remuneration and makes recommendations to the Board of Directors regarding the remuneration policy for and remuneration of the members of the Leadership Team.

There are no plans to substantially amend the current remuneration policy for the directors and members of the Leadership Team in the next two accounting years AY 18/19 and AY 19/20.

9.1.1. Statement on the remuneration policy for the directors and the members of the Leadership Team with respect to AY 17/18

Remuneration policy for the non-executive directors

Based on relevant benchmarks with appropriate peer companies, the Board of Directors has decided to propose to the 2018 Annual General Shareholders' Meeting to amend the remuneration policy for the non-executive directors, with retroactive effect as from 1 April 2017, by increasing the fixed annual remuneration from € 25.000 to € 30.000 and the additional attendance fee per meeting of the Board of Directors or an advisory Committee from € 1.500 to € 2.500 per meeting. The directors are not entitled to an attendance fee for meetings which are organized by telephone conference if only convened to give a status update or to take an urgent decision when there needs to be acted without delay. Given the responsibilities and time commitment resulting from his role, the Board of Directors will propose to the 2018 Annual General Shareholders' Meeting to pay the Chairman of the Board of Directors an additional fixed fee of € 10.000 per annum.

Upon proposal of the Nomination and Remuneration Committee, the General Shareholders' Meeting may decide to grant an additional remuneration to one or more independent or other non-executive directors for the additional efforts performed. The Board of Directors will propose, on advice of the Nomination and Remuneration Committee, to the 2018 Annual General Shareholders' Meeting to approve the payment of an additional remuneration of € 22.500 in total to the four independent directors of the Company (Mr Koen Hoffman (as permanent representative of Ahok BVBA), Ms Hilde Laga, Mr Aalt Dijkhuizen (as permanent representative of Aalt Dijkhuizen B.V.) and Mr Dirk Van Vlaenderen (as permanent representative of Gescon BVBA)) for the additional work carried out during AY 17/18 in analysing proposed transactions with related parties, identifying potential conflicts of interest and responding to questions about the application of the procedure laid down in article 524 of the Company Code.

An advance on annual remuneration is paid to the directors at the end of the first six months of the accounting year. All remuneration is paid on a pro-rata basis according to the duration of the director's term of office.

This remuneration covers all costs, with the exception of the international travel expenses incurred by directors domiciled outside Belgium, in carrying out their mandate.

Non-executive directors are not entitled to performance-related remuneration. There are no pension plans for non-executive directors, nor do they receive any benefits in kind.

Intal BVBA, represented by Mr Johan Vanovenberghe, receives a fixed fee for the consultancy services provided to the Company and does not receive any additional compensation in his capacity of non-executive director. The monthly fee invoiced by Intal BVBA for the consultancy services provided during AY 17/18 amounts to € 15.300 (VAT exclusive).

Remuneration policy for the executive directors

The executive directors, who hold an executive position in the Company or one of its subsidiaries, do not receive any additional remuneration for their work on the Board of Directors or the advisory Committees, as this is part of the total remuneration package which they receive in their executive position.

As Executive Chairman of the Board of Directors, Deprez Invest NV, represented by Mr Hein Deprez, received a fixed remuneration per annum, paid on a quarterly basis. For AY 17/18, this fixed annual remuneration was paid on a pro-rata basis according to the duration of his term of office as Executive Chairman. In his capacity of Chief Executive Officer, with effect as from 1 February 2018, Mr Hein Deprez (as permanent representative of Deprez Invest NV) receives a management fee.

Ms Marleen Vaesen (as permanent representative of Mavac BVBA) was paid a management fee during her term of office as Chief Executive Officer.

Before his voluntary resignation as executive director of the Company with effect as from 26 January 2018, Mr Charles-Henri Deprez received a monthly fee for the services provided as Finance Manager of Bakker Barendrecht B.V. and for the assistance rendered to the Company in projects at corporate level.

Remuneration policy for the members of the Leadership Team

The remuneration policy for the Chief Executive Officer and the other members of the Leadership Team is determined by the Board of Directors on recommendation of the Nomination and Remuneration Committee. Each year, the Nomination and Remuneration Committee evaluates the remuneration policy developed for the members of the Leadership Team.

Their remuneration consists of a fixed remuneration and a variable remuneration in the form of an annual bonus (short-term incentive) and in particular cases long-term incentives.

The variable remuneration always relates to performance over the past accounting year and is based on both quantitative and qualitative parameters. When meeting the objectives set forward, the variable remuneration varies between 22,5% and 50% of the fixed annual remuneration, depending on the position of each member of the Leadership Team.

The variable remuneration in the form of an annual bonus is merit-driven and based on individual performance in combination with Group performance, including financial and corporate objectives which are established annually. The financial and corporate objectives, as well as the CEO's individual objectives are set by the Board of Directors upon recommendation of the Nomination and Remuneration Committee. The individual objectives of the other Leadership Team members are established annually by the CEO, taking into account the financial and corporate objectives set by the Board of Directors.

Before completion of the business combination in 2015, a long-term incentive plan has been launched which applies only to those Leadership Team members who were already member before then and are still with the Company. AY 14/15 was the first year of this long-term incentive plan for which payment was made in AY 17/18. The long-term incentive plan is expiring next AY 18/19.

In the current long-term incentive plan applicable as from AY 17/18, Performance Share Units (PSUs) are granted on 31 May of each calendar year (unless decided otherwise by the Board of Directors) to selected members of the Leadership Team. These units represent ordinary shares of Greenyard, which are qualified as "performance shares" in view of the fact that their vesting depends on the performance of Greenyard shares over a period of three accounting years. The members concerned receive a target number of PSUs with a notional value, depending on their position level. These PSUs will vest at the end of the three-year performance cycle, subject to and upon realisation of the performance condition. The realisation of the performance condition shall be measured on the basis of the total shareholder return (calculated by means of the average share price of the Greenyard shares) at the end of the performance period (starting on 16 June and ending on 15 June of the third calendar year following the year of the grant).

9.1.2. Remuneration of the directors and the members of the Leadership Team with respect to AY 17/18

Total annual remuneration of the directors

The total annual remuneration paid to the non-executive directors for the performance of their mandate during AY 17/18 amounts to € 510.569.

The table below includes the individual remuneration paid to each director with respect to AY 17/18. These amounts are calculated based on eighteen meetings of the Board of Directors (of which eight meetings were held by telephone conference to give a status update). In AY 17/18, the Audit Committee met four times and the Strategic Committee two times. Before being combined into the Nomination and Remuneration Committee, the Remuneration Committee met on four occasions and the Nomination Committee on two occasions.

Directors' remuneration	Fixed remuneration €'000	Attendance fee per Board meeting €'000	Attendance fee per Committee meeting €'000	Additional fee - article 524 CC €'000	Total €'000
Deprez Invest NV, rep. by Mr Hein Deprez*	-	-	-	-	-
Ahok BVBA, rep. by Mr Koen Hoffman[(1)]	16,7	12,5	2,5	4,5	36,2
Ms Hilde Laga	30,0	22,5	10,0	6,0	68,5
Gescon BVBA, rep. by Mr Dirk Van Vlaenderen	30,0	25,0	22,5	6,0	83,5
Aalt Dijkhuizen B.V., rep. by Mr Aalt Dijkhuizen[(2)]	30,0	22,5	17,5	6,0	77,4
Management Deprez BVBA, rep. by Ms Veerle Deprez	30,0	25,0	12,5	-	67,5
Mr Charles-Henri Deprez*	-	-	-	-	-
Deprez[(3)]	5,4	5,0	-	-	10,4
Mr Thomas Borman[(4)]	30,0	22,5	15,0	-	95,3
Bonem Beheer BVBA, rep. by Mr Marc Ooms	30,0	25,0	7,5	-	62,5
Intal BVBA, rep. by Mr Johan Vanovenberghe[(5)]	-	-	-	-	-
Mr Mark Wittemans[(6)]	6,7	2,5	-	-	9,2
Mavac BVBA, rep. by Ms Marleen Vaesen*	-	-	-	-	-
TOTAL	**208,8**	**162,5**	**87,5**	**22,5**	**510,6**

* Executive directors do not receive any additional compensation for the execution of their mandate as director.
[(1)] Director as from 4 October 2017. In his capacity as Chairman of the Board of Directors, he receives an additional fixed remuneration of € 10.000 per annum, which for AY 17/18 has been paid on a pro-rata basis taking into account that he has taken up this position with effect as from 1 February 2018.
[(2)] The total director's remuneration of Aalt Dijkhuizen B.V. (represented by Mr Aalt Dijkhuizen), having its registered office in the Netherlands, includes its international travel expenses incurred in connection with the exercise of its office during AY 17/18, amounting to € 1.416.
[(3)] Director as from 26 January 2018.
[(4)] The total director's remuneration of Mr Thomas Borman, who is domiciled in South-Africa, includes his international travel expenses incurred in connection with the exercise of his office during AY 17/18, amounting to € 27.833.
[(5)] Mr Johan Vanovenberghe (as permanent representative of Intal BVBA) receives a monthly fee of € 15.300 (VAT exclusive) for the consultancy services provided to the Company.
[(6)] Director until 21 June 2017. His director's remuneration is paid to the company Agri Investment Fund CVBA.

Annual remuneration of the Chief Executive Officer

As Executive Chairman of the Board of Directors, Mr Hein Deprez (as permanent representative of Deprez Invest NV) received a fixed remuneration amounting to € 600.000 per annum. This remuneration has been paid for AY 17/18 on a pro-rata basis according to the duration of his term of office as Executive Chairman until 1 February 2018, and amounts to € 500.000. The total amount of expenses of € 16.008 has been reimbursed during AY 17/18.

As per this date, Mr Hein Deprez (as permanent representative of Deprez Invest NV) has replaced Ms Marleen Vaesen (as permanent representative of Mavac BVBA) in the position of Chief Executive Officer. He has a management contract and receives a fixed annual management fee and a variable remuneration. For AY 17/18, he has received a fixed remuneration of € 125.000, following a pro-rata calculation on the basis of a fixed annual remuneration of € 750.000.

In her capacity of Chief Executive Officer, Ms Marleen Vaesen (as permanent representative of Mavac BVBA) has been paid for AY 17/18 the total remuneration of € 1.014.644, which consists of a fixed management fee (paid on a pro-rata basis according to the duration of her mandate as CEO) amounting to € 608.333 and a variable remuneration of € 406.311. The total amount of expenses of € 25.991 has been reimbursed during AY 17/18. For AY 17/18, 7.131 PSUs have been granted to Ms Marleen Vaesen which were not yet vested on the date of termination (being 31 January 2018). The Board of Directors has decided upon recommendation of the Remuneration Committee, to give compensation for the granted PSUs as part of her severance pay.

No non-statutory benefits were paid out and no pension contributions were made.

Total annual remuneration of the members of the Leadership Team (excluding Chief Executive Officer)

Components of total annual remuneration	AY 17/18 (2) €'000	AY 16/17 (1) €'000
Total basic remuneration	2.661	2.075
Total variable remuneration	941	510
Pensions	39	48
Other benefits	9	84
TOTAL	**3.650**	**2.717**

(1) As per 31 March 2017, the Leadership Team was composed of eight members (excluding the Chief Executive Officer).
(2) As per 31 March 2018, the Leadership Team consists of seven members (excluding the Chief Executive Officer).

For AY 17/18, the total annual remuneration paid to the members of the Leadership Team (excluding the Chief Executive Officer) amounts to € 3.649.723. The increase against AY 16/17 is mainly resulting from the fact that the total annual remuneration includes the total nominal value of € 330.000 of all the performance share units which have been granted to the members of the Leadership Team on 15 June 2017, although vesting of these PSUs is only foreseen after 3 years.

All remuneration is paid on a pro-rata basis according to the duration of the term of office of the members of the Leadership Team.

The other benefits consist mainly of the reimbursement of expenses incurred by members who operate on a self-employed basis on behalf of the Group (being, amongst others, travel and accommodation expenses).

For the members who are employees, the other benefits concern fringe benefits such as a company car and payments for healthcare cover. Besides these benefits, defined contributions were made within the framework of pension schemes.

Evaluation criteria for the remuneration of the members of the Leadership Team

The members of the Leadership Team receive a variable remuneration in addition to their fixed remuneration.

The variable remuneration consists of an annual bonus (short term incentive) and in particular cases long-term incentives.

The variable remuneration in the form of an annual bonus is merit-driven and based on individual performance (with a maximum of 25%) in combination with Group performance (with a maximum of 75%), including financial objectives (REBITDA) and corporate objectives which are established annually. For AY 17/18, the corporate objectives included elements of business and corporate development, cost savings and sales growth. The individual targets related to, amongst others, the efficiency of certain processes and the delivery of a number of projects by the member concerned.

The evaluation period corresponds to the accounting year. The level of achievement of the objectives is reviewed at the end of each accounting year by the Nomination and Remuneration Committee, in consultation with the CEO if it concerns the other Leadership Team members, and discussed and finally established by the Board of Directors. The quantitative calculation is performed on the basis of audited figures. The annual bonus is paid in the following accounting year. Each year, the Nomination and Remuneration Committee gives its recommendations on the bonus plan.

The long-term incentive plan which applies only to those Leadership Team members who were already member before completion of the business combination in 2015 is 100% based on quantitative targets on Group level over a period of three accounting years. The plan varies between 10% and 20%, depending on the position of each member included in the plan.

In the current long-term incentive plan applicable as from AY 17/18, a target number of PSUs with a notional value depending on the position level of the Leadership Team member concerned is granted. These PSUs will vest at the end of the three-year performance cycle, subject to and upon realization of the performance condition. The realization of the performance condition shall be measured on the basis of the total shareholder return (*TSR*) (calculated by means of the average share price of the Greenyard shares) at the end of the performance period (starting on 16 June and ending on 15 June of the third calendar year following the year of the grant). The fraction or a multiple of performance shares the PSUs will effectively entitle to, will be adapted in case the performance condition is considerably exceeded or not reached as follows:

Performance condition (cumulative annual average increase during the performance period)	% of performance shares one PSU entitles to
Maximum: TSR increase ≥ 10%	200%
Above target: 5% ≥ TSR increase < 10%	150%
On target: 0% ≥ TSR increase < 5%	100%
Below threshold: TSR increase < 0%	0%

The 2017 Annual General Shareholders' Meeting with respect to AY 16/17 has approved dispensation with the application of article 520*ter*, second paragraph, of the Company Code for AY 17/18.

9.1.3. Performance share units (PSUs) granted to members of the Leadership Team

Leadership Team member	Number of PSUs	Grant date	Date of vesting
PDN BVBA, rep. by Mr Carl Peeters	5.402	15 June 2017 (AY17/18)	After 3 years (AY20/21)
VLT Consulting BVBA, rep. by Mr Tim Van Londersele	540[1]		
Alvear International BVBA, rep. by Mr Charles-Henri Deprez	540[1]		
T-I BVBA, rep. by Mr Stefaan Vandaele	1.891		
HCTL Consulting BVBA, rep. by Ms Christine Buytaert	1.891		
Qualexco BVBA, rep. Mr Alexander Verbist	1.891		
Mr Lars Wagener[2]	1.891		
Mr Dominiek Stinckens[2]	1.891		
Haluvan BVBA, rep. by Mr Hans Luts[2]	1.891		
Mavac BVBA, rep. by Ms Marleen Vaesen	7.131		No vesting[3]

[1] Leadership Team member after grant date. PSUs were granted in the framework of the long-term incentive scheme for selected key management personnel in the Group.
[2] Leadership Team member until 1 February 2018.
[3] Upon recommendation of the Remuneration Committee, the severance pay of Mavac BVBA includes compensation of € 147.255 for the PSUs granted on 15 June 2017, which will no longer vest due to termination.

9.1.4. Severance pay for members of the Leadership Team

In accordance with article 554 of the Company Code, the agreements concluded with the members of the Leadership Team after 3 May 2010 provide for severance pay not exceeding twelve months' remuneration.

In the event of early termination, the Board of Directors justifies and decides on recommendation of the Nomination and Remuneration Committee, whether the Leadership Team member concerned, qualifies for severance pay, and the basis on which it is calculated.

Upon advice of the Remuneration Committee (currently the Nomination and Remuneration Committee), the Board of Directors agreed to pay severance pay of € 1.026.135 in total (which includes a compensation for the granted PSUs in AY 17/18) to Mavac BVBA, represented by Ms Marleen Vaesen, following her resignation in mutual consent as Chief Executive Officer. Her severance pay does not exceed the twelve months' remuneration paid to Mavac BVBA for AY 16/17.

9.1.5. Recovery provision

The Company does not dispose of recovery rights with regard to the variable remuneration of the members of the Leadership Team or the executive directors should it be awarded on the basis of incorrect financial data.

9.1.6. Other information to be communicated pursuant to article 96 of the Company Code and article 34 of the Royal Decree of 14 November 2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market

This section contains the information required to be disclosed under the legislation mentioned above and not included in other parts of this report.

Specific control rights of certain holders of securities

According to article 5 of the Company's articles of association, all shares represent an equal share in the Company's assets.

Restrictions on transfers of securities

The Company's articles of association do not impose any restrictions on the transfer of shares in the Company.

Limitations by law or the articles of association on the exercise of voting rights

Article 8 of the Company's articles of association states that if a shareholder has not fully paid up his shares as requested by the Board of Directors within the period stated by the Board of Directors, the exercise of the voting rights associated with the shares held will be suspended automatically until such time as the payment has been completed. On 31 March 2018, the capital was fully paid up.

In accordance with article 10 of the Company's articles of association, the Board of Directors may suspend exercise of the rights attached to a share if the share concerned belongs to two or more persons or if the rights associated with the share concerned are divided among several persons, until such time as a single person is designated as the shareholder vis-à-vis the Company.

Rules on amendments to the articles of association

Pursuant to the Company Code, any amendment to the articles of association of the Company may only be authorized with the approval of at least 75% of the votes validly cast at an Extraordinary General Shareholders' Meeting where at least 50% of the Company's share capital is present or represented. If the attendance quorum of 50% is not met, a new Extraordinary General Shareholders' Meeting must be convened at which the shareholders may decide on the agenda items, irrespective of the percentage of share capital present or represented at such meeting.

Rules on appointment and replacement of directors

The Board of Directors makes a proposal to the General Shareholders' Meeting for the (re)appointment as director based upon the candidate list drawn up by the Nomination and Remuneration Committee. Before each appointment, an assessment of the skills, the know-how and experience already available and required at the level of the Board of Directors is executed. This will ensure the necessary diversity and complementarity in respect with the different backgrounds and competencies of the directors. A profile of the required role is determined. In case of the appointment of a new director, the Chairman of the Nomination and Remuneration Committee ascertains that the Board of Directors - prior to taking into consideration the candidate - has sufficient information on the candidate. For each vacant position as independent director, the Nomination and Remuneration Committee initiates the search for suitable candidates and proposes at least two (and preferably more) candidates to the Board of Directors. The appointment as independent director will only be taken into consideration if the candidate-independent director meets the criteria laid down in article 526*ter* of the Company Code and in the Corporate Governance Charter. The decision of the Board of Directors to propose a candidate-independent director for appointment to the General Shareholders' Meeting requires a two third majority.

The mandate ends immediately after the Annual General Shareholders' Meeting until which the director has been appointed. The articles of association provide that the directors are appointed for a maximum term of 6 years. The Board of Directors proposes to the General Shareholders' Meeting to appoint directors only for 4 years. Retiring directors are eligible for reappointment. The mandate of the directors will end at the Annual General Shareholders' Meeting of the year in which the director concerned (or its permanent representative) reaches the age of 70. Exceptions to this age limit may be proposed by the Board of Directors to the

General Shareholders' Meeting. The mandate of the directors may be withdrawn at any time by simple majority in the General Shareholders' Meeting.

In accordance with article 16 of the Company's articles of association, in the event of an early vacancy on the Board of Directors, the remaining directors manage the Company and are entitled to temporarily fill the vacancy until the General Shareholders' Meeting has appointed a new director.

Authority of the Board of Directors to issue or purchase own shares

In accordance with article 12 of the Company's articles of association, the Board of Directors is authorized to acquire, within the limits of the law, whether on or outside of the stock exchange, directly or indirectly, by way of purchase or exchange, contribution or any other way of acquisition, up to 20% of the Company's shares, without requiring General Shareholders' Meeting's approval or resolution. The authorisation which was valid as from 10 October 2014 has been renewed by decision of the Extraordinary General Shareholders' Meeting held on 15 September 2017 for an additional five year period.

Within the framework of the authorisation granted, the Company's shares may be acquired for a price or an exchange value per share inferior or equal to the highest current independent bid price of the share on Euronext Brussels on the date of the acquisition, and minimum € 1 per share. The authorization extends to any acquisitions (by way of purchase or exchange, contribution or any other way of acquisition) of the Company's shares, directly or indirectly, by the direct subsidiaries of the Company as defined in article 627 of the Company Code. The Company and its direct subsidiaries are also authorized to dispose of the shares acquired by the Company on or outside of the stock exchange (by way of sale, exchange, conversion of bonds or any other way of transfer), to offer these shares to the personnel, or, on the other hand, to dispose of or cancel these shares, without requiring General Shareholders' Meeting's approval or resolution and without limitation in time.

In addition, the Board of Directors is also explicitly authorised, during a three-year period counting as from 31 October 2017, whether on or outside of the stock exchange, directly or indirectly, to acquire or to dispose of own shares, if such acquisition or disposal is necessary to prevent an imminent serious disadvantage to the Company. This authorization also applies to the acquisition or disposal of the Company's shares by direct subsidiaries of the Company as defined in article 627 of the Company Code.

Shareholders' agreements that are known to the issuer and that could give rise to share transfer restrictions and/or limitations to the exercise of the voting rights

The Board of Directors has no knowledge of the existence during AY 17/18 of shareholders' agreements that could give rise to share transfer restrictions and/or limitations to the exercise of voting rights, with the exception of the shareholders' agreement concluded on 8 May 2015 between Deprez Holding NV, Mr Hein Deprez, Food Invest International NV (*FII*), Gimv NV, Gimv-XL Partners Invest Comm. V., Adviesbeheer Gimv XL NV (the Gimv entities are jointly referred to as *Gimv XL*), Agri Investment Fund CVBA (*AIF*) and Greenyard, which entered into force on 19 June 2015. Pursuant to this agreement, each of Gimv XL and AIF were entitled to have one director on the Board of Directors, subject to the conditions laid down in the agreement.

This agreement has been automatically terminated in accordance with clause 6.2, (b) of this agreement as per 20 June 2017, as a result of the fact that (i) Gimv XL no longer holds shares in Greenyard and (ii) as per 19 June 2017 the shares' participation of AIF in Greenyard represents less than 5,00% of the total share capital.

Important agreements that take effect, undergo changes or expire in the event of change of control over the Company

The following agreements take effect, undergo changes or expire in the event of change of control over the Company:

- The Multi-Country Factoring Syndication Agreement dated on 1 March 2016 and all its addenda which constitute an integral part of the Agreement. This Agreement is concluded between the Company, Greenyard Fresh NV and certain of its other subsidiaries (as *the Clients* and *the Additional Clients*), of the one part, and ING Commercial Finance Belux NV (as *the Agent*), BNP Paribas Fortis Factor NV, KBC Commercial Finance NV and Belfius Commercial Finance NV (as *the Factors*), of the other part; and
- The € 425.000.000 Senior Term and Multicurrency Revolving Facilities Agreement dated 22 December 2016, as amended on 6 January, 17 February, 12 June and 20 November 2017. This Agreement is concluded between the Company and certain of its subsidiaries (as *Borrowers* and *Guarantors*), of the one part, and KBC Bank NV (as *Coordinator*), BNP Paribas Fortis SA/NV, ING Belgium NV/SA, KBC Bank NV (as *Bookrunning Mandated Lead Arrangers*), ABN Amro Bank N.V., Belfius

Bank NV, Coöperatieve Rabobank U.A. (as *Mandated Lead Arrangers*), and ING Bank NV (as *Agent* and *Security Agent*), of the other part; and

- The Subscription Agreement relating to € 125.000.000 3,75% convertible bonds concluded on 8 December 2016 between Greenyard Fresh NV and Greenyard NV, of the one part, and Joh. Berenberg, Gossler & Co. KG, Frankfurt Branch and BNP Paribas Fortis SA/NV (*Joint Global Coordinators*) and Bank Degroof Petercam SA/NV, KBC Bank NV, Daiwa Capital Markets Europe Limited (*Joint Bookrunners*), of the other part.

10. Internal control and risk management

The Board of Directors is responsible for monitoring the risks that are specific to the Group and for the evaluation of the effectiveness of the internal control system.

The Board of Directors has approved an internal control system based on the Committee of Sponsoring Organisations of the Treadway Commission ('COSO') model. The following pillars are discussed below: control environment, risk management systems and internal control, financial reporting and communication, and, to conclude, oversight and monitoring.

Management has implemented a variety of controls to manage the risks that could undermine the achievement of the strategic objectives.

10.1. Control environment

10.1.1. General

The Group performs a conscious risk management based on the implementation of an internal control system and achieved by encouraging a company culture in which all personnel are empowered to fulfil their roles and responsibilities in accordance with the highest standards of integrity and professionalism.

10.1.2. Audit Committee

Without prejudice to the responsibilities of the Board of Directors as a whole, the Audit Committee monitors the effectiveness of the internal control and risk management systems set up by the management of the Group in order to confirm that the principle risks (including those related to compliance with legislation and regulations) are identified, managed and brought to the notice of the responsible individuals, in accordance with the framework established by the Board of Directors.

At least twice per year, the Audit Committee meets the statutory auditor to discuss the subjects that fall under his remit and all matters that arise from the auditing process.

In addition, the management team gives a regular update to the Audit Committee on pending disputes. In that respect, a quantified risk assessment and classification is carried out.

10.1.3. Internal audit

The Group has a professional internal audit department. The Audit Committee reviews the internal audit's risk assessment, the internal audit charter and annual internal audit plan and regularly receives internal audit reports for review and discussion. The mission of the internal audit department is to provide independent, objective quality assurance and support, designed to add value and improve the Group's operations and systems of internal controls.

The internal audit department assists the Group with accomplishing its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. Internal control deficiencies identified by internal audit are communicated in a timely manner to management and periodic follow-up is performed to ensure corrective action has been taken.

10.2. Risk management systems and internal control

The most important aspects of the risk management and internal control process can be summarised as follows:

- The risk position of the Company, the possible financial impact and the required action points are evaluated regularly by management and the Board of Directors, advised by the Audit Committee; hereby risks are prioritised and action plans are implemented;

- The Board of Directors discusses the strategy and investment projects; an evaluation is also made of the associated risks. Where needed, appropriate measures are taken;
- The internal audit reports are always discussed with local management and a summary is discussed with the Audit Committee on a regular basis.

For a discussion of the principal risks and the associated control activities, please see note 7.18. *Risk management policy*.

10.3. Financial reporting and communication

The financial reporting and communication process of the Group can be summarised as follows:

A closing plan with checklist is drawn up with the tasks that must be accomplished by the quarterly, semi-annually and year-end closing of the Company and its subsidiaries. The financial department provides the accounting figures under the supervision of the chief accountant or financial director of each subsidiary. The controllers verify the validity of those figures and issue a report. Both coherence testing by making comparisons with historical or budgetary figures and transaction controls using random samples are performed. As part of the closing process, an extensive reporting set with financial and operational data must also be provided in each case.

The Audit Committee supports the Board of Directors in overseeing the integrity of the financial information provided by Greenyard. In particular, it reviews the relevance and the consistency of the application of the accounting standards used within the Group and the criteria for the consolidation of the accounts of the companies of the Group. The oversight covers the periodic information before it is published and is based on the audit program used by the Audit Committee. Management informs the Audit Committee about the methods that are used to account for significant and unusual transactions of which the accounting treatment could be open to a variety of interpretations. The Audit Committee discusses the financial reporting methods with both the Leadership Team and the external auditor.

10.4. Oversight and monitoring

Oversight of internal controls is exercised by the Board of Directors, supported by the activities of the Audit Committee and the internal audit department.

The external auditor carries out an annual evaluation of the internal controls related to the risk associated with the financial statements of the Group. In that regard, the external auditor makes recommendations concerning the internal control and risk management systems when appropriate, which are formalised in a management letter. Management undertakes actions to handle the findings and thereby achieve an even better control environment. Those measures are followed up and the Audit Committee is monitoring if the Leadership Team is fulfilling the recommendations presented by the external auditor.

INFORMATION FOR SHAREHOLDERS

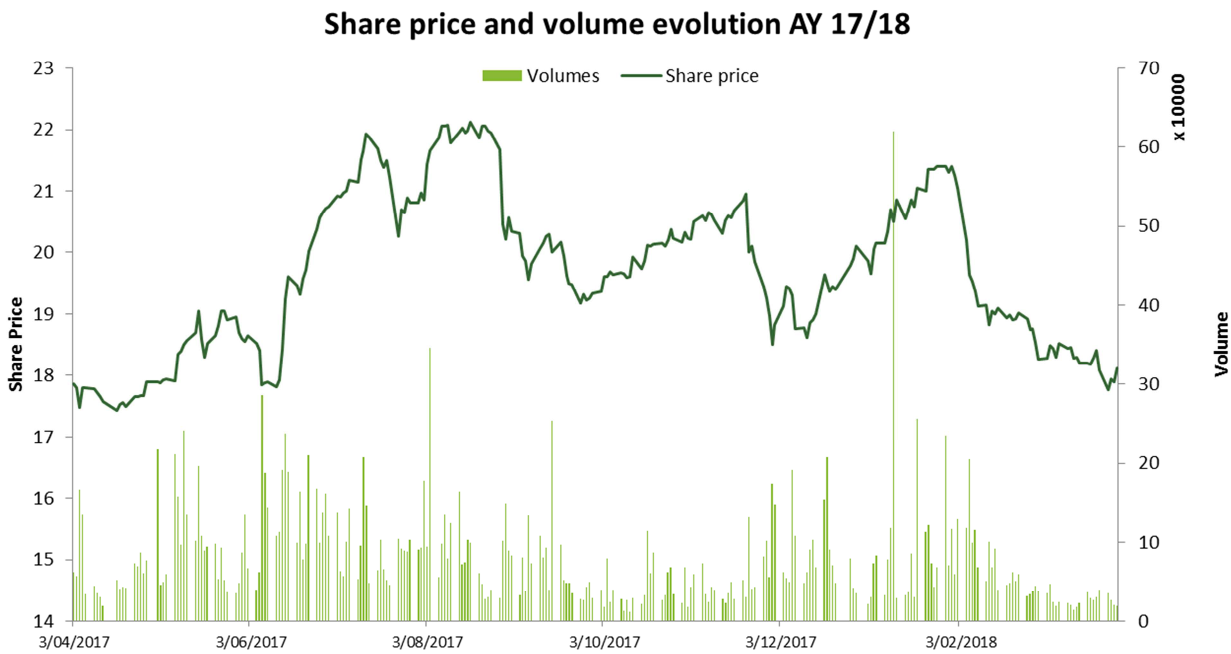
1. Shares

The Company's shares are listed on the continuous market of Euronext Brussels (ticker: GREEN), more specifically in the compartment B (mid-caps) of this market, since 1 March 2005. The Greenyard share was introduced onto the Brussels Stock Exchange in June 1999. Greenyard NV has a liquidity contract with ABN AMRO Bank and Bank Degroof Petercam. On 14 March 2017 the Company initiated a share buyback program representing 1.750.000 shares or almost 4% of outstanding shares. The share buyback program was finalised by 31 August 2017. Over the total buyback of 1.750.000 shares, Greenyard has paid on average € 17,17 per share.

2. Share trading evolution

	AY 17/18	Date	AY 16/17	Date
Highest price	€ 22,12	18/08/2017	€ 17,90	23/03/2017
Lowest price	€ 17,43	18/04/2017	€ 11,68	22/07/2016
Opening price	€ 17,90	3/04/2017	€ 13,33	1/04/2016
Closing price	€ 18,12	29/03/2018	€ 17,90	31/03/2017
Average daily trading volume	81.292		28.302	
Turnover	€ 406.449.532		€ 110.281.234	
Total number of shares including treasury shares	44.372.585		44.372.585	
Market capitalisation	€ 804.031.240		€ 794.047.409	

The average daily trading volume in AY 17/18 was 81.292, compared to 28.302 shares the year before, or a 187% increase. Taking into account the rise of the share price, total turnover rose to € 406.449.532, which represents an increase of 269% compared to AY 16/17.



3. Capital structure

Authorised capital

In accordance with article 7 of the articles of association, the Board of Directors is authorised to increase the share capital of the Company in one or more times to an aggregate maximum amount of € 293.851.765. The authority is valid for five years, as from 15 July 2015, and can be renewed in accordance with the applicable statutory provisions. Pursuant to this authorisation, the Board of Directors may, amongst others, effect a capital increase under the authorised capital by means of issuing ordinary shares, warrants, convertible bonds or subscription rights, the conversion of reserves and may limit or suspend the preferential subscription right of the Company's shareholders. In addition, the Board of Directors has been authorised for a period of three years as from 15 July 2015, to make use of the authorised capital upon receipt by the Company of a notice from the FSMA of a public takeover bid for the Company's securities.

Issuance of convertible bond

On 7 December 2016, the Board of Directors approved the issuance by Greenyard Fresh NV (formerly known as Greenyard Fresh Holding BE NV) of senior unsecured convertible bonds for an aggregate amount of € 125,0m, guaranteed by the Company and convertible into ordinary shares of the Company, due 22 December 2021. These convertible bonds carry a coupon of 3,75% per annum and are listed on the Open Market segment of the Frankfurt Stock Exchange (*Freiverkehr*). The Board of Directors considered it in the Company's interest to suspend the preferential subscription rights of the existing shareholders, in accordance with articles 596 and following of the Company Code, in order to benefit from the current market opportunities and to involve the capital markets in time and efficiently, taking into account the formalities which need to be complied with in case of offering convertible bonds with preferential subscription rights.

The Board of Directors has made use of its powers under the authorised capital when it, on 15 December 2016, approved the capital increase in kind, within the limits of its authorised capital, by means of the contribution by the holders of convertible bonds in Greenyard Fresh NV of their receivable against Greenyard Fresh NV into the Company, subject to the effective exercise of their conversion right. On 22 December 2016, the Board of Directors enacted the implementation of the convertible bonds' issuance. As per 31 March 2018 no conversion options were exercised.

On 23 November 2017, the Issuer unilaterally, irrevocably and unconditionally waived its right to make a Cash Alternative Election as provided in clause 6(m) of the terms and conditions.

Acquisition of own shares

In accordance with article 12 of the articles of association of the Company, the Board of Directors is authorised to acquire own shares up to the legal maximum amount of 20% of the total issued share capital as permitted under article 620 of the Company Code, without a preliminary resolution of the General Shareholders' Meeting being required. The Board of Directors has been authorised for a period of five years as from 10 October 2014. This authorisation was renewed by decision of the Extraordinary General Shareholders' Meeting held on 15 September 2017 for an additional period of five years.

Share buyback program

On 14 March 2017, the Board of Directors approved, within the authority granted by the General Shareholders' Meeting, the launch of a share buyback program of up to 1.750.000 shares. The program is set in place to mitigate the potential dilution from the convertible bond and to create a pool of own shares to finance potential future acquisitions and/or long-term incentive plans. By the end of March 2018, the Company repurchased all 1.750.000 shares or almost 3,94% of the total issued share capital. The total consideration amounts to € 30,0m or € 17,17 per share.

4. Shareholder structure

Every shareholder with at least 5,0% of the voting rights is required to comply with the Act of 2 May 2007, the Royal Decree of 14 February 2008 concerning the disclosure of the major holdings and the Company Code. The shareholders concerned are required to send a notification to the Financial Services and Market Authority (FSMA) and to the Company.

The Company's shareholder structure as per 31 March 2018 is as follows:

Shareholder structure	Number of shares	%
Deprez Holding NV	15.327.254	34,5%
Food Invest International NV	6.534.173	14,7%
Sujajo Inv.	3.638.552	8,2%
Kabouter Management LLC	2.292.842	5,2%
Treasury shares	1.750.000	3,9%
Public	14.829.764	33,4%
TOTAL	**44.372.585**	**100,00%**

An actual overview of the shareholder structure can be consulted on our website www.greenyard.group under the heading *Investor relations > Share Information*.

5. Major changes in shareholder structure

On 24 July 2017, the Company received a transparency notification to inform the Company that Mr Hein Deprez, Deprez Holding NV and Food Invest International NV on the one hand, and Gimv NV, Adviesbeheer Gimv XL NV, Gimv-XL Partners Invest Comm.V (together Gimv) and Agri Investment Fund CVBA (AIF), on the other hand, are no longer acting in concert following the automatic termination of the shareholders' agreement with respect to Greenyard which was concluded on 8 May 2015 between the aforementioned parties. This shareholders' agreement has been automatically terminated as a result of the fact that as per 20 June 2017 Gimv no longer detained shares in Greenyard, as notified to the Company on 24 July 2017.

In addition, on 31 July 2017 the Deprez family notified the Company that it had increased its stake from 45,3% to 49,3% as it purchased the shares held by AIF on 31 July 2017. Taking into account the 3,81% own shares which Greenyard had acquired at that time, the 50% threshold had been exceeded by the Deprez family, through Deprez Holding NV and Food Invest International NV, as a result of this transaction.

On 2 February 2018, the Company received a transparency notification whereby Kabouter Management LLC acquired 2.292.842 shares in Greenyard (representing 5,17% of the total issued share capital) and as a result of this, crossed the notification threshold of 5% on 30 January 2018.

As per 31 March 2018, Greenyard repurchased and owned 1.750.000 Greenyard shares or 3,94% of the total issued share capital.

6. Contacts

The Investor Relations team is available to answer shareholder and investor questions about the Group's activities, shares and other information requests:

For the attention of Mr Dennis Duinslaeger

Greenyard NV
Strijbroek 10
BE – 2860 Sint-Katelijne-Waver

Or by e-mail: ir@greenyard.group

7. Financial calendar

Q1 trading update AY 18/19:	29 August 2018 (after market)
General Assembly AY 17/18:	21 September 2018 (2 pm)
Announcement of half-year results (01/04/2018-30/09/2018):	20 November 2018 (after market)
Capital Markets Day	21 November 2018

KEY FINANCIAL INFORMATION

Greenyard	AY 17/18 €'000	AY 16/17 €'000	Difference
Sales	4.175.912	4.249.203	-1,7%
REBITDA	140.176	145.710	-3,8%
REBITDA-margin %	3,4%	3,4%	
Net result	3.429	716	385,7%
EPS	0,07	0,02	334,0%
NFD	419.145	324.234	29,3%
NFD/Adjusted REBITDA	2,8	2,2	

Sales decrease by 1,7% to € 4.175,9m in AY 17/18. This decline is the result of internal growth (-1,5%), mergers and acquisitions (0,3%), and exchange rate fluctuations (-0,3%).

REBITDA also decreases by 3,8% to € 140,2m. The € 5,5m decrease in AY 17/18 is mainly the result of loss of volumes attributable to the Fresh segment. REBITDA margin remained stable at 3,4%.

Net result amounts to € 3,4m. This results in an increased EPS of € 0,07.

Net financial debt[5] increases by € 94,9m to € 419,1m in AY 17/18. This translates into a leverage[5] of 2,8x, up from 2,2x last year. The increase is driven by the financing of the Mykogen acquisition, as well as higher capex and non-recurring costs.

EBIT before non-recurring items - REBITDA	AY 17/18 €'000	AY 16/17 €'000
EBIT before non-recurring items	**72.436**	**81.643**
Depreciation and amortisation (note 6.1.)	67.996	62.776
Divestitures (not in IFRS 5 scope)	-256	1.291
REBITDA	**140.176**	**145.710**

Reconciliation net financial debt	31 March 2018			31 March 2017		
	As reported €'000	Reconciliation (*) €'000	Total €'000	As reported €'000	Reconciliation (*) €'000	Total €'000
Cash and cash equivalents	-57.432	-	-57.432	-113.242	-	-113.242
Interest-bearing loans (non-current/current)	461.017	15.560	476.577	418.881	18.595	437.476
Net financial debt			**419.145**			**324.234**

(*) Net capitalised transaction costs related to the refinancing for € 6,2m (AY 16/17 € 7,2m) and net value of the conversion option at inception after amortisation for € 9,4m (AY 16/17 € 11,5m) are added back in order to present the nominal amounts of drawn financing as part of the reported net financial debt. See note 7.16. *Interest-bearing loans* .

SALES AND REBITDA PER OPERATING SEGMENT

Fresh

Fresh	AY 17/18 €'000	AY 16/17 €'000	Difference
Sales	3.342.876	3.425.828	-2,4%
REBITDA	72.175	79.219	-8,9%
REBITDA-margin %	2,2%	2,3%	

Bearing in mind a foreign exchange impact of -0,2% and divestitures impact of -0,3%, sales decline internally by 1,9%, mainly due to lower volumes in the German and, to a lesser extent, the Belgian market. Continued growth in the US and France, as well as the Netherlands, nor ongoing product mix improvements could yet offset the decline. On the other hand, the Bakker division in the Netherlands, the strongest example of our customer intimacy strategy, is showcasing stable and consistent growth in sales and REBITDA.

Lost volumes also impact REBITDA, which drops by 8,9%, translating into a margin of 2,2%, versus 2,3% last year.

[5] Please refer to *Financial definitions* for the definition.

Long Fresh

Long Fresh	AY 17/18 €'000	AY 16/17 €'000	Difference
Sales	742.769	748.261	-0,7%
REBITDA	56.642	56.541	0,3%
REBITDA-margin %	7,6%	7,6%	

The Long Fresh business segment performs steadily with an internal growth of 0,1% year-over-year, but experienced some headwinds due to a negative foreign currency impact of -0,8%, mainly related to the weakening of the GBP, resulting in sales of € 742,8m for the year. Growth is primarily supported by the Frozen operations.

REBITDA remains stable at € 56,7m, up from € 56,5m (+0,3%), resulting in a 8 bps margin improvement, thanks to product/customer mix improvements and price increases in the Frozen operations. REBITDA is still affected by the irregular supply of raw materials (due to adverse weather conditions) and subsequent lower processing volumes in Frozen, as well as price increases in raw material that could not be charged to the customer under our annual contracts, and higher production costs in Prepared.

The Greenyard Frozen France (Moréac) operations are performing according to plan.

Horticulture

Horticulture	AY 17/18 €'000	AY 16/17 €'000	Difference
Sales	90.266	75.114	20,2%
REBITDA	11.359	9.950	14,6%
REBITDA-margin %	12,6%	13,2%	

Top line in Horticulture experiences a strong growth to € 90,3m versus € 75,1m last year (+20,2%) with Mykogen immediately contributing to the business segment's top line. Horticulture (excluding the impact of the Mykogen acquisition, which represents 17,8%) is characterised by a stable 1,8% internal growth, despite adverse weather conditions (early spring in AY 16/17 and late spring in AY 17/18). As guided, adverse weather conditions in March 2018 postponed our traditional Horticulture spring sales season.

REBITDA increases by 14,6% to € 11,4m versus € 9,9m last year. REBITDA margin drops by 0,6% due to difficult harvest conditions in summer AY 17/18 which resulted in higher costs. The integration of the Mykogen activities after the closing in December 2017 is on track.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

Consolidated income statement	Note (*)	AY 17/18 €'000	AY 16/17 €'000
CONTINUING OPERATIONS			
Sales		4.175.912	4.249.203
Cost of sales	6.1.	-3.878.623	-3.942.910
Gross profit/loss (-)		**297.289**	**306.293**
Selling, marketing and distribution expenses	6.1.	-97.070	-97.298
General and administrative expenses	6.1.	-134.604	-135.829
Other operating income	6.3.	6.776	8.930
Share of profit/loss (-) of equity accounted investments	7.5.	45	-452
EBIT before non-recurring items		**72.436**	**81.643**
Non-recurring items from operating activities	6.4.	-31.931	-8.241
EBIT		**40.505**	**73.402**
Interest expense	6.5.	-29.190	-50.139
Interest income	6.5.	576	1.795
Other finance result	6.5.	-6.317	-24.268
Net finance income/cost (-)		**-34.931**	**-72.612**
Profit/loss (-) before income tax		**5.574**	**790**
Income tax expense (-)/income	6.6.	-2.145	-74
Profit/loss (-) for the period from continuing operations		**3.429**	**716**
DISCONTINUED OPERATIONS			
Profit/loss (-) for the period from discontinued operations (attributable to the shareholders of the Group)		-	-
PROFIT/LOSS (-) FOR THE PERIOD		3.429	716
Attributable to:			
The shareholders of the Group		2.912	885
Non-controlling interests		517	-169

Earnings per share (in € per share)	Note (*)	AY 17/18	AY 16/17
Basic	6.7.	0,07	0,02
Diluted	6.7.	0,07	0,02

(*) The attached notes form an integral part of this income statement.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Consolidated statement of comprehensive income	AY 17/18 €'000	AY 16/17 €'000
Profit/loss (-) for the period	**3.429**	**716**
Remeasurements on post employment benefit obligations, gross	-487	-2
Deferred tax on remeasurements on post employment benefit obligations	173	19
Items that will not be reclassified to profit or loss	**-313**	**17**
Cash flow hedges, gross	-1.145	2.745
Deferred tax on cash flow hedges	389	-746
Currency translation differences	-4.622	1.003
Fair value reserve	13	-60
Other	127	-
Items that may be reclassified to profit or loss	**-5.238**	**2.942**
Other comprehensive income	**-5.551**	**2.959**
TOTAL	**-2.122**	**3.675**
Attributable to:		
The shareholders of the Group	-2.461	3.749
Non-controlling interests	339	-74

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets	Note (*)	31 March 2018 €'000	31 March 2017 €'000
NON-CURRENT ASSETS		1.361.377	1.265.218
Property, plant & equipment	7.1.	419.512	375.952
Goodwill	7.2.	633.852	591.923
Other intangible assets	7.3.	252.706	238.541
Biological assets	7.4.	20.711	20.353
Investments accounted for using equity method	7.5.	9.435	8.975
Other financial assets	7.6.	35	183
Deferred tax assets	7.7.	19.630	22.579
Trade and other receivables	7.9.	5.495	6.711
CURRENT ASSETS		702.245	725.454
Biological assets		76	66
Inventories	7.8.	312.393	296.217
Trade and other receivables	7.9.	331.786	313.892
Other financial assets	7.6.	558	2.037
Cash and cash equivalents	7.10.	57.432	113.242
TOTAL ASSETS		2.063.622	1.990.673

Equity and liabilities	Note (*)	31 March 2018 €'000	31 March 2017 €'000
EQUITY		709.218	706.246
Issued capital	7.12.	288.392	288.392
Share premium and other capital instruments	7.12.	317.882	317.882
Consolidated reserves		97.316	91.831
Cumulative translation adjustments		-7.893	-3.449
Non-controlling interests		13.521	11.590
NON-CURRENT LIABILITIES		479.573	517.718
Employee benefit liabilities	7.14.	21.708	21.245
Provisions	7.15.	10.940	8.855
Interest-bearing loans	7.16.	401.034	410.472
Other financial liabilities	7.6.	1.341	28.572
Trade and other payables	7.17.	3.118	1.116
Deferred tax liabilities	7.7.	41.432	47.458
CURRENT LIABILITIES		874.831	766.708
Provisions	7.15.	8.060	894
Interest-bearing loans	7.16.	59.983	8.409
Other financial liabilities	7.6.	2.317	781
Trade and other payables	7.17.	804.470	756.624
TOTAL EQUITY AND LIABILITIES		2.063.622	1.990.673

(*) The attached notes form an integral part of this statement of financial position.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Equity AY 17/18	Attributable to shareholders of the Group									Non-controlling interests	Total equity
	Share capital	Share premiums	Treasury shares	Retained earnings	Cash flow hedge reserve	Foreign currency translation	Fair value reserve	Defined benefit liability	Total		
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Balance at 31 March 2017	288.392	317.882	-16.436	111.924	-1.901	-3.449	27	-1.784	694.655	11.590	706.246
Profit/loss (-) for the period	-	-	-	2.912	-	-	-	-	2.912	517	3.429
Cash flow hedges, gross	-	-	-	-	-1.145	-	-	-	-1.145	-	-1.145
Deferred tax on cash flow hedges	-	-	-	-	389	-	-	-	389	-	389
Currency translation differences	-	-	-	-	-	-4.444	-	-	-4.444	-178	-4.622
Remeasurements on post employment benefit obligations, gross	-	-	-	-	-	-	-	-487	-487	-	-487
Deferred tax on remeasurements on post employment benefit obligations	-	-	-	-	-	-	-	173	173	-	173
Fair value reserve	-	-	-	-	-	-	13	-	13	-	13
Other	-	-	-	127	-	-	-	-	127	-	127
Other comprehensive income	-	-	-	127	-756	-4.444	13	-313	-5.374	-178	-5.551
Total comprehensive income for the period	-	-	-	3.039	-756	-4.444	13	-313	-2.461	339	-2.122
Dividend payment (note 7.12.)	-	-	-	-8.525	-	-	-	-	-8.525	-	-8.525
Scope and other changes	-	-	-	-28	-	-	-	-	-28	1.590	1.562
Buyback program (note 7.12.)	-	-	-13.603	-	-	-	-	-	-13.603	-	-13.603
Transfer fair value conversion option (note 7.12.)	-	-	-	25.659	-	-	-	-	25.659	-	25.659
Balance at 31 March 2018	288.392	317.882	-30.039	132.069	-2.657	-7.893	40	-2.097	695.697	13.521	709.218

Equity AY 16/17	Attributable to shareholders of the Group									Non-controlling interests	Total equity
	Share capital	Share premiums	Treasury shares	Retained earnings	Cash flow hedge reserve	Foreign currency translation reserve	Fair value reserve	Defined benefit liability	Total		
	€'000	€'000		€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Balance at 31 March 2016	288.392	317.882	-	120.271	-3.900	-4.357	87	-1.801	716.574	11.718	728.292
Profit/loss (-) for the period	-	-	-	885	-	-	-	-	885	-169	716
Cash flow hedges, gross	-	-	-	-	2.745	-	-	-	2.745	-	2.745
Deferred tax on cash flow hedges	-	-	-	-	-746	-	-	-	-746	-	-746
Currency translation differences	-	-	-	-	-	908	-	-	908	95	1.003
Remeasurements on post employment benefit obligations, gross	-	-	- -	-	-	-	-	-2	-2	-	-2
Deferred tax on remeasurements on post employment benefit obligations	-	-	- -	-	-	-	-	19	19	-	19
Fair value reserve	-	-	-	-	-	-	-60	-	-60	-	-60
Other comprehensive income	-	-	-	-	1.999	908	-60	17	2.864	95	2.959
Total comprehensive income for the period	-	-	-	885	1.999	908	-60	17	3.748	-74	3.675
Dividend payment (note 7.12.)	-	-	-	-8.875	-	-	-	-	-8.875	-	-8.875
Scope and other changes	-	-	-	-357	-	-	-	-	-357	-54	-410
Buyback program (note 7.12.)	-	-	-16.436	-	-	-	-	-	-16.436	-	-16.436
Balance at 31 March 2017	288.392	317.882	-16.436	111.924	-1.901	-3.449	27	-1.784	694.655	11.590	706.246

CONSOLIDATED STATEMENT OF CASH FLOWS

Consolidated statement of cash flows	Note (*)	AY 17/18 €'000	AY 16/17 €'000
CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS, OPENING BALANCE	**7.10.**	**112.735**	**137.949**
CASH FLOW FROM OPERATING ACTIVITIES (A)		**115.138**	**192.206**
EBIT		**40.505**	**73.402**
Income taxes paid	6.6.	**-12.706**	**-10.170**
Adjustments		**76.165**	**54.390**
Fair value adjustments biological assets	7.4.	-747	-939
Amortisation of intangible assets	7.3.	15.933	14.674
Depreciation and impairment of property, plant & equipment	7.1.	52.062	49.022
Write-off on stock/trade receivables		61	102
Increase/decrease (-) in provisions and employee benefit liabilities	7.14.,7.15.	8.987	-8.235
Gain (-)/loss on disposal of property, plant & equipment		-214	-686
Share of profit/loss (-) of equity accounted investments		-45	452
Other		127	-
Increase (-) /decrease in working capital		**11.174**	**74.583**
Increase (-)/decrease in inventories	7.8.	-13.845	-4.946
Increase (-)/decrease in trade and other receivables	7.9.	-3.386	65.676
Increase/decrease (-) in trade and other payables	7.17.	28.405	13.854
CASH FLOW FROM INVESTING ACTIVITIES (B)		**-131.096**	**-43.009**
Acquisitions (-)		**-135.310**	**-49.885**
Acquisition of intangible assets and property, plant & equipment	7.1.,7.3.	-71.774	-44.922
Acquisition of subsidiaries/ associates	4.	-63.536	-4.962
Disposals		**4.214**	**6.875**
Disposal of intangible assets and property, plant & equipment		3.150	2.051
Disposal of subsidiaries/ associates		1.064	4.824
CASH FLOW FROM FINANCING ACTIVITIES (C)		**-38.659**	**-175.393**
Dividend payment	7.12.	-8.525	-8.875
Acquisition of treasury shares	7.12.	-13.603	-16.436
Long- and short-term funds paid (-)/ obtained		10.622	-85.935
Net interests paid		-24.923	-52.258
Other financial expenses		-2.231	-11.889
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		**-54.618**	**-26.196**
Effect of exchange rate fluctuations		-685	982
CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS, CLOSING BALANCE	**7.10.**	**57.432**	**112.735**
Of which:			
Cash and cash equivalents		57.432	113.242
Bank overdrafts		-	-507

(*) The attached notes form an integral part of this consolidated statement of cash flows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General information

Greenyard (Euronext Brussels: GREEN), domiciled in Belgium in Sint-Katelijne-Waver, is a global market leader of fresh, frozen and prepared fruit & vegetables, flowers, plants and growing media. Counting Europe's leading retailers amongst its customer base, the group provides efficient and sustainable solutions to customers and suppliers through best-in-class products, market-leading innovation and outstanding service. The Group counts more than 10.000 employees in 25 countries worldwide.

The consolidated financial statements of Greenyard NV ('the Company') and its subsidiaries (together, 'the Group') for the year ended 31 March 2018 were authorised for issue by the Board of Directors on 27 June 2018.

2. Significant accounting policies

2.1. Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and with legal and regulatory requirements applicable in Belgium. The consolidated financial statements have been prepared on a historical cost basis, except for derivative financial instruments, biological assets and available-for-sale financial assets that have been valued at fair value.

2.2. Changes in accounting policies and disclosures

Amendments to IFRS that are mandatorily effective for the current year

- Annual improvements to IFRS Standards 2014-2016 Cycle: Amendments to IFRS 12 (applicable for annual periods beginning on or after 1 January 2017);
- Amendments to IAS 7 Statement of Cash Flows - Disclosure Initiative (applicable for annual periods beginning on or after 1 January 2017);
- Amendments to IAS 12 Income Taxes - Recognition of Deferred Tax Assets for Unrealised Losses (applicable for annual periods beginning on or after 1 January 2017);

With regard to the standards and interpretations which became applicable during the period April 2017 – March 2018, the Group is in the opinion that these have no or limited impact on the consolidated financial statements of the Group.

New and revised IFRS issued but not yet effective

The Group did not apply prospectively in AY 17/18 the following new or revised standards and interpretations, which had been issued but are not yet effective at the date of approval of the consolidated financial statements:

- Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions (applicable for annual periods beginning on or after 1 January 2018);
- Amendments to IAS 40 Transfers of Investment Property (applicable for annual periods beginning on or after 1 January 2018);
- IFRIC 22 Foreign Currency Transactions and Advance Consideration (applicable for annual periods beginning on or after 1 January 2018);
- Annual improvements to IFRS Standards 2014-2016 Cycle: Amendments to IFRS 1 and IAS 28 (issued December 2016) (applicable for annual periods beginning on or after 1 January 2018);
- IFRS 14 Regulatory Deferral Accounts (applicable for annual periods beginning on or after 1 January 2016, but not yet endorsed in the EU);
- IFRS 17 Insurance Contracts (applicable for annual periods beginning on or after 1 January 2021, but not yet endorsed in the EU);
- Amendments to IFRS 4 Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (applicable for annual periods beginning on or after 1 January 2018);
- Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (the effective date has been deferred indefinitely, and therefore the endorsement in the EU has been postponed);
- IFRIC 23 Uncertainty over Income Tax Treatments (applicable for annual periods beginning on or after 1 January 2019, but not yet endorsed in the EU);

- Annual improvements to IFRS Standards 2015-2017 Cycle (applicable for annual periods beginning on or after 1 January 2019, but not yet endorsed in the EU);
- Amendments to IAS 19 Plan Amendment, Curtailment or Settlement (applicable for annual periods beginning on or after 1 January 2019, but not yet endorsed in the EU);
- Amendments to IAS 28 Long term interests in Associates and Joint Ventures (applicable for annual periods beginning on or after 1 January 2019, but not yet endorsed in the EU);
- IFRS 15 Revenue from Contracts with Customers (effective from annual periods beginning on or after 1 January 2018);
- IFRS 9 Financial Instruments (effective from annual periods beginning on or after 1 January 2018);
- IFRS 16 Leases (applicable for annual periods beginning on or after 1 January 2019).

At the present time the Group does not expect that the first-time application of new standards and interpretations will significantly affect the financial statements of the Group during the period of first-time application, with the exception of:

- IFRS 9 Financial Instruments. The Group plans to adopt the new standard on the required effective date. During 2017 the Group has performed a high-level impact assessment of IFRS 9. This preliminary assessment is based on currently available information and may be subject to changes arising from further detailed analyses or additional reasonable and supportable information being made available to the Group in the future. Overall, the Group expects no significant impact on its balance sheet and equity.
- IFRS 15 Revenue from Contracts with Customers. The Group plans to adopt the new standard on the required effective date using the modified retrospective method. During 2017, the Group performed a preliminary assessment of IFRS 15, and based on the current status of the assessment the Group deems that there will not be a significant impact on revenues.
- IFRS 16 Leases (effective from annual periods beginning on or after 1 January 2019) replaces the existing lease accounting requirements and represents a significant change in the accounting and reporting of leases that were previously classified as operating leases, with more assets and liabilities to be reported on the statement of financial position and a different recognition of lease costs. The Group is in process of analysing and assessing the impact. Currently no estimate can be given, however REBITDA, amongst others, will significantly increase.

2.3. Basis of consolidation

Subsidiaries

The consolidated financial statements comprise the financial statements of the Company and entities controlled by the Company and their subsidiaries. The Group controls an investee if the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group considers all relevant facts and circumstances in assessing whether it has power over an investee.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Profit and loss and each component of other comprehensive income are attributed to the shareholders of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full in consolidation.

Changes in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transactions. The carrying amounts of the Group's net interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the shareholders of the Group.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interests and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is initially recognised at fair value.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree.

Acquisition-related costs are expensed as incurred. When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date. Subsequent changes to the fair value of the contingent consideration that do not qualify as measurement period adjustments and are deemed to be an asset or liability are recognised either in profit and loss or as a change to other comprehensive income. A contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss as a bargain purchase gain.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition date fair value and the resulting gain or loss is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if those interests were disposed of.

Investments in joint ventures and associated companies

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group’s investments in its associates and joint ventures are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group’s share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment.

The income statement reflects the Group’s share of the results of operations of the associate or joint venture. Any change in other comprehensive income of those investees is presented as part of the Group’s other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group’s share of profit or loss of equity accounted investments is shown on the face of the income statement within EBIT, which represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

When the Group’s share of losses of an associate or a joint venture exceeds the Group’s interests in that associate or joint venture, the Group discontinues recognising its share of losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.4. Summary of significant accounting policies

Foreign currencies

A. Foreign currency transactions

Foreign currency transactions are accounted for at exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the reporting date rate. Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Non-monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rate prevailing at the date of the transaction.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within finance result. All other foreign exchange gains and losses are presented in the income statement within EBIT.

A. Translation of the results and financial position of foreign operations

Assets and liabilities of foreign operations are translated to euro at foreign exchange rates prevailing at the reporting date. Income statements of foreign operations are translated to euro at exchange rates for the year approximating the foreign exchange rates prevailing at the dates of the transactions. The components of shareholders' equity are translated at historical rates. Exchange differences arising from the translation of shareholders' equity to euro at period-end exchange rates are taken to other comprehensive income (currency translation differences). In case the operation is not fully-owned, the relevant proportionate share of the translation adjustment is allocated to the non-controlling interests. On the disposal of a foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the shareholders of the Group are reclassified to profit and loss.

B. Exchange rates

The most important exchange rates that have been used in preparing the financial statements are:

	Closing rate		Average rate	
	31 March 2018	31 March 2017	AY 17/18	AY 16/17
1 USD =	€ 0,8116	€ 0,9354	€ 0,8539	€ 0,9112
1 GBP =	€ 1,1430	€ 1,1689	€ 1,1330	€ 1,1886
1 RUB =	€ 0,0141	€ 0,0166	€ 0,0147	€ 0,0144
1 PLN =	€ 0,2375	€ 0,2366	€ 0,2369	€ 0,2298
1 BRL =	€ 0,2443	€ 0,2959	€ 0,2654	€ 0,2761
1 CZK =	€ 0,0393	€ 0,0370	€ 0,0386	€ 0,0370
1 CLP =	€ 0,0013	€ 0,0014	€ 0,0013	€ 0,0014
1 HUF =	€ 0,0032	€ 0,0033	€ 0,0032	€ 0,0032

Goodwill

In conformity with IFRS 3 Business Combinations, goodwill is stated at cost and not amortised but tested for impairment on an annual basis and whenever there is an indicator that the cash generating unit to which goodwill has been allocated may be impaired. The carrying amount of the goodwill is compared to the recoverable amount, which is the higher of the value in use and the fair value less cost to sell.

Other intangible assets

A. Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the income statement as an expense as incurred. Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised if the product or process is technically and commercially feasible, future economic benefits are probable and the company has sufficient resources to complete development. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the income statement as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses.

B. Software and licences

Purchased software and licences are measured at cost less accumulated amortisation and impairments. Expenditure on internally developed software is capitalised when the expenditure qualifies as development activities; otherwise, it is recognised in the income statement when incurred. Software and licences are amortised using the straight-line method over their estimated useful lives.

C. Customer relationships

The customer relationships acquired in a business combination are initially measured at fair value at the date of the acquisition. Fair value is determined based on an external valuation report. Following their initial recognition, customer relationships are carried at cost less any accumulated amortisation and impairment losses.

D. Favourable lease component of peat bogs

The favourable lease component related to peat bogs that are acquired in a business combination is initially measured at the date of the acquisition as the discounted (over the lifetime of the rent contract) variance between the market rent at the date of the acquisition and the contractual rent. Market rent of the peat bogs is determined based on publicly available information (including tenders). Following their initial recognition, the favourable lease components related to rented peat bogs are carried at cost less accumulated amortisation. Favourable lease components related to rented peat bogs are amortised over the remaining lifetime of the rent contracts.

Item	Years	Method
Software and licences	3 - 7	Straight-line
Customer relationships	15 -25	Straight-line
Favourable lease component of peat bogs	Individual basis (based on contractual life time)	Straight-line
Other intangible assets	3 - 5	Straight-line

The carrying amount of intangible assets is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset’s recoverable amount is estimated in order to determine the amount of the impairment loss.

Biological assets

The Group operates a growing and sourcing activity of daffodils in the UK Cornwall region. Flowers are grown using bulbs which are planted providing a yearly flower which is cut and sold. The bulbs and flowers (until harvested) are considered as biological assets within the scope of IAS 41 Agriculture. The bulbs reproduce through the growing cycle, resulting in the so-called ‘multiplication’ effect. The bulbs are not considered as bearer plants as it is a common practice to sell bulbs each year as bulbs.

The Group sells a substantial amount of mixed packed bulbs and does not have sales price statistics per variety. As the Group is an industry leading grower of daffodil flowers, and benchmark on its activity with competitors is not possible, it can be considered that there is no active market for the sale of all bulb varieties. The most appropriate and representative method for assessing the fair value in accordance with IAS 41 Agriculture is considered to be the net present value of the daffodil flowers held for production. Based on historical information, the Group has established a clear profitability reporting on own and sourced production. This allows the Group to clearly forecast future performance and to implement a consistent approach enabling a net present value approach to measure the fair value of these assets.

A gain or loss arising from a change in fair value less costs to sell of a biological asset is included in profit or loss of the period in which it arises. Farming costs such as day-to-day maintenance are expensed.

Property, plant & equipment

The Group has opted for the historical cost model and not for the revaluation model. Property, plant & equipment separately acquired is initially measured at cost. Property, plant & equipment acquired in a business combination is initially measured at fair value, which thus becomes its deemed cost. After initial recognition, property, plant & equipment is measured at cost less accumulated depreciation and impairment losses. The cost includes all direct costs and all expenditure incurred to bring the asset to its working condition and location for its intended use. Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. Depreciation is provided over the estimated useful lives of the various classes of property, plant & equipment on a straight-line basis.

The useful life, residual value and depreciation method are reviewed at least at each financial year-end.

Item	Years	Method
Owned buildings	18 - 40	Straight-line
Owned buildings - refurbishments	5 - 25	Straight-line
Leased buildings - structural refurbishments	18 - 40	Straight-line
Leased buildings - refurbishments	5 - 25	Straight-line
Land improvements	3 - 13	Straight-line
Plant, machinery and equipment	3 - 15	Straight-line
Vehicles	3 - 10	Straight-line
Hardware	3 - 5	Straight-line
Furniture	3 - 10	Straight-line

Government grants relating to the purchase of property, plant & equipment are deducted from the cost of those assets. They are recognised in the statement of financial position at their expected value at the time of initial government approval and corrected, if necessary, after final approval. The grant is amortised over the depreciation period of the underlying asset.

The carrying amount of property, plant and equipment is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated in order to determine the amount of the impairment loss.

Accounting for leases as lessee

Leases of property, plant & equipment where the Group assumes substantially all the risks and rewards of ownership are classified as financial leases. Financial leases are recognised as assets and liabilities (interest-bearing loans) at amounts equal to the lower of the fair value of the leased property and the present value of the minimum lease payments at inception of the lease. Depreciation and impairment testing for depreciable leased assets is the same as for depreciable assets that are owned.

Lease payments are apportioned between the outstanding liability and financial charges so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Leases of assets under which all the risks and rewards of ownership are substantially retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the term of the lease.

Financial assets

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

A. Financial assets at fair value through profit or loss (FVTPL)

Financial assets are classified as at fair value through profit or loss if they are held for trading. Financial assets at FVTPL are stated at fair value, with any resultant gains or losses recognised in profit or loss. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as at FVTPL unless they are designated and effective as hedges.

B. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. The Group's loans and receivables category comprises, unless stated otherwise, trade and other receivables, bills of exchange received, short-term deposits and cash and cash equivalents in the statement of financial position. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

An estimate of impairment losses for doubtful receivables is made based on a review of all outstanding amounts at the reporting date. An allowance for impairment of trade and other receivables is established if the collection of a receivable becomes doubtful. Such a receivable becomes doubtful when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the allowance is the difference between the asset's carrying amount and the present value of the estimated future cash flows. An impairment loss is recognised in the income statement, as are subsequent recoveries of previous impairments.

C. Available-for-sale financial assets

Non-current available-for-sale assets include investments in entities which were not acquired principally for the purpose of selling in the short term, and which are neither consolidated nor accounted for using the equity method. Assets classified in this category are stated at fair value, with any resultant gains or losses recognised directly in equity. However, they are stated at cost if they do not have a quoted price in an active market and their fair value cannot be reliably measured by alternative valuation methods.

Inventories

Inventories are valued at the lower of cost and net realisable value. The cost includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. The FIFO (first-in, first-out) method is used in assigning the cost of inventories.

The cost of finished products and work in progress comprises raw materials, other production materials, direct labour, other direct costs and an allocation of fixed and variable overhead based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated completion and selling costs. In case of contracted sales, the average contract price is used to calculate the net realisable value.

Inventories are written down on a case-by-case basis if the anticipated net realisable value declines below the carrying amount of the inventories. The calculation of the net realisable value takes into consideration specific characteristics of each inventory category, such as expiration date, remaining shelf life and slow-moving indicators.

Cash and cash equivalents

Cash and cash equivalents include all cash balances and short-term highly liquid investments with a maturity of three months or less from the date of acquisition that are readily convertible into cash. They are stated at face value, which approximates their fair value. In the cash flow statement, cash and cash equivalents are presented net of bank overdrafts.

Equity

A. Repurchase of share capital

When the Group buys back its own shares, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from equity under treasury shares. The result on the disposal of treasury shares sold or cancelled is recognised in retained earnings.

B. Dividends

Dividends are recognised in the consolidated financial statements on the date that the dividends are declared.

C. Share issuance costs

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Provisions

Provisions are recognised when (i) the company has a present legal or constructive obligation as a result of past events, (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and (iii) a reliable estimate of the amount of the obligation can be made. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A. Restructuring

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced publicly. Costs relating to the ongoing activities of the company are not provided for.

B. Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived from a contract by the Group are lower than the unavoidable cost of meeting its obligations under the contract. Such provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

C. Disputes and litigations

A provision for disputes and litigations is recognised when it is more likely than not that the Group will be required to make future payments as a result of past events. Such items may include but are not limited to several claims, environmental matters, employment related disputes and claims from tax authorities.

D. Decommissioning

A provision for decommissioning is recognised when the Group has the obligation to decommission a building at the end of the lease agreement.

Employee benefits

E. Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the income statement when incurred. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a fund. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

F. Belgian defined contribution plans with guaranteed return

By law, defined contribution pension plans in Belgium are subject to minimum guaranteed rates of return and therefor classify as defined benefit plans. IASB and IFRIC acknowledge that accounting for these plans in accordance with IAS 19 can be problematic. Considering the uncertainty on the future minimum guaranteed rates of return in Belgium, the Group calculates the net liability as the sum of any individual differences between the mathematical reserves and the minimum guarantee as determined by the Belgian law enforcing the minimum guaranteed rates of return, being the intrinsic value approach.

G. Defined benefit plans

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. For defined benefit plans, the pension expenses are assessed separately for each plan using the projected unit credit method. The projected unit credit method considers each period of service as giving rise to an additional unit of benefit entitlement. Under this method, the cost of providing pensions is charged to the income statement so as to spread the regular cost over the service lives of employees in accordance with the advice of qualified actuaries who carry out a full valuation of the plans at least every three years. The amounts charged to the income statement include current service costs, net interest expense (income), past service costs and the effect of any curtailments or settlements. Past service costs are recognised at the earlier of when the amendment / curtailment occurs or when the Group recognises related restructuring or termination costs. The pension obligations recognised in the statement of financial position are measured at the present value of the estimated future cash outflows using interest rates based on high quality corporate bond yields, which have terms to maturity approximating the terms of the related liability, less the fair value of any plan assets. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets (excluding net interest) are recognised in full in the period in which they occur in the statement of comprehensive income. Re-measurements are not reclassified to profit or loss in subsequent periods.

H. Other long-term employee benefits

Other long-term employee benefits, such as jubilee awards, are accounted for using the projected unit credit method. However, the accounting method differs from the method applied for defined benefit plans, as actuarial gains and losses are recognised immediately through profit or loss.

Interest-bearing loans

Interest-bearing loans are recognised initially at fair value, less attributable transaction costs. Subsequent to initial recognition, interest-bearing loans are stated at amortised cost with any difference between the initial amount and the maturity amount being recognised in the income statement (in interest expense) over the expected life of the instrument on an effective interest rate basis.

Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Derivatives, hedging and hedging reserves

The Group uses derivatives to hedge its exposure to foreign exchange and interest rate risks arising from operating, financing and investing activities. The net exposure of all subsidiaries is managed on a centralised basis by Corporate Treasury in accordance with the aims and principles laid down by general management. As a policy, the Group does not engage in speculative or leveraged transactions.

Derivatives are initially and subsequently measured and carried at fair value. The fair value of traded derivatives is equal to their market value. If no market value is available, the fair value is calculated using standard financial valuation models, based upon the relevant market rates at the reporting date.

The Group applies hedge accounting in accordance with IAS 39 to reduce income statement volatility. Depending on the nature of the hedged risk, a distinction is made between fair value hedges, cash flow hedges and hedges of a net investment in a foreign entity.

Fair value hedges are hedges of the exposure to variability in the fair value of recognised assets and liabilities. The derivatives classified as fair value hedges are carried at fair value and the related hedged items (assets or liabilities) are re-measured for fair value changes due to the hedged risk. The corresponding changes in fair value are recognised in the income statement. When a hedge ceases to be highly effective, hedge accounting is discontinued and the adjustment to the carrying amount of a hedged interest-bearing financial instrument is recognised as income or expense and will be fully amortised over the remaining period to maturity of the hedged item.

Cash flow hedges are hedges of the exposure to variability in future cash flows related to recognised assets or liabilities, highly probable forecast transactions or currency risk on unrecognised firm commitments. Changes in the fair value of a hedging instrument that qualifies as a highly effective cash flow hedge are recognised directly in shareholders' equity. The ineffective portion is recognised immediately in the income statement. If the hedged cash flow results in the recognition of a non-financial asset or liability, all gains and losses previously recognised directly in equity are transferred from equity and included in the initial measurement of the cost or carrying amount of the asset or liability. For all other cash flow hedges, gains and losses initially recognised in equity are transferred from the hedging reserve to the income statement when the hedged firm commitment or forecast transaction results in the recognition of a profit or loss. When the hedge ceases to be highly effective, hedge accounting is discontinued prospectively and the accumulated gain or loss is retained in equity until the committed or forecast transaction occurs. If the forecast transaction is no longer expected to occur, any net cumulative gain or loss previously reported in equity is transferred to the income statement.

If a net investment in a foreign entity is hedged, all gains or losses on the effective portion of the hedging instrument, together with any gains or losses on the foreign currency translation of the hedged investment, are taken directly to equity. Any gains or losses on the ineffective portion are recognised immediately in the income statement. The cumulative re-measurement gains and losses on the hedging instrument, that had previously been recognised directly in equity, and the gains and losses on the currency translation of the hedged item are recognised in the income statement only on disposal of the investment.

In order to comply with the requirements of IAS 39 regarding the use of hedge accounting, the strategy and purpose of the hedge, the relationship between the financial instrument used as the hedging instrument and the hedged item and the estimated (prospective) effectiveness are documented by the Group at the inception of the hedge. The effectiveness of existing hedges is monitored on a quarterly basis. Hedge accounting for ineffective hedges is discontinued immediately.

The Group also uses derivatives that do not satisfy the hedge accounting criteria of IAS 39 but provide effective economic hedges under the Group's risk management policies. Changes in the fair value of any such derivatives are recognised immediately in the income statement.

Income tax

Income tax comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case the tax effect is also recognised directly in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the reporting date, and any adjustments to tax payables in respect of previous years. In accordance with IAS 12 Income Taxes, deferred taxes are provided using the so-called comprehensive balance sheet method. This means that, for all taxable and deductible differences between the tax bases of assets and liabilities and their carrying amounts in the statement of financial position a deferred tax liability or asset is recognised. Under this method a provision for deferred taxes is also made for differences between the fair values of assets and liabilities acquired in a business combination and their tax base. IAS 12 prescribes that no deferred taxes are recognised i) on the initial recognition of goodwill, ii) on the initial recognition of assets or liabilities in a transaction that is not a business combination and affects neither accounting nor taxable profit and iii) on differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future and to the extent that the company is able to control the timing of the reversal. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using currently or substantively enacted tax rates.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

The Group recognises deferred tax assets, including assets arising from losses carried forward, to the extent that future probable taxable profit will be available against which the deferred tax asset can be utilised, or the extent of the recognised deferred tax liability. A deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Tax claims are recorded within provisions on the statement of financial position.

Revenue

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the Group and the amount of revenue can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable.

Fresh operates through three different business models:

- Trading model: Fresh generates revenues through programmed (sourcing) or spot buying transactions, whereby the margin is determined based on the purchase pricing structure of the respective transaction, i.e. a sales based purchase price (majority), a fixed price, a minimum guaranteed price or an agreed price range.
- Production model: Fresh also generates revenues from own produced fresh convenience and flowers.
- Service model: Fresh operates (up to all) parts of the fresh supply chain of some of its customers, whereby the added value services are remunerated based on a cost plus basis. For the sale of goods for which added value services, such as ripening or packing have been provided, Fresh is the primary responsible for fulfilling the promise to provide the goods to the customer. Some Fresh entities also enter into specific logistics agreements with customers, whereby a fixed price per serviced item is agreed on.

For all transactions, except some logistic services, the Group is acting as a principal as the main risks related to the purchase and sale of goods are born by the Group. For the sale of goods for which added value services, i.e. ripening or packing, have been delivered, the Group is the primarily responsible for fulfilling the promise to provide the goods to the customer, the Group checks the quality of purchased goods and bears the inventory risk and the added value services are performed not only on customer demand. Therefore the gross inflows received from the customers are recognised as revenue.

For all operating models the revenue is recognised when performance obligations are satisfied by transferring control of the goods or services to the customer. Recognition of revenue typically takes place at a point-in-time upon delivery of the goods to the customer in accordance with the incoterm. At the time of delivery, risk and rewards are transferred, Greenyard has right to payment and the customer has taken physical possession of the goods. Customer acceptance occurs in a very short period (maximum three days) following the delivery of the goods at the customer's premises. In the case of service contracts, revenue is recognised over time, to the extent that the performance obligation has been satisfied, which in practice is a very short period in time for all services delivered by Fresh (i.e. transport).

The sale of frozen and prepared fruit and vegetables is mainly based on contractually agreed prices while the volumes sold are mostly order based. The fresh vegetables supplies are mainly subject to annual contracts negotiated with the suppliers, fixing the volume and prices, whereas the supply of fresh fruit mainly is negotiated on an order base, each time fixing volume and prices.

Horticulture goods are sold to professional growers, garden centres and retailers. Products for professional users are often tailor-made and prices are based on the customer's quality and volume needs. Sales contracts with retailers are agreed on an annual or multi-annual basis.

In general, the goods and added value services are invoiced as they are delivered/performed. The amounts are directly recognised in the income statement and do not require the measurement of the stage of completion.

Government grants are recognised when there is a reasonable assurance that the Group will comply with the conditions attached to the grants and the grants will be received. Grants that compensate the Group for expenses incurred are recognised as other operating income on a systematic basis in the same period in which the expenses are incurred.

Rental income is recognised in other operating income on a straight-line basis over the term of the lease.

Finance result

Interest income comprises interest received or receivable on funds invested and is recognised as it accrues (taking into account the effective yield on the asset) unless collectability is in doubt.

Interest expense comprises interests on interest-bearing loans, calculated using the effective interest rate method, factoring interests and net interests on interest rate swaps settlements. All interest expenses incurred in connection with interest-bearing loans or financial transactions are expensed as incurred as part of interest expense. Any difference between the initial amount and the maturity amount of interest-bearing loans, such as transaction costs and fair value adjustments, are recognised in the income statement over the expected life of the instrument on an effective interest rate basis. The interest expense component of financial lease payments is also recognised in the income statement using the effective interest rate method.

Other finance result compromises dividend income, foreign exchange gains/losses, net gains/losses on interest rate swaps that are not part of a hedge accounting relationship, gains/losses on financial assets classified as trading, net fair value gains/losses on the conversion option, as well as any gains/losses from hedge ineffectiveness.

Non-recurring items

Non-recurring items are those that in management's judgement need to be disclosed by virtue of their size or incidence. Such items are disclosed on the face of the consolidated income statement and separately disclosed in the notes to the financial statements. Transactions which may give rise to non-recurring items are principally restructuring and reorganisation activities, impairments, disposal of assets and investments, claims, IFRS 3 acquisition accounting and merger & acquisition projects and the effect of the accelerated repayment of certain financial indebtedness.

Events after balance sheet date

Events after balance sheet date which provide additional information about the Group's position as at the reporting date (adjusting events) are reflected in the financial statements. Events after the balance sheet date which are not adjusting events are disclosed in the notes if material.

3. Critical accounting judgments and key sources of estimation uncertainty

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These judgments, estimates and assumptions are reviewed on an ongoing basis.

3.1. Critical judgments in applying the entity's accounting policies

The following are the critical judgments made by management, apart from those involving estimations (see note 3.2. *Key sources of estimation uncertainty*), that have a significant effect on the amounts reported in the consolidated financial statements.

- Given its global presence, the Group is exposed to tax risks in many jurisdictions. Tax authorities in those jurisdictions conduct regular tax audits which may reveal potential tax issues. While the outcome of such tax audits is not certain, management is convinced that the Group, based on an overall evaluation of potential tax liabilities, has recorded adequate tax liabilities in its consolidated financial statements.
- Note 8.1. *Subsidiaries, associates, joint ventures and investments recorded at cost* states that the Group holds 94% of the shares of Greenyard Fresh Germany. However, based on the signed share purchase agreement for 6% of the shares, the Group remains eligible to all past and future profits of Greenyard Fresh Germany. As a result, Greenyard Fresh Germany is consolidated for 100%.

3.2. Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and the other key sources of estimation uncertainty at the end of the reporting period that have a risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year.

- The Group reviews the estimated useful lives of intangible assets and property, plant & equipment at the end of each reporting period. Where expectations differ from previous estimates, the changes are treated administratively as a change in estimate;
- Deferred tax assets relating to tax losses carried forward, unused tax credits and temporary differences are recognised only to the extent that it is probable that sufficient taxable profit will exist in the foreseeable future. In estimating this, the Group takes into account elements such as budgets, long-term business strategies and tax planning opportunities (further details are provided for in note 6.6. *Income tax expense/income* and 7.7. *Deferred tax assets and liabilities)*. The Corporate Tax team, which has the overview of the Group's deferred tax positions, is involved in assessing deferred tax assets. Deferred tax assets for tax losses carried forward are based on five-year revenue forecasts;
- The Group closely reviews the outstanding trade receivables, also considering ageing, payment history and credit risk coverage. Specific and general bad debt allowances recognised are based on management's best estimates at the reporting date (see note 7.9*. Trade and other receivables*);
- At every year-end the Group estimates the future risks and costs of pending litigations, taking advice from inside and outside experts. Any significant litigations (tax, environmental and other, including threat of litigation) are reviewed by the Group's in-house Legal Department with the support, when appropriate, of external counsels at least every quarter. This review includes an assessment of the need to recognise provisions and/or re-measure existing provisions together with the Finance Department and the Insurance Department;
- The Group tests goodwill and cash generating units annually and whenever there is an indicator that goodwill and cash generating units may be impaired. This analysis is based on assumptions such as market evolution, market share, REBITDA margin evolution, discount rates and working capital/sales ratio. Further details are provided in note 7.2. *Goodwill;*
- The defined benefit obligations are based on actuarial assumptions such as discount rate and salary increases, which are detailed in note 7.14. *Pension and other employee benefit liabilities*;
- The obligations related to the Belgian defined contribution plans are measured based on the intrinsic value approach as a measurement calculation in accordance with IAS 19 is not feasible (see note 7.14. *Pension and other employee benefit liabilities*);
- The convertible bond is a hybrid debt instrument which contains a host contract and an embedded derivative. Based on IAS 39.11 the Group separated the embedded derivative from the host contract and did not opt for the "fair value option";
- Following the waiver of the Cash Alternative Election in November 2017, the conversion option was reclassified from the financial derivatives to equity based on IAS 39.39. The Group considers that the conversion option meets the "fixed-for-fixed" criterion in IAS 32.16 and is therefore classified within equity and no longer remeasured at fair value through profit and loss (see note 7.16. *Interest-bearing loans*);
- Fair value measurements that cannot be fully based on observable market parameters involve judgment that could affect the estimated fair value. This includes the conversion option attached to the convertible bond issued in December 2016 (see note 7.6. *Other financial assets and liabilities*) and biological assets (see 7.4. *Biological assets)*;

- Several tax audit discussions are ongoing in different countries and entities. We have taken into account advice provided by internal as well as external experts to determine the deferred tax asset positions relating to the tax losses carry forward.

4. Business combinations

Mykogen Polska S.A. (collectively "Mycoculture") is a leading manufacturer of top quality mushroom substrate and is active in the horticultural sector for 40 years and employs approximately 400 full time equivalents.

The company has four state-of-the-art production facilities, of which two are located in Poland and two in Ukraine. Substrate is the key and highest value-added raw material used in mushroom production. Mycoculture's quality growing media are essential in producing high quality mushrooms in the growing production markets of Central and Eastern Europe. The vast majority of Mycoculture's operations are in Poland, Europe's largest mushroom producer.

The addition of the Mycoculture business to the Group yields a number of important strategic benefits. Firstly, the Group further enhances its direct connection to the grower by becoming a key supplier to the major mushroom growers. Secondly, increasing its access to hand-picked and mechanically harvested mushrooms the Group strengthens its positioning in the mushroom market, creating opportunities for cross-segment synergies with Fresh, Long Fresh and Horticulture. Thirdly, the growing production volumes of the highly value added substrates in Poland, Ukraine and neighbouring markets are beneficial to the Group's growth rate. Lastly, the transaction raises the strategic profile of the Horticulture business, positioning it for further strategic development, while at the same time improving the Group's margin structure and reducing earnings volatility. The consideration paid for the business combination effectively included amounts in relation to these strategic benefits such as revenue growth and future market development. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for intangible assets.

The results of Mycoculture are included in the consolidation scope as from 30 November 2017 onwards, the date on which Greenyard NV acquired control and management. The activities of Mycoculture are included in the segment Horticulture (see note 5. *Segment Information*).

This transaction includes the acquisition of 100,00% of the shares of Mycoculture for an amount of € 71,5m (of which € 1,0m in April 2018).

Net cash outflow on acquisition of Mycoculture	30 November 2017 €'000
Total consideration paid in cash	70.487
Less: cash and cash equivalent balances acquired	-7.434
Net cash outflow on acquisition of Mycoculture	**63.052**

The identifiable assets, liabilities and contingent liabilities of Mycoculture that meet all the criteria of IFRS 3 *Business combinations* are taken into account at fair value on the acquisition date.

The excess of the consideration transferred to obtain control over the net amounts of the identifiable assets acquired and the liabilities assumed of Mycoculture amounted to € 41,9m on the acquisition date.

The goodwill resulting from the acquisition of the shares in Mycoculture is calculated as follows:

Net fair value consolidation goodwill Mycoculture	30 November 2017 €'000
Total consideration transferred	71.487
Consideration transferred	**71.487**
Fair value of acquired assets and liabilities	29.558
Fair value acquired assets and liabilities	**29.558**
Goodwill on acquisition date	**41.929**

The net assets of Mycoculture include the reported IFRS equity of Mycoculture as presented in the table below.

Consolidated IFRS opening balance sheet Mycoculture	30 November 2017 €'000
NON-CURRENT ASSETS	**51.272**
Property, plant & equipment	28.127
Other intangible assets	23.141
Other financial assets	4
CURRENT ASSETS	**15.988**
Inventories	3.408
Trade and other receivables	5.145
Cash and cash equivalents	7.434
TOTAL ASSETS	**67.260**
NON-CURRENT LIABILITIES	**34.129**
Employee benefit liabilities	260
Interest-bearing loans	29.478
Deferred tax liabilities	4.391
CURRENT LIABILITIES	**3.573**
Provisions	148
Interest-bearing loans	133
Trade and other payables	3.292
TOTAL LIABILITIES	**37.702**
TOTAL NET ASSETS	**29.558**

The financial information concerning the balance sheets (under IFRS valuation rules) relating to Mycoculture per 30 November 2017 is transformed into the IFRS recognition and valuation principles of the Group (fair value exercise IFRS 3 for the opening balance sheet per 30 November 2017).

As per date of this report, the Group included fair value measurements based upon available information. The accounting of the business combination is ongoing as per date of this financial report as the Group still needs to obtain the final valuation reports for the fixed assets on the site in Villya (Ukraine).

The sales and net result of the activities of Mycoculture from their acquisition date (30 November 2017) to 31 March 2018 amount to € 12,9m and € 1,8m respectively.

If the activities of Mycoculture would have been included in the Group's result from the start of AY 17/18, the contribution to the consolidated sales would have amounted to € 38,3m and the net result contribution to € 7,4m.

The costs, primarily comprising advisory and legal fees, related to the acquisition of Mycoculture (€ 2,1m) are taken directly in the income statement as non-recurring expenses.

The majority of the outstanding receivables of Mycoculture is related to trade receivables for which the expected payments correspond to the contractual payments. Doubtful receivables represent 15% of the total amount of outstanding trade receivables.

5. Segment information

For management purposes the Group is organised in three operating segments based on the activities of the Group.

The Fresh segment supplies high quality fresh and fresh-cut fruit and vegetables, flowers and plants and logistics services. Segment Long Fresh includes the Frozen activities processing a wide range of freshly harvested fruits and vegetables into fresh frozen products. The Prepared entities, also being part of the Long Fresh segment, process harvest-fresh vegetables and fruits and deliver ready-to-eat food products. Segment Horticulture offers a wide range of growing media for growing plants and mushrooms. An overview of the companies included in the different segments is provided in note 8.1. *Subsidiaries, associates, joint ventures and investments recorded at cost.*

Management assesses segment performance and allocates resources based on REBITDA and sales.

The segment's assets are assets belonging directly to it. Segment assets and segment sales are presented before elimination of intersegment transactions. Sales between segments are on an arm's length basis in a manner similar to transactions with third parties.

Segment information AY 17/18	Fresh €'000	Long Fresh €'000	Horticulture €'000	Eliminations (*) €'000	Unallocated (**) €'000	Consolidated €'000
	Continuing operations					
Sales	**3.344.851**	**742.777**	**90.266**	**-1.983**	**-**	**4.175.912**
Sales	3.342.876	742.769	90.266	-	-	4.175.912
Intersegment sales	1.975	8	-	-1.983	-	-
REBITDA	**72.175**	**56.642**	**11.359**	**-**	**-**	**140.176**
Total assets at 31 March 2018	**1.108.306**	**701.826**	**198.485**	**-2.883**	**57.887**	**2.063.622**

Segment information AY 16/17	Fresh €'000	Long Fresh €'000	Horticulture €'000	Eliminations (*) €'000	Unallocated (**) €'000	Consolidated €'000
	Continuing operations					
Sales	**3.427.303**	**748.290**	**75.122**	**-1.512**	**-**	**4.249.203**
Sales	3.425.828	748.261	75.114	-	-	4.249.203
Intersegment sales	1.475	30	8	-1.512	-	-
REBITDA	**79.219**	**56.541**	**9.950**	**-**	**-**	**145.710**
Total assets at 31 March 2017	**1.094.264**	**697.711**	**98.014**	**-14.067**	**114.750**	**1.990.673**

(*) Long-term intersegment receivables and intersegment participations are not included in the segment assets and therefore not included in the eliminations.
(**) Unallocated assets include derivative financial instruments and cash and cash equivalents.

We refer to the section *Key Financial Information* for the reconciliation from EBIT to REBITDA.

5.1. Information about major customers

The segments have built an elaborated and diversified client portfolio, both in type of clients and geographical spread.

Sales to the three major customers slightly increases and amounts to 48,9% of the total sales in AY 17/18 (AY 16/17 47,9%). Other than these customers, there are no individual customers which represent more than 10% of total sales (for current and previous accounting year). Sales to the ten major customers amount to 65,6% of the total sales in AY 17/18.

5.2. Geographical information

The Group sells its products in more than 100 countries across the world. The table below gives an overview of sales by customer location.

Sales	AY 17/18	AY 16/17
Germany	30,0%	31,4%
The Netherlands	23,4%	22,8%
Belgium	10,2%	10,3%
The United Kingdom	8,3%	8,4%
France	6,2%	6,0%
Other - Europe	16,5%	16,1%
Other - non-Europe	5,4%	5,0%
TOTAL	**100%**	**100%**

The table below shows the geographical spread of non-current assets. Non-current assets as shown below do not include goodwill, other financial assets and deferred tax assets.

Geographical spread of non-current assets	31 March 2018 €'000	31 March 2017 €'000
Belgium	218.129	218.704
The Netherlands	102.550	105.400
The United Kingdom	95.532	95.165
Germany	79.460	67.334
Poland	73.729	32.697
France	65.083	63.203
Other	73.377	68.031
TOTAL	**707.859**	**650.533**

6. Notes to the consolidated income statement

6.1. Operating expenses

Operating expenses	AY 17/18 €'000	AY 16/17 €'000
Cost of goods	2.893.063	2.971.006
Transport	306.964	300.133
Packing, warehousing and farming	359.234	351.958
Personnel and temporary workforce costs	275.810	271.460
Other	43.551	48.352
Cost of sales (*)	**3.878.623**	**3.942.910**
Rentals	14.280	14.557
Maintenance and repair	3.807	3.852
Personnel expenses	129.644	125.082
Utilities	2.675	2.865
Travel and representation	9.218	10.241
Office expenses	3.767	3.706
Fees	20.970	21.845
Insurance	4.737	4.979
Information and communication technology	9.834	11.220
Depreciation	19.905	17.804
Quality	378	493
Other	12.459	16.481
Other operating expenses	**231.674**	**233.127**
TOTAL	**4.110.297**	**4.176.037**

(*) Contain rental costs, personnel expenses, depreciation and other direct operating expenses.

Depreciation and amortisation expenses included in the cost of sales amounts to € 48,1m (AY 16/17 € 45,0m).

6.2. Personnel expenses

Personnel expenses	AY 17/18 €'000	AY 16/17 €'000
Wages and salaries	234.587	230.834
Social security costs	46.647	46.154
Pension costs - defined benefit plans	1.225	2.076
Pension costs - defined contribution plans	3.622	2.986
Termination benefits	1.513	251
Temporary workforce	102.216	98.795
Other employee benefit expenses	15.645	15.445
TOTAL	**405.454**	**396.542**
Included within cost of sales	**275.810**	**271.460**
Included within other operating expenses	**129.644**	**125.082**

The total number of full time equivalents at 31 March 2018 amounts to 10.470, compared to 9.713 at 31 March 2017.

6.3. Other operating income

Other operating income	AY 17/18 €'000	AY 16/17 €'000
Income from rentals	1.656	2.015
Indemnities received	1.000	2.758
Sale of waste	991	741
Gain/loss (-) on disposal of property, plant & equipment	698	713
Other	2.431	2.702
TOTAL	**6.776**	**8.930**

6.4. Non-recurring items

Non-recurring items	AY 17/18 €'000	AY 16/17 €'000
Reorganisation costs Fresh	-17.594	-5.114
Merger & acquisition project costs	-9.399	-259
Restructuring costs Long Fresh	-3.335	-678
Costs related to legal claims	-1.354	-
Reorganisation Corporate Management	-1.084	-
Result on sale subsidiaries	-555	-
Impact of acquisition accounting on inventory valuation Lutèce	-	-617
Refinancing costs	-	-89
Other	-797	-1.484
Non-recurring expenses	**-34.118**	**-8.241**
Result on sale H-Pack & H-Fruit	1.379	-
Result on sale of assets	808	-
Non-recurring income	**2.187**	**-**
TOTAL	**-31.931**	**-8.241**

The reorganisation costs for Fresh mainly relate to the closure of two distribution centres in Germany, the restructuring of the Germany organisation and reorganisations in Belgium. Merger and acquisition project costs relate to external project costs incurred on potential mergers and acquisitions, mainly related to Dole Food Company Inc. and Mycoculture. The restructuring costs for Long Fresh mainly consist of costs related to the integration of Prepared Netherlands in the Belgian operations and to reorganisation costs in France.

6.5. Net finance income/cost

Net finance income/cost (-)	AY 17/18 €'000	AY 16/17 €'000
Interest expense - Fresh bond (redeemed in AY 16/17)	-	-28.492
Interest expense - Retail bond	-7.500	-7.495
Interest expense - Convertible bond	-4.688	-1.284
Interest expense - Bank borrowings	-6.718	-5.250
Amortisation transaction costs - Fresh bond (redeemed in AY 16/17)	-	-7.525
Amortisation transaction costs - Retail bond	-75	-73
Amortisation transaction costs - Convertible bond	-492	-128
Amortisation conversion option	-2.143	-558
Amortisation transaction costs - Fresh revolving credit facility (redeemed in AY 16/17)	-	-993
Amortisation transaction costs - Revolving credit facility (redeemed in AY 16/17)	-	-1.205
Amortisation transaction costs - Term loan / Revolving credit facility	-977	-251
Amortisation fair value - Fresh bond (redeemed in AY 16/17)	-	10.314
Interest expense - Factoring	-4.190	-3.937
Interest expense - IRS	-1.597	-2.214
Other	-808	-1.048
Interest expense	**-29.190**	**-50.139**
Interest income	576	1.795
Interest income	**576**	**1.795**
Foreign exchange gains/losses (-)	-769	-4.932
Fair value gains/losses (-) on IRS	128	286
Fair value gains/losses (-) on conversion option	-	-13.600
Bank and other financial expenses	-5.676	-6.021
Other finance result	**-6.317**	**-24.268**
TOTAL	**-34.931**	**-72.612**

6.6. Income tax expense/income

Income tax expense (-)/income	AY 17/18 €'000	AY 16/17 €'000
Current tax on profits for the year	-7.961	-9.819
Adjustments in respect of prior years	-1.320	-1.751
Current tax	**-9.282**	**-11.570**
Origination and reversal (-) of temporary differences	9.783	12.263
Deferred tax assets on tax losses and forfeited losses	-2.645	-767
Deferred tax	**7.138**	**11.496**
TOTAL	**-2.145**	**-74**

Effective tax rate reconciliation	AY 17/18 €'000	AY 16/17 €'000
Profit/loss (-) before income tax	**5.574**	**790**
Theoretical tax rate	33,99%	33,99%
Tax calculated at statutory Belgian tax rate applicable to profits	-1.895	-269
Tax effects of:		
Effect of different tax rates in other countries	1.898	3.424
Income not subject to income tax	204	3.109
Non-deductible items	-3.528	-5.142
Non-recognised deferred tax assets on tax losses and forfeited losses	-8.079	-2.564
Recognition and use of deferred tax assets not previously recognised	7.842	1.797
Adjustments in respect of prior years	-1.320	-1.751
Nominal tax rate changes in Belgium and France	1.820	-
Other	915	1.321
Effective income tax expense (-)/ income	**-2.145**	**-74**
Effective tax rate	**38,48%**	**9,37%**

For a detailed discussion please refer to note 7.7. *Deferred tax assets and liabilities*.

Income tax for AY 17/18 amounts to € 2,1m. This implies a consolidated effective tax rate of 38,48%. The effective tax rate for AY 16/17 was exceptionally low, while the effective tax rate for AY 17/18 is in line with expectations.

6.7. Earnings per share

Earnings per share AY 17/18	Basic	Diluted
Weighted average number of ordinary shares	42.753.005	42.753.005
Dilution effect of convertible bond (issued in December 2016)	-	-
Total	**42.753.005**	**42.753.005**
Profit/loss (-) attributable to the shareholders of the Group	2.912	2.912
Earnings per share	**0,07**	**0,07**

Earnings per share AY 16/17	Basic	Diluted
Weighted average number of ordinary shares	44.327.306	44.327.306
Dilution effect of convertible bond (issued in December 2016)	-	-
Total	**44.327.306**	**44.327.306**
Profit/loss (-) attributable to the shareholders of the Group	885	885
Earnings per share	**0,02**	**0,02**

Earnings per share (EPS) is the amount of post-tax profit attributable to each share. Basic EPS is calculated as the result for the period attributable to the shareholders of the Group divided by the weighted average number of shares outstanding during the year. The weighted average number of shares outstanding is calculated taking into account the treasury shares acquired as part of a buyback program (1.750.000 as per 31 March 2018). Diluted EPS reflects any commitments the Group has to issue shares in the future. These comprise the convertible bond issued in December 2016. The convertible bond tends to affect both the denominator and the numerator of the EPS ratio. The dilution effect of the convertible bond on the earnings (to be used in the numerator of the EPS ratio) consists of a reversal of all income and expenses directly related to the convertible bond and having affected the 'basic' earnings for the period. Following income statement items are affected by the convertible bond: (i) the effective interest expense (€ 4,7m); (ii) the amortisation of transaction costs and embedded conversion option component (€ 2,6m) and (iii) taxes (€ 1,3m).

The convertible bond is anti-dilutive in AY 17/18, since it causes the calculated diluted EPS ratio to improve. To calculate the impact it is assumed that all conversion options of the convertible bond are exercised in their entirety at the beginning of the period (at the issue date for AY 16/17). The amount of shares to be converted has been set at 7.171.543.

7. Notes to the consolidated statement of financial position

7.1. Property, plant & equipment

Property, plant & equipment AY 17/18	Land and buildings €'000	Plant, machinery and equipment €'000	Furniture and vehicles €'000	Leasing €'000	Assets under construction €'000	TOTAL €'000
ACQUISITION VALUE						
Balance at 31 March 2017	**307.730**	**562.415**	**60.475**	**13.173**	**15.812**	**959.605**
Additions	6.934	37.641	5.374	1.945	21.406	73.300
Change in scope: business combinations	23.753	11.302	3.188	-	1.231	39.474
Sales and disposals	-4.346	-11.999	-4.587	-	-766	-21.698
Change in scope: disposal of subsidiaries	-65	-1.068	-765	-47	-	-1.945
Transfer from one heading to another	3.893	14.561	739	-	-19.992	-799
Translation differences	-1.116	-1.767	-174	-18	-65	-3.140
Balance at 31 March 2018	**336.783**	**611.085**	**64.250**	**15.053**	**17.626**	**1.044.798**
DEPRECIATION AND IMPAIRMENT LOSSES						
Balance at 31 March 2017	**146.566**	**378.093**	**50.934**	**7.483**	**578**	**583.653**
Depreciation	12.905	33.546	4.044	1.509	-	52.004
Change in scope: business combinations	5.295	4.865	1.187	-	-	11.347
Reversals after sales and disposals	-4.242	-11.548	-2.898	-	-	-18.688
Change in scope: disposal of subsidiaries	-13	-612	-614	-28	-	-1.267
Transfer from one heading to another	992	-1.562	151	-129	-	-548
Translation differences	-143	-956	-123	-2	9	-1.215
Balance at 31 March 2018	**161.360**	**401.826**	**52.681**	**8.833**	**587**	**625.286**
Net carrying amount at 31 March 2018	**175.423**	**209.259**	**11.569**	**6.220**	**17.039**	**419.512**

Property, plant & equipment AY 16/17	Land and buildings €'000	Plant, machinery and equipment €'000	Furniture and vehicles €'000	Leasing €'000	Assets under construction €'000	TOTAL €'000
ACQUISITION VALUE						
Balance at 31 March 2016	**299.415**	**552.641**	**59.757**	**10.894**	**14.891**	**937.598**
Additions	3.016	13.562	3.559	1.432	27.339	48.908
Change in scope: business combinations	110	776	-	-	3	889
Sales and disposals	-1.847	-6.830	-3.139	-	-393	-12.209
Change in scope: disposal of subsidiaries	-	-	-28	-	-	-28
Transfer from one heading to another	9.279	5.812	573	846	-25.730	-9.220
Translation differences	-2.243	-3.546	-247	1	-298	-6.333
Balance at 31 March 2017	**307.730**	**562.415**	**60.475**	**13.173**	**15.812**	**959.605**
DEPRECIATION AND IMPAIRMENT LOSSES						
Balance at 31 March 2016	**135.958**	**364.229**	**50.480**	**5.492**	**573**	**556.731**
Depreciation	11.558	31.632	3.563	1.350	-	48.103
Impairment losses	889	30	-	-	-	919
Change in scope: business combinations	107	205	-	-	-	312
Reversals after sales and disposals	-1.480	-6.362	-3.039	-	-	-10.881
Change in scope: disposal of subsidiaries	-	-	-12	-	-	-12
Transfer from one heading to another	-75	-9.837	154	641	-	-9.117
Translation differences	-390	-1.804	-212	-	4	-2.402
Balance at 31 March 2017	**146.566**	**378.093**	**50.934**	**7.483**	**578**	**583.653**
Net carrying amount at 31 March 2017	**161.164**	**184.322**	**9.541**	**5.691**	**15.234**	**375.952**

The increase in property, plant & equipment of € 43,6m is related to the investments (€ 73,3m) and the business combination with Mycoculture (€ 28,1m). This increase is partially compensated by the depreciation (€ 52,0m), sales and disposals (€ 3,0m), and the combined impact of foreign exchange fluctuations and other movements (€ 2,8m). The main investments concern new distribution centres in Germany.

7.2. Goodwill

Goodwill per cash generating unit	31 March 2018 €'000	31 March 2017 €'000
Fresh	477.029	477.029
Long Fresh	78.910	78.910
Horticulture	77.913	35.984
TOTAL	**633.852**	**591.923**

The Group tests the goodwill for impairment annually and when there are indications that the value of goodwill has decreased. The Group's impairment test for goodwill is based on value in use calculations which are based on a discounted cash flow model.

The increase of Horticulture goodwill results from the recent acquisition of Mycoculture (€ 41,9m). As per 31 March 2018 there are no indications that the carrying value of the goodwill of Fresh, Long Fresh or Horticulture may be impaired. No cumulative impairment losses are recorded.

At 31 March 2018 the Group performed its annual impairment test for each cash generating unit, i.e. segments Fresh, Long Fresh and Horticulture. For each segment, the recoverable amount has been determined based on a value in use calculation of cash flow projections from the financial budget of AY 18/19 and long range plan for the subsequent financial periods until AY 22/23 (together referred to as 'LRP'), in conjunction with a perpetuity of cash flows to determine terminal value.

Fresh

The LRP takes into account a margin improvement resulting in an expected average yearly REBITDA margin of 2,5% (which is an increase from 2,3% to 2,7% over the period AY 18/19 - AY 22/23, compared to 2,2% for the period AY 17/18) and an average sales growth of 5,4% (over the period AY 18/19 - AY 22/23), in accordance with the strategic targets. The value in use is based on cash flow forecasts over a period of five years, in conjunction with a perpetuity of cash flows as of then with a growth rate of 1,0%. Cash flows are discounted at an after-tax discount rate of 6,8% which was benchmarked with the weighted average cost of capital (WACC) provided by the analysts. The results of this test have shown that the value in use exceeds the carrying value of the cash flow generating unit (the 'headroom') by € 428,4m. The major sensitivities for the impairment tests are the sales growth rate, the REBITDA growth rate and the discount rate. This headroom would reduce to zero (keeping other key parameters constant) if the yearly sales growth rates applied in calculating the value in use were to fall by 403 base points (to an average yearly sales growth of 1,4% and a perpetual sales growth rate of -3,0%), or the yearly REBITDA growth rates were to fall by 736 base points (reducing the average yearly REBITDA margin to 2,1%) or if the after-tax discount rate was to rise by 492 base points (or a rate of 11,8%) in all periods until AY 22/23 and thereafter. Based on the above assumptions the Group has concluded that no impairment losses need to be recorded at 31 March 2018 on the goodwill of the Fresh segment.

Long Fresh

The LRP takes into account a margin improvement resulting in an expected average yearly REBITDA margin of 9,2% (which is an increase from 8,0% to 9,9% over the period AY 18/19 - AY 22/23, compared to 7,6% for the period AY 17/18) and an average yearly sales growth of 3,9% (over the period AY 18/19 - AY 22/23), in accordance with the strategic targets. The value in use is based on cash flow forecasts over a period of five years, in conjunction with a perpetuity of cash flows as of then with a growth rate of 1,7%. Cash flows are discounted at an after-tax discount rate of 6,9% which was benchmarked with the WACC provided by the analysts. The results of this test have shown that the value in use exceeds the carrying value of the cash flow generating unit (the 'headroom') by € 87,5m. The major sensitivities for the impairment tests are the sales growth rate, the REBITDA growth rate and the discount rate. This headroom would reduce to zero (keeping other key parameters constant) if the yearly sales growth rates applied in calculating the value in use were to fall by 421 base points (to an average yearly sales growth of -0,3% and a perpetual sales growth rate of -2,5%), or the yearly REBITDA growth rates were to fall by 157 base points (reducing the average yearly REBITDA margin to 8,8%) or if the after-tax discount rate was to rise by 82 base points (or a rate of 7,7%) in all periods until AY 22/23 and thereafter. Based on the above assumptions the Group has concluded that no impairment losses need to be recorded at 31 March 2018 on the goodwill of the Long Fresh segment.

Horticulture

The LRP takes into account a margin improvement resulting in an expected average yearly REBITDA margin of 20,4% (which is an increase from 18,9% to 21,4% over the period AY 18/19 - AY 22/23, compared to 12,6% for the period AY 17/18, though taking into account the effect of the inclusion in the consolidation scope of Mycoculture as from 30 November 2017 onwards) and an average sales growth of 10,9% (over the period AY 18/19 - AY 22/23, though only 3,6% over the period AY 19/20 - AY 22/23), in accordance with the strategic targets. The value in use is based on cash flow forecasts over a period of five years, in conjunction with a perpetuity of cash flows as of then with a growth rate of 2,0%. Cash flows are discounted at an after-tax discount rate of 7,8% which was benchmarked with the WACC provided by the analysts. The results of this test have shown that the value in use exceeds the carrying value of the cash flow generating unit (the 'headroom') by € 57,3m. The major sensitivities for the impairment tests are the sales growth rate, the REBITDA growth rate and the discount rate. This headroom would reduce to zero (keeping other key parameters constant) if the yearly sales growth rates applied in calculating the value in use were to fall by 456 base points (to an average yearly sales growth of 6,3% and a perpetual sales growth rate of -2,6%), or the yearly REBITDA growth rates were to fall by 379 base points (reducing the average yearly REBITDA margin to 18,6%) or if the after-tax discount rate was to rise by 186 base points (or a rate of 9,7%) in all periods until AY 22/23 and thereafter. Based on the above assumptions the Group has concluded that no impairment losses need to be recorded at 31 March 2018 on the goodwill of the Horticulture segment.

At 31 March 2017 the applied methodology was similar to the one discussed above. The key parameters are presented below.

Goodwill impairment test - key parameters	31 March 2018	31 March 2017
Fresh		
Average sales growth rate	5,4%	0,0%
Perpetual growth rate	1,0%	1,0%
Average REBITDA margin	2,5%	2,7%
Discount rate	6,8%	7,1%
Headroom (in €'000 000)	428,4	413,8
Long Fresh		
Average sales growth rate	3,9%	4,2%
Perpetual growth rate	1,7%	1,7%
Average REBITDA margin	9,2%	8,9%
Discount rate	6,9%	6,7%
Headroom (in €'000 000)	87,5	191,0
Horticulture		
Average sales growth rate*	10,9%	2,6%
Perpetual growth rate	2,0%	2,0%
Average REBITDA margin	20,4%	14,5%
Discount rate	7,8%	6,8%
Headroom (in €'000 000)	57,3	57,7

* The high average sales growth rate of 10,9% over the period AY 18/19 - AY 22/23 can be explained by the inclusion in the consolidation scope of Mycoculture as from 30 November 2017 onwards. For AY 17/18 four months of sales are included, while as of AY 18/19 twelve months of sales are included.

7.3. Other intangible assets

Other intangible assets AY 17/18	Software and licences €'000	Customer relationships €'000	Other €'000	TOTAL €'000
ACQUISITION VALUE				
Balance at 31 March 2017	**39.713**	**250.535**	**9.535**	**299.784**
Additions	6.869	-	142	7.011
Change in scope: business combinations	200	23.008	-	23.208
Sales and disposals	-191	-	87	-104
Change in scope: disposal of subsidiaries	-137	-	-	-137
Transfer from one heading to another	250	-	-	250
Translation differences	-47	-118	-83	-248
Balance at 31 March 2018	**46.657**	**273.425**	**9.681**	**329.764**
AMORTISATION AND IMPAIRMENT LOSSES				
Balance at 31 March 2017	**31.783**	**25.642**	**3.818**	**61.242**
Amortisation	3.116	11.450	1.367	15.933
Change in scope: business combinations	68	-	-	68
Reversals after sales and disposals	-124	-	87	-37
Change in scope: disposal of subsidiaries	-93	-	-	-93
Translation differences	-50	-1	-5	-56
Balance at 31 March 2018	**34.699**	**37.091**	**5.268**	**77.057**
Net carrying amount at 31 March 2018	**11.957**	**236.334**	**4.414**	**252.706**

Other intangible assets AY 16/17	Software and licences €'000	Customer relationships €'000	Other €'000	TOTAL €'000
ACQUISITION VALUE				
Balance at 31 March 2016	**36.647**	**250.535**	**9.009**	**296.192**
Additions	2.836	-	65	2.901
Change in scope: business combinations	-	-	494	494
Sales and disposals	-94	-	-87	-181
Transfer from one heading to another	333	-	-7	326
Translation differences	-9	-	61	52
Balance at 31 March 2017	**39.713**	**250.535**	**9.535**	**299.784**
AMORTISATION AND IMPAIRMENT LOSSES				
Balance at 31 March 2016	**29.017**	**14.954**	**2.517**	**46.488**
Amortisation	2.567	10.688	1.420	14.674
Reversals after sales and disposals	-37	-	-113	-150
Transfer from one heading to another	229	-	-8	221
Translation differences	7	-	2	9
Balance at 31 March 2017	**31.783**	**25.642**	**3.818**	**61.242**
Net carrying amount at 31 March 2017	**7.930**	**224.893**	**5.717**	**238.541**

The increase of the other intangible assets by € 14,2m mainly results from the business combination with Mycoculture (€ 23,1m) and investments (€ 7,0m). This is compensated by amortisation for the period (€ 15,9m).

Customer relationships mainly relate to the client portfolio of the Fresh segment, acquired in the business combination in AY 15/16. The portfolio has a remaining useful life of 22 years.

The category Other includes favourable lease components following the business combinations with Horticulture and Nesterovskoye.

7.4. Biological assets

Biological assets	AY 17/18 €'000	AY 16/17 €'000
Net carrying amount at the end of the preceding period	**20.353**	**21.081**
Change in fair value through P&L	760	939
Translation differences	-401	-1.666
Net carrying amount at the end of the period	**20.711**	**20.353**

Biological assets consist of daffodil bulbs and are measured at fair value based on a discounted cash flow (DCF) model. Over the years, the Group has expanded its bulb varieties to more than 360 varieties currently in portfolio. The main goal has been to breed varieties which could be grown earlier and later than the competitor's varieties. These varieties used to be grouped in early, mid and late varieties. However, as the timing of the flower production is not only based on the variety but also on other factors (weather conditions, growing conditions and tending program) and the customer demand is based on specifications and availability and not specifically varietal, the Group moved away from the theoretical variety grouping.

The assets producing the flowers are the actual bulbs in the ground which form the basis for revenue assurance and future growth. As these bulbs generate an extra bulb (also producing a flower), the number of bulbs in the ground increases year on year. In order to accommodate this into the valuation model, a 'multiplicator' effect has been applied (over the growing cycle, a bulb generates an extra bulb with flower production, excluding waste). As it is common practice to sell bulbs annually, the assumption was taken that a substantial amount of bulbs generated in the ground, are sold. The remainder is used to further grow flowers and fulfil the extra demand of customers. The DCF model takes into account a year-on-year increase of sales prices of 1% as this is the best estimate going forward. No impact of increasing yields is taken into account. The growth rate was set at 0%. All costs are based on the actual performance of the previous year, including a 2% inflation rate. Potential savings going forward are not taken into account. All these assumptions are reflected in the DCF model using a post-tax discount rate of 10,7%.

During AY 17/18 2.406 tonnes of packed bulb mixes were sold and the fair value of the bulbs has been reassessed based upon an update of the DCF model, which results in an increased value of € 0,8m.

7.5. Investments accounted for using equity method

Name of investment	Description of interest	Type of investment	31 March 2018	31 March 2017
Grupo Yes Procurement Marketing SL	Procurement of fruit and vegetables for export purposes in Spain	Joint venture	50%	50%
Logidis Sistem SL	Bundling transport of fresh products using subcontractors in Spain	Joint venture	50%	50%
Mahindra Greenyard Pvt Ltd	Import and export hub in India	Joint venture	40%	40%
Lunasoft	Software developer	Joint venture	50%	50%
Bardsley Farms Ltd	A premium apple and fruit producer	Joint venture	30%	30%
Agritalia Srl	Bio certified cooperative with growers network across Italy	Associate	33%	33%

Investments accounted for using equity method	AY 17/18 €'000	AY 16/17 €'000
Balance at the end of the preceding period	**8.975**	**7.141**
Share of profit/loss (-)	45	-452
Acquisition	200	2.894
Change in scope: disposal of joint venture	-	-581
Capital increase	287	-
Impairment loss	-5	-
Translation differences	-66	-27
Balance at the end of the period	**9.435**	**8.975**

The amounts below represent sales and expenses, assets and liabilities of all the joint ventures and associates as currently in scope.

Investments accounted for using equity method	Assets		Liabilities		Net assets	
	31 March 2018 €'000	31 March 2017 €'000	31 March 2018 €'000	31 March 2017 €'000	31 March 2018 €'000	31 March 2017 €'000
Grupo Yes Procurement Marketing SL	11.158	10.549	3.194	3.360	7.964	7.189
Logidis Sistem SL	6.180	5.561	4.658	4.253	1.523	1.308
Mahindra Greenyard Pvt Ltd	871	1.523	369	821	502	702
Lunasoft (1)	268	234	162	126	105	108
Bardsley Farms Ltd (2)	6.773	-	3.079	-	3.694	-
Agritalia Srl (1)	2.506	2.180	2.197	1.822	309	358

Investments accounted for using equity method	Sales		Expenses		Profit after tax	
	AY 17/18 €'000	AY 16/17 €'000	AY 17/18 €'000	AY 16/17 €'000	AY 17/18 €'000	AY 16/17 €'000
Grupo Yes Procurement Marketing SL	24.919	24.666	24.144	23.899	775	767
Logidis Sistem SL	21.883	20.396	21.668	20.196	215	200
Mahindra Greenyard Pvt Ltd	2.748	4.718	3.505	5.141	-758	-423
H-Pack (3)	-	1.487	-	2.275	-	-787
H-Fruit (3)	-	18.472	-	19.349	-	-877
Lunasoft (1)	114	430	117	365	-2	65
Bardsley Farms Ltd (2)	4.581	-	4.394	-	188	-
Agritalia Srl (1)	5.905	5.800	5.896	5.641	9	158

(1) Figures at 31 December.

(2) Figures in 31 March 2018 relate to 31 March 2017, as no more recent information is available.

(3) Includes 5 months in AY 16/17.

There are no contingent liabilities relating to the Group’s interest in the associates or joint ventures incurred jointly with other investors and no contingent liabilities arising because the investor is severally liable for all or part of the liabilities of the associate or joint venture.

7.6. Other financial assets and liabilities

Other financial assets and liabilities	31 March 2018		31 March 2017	
	Assets €'000	Liabilities €'000	Assets €'000	Liabilities €'000
IRS - cash flow hedging	-	1.341	-	2.913
Forward agreements - cash flow hedges	4	-	-	-
Conversion option	-	-	-	25.659
Non-current derivatives	**4**	**1.341**	**-**	**28.572**
IRS - held-for-trading	-	175	-	-
IRS - cash flow hedging	-	-	166	303
Forward agreements - cash flow hedges	455	2.142	1.343	478
Current derivatives	**455**	**2.317**	**1.508**	**781**
Available-for-sale financial assets	**134**	**-**	**712**	**-**
TOTAL	**593**	**3.658**	**2.220**	**29.354**

In December 2016, the Group issued a convertible bond for an amount of € 125,0m. The characteristics of this convertible bond are such that its conversion option constitutes an embedded derivative which is separated from the host contract. As the embedded derivative gave Greenyard a cash settlement option, it was classified as a financial liability (non-current derivative) and not as an equity instrument.

In November 2017 Greenyard formally waived the Cash Alternative Election foreseen under the terms and conditions of the convertible bond. Based on IAS 39.39 Greenyard reclassified the conversion option because the obligation specified in the contract was discharged or cancelled. Assuming that the waiver irrevocably creates a contractual obligation for Greenyard to settle the conversion option exercised by the bondholders only in ordinary shares, the embedded derivative effectively became an equity instrument.

The conversion option was initially measured at fair value (€ 12,1m) and subsequently the conversion option is measured at fair value though profit and loss (€ 25,7m at 31 March 2017). Following the waiver of the Cash Alternative Election in November 2017 the embedded derivative was reclassified to equity. After classification to equity at a fair value of € 25,7m no remeasurement at all is applied to the conversion option ("fixed-for-fixed" criterion in IAS 32.16).

Conversion option	AY 17/18 €'000	AY 16/17 €'000
Net carrying amount at the end of the preceding period	**25.659**	**-**
At issue of the convertible bond	-	12.059
Change in fair value through P&L	-	13.600
Transfer to equity	-25.659	-
Net carrying amount at the end of the period	**-**	**25.659**

7.7. Deferred tax assets and liabilities

Deferred taxes (net carrying amount)	AY 17/18		AY 16/17	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
	€'000	€'000	€'000	€'000
Balance at the end of the preceding period	**22.579**	**47.458**	**10.871**	**46.154**
Increase/decrease (-) via income statement	-16.301	-23.439	9.588	-1.908
Increase/decrease (-) via equity	394	-169	426	1.152
Change in scope: business combinations	245	4.636	-	114
Translation differences	-292	-59	57	309
Set-off of assets and liabilities	13.005	13.005	1.637	1.637
Balance at the end of the period	**19.630**	**41.432**	**22.579**	**47.458**

Deferred taxes (allocation)	31 March 2018		31 March 2017	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
	€'000	€'000	€'000	€'000
Intangible assets and property, plant & equipment	12.164	71.920	19.578	83.362
Derivatives	901	-	665	118
Interest-bearing loans	66	-	1.109	134
Cash and cash equivalents	-	-	-	436
Inventories	102	3.118	342	3.717
Trade and other receivables	596	576	1.591	1.916
Provisions	5.612	1.035	4.647	2.079
Current liabilities	183	61	4.849	3.201
Fiscal losses and other tax credits	36.717	-	39.362	-
Tax reserves	-	1.435	154	2.215
Total deferred taxes related to temporary differences	**56.343**	**78.145**	**72.297**	**97.177**
Set-off of assets and liabilities	-36.713	-36.713	-49.718	-49.718
Net deferred tax assets/liabilities	**19.630**	**41.432**	**22.579**	**47.458**

The total amount of fiscal losses for which a deferred tax asset has been set up amounts to € 141,9m (gross) at 31 March 2018. These losses mainly relate to tax losses originated in Belgium and the Netherlands in prior accounting years.

Maturity date of unrecognised fiscal losses and other tax credits (gross)	31 March 2018 €'000	31 March 2017 €'000
Within one year	4.337	5.571
Between one and five years	2.385	5.998
More than five years	25	406
Indefinite	59.936	77.741
TOTAL	**66.683**	**89.716**

7.8. Inventories

Inventories	31 March 2018 €'000	31 March 2017 €'000
Raw materials and consumables	41.121	39.127
Work in progress and finished goods	271.272	257.090
TOTAL	312.393	296.217

Raw materials and consumables mainly include fresh fruit and vegetables, packing materials and components for potting soil. Fresh fruit and vegetables are either used for trading (Fresh segment) or for processing (Long Fresh segment).

Work in progress and finished goods mainly relate to the segment Long Fresh. Work in progress includes frozen vegetables which are stored in bulk (not yet packed).

A part of inventories is pledged under the current financing programs of the Group. We refer to note 8.3. *Off-balance sheet commitments* in this respect.

7.9. Trade and other receivables

Trade and other receivables	31 March 2018 €'000	31 March 2017 €'000
Trade receivables	99	99
Valuation allowances on trade receivables	-99	-99
Trade receivables net	**-**	**-**
Other receivables	4.278	6.080
Guarantee deposits	573	410
Prepayments	644	221
Other receivables net	**5.495**	**6.711**
Non-current	5.495	6.711
Trade receivables	235.632	225.863
Valuation allowances on trade receivables	-4.699	-4.311
Trade receivables net	**230.933**	**221.553**
Other receivables	62.223	56.156
Valuation allowances on other receivables	-55	-112
Prepaid expenses and accrued income	18.191	15.062
Prepayments	20.494	21.233
Other receivables net	**100.853**	**92.339**
Current	331.786	313.892

The other receivables mainly relate to VAT, other recoverable taxes and deposits. Prepaid expenses and accrued income mainly relate to prepayments on maintenance contracts, rent and IT costs. Prepayments mainly relate to prepayments to growers and suppliers.

Management believes that the fair value does not differ significantly from the carrying value.

A major part of trade and other receivables are pledged under the current financing and factoring programs of the Group. We refer to note 8.3. *Off-balance sheet commitments* in this respect.

Ageing analysis of trade receivables and valuation allowances

Ageing of trade receivables	31 March 2018			31 March 2017		
	Gross €'000	Valuation allowances €'000	Net €'000	Gross €'000	Valuation allowances €'000	Net €'000
Not overdue	136.852	-6	136.846	128.634	-	128.634
Overdue less than 30 days	78.337	-4	78.332	80.429	-11	80.417
Overdue between 30 and 60 days	6.856	-50	6.806	4.937	-41	4.896
Overdue more than 60 days	13.588	-4.638	8.949	11.864	-4.259	7.605
TOTAL	235.633	-4.699	230.933	225.863	-4.311	221.553

The valuation allowances on trade and other receivables are determined by management. When amounts are more than 30 days overdue, an estimation is made with regard to the recoverability and if relevant (bankruptcy, etc.) an adequate provision is recorded. No valuation allowances are taken by the Group for overdue amounts where collection is still deemed probable, for example because outstanding amounts are recoverable from credit insurance, tax authorities or because the Group holds sufficient securities.

The Group's exposure to credit risks is described in note 7.18. *Risk management policy.*

Valuation allowances on short-term receivables	AY 17/18		AY 16/17	
	Trade receivables < 1 year €000	Other receivables < 1 year €000	Trade receivables < 1 year €000	Other receivables < 1 year €000
Balance at the end of the preceding period	**-4.311**	**-112**	**-4.963**	**-46**
Additions	-1.037	-130	-573	-181
Change in scope: business combinations	-594	-	-	-
Non-recoverable amounts (use)	925	-	699	-
Reversals	317	187	526	115
Balance at the end of the period	**-4.699**	**-55**	**-4.311**	**-112**

Current and non-current trade and other receivables in foreign currencies

Trade and other receivables: foreign currencies	31 March 2018 €'000	31 March 2017 €'000
GBP	20.484	27.938
USD	21.216	23.405
PLN	16.213	16.242
CZK	32.508	18.990
Other	10.900	14.009

Factoring

Most subsidiaries within the Group benefit from a multi-country syndicated factoring agreement. In accordance with the syndicated factoring agreement, undisputed trade receivables are sold to certain commercial finance companies on a basis which is non-recourse, including the receivables of the ten largest customers. The financing obtained through the factoring has an off-balance character. The syndicated factoring agreement also contains a negative pledge, a maximum dilution ratio, a leverage test and a maximum program amount.

Subsidiaries in the United Kingdom, France, Germany, the Netherlands, Italy, Austria, Poland, Spain, Portugal and Belgium participate in the syndicated factoring program which is subject to an overall maximum program amount of € 475,0m. This maximum program amount is the maximum amount that can be drawn for the Group, subject to the receivables sold to the factor syndicate.

Besides the above multi-country syndicated factoring program, only one US entity entered into a bilateral factoring agreement.

Factoring is used only with customers accepted for credit insurance by the commercial finance company and excludes intra-group receivables. The commercial finance institution only accepts credit insurers with at least an investment grade rating.

As at 31 March 2018 € 415,9m of financing was obtained through the multi-country syndicated factoring program (€ 405,4m as at 31 March 2017). The late payment risk related to the factoring has been assessed as immaterial.

In accordance with IAS 39 Financial instruments: Recognition and Measurement, all non-recourse trade receivables, included in these factoring programs, are derecognised for the non-continuing involvement part.

7.10. Cash and cash equivalents and bank overdrafts

Cash and cash equivalents and bank overdrafts	31 March 2018 €'000	31 March 2017 €'000
Cash and cash equivalents	57.432	113.242
Bank overdrafts	-	-507
TOTAL	**57.432**	**112.735**

7.11. Financial instruments by category

Financial assets by category at 31 March 2018	Note	Loans and receivables €'000	Derivatives used for hedging €'000	Available-for-sale €'000	TOTAL €'000
Available-for-sale financial assets	7.6.	-	-	134	134
Derivatives	7.6.	-	459	-	459
Trade and other receivables excluding prepayments	7.9.	316.143	-	-	316.143
Cash and cash equivalents	7.10.	57.432	-	-	57.432
TOTAL		373.575	459	134	374.168

Financial assets by category at 31 March 2017	Note	Loans and receivables €'000	Derivatives used for hedging €'000	Available-for-sale €'000	TOTAL €'000
Available-for-sale financial assets	7.6.	-	-	712	712
Derivatives	7.6.	-	1.508	-	1.508
Trade and other receivables excluding prepayments	7.9.	299.149	-	-	299.149
Cash and cash equivalents	7.10.	113.242	-	-	113.242
TOTAL		412.391	1.508	712	414.612

7.12. Issued capital, share premium and other capital instruments

There was no movement of the issued capital, authorised capital, share premium and other capital instruments during AY 16/17 and AY 17/18. The capital of the Group consists at 31 March 2018 of 44.372.585 shares without nominal value.

The Board of Directors is authorised, for a period of five years from the publication of the deed in the annexes to the Belgian Official Journal (15 July 2015), to increase the capital of the Company in one or more instalments up to a maximum amount of € 293,9m.

As set out in Greenyard's articles of association, the General Shareholders' Meeting of 19 September 2014 has granted a power of attorney to the Board of Directors to approve share buybacks up to the legal maximum of 20%. The Group announced on 14 March 2017 the start of a share buyback program representing a repurchase of up to 1.750.000 shares. The Group has ended its share buyback program by 31 August 2017. On average € 17,17 per share was paid for the 1.750.000 shares. In AY 17/18, the Group bought treasury shares for an amount of € 13,6m.

In November 2017 Greenyard formally waived the Cash Alternative Election foreseen under the terms and conditions of the convertible bond. Based on IAS 39.39 Greenyard reclassified the conversion option because the obligation specified in the contract was discharged or cancelled. Assuming that the waiver irrevocably creates a contractual obligation for Greenyard to settle the conversion option exercised by the bondholders only in ordinary shares, the embedded derivative effectively became an equity instrument, explaining the € 25,7m increase in equity.

The Annual General Meeting of 15 September 2017 approved the dividend payment of € 0,20 per share, which was paid in October 2017 (€ 8,5m).

7.13. Stock option, warrant plans and performance share units

There are currently no option or warrant plans outstanding. Following the long-term incentive plan, performance share units have been granted to the members of the Leadership Team for an immaterial amount in AY 17/18.

7.14. Pension and other employee benefit liabilities

Defined contribution plans

For defined contribution plans, the Group pays contributions to pension funds or insurance companies. Once the contributions have been paid, the Group has no further payment obligation. These contributions constitute an expense for the year in which they are due. The contributions paid during AY 17/18 amount to € 3,6m (AY 16/17 € 3,0m).

Belgian defined contribution plans

The Belgian defined contribution pension plans are by law subject to minimum guaranteed rates of return and therefor to be considered as defined benefit plans. Pension legislation was amended at the end of 2015 and defines the minimum guaranteed rate of return as a variable percentage linked to government bond yields observed in the market as from 1 January 2016 onwards. For contributions paid as from 2016, the minimum guaranteed rate of return became 1,75% on employer and employee contributions. The former rates (3,25% on employer contributions and 3,75% on employee contributions) continue to apply to contributions paid up to 31 December 2015. The minimum guaranteed rates of return do not lead to a net obligation to be accounted for by the Group. The net obligation was estimated based on individual information provided by the insurance companies, analysing the difference between the guaranteed rates of return and the return granted by the insurance companies. The material Belgian defined contribution plans are included in the disclosure of the defined benefit plans below.

Defined benefit plans and other employee benefits

The costs relative to IAS 19 provisions are recorded under personnel costs whereas the interest component is recognised in finance costs.

The Group operates several defined benefit plans, five for employees in the Netherlands, three for employees in Germany and plans in the US, Italy and France. The actuarial valuation method used is the projected unit credit cost method. This method allocates future accruals to the year in which the benefit is earned. The sum of accruals for prior years is the liability for the present value of defined benefit obligations. The plan assets were valued at fair market value taking into account the present value of the expected future cash flows.

One of the plans in which the Group participates is the Gustav Scipio Stiftung Fund (GUSS), a multi-employer defined benefit pension fund. The assets and liabilities attributable to each member of the fund at the end of each accounting year are determined by an independent actuary, as are the contributions due from members. The ratio of contribution obligations is determined within the articles of association of GUSS. Contributions are based upon the ratio of unfunded liabilities between members. Unfunded liabilities are determined as the fund liabilities minus assets allocated to members. If, according to the annual actuarial report, the Group has no further obligations to beneficiaries of the plan and ceases to be liable under the GUSS, it will be entitled to a reimbursement payment in cash minus any negative tax impact on the other members. According to the articles of association of GUSS, entities are not liable for liabilities of the other entities within the fund. In the event of a wind-up of the fund, all assets and liabilities will be split between the members in the proportions determined by an independent actuary. Such a wind-up will require approval from the Board of Directors of GUSS and the Bremen State Authority.

The Group has several other long-term benefit liabilities (e.g. jubilee) and post-employment benefit liabilities (e.g. early retirement). The other employee benefit liabilities are provided for as from the moment the commitment exists.

Employee benefit liabilities	31 March 2018 €'000	31 March 2017 €'000
Obligations for defined benefit plans	19.423	19.205
Obligations other employee benefits	2.284	2.040
TOTAL	**21.708**	**21.245**

Defined benefits - income statement	AY 17/18 €'000	AY 16/17 €'000
Employee benefit expense	1.225	2.076
Interest expense	380	401
TOTAL	**1.605**	**2.477**

The expected employer contributions to be paid during AY 18/19 amount to € 1,9m.

Defined benefit - amounts recognised in the statement of financial position	31 March 2018 €'000	31 March 2017 €'000
Present value of defined benefit obligation	61.553	59.543
Fair value of plan assets	-42.129	-40.337
Net liability	**19.423**	**19.205**

Movement in defined benefit obligation	AY 17/18 €'000	AY 16/17 €'000
Balance at the end of the preceding period	**59.543**	**50.743**
Current service cost	1.236	1.929
Past service cost	-133	-
Interest cost	1.088	1.099
Remeasurements: Experience gain (-)/loss	-377	476
Remeasurements: Gain (-)/loss due to demographic assumption changes	-25	-111
Remeasurements: Gain (-)/loss due to financial assumption changes	1.524	840
Expected plan participant contributions	540	513
Benefits paid	-1.248	-1.553
Reclassification defined contribution to defined benefit plan	-	5.941
Translation differences	-595	-333
Balance at the end of the period	**61.553**	**59.543**

Movement in fair value of plan assets	AY 17/18 €'000	AY 16/17 €'000
Balance at the end of the preceding period	**40.337**	**31.669**
Interest income	708	698
Actual expenses, taxes and premiums paid	-122	-147
Employer contributions	1.267	2.242
Plan participant contributions	540	513
Return on plan assets (excluding interest income)	689	1.169
Benefits paid from plan assets	-938	-1.266
Reclassification defined contribution to defined benefit plan	-	5.941
Translation differences	-351	-482
Balance at the end of the period	**42.129**	**40.337**

Defined benefit - development of accumulated other comprehensive income	AY 17/18 €'000	AY 16/17 €'000
Experience gain (-)/loss	-377	476
Gain (-)/loss due to demographic assumption changes	-25	-111
Gain (-)/loss due to financial assumption changes	1.524	840
Return on plan assets (excluding interest income)	-689	-1.169
Translation differences	54	-33
Total movement in other comprehensive income	**487**	**2**

Defined benefit - expense recognised in the income statement	AY 17/18 €'000	AY 16/17 €'000
Current service cost	1.236	1.929
Past service cost	-133	-
Interest cost	1.088	1.099
Interest income	-708	-698
Actual expenses, taxes and premiums paid	122	147
Expense recognised in income statement	**1.605**	**2.477**

The actuarial assumptions and average duration of the major plans are detailed below.

Principal actuarial assumptions	The Netherlands		Germany	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Discount rate	1,9%	2,0%	1,9%	2,0%
General wage increases	1,9%	1,8%	2,0%	2,0%
Inflation	1,9%	1,8%	1,8%	1,8%
Average duration of pension plans	24	22	14	15

Principal actuarial assumptions	Italy		The US	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Discount rate	2,0%	2,0%	3,8%	3,7%
General wage increases	2,3%	2,3%	N/A	N/A
Inflation	1,8%	1,8%	0,0%	0,0%
Average duration of pension plans	14	13	8	8

For the major plans the sensitivity of the defined benefit obligation is as follows:

Sensitivity of defined benefit obligation - major plans	31 March 2018			31 March 2017		
	DBO at discount rate	Impact increase of 0,50%	Impact decrease of 0,50%	DBO at discount rate	Impact increase of 0,50%	Impact decrease of 0,50%
The Netherlands	34.042	-3.408	4.210	31.413	-3.236	3.762
Germany	14.429	-1.006	1.127	14.564	-1.035	1.162
Italy	2.130	-131	151	1.867	-111	127
The US	2.995	-109	115	3.752	-140	152
TOTAL	**53.596**	**-4.655**	**5.604**	**51.595**	**-4.521**	**5.203**

Detail of plan assets	31 March 2018				31 March 2017			
	Insurance contracts	Equity instruments	Corporate bonds	Cash	Insurance contracts	Equity instruments	Corporate bonds	Cash
The Netherlands	100%	-	-	-	100%	-	-	-
Germany	-	-	99%	1%	-	-	99%	1%
The US	-	52%	45%	3%	-	60%	37%	3%

7.15. Provisions

Provisions AY 17/18	Legal claims	Decommis-sionning	Onerous contracts	Environment Costs	Restructuring	Tax exposure	TOTAL
	€000	€000	€000	€000	€000	€000	€000
Balance at 31 March 2017	**3.633**	**4.969**	**647**	**150**	**336**	**12**	**9.748**
Additions	870	2.421	229	14	7.669	-	11.204
Unused amounts reversed	-177	-49	-559	-12	-	-	-796
Used during period	-931	-235	-17	13	-122	-	-1.292
Change in scope: business combinations	-	64	-	84	-	-	148
Transfers from one heading to another	12	-	-	-	-	-12	-
Change in scope: disposal of subsidiaries	-9	-	-	-	-	-	-9
Translation differences	-2	-	-	-1	-	-	-3
Balance at 31 March 2018	**3.396**	**7.170**	**301**	**250**	**7.884**	**-**	**19.001**
Analysis of total provisions							
Non-current	3.363	7.106	72	150	249	-	10.940
Current	33	64	229	100	7.634	-	8.060
TOTAL	**3.396**	**7.170**	**301**	**250**	**7.884**	**-**	**19.001**

Provisions AY 16/17	Legal claims	Decommis-sionning	Onerous contracts	Environment Costs	Restructuring	Tax exposure	TOTAL
	€000	€000	€000	€000	€000	€000	€000
Balance at 31 March 2016	**7.353**	**4.985**	**4.183**	**150**	**763**	**185**	**17.619**
Additions	175	14	117	-	2.071	-	2.377
Unused amounts reversed	-484	-31	-481	-	-235	-30	-1.259
Used during period	-3.388	-	-3.093	-	-2.263	-147	-8.891
Translation differences	-24	1	-79	-	-	4	-98
Balance at 31 March 2017	**3.633**	**4.969**	**647**	**150**	**336**	**12**	**9.748**
Analysis of total provisions							
Non-current	3.559	4.969	164	150	-	12	8.855
Current	74	-	483	-	336	-	894
TOTAL	**3.633**	**4.969**	**647**	**150**	**336**	**12**	**9.748**

The increase in provisions of € 9,3m is mainly attributable to the increase in decommissioning (€ 2,2m) and restructuring provisions (€ 7,5m). Both are related to the reorganisation in Greenyard Fresh Germany. The total outstanding decommissioning provisions are almost entirely related to buildings in Greenyard Fresh Germany (€ 6,3m).

Legal claims decrease by € 0,2m, which is a combined effect of additions and the use and reversal of provisions.

For further information concerning pending disputes we refer to note 8.2. *Main Disputes*.

7.16. Interest-bearing loans

As per 5 July 2013 the Long Fresh segment issued a retail bond with a gross coupon of 5,0% fixed interest for a nominal amount of € 150,0m.

As per December 2016 the Group issued a convertible bond with a gross coupon of 3,75% fixed interest for a nominal amount of € 125,0m. Simultaneously the Facilities Agreement in an amount of € 375,0m was signed. As from 20 November 2017 the banks participating in the syndicated Facilities Agreement, made an additional revolving commitment of € 50,0m available, as the Accordion Option was exercised by the Group.

Per year-end a nominal amount of € 200,0m was drawn as financial debt under de Facility Agreement. € 150,0m of this facility was drawn as a term loan, the remaining part of € 50,0m as a revolving credit facility.

By issuing the convertible bond and signing of the Facilities Agreement, the foundations were built for a stable financing structure in the medium-term in order to realise the strategic plan.

Interest-bearing loans at 31 March 2018	Due within 1 year €'000	Due between 1 and 5 years €'000	Due after 5 years €'000	TOTAL €'000
Bank loans	-	136.971	186	137.157
Bond loans	-	263.390	-	263.390
Finance leases	-	487	-	487
Interest-bearing loans > 1 year	**-**	**400.848**	**186**	**401.034**
Bank loans	59.539	-	-	59.539
Finance leases	444	-	-	444
Interest-bearing loans < 1 year	**59.983**	**-**	**-**	**59.983**
TOTAL	**59.983**	**400.848**	**186**	**461.017**

Interest-bearing loans at 31 March 2018	Fixed €'000	Floating €'000	TOTAL €'000
Total	264.321	196.696	461.017

Interest-bearing loans at 31 March 2018	Secured €'000	Non-secured €'000	TOTAL €'000
Total	197.627	263.390	461.017

Interest-bearing loans at 31 March 2017	Due within 1 year €'000	Due between 1 and 5 years €'000	Due after 5 years €'000	TOTAL €'000
Bank loans	-	148.665	278	148.943
Bond loans	-	260.679	-	260.679
Finance leases	-	850	-	850
Interest-bearing loans > 1 year	**-**	**410.194**	**278**	**410.472**
Bank loans	7.591	-	-	7.591
Bank overdrafts	507	-	-	507
Finance leases	310	-	-	310
Interest-bearing loans < 1 year	**8.409**	**-**	**-**	**8.409**
TOTAL	**8.409**	**410.194**	**278**	**418.881**

Interest-bearing loans at 31 March 2017	Fixed €'000	Floating €'000	TOTAL €'000
Total	261.839	157.042	418.881

Interest-bearing loans at 31 March 2017	Secured €'000	Non-secured €'000	TOTAL €'000
Total	158.202	260.679	418.881

Bank loans

The Facilities Agreement encompasses a term loan for a nominal amount of € 150,0m and a revolving credit facility for a nominal amount € 275,0m. The Group disposes also of bilateral facilities with individual financial institutions for an amount of € 55,3m.

The term loan bears a margin between 1,50% and 2,75%, based on a leverage grid. The withdrawn amount on the term loan as per 31 March 2018 amounts to € 150,0m.

The revolving credit facility bears a margin between 1,25% and 2,50%, based on a leverage grid. Short-term bank debt varies in function of cash generated by operations, working capital needs and factoring drawdown. The withdrawn amount on the revolving credit facility as per 31 March 2018 amounts to € 50,0m. No funds were drawn under the bilateral facilities.

The other bank loans consist of a term loan within the Long Fresh segment.

All interest-bearing bank liabilities per 31 March 2018 are expressed in euro and concluded at market conditions.

Following the contractual agreements with some financial institutions most overdrafts are presented net from cash.

Under the Facilities Agreement, no defaults or violations were established with regard to principal and interest payments at 31 March 2018. As such no covenants were breached. We refer to note 8.3. *Off-balance sheet commitments* for further information on bank covenants and the rights and commitments not included in the statement of financial position.

The bank loans are recorded at amortised cost, net from transaction costs.

Reconciliation nominal to carrying amount bank loans at 31 March 2018	Term loan €'000	Revolving credit facility €'000	Other bank loans €'000	TOTAL €'000
Nominal amount	**150.000**	**50.000**	**646**	**200.646**
Transaction costs at inception	-1.872	-2.807	-	-4.679
Amortisation transaction costs	475	254	-	729
Carrying amount	**148.603**	**47.446**	**646**	**196.696**

Reconciliation nominal to carrying amount bank loans at 31 March 2017	Term loan €'000	Revolving credit facility €'000	Other bank loans €'000	TOTAL €'000
Nominal amount	**150.000**	**10.000**	**963**	**160.963**
Transaction costs at inception	-1.872	-2.807	-	-4.679
Amortisation transaction costs	101	151	-	252
Carrying amount	**148.229**	**7.343**	**963**	**156.536**

Bond loans

In December 2016 the Group issued a convertible bond with a nominal amount of € 125,0m, a gross coupon of 3,75% fixed interest and due in December 2021. The terms and conditions allowed Greenyard to redeem the convertible bonds in cash, new and/or treasury ordinary shares or a combination thereof at choice upon conversion of the convertible bonds by the bondholders. In November 2017 Greenyard gave notice to the bondholders to unilaterally, irrevocably and unconditionally waive its right to make a Cash Alternative Election from the date of the notice. As per 31 March 2018 no conversion of convertible bonds into shares occurred.

The convertible bond is considered as a hybrid debt instrument containing a host contract and an embedded derivative. The host contract, being the obligation to make scheduled repayments of interests and principal on maturity, is considered as a financial liability presented within the interest-bearing loans. The initial carrying amount of the host contract was determined as the residual amount between the fair value of the convertible bond and the fair value of the embedded derivative, net from transaction costs. Subsequently the host contract is measured at amortised cost, using the effective interest method taking into consideration the transaction costs that are included in the effective interest rate over the expected life of the debt.

The Long Fresh retail bond issued in 2013 for a nominal amount of € 150,0m carries a gross coupon of 5,0% fixed interest. The bond is due in July 2019.

Reconciliation nominal to carrying amount bond loans at 31 March 2018	Convertible bond €'000	Long Fresh retail bond €'000	TOTAL €'000
Nominal amount	**125.000**	**150.000**	**275.000**
Conversion option at inception	-12.059	-	-12.059
Amortisation conversion option	2.701	-	2.701
Transaction costs at inception	-2.771	-429	-3.200
Amortisation transaction costs	621	327	947
Carrying amount	**113.492**	**149.898**	**263.390**

Reconciliation nominal to carrying amount bond loans at 31 March 2017	Convertible bond €'000	Long Fresh retail bond €'000	TOTAL €'000
Nominal amount	**125.000**	**150.000**	**275.000**
Conversion option at inception	-12.059	-	-12.059
Amortisation conversion option	558	-	558
Transaction costs at inception	-2.771	-429	-3.200
Amortisation transaction costs	128	251	379
Carrying amount	**110.857**	**149.822**	**260.679**

For a discussion on the covenants related to the Long Fresh retail bond we refer to note 8.3. *Off-balance sheet commitments*.

7.17. Trade and other payables

Trade and other payables	31 March 2018 €'000	31 March 2017 €'000
Other payables	**3.118**	**1.116**
Non-current	3.118	1.116
Trade payables	**691.164**	**643.707**
Tax	20.436	25.977
Remuneration and social security	40.481	36.613
Other	52.389	50.326
Other payables	**113.306**	**112.917**
Current	804.470	756.624

The other payables include other amounts payable, mainly relating to accrued interest and other accrued charges.

The table below gives an overview of the current and non-current trade and other payables in foreign currency.

Trade and other payables: foreign currencies	31 March 2018 €'000	31 March 2017 €'000
GBP	45.281	46.078
USD	16.413	20.303
PLN	23.996	24.257
CZK	17.815	12.048
Other	7.692	9.566

7.18. Risk management policy

The Group's activities are exposed to a variety of financial risks: market risk (foreign exchange risk and interest rate risk), credit risk, and liquidity risk. The Group's overall risk management program seeks to minimise potential adverse effects of the financial risks on the Group's financial performance. In order to manage certain market risks, the Group uses derivative financial instruments.

The Board of Directors has the overall responsibility for the establishment and management of the Group’s risk management, amongst which the financial risk management. The Audit Committee is responsible for developing and monitoring the Group’s risk management policies. Internal audit, under the direction of the Audit Committee, undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The daily financial risk management is carried out by Corporate Treasury under the corporate treasury policies. Corporate Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units.

7.18.1. Market risk

Market risk is the risk of changes in market parameters, such as foreign exchange rates and interest rates, which can influence the Group’s performance. The objective is to control and manage this market risk within the limits of acceptable parameters, while optimising the return earned by the Group.

The Group uses financial derivatives in the normal course of business in order to manage the market risks. All these transactions are carried out under the corporate treasury policy. It is Group policy not to undertake speculative transactions.

Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. The currency exposure is partly linked to the Group's operations in the UK, the Czech Republic, the US, Poland and Hungary and to non-euro transactions in Eurozone entities. Foreign exchange exposure arises from future commercial transactions and recognised assets and liabilities.

Foreign exchange risk arises when future commercial transactions are denominated in a currency that is not the entity's functional currency.

The receivables and liabilities in foreign currency can give rise to a realised gain or loss depending on whether the daily exchange rate at the time of receipt or payment differs from the exchange rate at which the receivable or payable is recorded.

Management has set up guidelines to require Group entities to manage their foreign exchange risk with regards to their local currency. Subsidiaries are required to hedge their entire foreign exchange risk exposure with Corporate Treasury. To manage its foreign exchange risk arising from future commercial transactions, the Group uses foreign exchange forward contracts.

The Corporate Treasury's foreign exchange risk management practice applies following hedging ratios per currency pair:

Period	Hedging ratios
Up to 3 months	100%-75%
Over 3 months up to 6 months	75%-50%
Over 6 months and up to 1 year	50%-0%

If required for commercial reasons, a cash flow can be hedged at 100%.

Foreign exchange sensitivity

The sensitivity analysis is applied to third party and intercompany loans and deposits and third party and intercompany trade and other receivables and liabilities, in so far as the foreign currency differs from the functional currency of the Group. A percentage of 10% fluctuation in foreign exchange rates is taken into account when calculating the foreign exchange sensitivity below. These fluctuations would affect the profit before income tax.

The sensitivity analysis is also applied on the outstanding forward agreements for a 10% fluctuation in foreign exchange rate. These fluctuations would affect equity.

The analysis below reflects the sensitivity for US dollar and British pound. The exposure to foreign currency changes for all other currencies is not material. A positive sign represents a gain, a negative sign represents a loss.

Foreign exchange sensitivity	Effect on profit before income tax at 31 March 2018 €'000	Effect on equity at 31 March 2018 €'000	Effect on profit before income tax at 31 March 2017 €'000	Effect on equity at 31 March 2017 €'000
GBP				
+10%	-3.587	4.021	-2.208	1.784
-10%	4.384	-4.915	2.698	-2.181
USD				
+10%	-418	-2.808	-534	-2.208
-10%	511	3.432	653	2.699

The sensitivity is based on a net receivable position per 31 March 2018 of € 39,5m for GBP (AY 16/17 € 24,3) and € 4,6m for USD (AY 16/17 € 5,9m).

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The floating interest rate debt of the Group arises mainly from its Facilities Agreement, the financing retrieved from the multi-country factoring program and the outstanding Long Fresh term loan.

The Group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration renewal of existing positions, alternative financing and hedging. Based on these scenarios, the Group calculates the impact on profit and loss of a defined interest rate shift. The scenarios are run only for liabilities that represent the major interest-bearing positions.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate interest-bearing loans. The Group's policy is to keep 40% of its interest rate exposure at fixed rates of interest. For the financing facilities with floating interest rates, the Group uses financial instruments to hedge the risk of interest rate fluctuations.

To hedge the interest rate risk of the factoring program, the Group entered into Interest Rate Swaps (IRS) in a total outstanding nominal amount of € 205,0m.

The Group had previously hedged its interest rate exposure on former financing facilities. Of those IRS € 10,6m is still outstanding.

Financial liabilities at amortised cost	31 March 2018		31 March 2017	
	€'000	Average effective interest rate	€'000	Average effective interest rate
Floating interest rate				
EUR	196.696	1,94%	157.042	2,23%
Fixed interest rate				
EUR	264.321	4,43%	261.839	4,43%
TOTAL	**461.017**		**418.881**	

Interest rate sensitivity

Despite the hedging strategy on the basis of financial derivatives, it cannot be excluded that the Group's future net result will be subject to interest rate fluctuations.

Interest rate sensitivity	Nominal value at 31 March 2018 €'000	Impact 20 base points increase of interest rate €'000	Impact 20 base points decrease of interest rate €'000	Nominal value at 31 March 2017 €'000	Impact 20 base points increase of interest rate €'000	Impact 20 base points decrease of interest rate €'000
Bank loans	200.646	68	-68	160.963	56	-56
IRS	215.646	430	-432	135.738	456	-459

Interest rate risk: maturity of financial assets and liabilities

Remaining terms of financial assets and liabilities at 31 March 2018	Category of instruments	Average effective interest rate %	Total carrying value €'000	< 1 year €'000	1- 5 year €'000	> 5 year €'000
Assets and liabilities with fixed interest rates						
Bond loans	FLmaAC	4,43%	263.390	-	263.390	-
Finance leases	n/a	2,00%	931	444	487	-
Assets and liabilities with floating interest rates						
Cash and cash equivalents	L&R	-	57.432	57.432	-	-
Bank loans	FLmaAC	1,94%	196.696	59.539	136.971	186

Remaining terms of financial assets and liabilities at 31 March 2017	Category of instruments	Average effective interest rate %	Total carrying value €'000	< 1 year €'000	1- 5 year €'000	> 5 year €'000
Assets and liabilities with fixed interest rates						
Bond loans	FLmaAC	4,43%	260.679	-	149.822	110.857
Finance leases	n/a	2,00%	1.160	310	850	-
Assets and liabilities with floating interest rates						
Cash and cash equivalents	L&R	-	113.242	113.242	-	-
Bank loans	FLmaAC	2,23%	156.535	7.591	148.665	278
Bank overdrafts	FLmaAC	2,00%	507	507	-	-

Categories of instruments

L&R: Loans and receivables

FLmaAC: Financial Liabilities measured at amortised cost

Foreign exchange risk and interest rate risk: derivative financial instruments

Outstanding derivatives: nominal amounts at maturity date	31 March 2018 Due within 1 year €'000	Due between 1 and 5 years €'000	Due after 5 years €'000	31 March 2017 Due within 1 year €'000	Due between 1 and 5 years €'000	Due after 5 years €'000
Foreign exchange risk						
Forward agreements	262.065	344	-	169.206	451	-
Interest rate risk						
IRS	75.000	140.000	646	-	135.000	738
TOTAL	**337.065**	**140.344**	**646**	**169.206**	**135.451**	**738**

Derivatives are reported at fair value and hedge accounting is applied for all derivatives. For financial derivatives no offsetting has been applied.

The forward agreements expire at 29 December 2019 at the latest. The maturity date of the IRS is no later than 21 November 2024.

The fair value of derivatives is calculated using pricing models taking into account current market rates. For IRS, this information is provided by the Group's financial institutions with which the financial instruments have been concluded. For the forward agreements Corporate Treasury calculates the fair value.

Fair value by type of derivative	31 March 2018 Assets €'000	Liabilities €'000	Net Position €'000	Movement in income statement €'000	Movement through equity €'000	31 March 2017 Assets €'000	Liabilities €'000	Net Position €'000	Movement in income statement €'000	Movement through equity €'000
Foreign exchange risk										
Forward agreements	459	2.142	-1.684	-	-2.548	1.343	478	865	-265	1.133
Interest rate risk										
IRS	-	1.516	-1.516	133	1.403	166	3.217	-3.051	286	1.612
TOTAL	**459**	**3.658**	**-3.199**	**133**	**-1.145**	**1.508**	**3.695**	**-2.187**	**20**	**2.745**

7.18.2. Credit risk

Credit risk is the risk of financial loss to the Group through a customer or a financial counterparty being unable to fulfil its contractual obligations. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The Group's exposure to credit risk on operating activities is influenced mainly by the individual characteristics of each customer. To protect itself against customer defaults and bankruptcies, the Group uses the services of international credit insurance companies, and also applies internal customer credit limits.

Credit insurance is mandatory for all trade receivables sold to the factor company. Certain entities benefit also from credit insurance although their receivables are not factored.

Credit risk exposure on non-credit insured customers is continuously monitored by Corporate Treasury and any customer whose credit limit exceeds a predefined amount, is subject to a credit check. The credit check and customer rating is based upon the customers' shareholders and group structure, the balance sheet and profit and loss accounts of the last two calendar years and related audit report and the weighted average days paid late. An internal credit limit is mandatory for non-credit insured customers before confirming the order to the customer and before shipping the goods. Approval of the internal credit limits is subject to the Greenyard Authority Matrix as approved by the Audit Committee in March 2017.

The Group's credit policy does not identify any material credit risk exposure on its customers. Receivables for the ten largest debtors are credit insured and the three largest customers represent 48,9% of sales as disclosed in note 5.1. I*nformation about major customers*.

Non-credit insured receivables are reviewed for impairment risk, based on the ageing of the receivables. Impairment losses are recorded on an individual basis.

The Group also makes advances to key suppliers, generally to secure produce in key categories. Advances made are generally interest bearing and recovered through deduction from payments made in respect of produce delivered by the counterparty.

Financial investments are only allowed if the counterparties meet the minimum acceptable credit ratings at the time of initiation of the investment without exceeding a maximum concentration per counterparty. Investment counterparties must be of Western government credit (US, Canada, EC-countries) with banks and issuers with a credit rating of BBB (Standard & Poor's Corporation), Baa (Moody's Investor Service) or better.

Credit risk covers only the instrument category of 'loans and receivables' (L&R). For the other instrument categories the credit risk is limited or non-existent, given that counterparties are banks with a high creditworthiness.

7.18.3. Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations on due date. The Group's approach to managing liquidity is to ensure as far as possible that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Group's reputation.

The Group monitors its risk of a shortage of funds using a cash positioning tool. Short-term cash flow forecasting is performed in the operating entities of the Group and aggregated by Corporate Treasury. Corporate Treasury monitors forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

Most of the subsidiaries are part of a cash pool scheme, as such funds are collected on a daily basis on the bank accounts held by Corporate Treasury. For subsidiaries not part of a cash pool scheme, surplus cash above balances required for working capital purposes are transferred to Corporate Treasury.

It is the policy of the Group to have adequate facilities available at all times to cover unanticipated financing requirements. The Group has approval of committed term and revolving borrowings of up to € 425,0m per 31 March 2018 (31 March 2017 € 375,0m). The total financing lines increased with € 50,0m in November 2017 when the syndicated banks made an additional revolving commitment available. The Board of Directors believes that, as a result, the Group is well placed to refinance or repay all borrowings due for repayment as they fall due.

At 31 March 2018 the Group has € 225,0m of unused available lines under its Facilities Agreement (31 March 2017 € 215,0m). The total uncommitted bilateral facilities for an amount of € 55,3m were fully unused at 31 March 2018 (31 March 2017 € 52,0m).

For a discussion of the existing lines and their terms and conditions we refer to note 7.16. *Interest-bearing loans*.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The undiscounted cash flows reflect net interest payments and principal repayments. Derivative financial assets and liabilities are included in the analysis for the residual cash flows.

Remaining terms of financial debts at 31 March 2018	Contractually agreed undiscounted cash flows			
	Due within 1 year €'000	Due between 1 and 5 years €'000	Due after 5 year €'000	TOTAL €'000
Bank loans	65.337	145.590	190	211.116
Bond loans	12.188	296.575	-	308.763
Trade and other payables	743.553	3.118	-	746.672
Non-derivatives	**821.078**	**445.284**	**190**	**1.266.551**
IRS	1.503	364	7	1.873
Forward agreements	1.708	5	-	1.713
Derivatives	**3.211**	**369**	**7**	**3.587**
TOTAL	**824.289**	**445.652**	**196**	**1.270.138**

Remaining terms of financial debts at 31 March 2017	Contractually agreed undiscounted cash flows			
	Due within 1 year €'000	Due between 1 and 5 years €'000	Due after 5 year €'000	TOTAL €'000
Bank loans	13.569	161.758	288	175.616
Bond loans	12.177	179.063	129.687	320.927
Trade and other payables	694.033	1.116	-	695.149
Non-derivatives	**719.780**	**341.937**	**129.975**	**1.191.692**
IRS	1.812	1.766	23	3.601
Forward agreements	1.349	7	-	1.356
Derivatives	**3.161**	**1.773**	**23**	**4.957**
TOTAL	722.941	343.710	129.998	1.196.649

All instruments held at the reporting date and for which payments had been contractually agreed are included. Forecasted data relating to future, new liabilities are not included. Amounts in foreign currencies have been translated at the closing rate. The variable interest payments arising from financial instruments were calculated using the applicable forward interest rates.

7.18.4. Financial assets and liabilities – fair value

Derivative financial instruments are measured at fair value at inception and at each reporting date, with the movement recognised in the income statement unless they are designated as cash flow hedges. Where instruments are classified as cash flow hedges, they are accounted for under hedge accounting rules with gains or losses arising on the effective portion of the derivative instrument recognised in the cash flow hedge reserve, as a separate component of equity. Gains or losses on any ineffective portion of the derivative are recognised in the income statement. When the hedged transaction matures, the related gains or losses in the cash flow hedge reserve are transferred to the income statement. For the various classes of financial assets and liabilities the net carrying amounts and respective fair values are analysed. The table below only includes the financial assets and liabilities for which the fair value differs from the carrying amount. For all other financial assets and liabilities we consider the carrying amounts to approximate the fair values.

The fair value of bank loans is calculated as the present value of the future cash flows (level 2 input). The fair value of the retail bond is calculated using standard financial valuation models based on market data (level 2 input). The fair value of the host component of the convertible bond is calculated as the present value of the future cash flows taking into account the reference swap rate and credit spread (level 3 input).

Financial assets and liabilities by class and category	Category in accordance with IAS 39	Net carrying amount at 31 March 2018 €'000	Amounts recognised in statement of financial position in accordance with IAS 39: Amortised cost €'000	Fair value at 31 March 2018 €'000
Retail bond	FLmaAC	149.898	149.898	157.371
Host component of the convertible bond	FLmaAC	113.492	113.492	105.234
Bank loans	FLmaAC	196.696	196.696	211.224

Financial assets and liabilities by class and category	Category in accordance with IAS 39	Net carrying amount at 31 March 2017 €'000	Amounts recognised in statement of financial position in accordance with IAS 39: Amortised cost €'000	Fair value at 31 March 2017 €'000
Retail bond	FLmaAC	149.822	149.822	160.419
Host component of the convertible bond	FLmaAC	110.857	110.857	121.751
Bank loans	FLmaAC	156.535	156.535	160.470

7.18.5. Capital structure

In order to maintain a strong capital base and sustain market confidence, the Board regularly reviews and monitors the Group's capital structure. This involves considering dividend policy and return on capital (based on shareholders' equity).

The Board of Directors is authorised to acquire own shares up to a legal maximum of 20%. On 31 August 2017, the Group completed a share buyback program started in March 2017 with a total of 1.750.000 ordinary shares repurchased at a total cost of € 30,0m including associated costs. These shares are held as treasury shares unless reissued or cancelled.

Furthermore, the Group constantly seeks to optimise its capital structure (balance between debts and equity) to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt to equity ratio.

The Group targets a flexible structure in terms of periodicity and credit type, which enables it to grab potential opportunities. We refer to note 7.12. *Issued capital, share premium and other capital instruments* and to note 7.16. *Interest-bearing loans* for more detail on equity and debt components.

The Group has leverage ratio covenants as detailed in note 8.3. *Off-balance sheet commitments*.

7.18.6. Fair value hierarchy included in the statement of financial position

Assets and liabilities at fair value	31 March 2018				31 March 2017			
	Level 1 €'000	Level 2 €'000	Level 3 €'000	TOTAL €'000	Level 1 €'000	Level 2 €'000	Level 3 €'000	TOTAL €'000
Financial assets at fair value								
Derivatives - Forward agreements and IRS	-	593	-	593	-	2.220	-	2.220
Biological assets	-	-	20.711	20.711	-	-	20.353	20.353
Total	**-**	**593**	**20.711**	**21.304**	**-**	**2.220**	**20.353**	**22.573**
Financial liabilities at fair value								
Derivatives - Forward agreements and IRS	-	3.658	-	3.658	-	3.695	-	3.695
Derivatives - Conversion option	-	-	-	-	-	-	25.659	25.659
Total	**-**	**3.658**	**-**	**3.658**	**-**	**3.695**	**25.659**	**29.354**

The table above analyses financial instruments of the Group initially measured at fair value, sorted by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: fair value measurement: the fair values of other financial assets and liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments. This mainly relates to derivative financial instruments.
  - Forward agreements are measured using quoted forward exchange rates and yield curves derived from quoted interest rates with matching maturities.
  - Interest rate swaps are measured at the present value of future cash flows estimated and discounted using the applicable yield curves derived from quoted interest rates.
- Level 3: fair value measurement: the fair value of the remaining financial assets and liabilities is derived from valuation techniques which include inputs that are not based on observable market data.
  - The share conversion option in the convertible bond issued in December 2016 is a non-closely related embedded derivative that has to be separated from the host debt instrument and measured at fair value through profit or loss. The main inputs in the valuation model for this conversion option are the convertible bond price (level 2), the reference swap rate and the Group's credit spread (level 3). Consequently, the conversion option is classified as a level-3 financial instrument. As per waiver of the Cash Alternative Election the conversion option is transferred to equity and no longer subject to remeasurement.
  - Biological assets: see note 7.4. *Biological assets.*

During the past financial year, there were no transfers of financial assets or liabilities between levels 1 and 2.

Conversion option

Main inputs to the valuation of the conversion option	At waiver date	31 March 2017	At issue date
Level 1 inputs	-	-	-
Level 2 inputs			
Bond price	123%	118%	100%
Reference swap rate	0,11%	0,16%	0,12%
Level 3 inputs			
Credit spread	312bps	425bps	575bps

Fair value based on the valuation of the conversion option	At waiver date €'000	31 March 2017 €'000	At issue date €'000
Fair value of the convertible bond	153.208	147.410	125.000
Fair value of the host component	127.549	121.751	112.941
Fair value of the conversion option	25.659	25.659	12.059

The fair value of the host component up on date of the waiver of the Cash Alternative Election, is determined as the difference between the fair values of the convertible bond and the conversion option.

Biological assets

Biological assets: sensitivity per 31 March 2018	Basic assumptions	Impact 1% decrease €'000	Impact 1% increase €'000
Annual bulb yield, net from waste	22%	-135	135
Annual sales price inflation	1%	-4.210	4.288
Annual cost price inflation	2%	3.634	-3.702
Discount rate	10,7%	217	-214

8. Other elements

8.1. Subsidiaries, associates, joint ventures and investments recorded at cost

The parent company of the Group is Greenyard NV, Sint-Katelijne-Waver, Belgium. The subsidiaries, associates, joint ventures and investments recorded at cost of the Group as per 31 March 2018 are presented below.

Fresh

Fresh: Subsidiaries	Country of incorporation	Consolidation method	31 March 2018 % of interest	31 March 2017 % of interest
Greenyard Fresh NV	Belgium	Full	100%	100%
Greenyard Fresh Belgium NV	Belgium	Full	100%	100%
Greenyard Fresh Direct Belgium NV	Belgium	Full	51%	51%
Greenyard Transport Belgium NV	Belgium	Full	100%	100%
Greenyard Logistics Belgium NV	Belgium	Full	100%	100%
Greenyard Fresh Holding NL B.V. (6)	The Netherlands	Full	100%	100%
Greenyard Sourcing Connections B.V. (6)	The Netherlands	Full	-	100%
Greenyard Fresh NL B.V. (6)	The Netherlands	Full	-	100%
Greenyard Fresh Netherlands B.V.	The Netherlands	Full	100%	100%
Greenyard Finance B.V.	The Netherlands	Full	100%	100%
Greenyard Fresh Investments NL B.V.	The Netherlands	Full	100%	100%
Bakker Barendrecht B.V.	The Netherlands	Full	100%	100%
Bakker Barendrecht Transport B.V.	The Netherlands	Full	100%	100%
Holland Crop B.V.	The Netherlands	Full	100%	100%
Bakker Centrale Inkoop B.V.	The Netherlands	Full	100%	100%
Greenyard Flowers Netherlands B.V.	The Netherlands	Full	100%	100%
Greenyard Supply Chain Services B.V.	The Netherlands	Full	100%	100%
Greenyard Fresh France SAS	France	Full	100%	100%
Champaris SA	France	Full	100%	100%
Agrisol SA	France	Full	100%	100%
Delta Stocks Sarl	France	Full	100%	100%
Greenyard Fresh Beteiligungs GmbH	Germany	Full	100%	100%
Greenyard Fresh Holding DE GmbH & Co KG	Germany	Full	100%	100%
Greenyard Fresh Trade International GmbH	Germany	Full	100%	100%
Greenyard Fresh Germany GmbH (1)	Germany	Full	94%	94%
Greenyard Fresh Handelsgesellschaft GmbH	Germany	Full	100%	100%
Greenyard Fresh DFM Germany GmbH	Germany	Full	100%	100%
Pastari Gemusevertrieb GmbH & Co KG (3)	Germany	Full	-	60%
Greenyard Fresh Austria GmbH	Austria	Full	100%	100%
Greenyard Fresh Spain SA	Spain	Full	100%	100%
Greenyard Logistics Portugal - logistica e transportes SA	Portugal	Full	100%	100%
Biofarm Srl (5)	Italy	Full	100%	-
Greenyard Fresh Italy Srl	Italy	Full	100%	100%
Greenyard Flowers UK Ltd.	UK	Full	100%	100%
Greenyard Fresh UK Ltd.	UK	Full	100%	100%
Pastari International Ltd (2)	Turkey	Full	60%	60%
Greenyard Fresh Poland SA	Poland	Full	100%	100%
Greenyard Logistics Poland Sp. Z o.o.	Poland	Full	100%	100%
Atabel SA (3)	Belarus	Full	-	98%
Bakker Trans sro	Czech Republic	Full	100%	100%
Bakker sro	Czech Republic	Full	100%	100%
Univeg Bulgaria EOOD (3)	Bulgaria	Full	-	100%
Greenyard USA Co	US	Full	100%	100%
Seald Sweet LLC	US	Full	90%	90%
Greenyard Logistics America Inc	US	Full	100%	100%
DFM Brazil Ltda	Brazil	Full	100%	100%
Greenyard Fresh Brazil Ltda	Brazil	Full	100%	100%
Univeg Katope Peru SAC (2)	Peru	Full	-	95%
Greenyard Fresh Peru SAC	Peru	Full	99%	99%
Greenyard Fresh Chile Ltda	Chili	Full	100%	100%
Greenyard Fresh Colombia SAS	Colombia	Full	100%	100%

Fresh: Joint ventures and associates	Country of incorporation	Consolidation method	31 March 2018 % of interest	31 March 2017 % of interest
Grupo Yes Procurement Marketing SL	Spain	Equity method	50%	50%
Logidis Sistem SL	Spain	Equity method	50%	50%
Mahindra Greenyard Private Ltd.	India	Equity method	40%	40%
Lunasoft BVBA	Belgium	Equity method	50%	50%
Bardsley Farms Ltd.	UK	Equity method	30%	30%
Agritalia Srl	Italy	Equity method	33%	33%

Fresh: Investments recorded at cost	Country of incorporation	Consolidation method	31 March 2018 % of interest	31 March 2017 % of interest
Pison Srl (2)	Italy	Not consolidated	25%	25%
Campoverde Spa Agricola	Italy	Not consolidated	2%	2%
Export Frutta Puglia ARL	Italy	Not consolidated	9%	9%
Carpe Naturam Soc. Consortile ARL	Italy	Not consolidated	9%	9%
Project Fruit Chile SA	Chili	Not consolidated	5%	5%

Long Fresh

Long Fresh: Subsidiaries	Country of incorporation	Consolidation method	31 March 2018 % of interest	31 March 2017 % of interest
Greenyard Frozen Langemark NV	Belgium	Full	100%	100%
Greenyard Frozen Belgium NV	Belgium	Full	100%	100%
Pinguin Langemark NV	Belgium	Full	100%	100%
Greenyard Prepared Investments NV	Belgium	Full	100%	100%
Greenyard Prepared Belgium NV	Belgium	Full	100%	100%
BND CVBA (7)	Belgium	Full	25%	25%
Greenyard Frozen Brazil Ltda	Brazil	Full	100%	100%
Greenyard Frozen Investments FR (Moréac) SAS	France	Full	66%	66%
Greenyard Frozen Investments FR (Comines) SAS	France	Full	66%	66%
Greenyard Frozen Comines SAS	France	Full	100%	100%
Greenyard Frozen France SAS	France	Full	100%	100%
Greenyard Frozen Holding FR SAS	France	Full	100%	100%
M.A.C. S.A.R.L (3)	France	Full	-	100%
Greenyard Frozen Investments PL Sp. Z o.o.	Poland	Full	100%	100%
Greenyard Frozen Poland Sp. Z o.o.	Poland	Full	100%	100%
Greenyard Frozen Hungary Kft.	Hungary	Full	100%	100%
Greenyard Frozen UK Ltd.	UK	Full	100%	100%
Greenyard Prepared UK Ltd.	UK	Full	100%	100%
Lutèce Holding B.V.	The Netherlands	Full	100%	100%
Greenyard Prepared Netherlands B.V.	The Netherlands	Full	100%	100%

Long Fresh: Investments recorded at cost	Country of incorporation	Consolidation method	31 March 2018 % of interest	31 March 2017 % of interest
Alberts NV (4)	Belgium	Not consolidated	8%	-
Tomates D'Aquitaine S.A.S. (3)	France	Not consolidated	-	9%

Horticulture

Horticulture: Subsidiaries	Country of incorporation	Consolidation method	31 March 2018 % of interest	31 March 2017 % of interest
Peatinvest NV	Belgium	Full	100%	100%
Greenyard Horticulture Belgium NV	Belgium	Full	100%	100%
Agrofino Transport BVBA	Belgium	Full	100%	100%
Norland S.A.	Belgium	Full	100%	100%
Greenyard Horticulture Poland Sp. Z o.o.	Poland	Full	100%	100%
Greenyard Mycoculture Poland SA (4)	Poland	Full	100%	-
Madarch Fungis Sp. Z o.o. (4)	Poland	Full	100%	-
Fungis Sp. Z o.o. (4)	Poland	Full	100%	-
Greenyard Horticulture Latvia AS	Latvia	Full	99%	99%
Greenyard Horticulture France SAS	France	Full	100%	100%
Nesterovskoye PSC	Russia	Full	85%	85%
Mikogen Centre LLC (4)	Ukraine	Full	100%	-
Mikogen Ukraina LLC (4)	Ukraine	Full	100%	-

(1) The Group holds 94% of the shares of Greenyard Fresh Germany. Based on the signed share purchase agreement of 6% of the shares, the Group remains eligible to all past and future profits of Greenyard Fresh Germany. As a result, Greenyard Fresh Germany is consolidated for 100%.

(2) In liquidation/liquidated

(3) Divestment

(4) Acquisition

(5) Incorporation

(6) Merger

(7) Greenyard has 'de facto' control based on certain statements in the articles of association: on the one hand they have more rights and blocking possibilites and on the other hand they are always involved in the representation in and out of court of the CVBA.

Significant restrictions

There are no significant restrictions (e.g. resulting from borrowing arrangements, regulatory requirements or contractual arrangements between investors with significant influence over a subsidiary) on the ability of subsidiaries to transfer funds to its parent entity in the form of cash dividends, or to repay loans or advances made by the parent entity, except for those mentioned in note 8.3 *Off-balance sheet commitments*, with the approval of the majority shareholder. In addition, there are no significant restrictions on the Company's or its subsidiaries' ability to access or use the assets and settle the liabilities of the Group, except for those mentioned in note 8.3. *Off-balance sheet commitments*.

Changes in the consolidation scope

We refer to note 4. *Business combinations* for a discussion of the major changes in the consolidation scope in AY 17/18. There were no major changes in the consolidation scope in AY 16/17.

8.2. Main disputes

Tax dispute Greenyard Frozen Brazil Ltda.

Greenyard Frozen Brazil Ltda imports frozen fruit and vegetables from Europe for which the company has received an exemption to pay ICMS taxes (Tax on Circulation of Goods & Services) from the state Sao Paulo. Frozen fruit and vegetables are considered basic and natural products which are generally exempt from ICMS. However, local tax authorities consider frozen fruit and vegetables not as natural products and claim administrative penalties for such imports. This is a general practice for the industry of frozen vegetables. The total litigations of Greenyard in this respect amount to R$ 22,5m (€ 6,1m) and are related to the period 2010-2016. A final favourable court decision has been pronounced on 17 August 2017. The total amount of fines imposed by the local tax authorities is expected to be finally cancelled by August 2018.

Dispute false bananas' licenses Greenyard Fresh Italy S.r.l.

In 2002, Greenyard Fresh Italy S.r.l. (formerly known as Univeg Trade Italia S.r.l. and previous to that as Bocchi Import Italia S.r.l.) received a claim relating to custom duties which were allegedly not paid on the import of bananas from October 1998 to November 1999. The tax authorities claimed that false licenses were used by the company for trading bananas. As it appears, the company purchased false licenses in good faith. The Greek tax authorities claim the payment of € 2,4m (including interests), for which a provision has been made by the company. The legal proceedings before the Greek High Court are still pending.

Garlic dispute Greenyard Fresh Italy S.r.l.

In total, 31 claims have been brought against Greenyard Fresh Italy S.r.l. (formerly known as Univeg Trade Italia S.r.l.) and other Group companies (currently belonging to the Fresh segment) regarding the custom clearance of garlic imported from China in the period 2005-2007. The claims relate to the fact that at the time of export, Greenyard Fresh Italy S.r.l. had not yet identified the final customers and therefore issued the required documents in its own name and paid the customs invoice. Once the final customers were identified, the Chinese exporter issued credit notes to Greenyard Fresh Italy S.r.l. and issued correct invoices to the final customers. The tax authorities allege that this is to be considered as the prohibited sale of licenses. The legal proceedings before the Italian Supreme Court are pending. In order to avoid further accrual of interest while awaiting the outcome of the legal proceedings, the fully claimed amount of € 2,1m in total (including the last payment amounting to € 1,3m) has been paid to the tax authorities, without prejudice and with reservation of all rights.

Dispute between Greenyard Fresh Handelsgesellschaft GmbH and large banana supplier

A large banana supplier with which Greenyard Fresh Handelsgesellschaft GmbH has entered into a banana ripening and distribution agreement in 2013, has unilaterally decided to partly deviate from this agreement, whereas Greenyard continued to comply with it. A writ of summons has been filed against Greenyard Fresh Handelsgesellschaft GmbH and Greenyard NV in the amount of € 3,3m, against which objection has been filed. The legal proceedings are pending in first instance before the regional court. Given that the risk of an unfavourable outcome is considered remote, no provision has been recorded at this stage.

8.3. Off-balance sheet commitments

8.3.1. Commitments concerning purchases of property, plant and equipment and fresh vegetables

Per 31 March 2018 and 31 March 2017, the Group committed for the purchase of property, plant & equipment and fresh fruit and vegetables an amount of:

Purchase commitments	31 March 2018 €'000	31 March 2017 €'000
Fresh fruit and vegetables	122.493	101.175
Property, plant & equipment	5.542	4.684
Other	4.291	3.672
TOTAL	**132.326**	**109.531**

The Group has concluded sowing and purchase contracts with a number of farmers for the procurement of fresh fruit and vegetables. The contracted amounts can still fluctuate as a function of climate conditions and market prices for fresh fruit and vegetables.

8.3.2. Commitments concerning rent and operating leases

The Group has concluded rental and lease contracts, mainly for buildings and vehicles. The tables below give an overview of the current value of non-cancellable rental and lease contracts by maturity period.

Rent and operating leases: future payments	31 March 2018 €'000	31 March 2017 €'000
Within 1 year	34.819	48.243
Between 1 and 5 years	125.374	141.432
After 5 years	205.285	160.940
TOTAL	**365.479**	**350.615**

Rent and operating leases: expenses	31 March 2018 €'000	31 March 2017 €'000
Rent and operating leases: expenses	62.679	58.658
TOTAL	**62.679**	**58.658**

8.3.3. Factoring

In accordance with IAS 39 Financial instruments: Recognition and Measurement, all non-recourse trade receivables, included in factoring programs, are derecognised for the non-continuing involvement part.

As at 31 March 2018, total derecognised trade receivables amount to € 415,9m.

8.3.4. Bank and bond covenants and undertakings

In December 2016, the Group refinanced a high yield bond (€ 285,0m) and total credit facilities (€ 263,0m) with a convertible bond (€ 125,0m) and the Facilities Agreement (€ 375,0m). In November 2017 the Group exercised the Accordion Option of the revolving credit facility, increasing the Facilities Agreement to € 425,0m. The retail bond issued in July 2013 in Long Fresh of € 150,0m remained in place.

Group convertible bond

In December 2016, Greenyard Fresh NV (formerly Greenyard Fresh Holding BE NV), a wholly-owned subsidiary of the Company, issued a senior, unsecured, guaranteed convertible bond of € 125,0m with a gross coupon of 3,75% fixed interest rate due in December 2021. The convertible bond is guaranteed by the Company. The terms and conditions allow Greenyard Fresh NV to redeem the convertible bonds in cash, new and/or treasury ordinary shares of the Company or a combination thereof at Greenyard Fresh NV's choice upon conversion of the convertible bonds by the bondholders. On 23 November 2017 Greenyard Fresh NV gave notice to the bondholders to unilaterally, irrevocably and unconditionally waive its right to make a Cash Alternative Election, as provided in Condition 6(m) of the Terms and Conditions, from the date of the notice.

Greenyard Fresh NV has the option to call all outstanding convertible bonds on or after 22 January 2020 at par plus accrued interest in accordance with the terms and conditions of the convertible bonds, provided that the volume weighted average price of the Company's shares exceeds 130% of the conversion price over a specified period, or, at any time, if 15% or less of the principal amount of the convertible bonds remains outstanding.

The conversion price of the convertible bond was set at € 17,430 at the launch, representing a premium of 25% on the volume weighted average price of the Company's shares on Euronext Brussels between opening and closing of the market on placement date. On 2 October 2017 Greenyard Fresh NV gave notice to the bondholders that, as a result of the € 0,20 per share dividend payable to holders of ordinary shares of Greenyard NV of record on 3 October 2017, the conversion price would be adjusted to € 17,249, effective as of 4 October 2017.

The terms and conditions of the convertible bond include, amongst others, some specific clauses on dividend protection and change of control. The convertible bond is not subject to financial covenants.

Group Facilities Agreement

In December 2016, the Group entered into a Facilities Agreement of € 375,0m consisting of a € 150,0m term loan facility and a € 225,0m revolving credit facility with a consortium of banks and maturing in December 2021. In November 2017 the Group exercised the Accordion Option of the revolving credit facility, increasing the Facilities Agreement to € 425,0m. The term loan is to a lower extend repayable in periodical instalments.

The facilities bear an interest composed of EURIBOR plus margin for which the margin is different for the term loan and for the revolving credit facility. The margin is based on the Group leverage with a maximum of 2,75% for the term loan and 2,50% for the revolving credit facility.

Next to customary general covenants, the Facilities Agreement includes the following financial covenants which are tested on a semi-annual basis (30 September and 31 March) and reported to the lenders:

- interest cover ratio: REBITDA / net finance charges[6] (≥ 3,00 per 31 March 2018)
- leverage: net financial debt / Adjusted REBITDA (≤ 3,50 per 31 March 2018)

There were no covenant breaches at 31 March 2018, nor at 31 March 2017.

The Facilities Agreement foresees a Guarantor Cover requirement for which the Guarantors need to meet certain minimum levels on coverage of total consolidated gross assets, total consolidated net sales and consolidated REBITDA. The guarantor cover test is

[6] As defined in the agreement.

required annually at year-end and Guarantors need to be added to the Facilities Agreement in case that the guarantor test is not met.

Long Fresh retail bond

In July 2013 Greenyard NV issued a retail bond with a nominal amount of € 150,0m and a gross coupon of 5,0%, maturing in July 2019.

On 19 October 2015, the Court of Appeal in Ghent has homologated the decisions of the second Bondholders Meeting which was held on 24 July 2015. An approval was received on the change of activities of Greenyard NV and the 'ring-fencing' of the Greenyard retail bond as a result of the business combination on 19 June 2015.

This retail bond includes following financial covenants that are tested on an annual basis at year-end and are published on the website of the Company by means of a conformity certificate. As the retail bond is ring-fenced, the financial covenants are only relevant to Long Fresh:

- interest cover ratio: EBITDA / net finance charges[6] (≥ 3,00 as at 31 March 2018)
- total debt / total assets (≤ 0,65 as at 31 March 2018)

There were no covenant breaches at 31 March 2018, nor at 31 March 2017.

A Guarantor Cover requirement must be satisfied for the retail bond on a semi-annual basis. This requirement implies that the Guarantors need to meet a certain minimum level on coverage of subconsolidated Long Fresh total assets. This guarantor cover is also included in the conformity certificate.

8.3.5. Securities

In December 2016, the Group successfully refinanced its bank facilities and entered into the Facilities Agreement, comprising a term loan in an aggregate amount of € 150,0m and a revolving credit facility in an aggregate amount of € 225,0m. The revolving credit facility has been increased by € 50,0m to € 275,0m in November 2017 by exercising the Accordion Option. These facilities are secured through different types of asset pledges. In general, main assets, mostly including shares, cash balances, property, plant & equipment, inventories, trade and other receivables of the Group subsidiaries, located in Belgium, France, the Netherlands, Poland, UK, Spain and Germany, are pledged or secured through mortgages. On a consolidated basis, meaning excluding intercompany positions, total pledged assets amount to € 632,7m at 31 March 2018 of which € 151,9m relating to property, plant & equipment, € 441,6m to inventories and receivables, and € 39,2m to cash and cash equivalents.

The Long Fresh retail bond was not secured at issue date. However, as a result of the negative pledge clause, the same securities provided under the Facilities Agreement by Long Fresh entities, including the Company, are also granted to the benefit of the retail bondholders as of December 2016.

The convertible bond is not secured.

8.3.6. Bank and corporate guarantees

Per 31 March 2018 the Group has outstanding bank guarantees in an amount of € 10,6m and outstanding corporate guarantees in an amount of € 58,7m. Main beneficiaries are tax authorities, landlords, tenants, lenders, suppliers and customers. Of these amounts, bank guarantees in an amount of € 0,6m are not in the ordinary course of business.

8.4. Related parties

Transactions between Greenyard NV and its subsidiaries have been eliminated in the consolidation and are therefore not included in this note. Transactions with joint ventures and associates are included.

For an overview of the application of articles 523 and 524 of the Company Code, we refer to the chapter *Corporate Governance Statement* in the report of the Board of Directors.

The Fruit Farm Group

The Fruit Farm Group, acting on behalf of its subsidiaries, entered into a fruit sales, marketing and distribution agreement with Greenyard Fresh NV (formerly Greenyard Fresh Holding BE NV) from December 2014 to December 2019, acting on behalf of its affiliated companies. Under this agreement, The Fruit Farm Group has appointed Fresh as its strategic partner to handle, distribute and market fruit on a free consignment basis with a floor price mechanism. The goods are transported by The Fruit Farm Group's subsidiaries to the port of destination on a FOB or CIF basis. Fresh makes pre-season advances available to The Fruit Farm Group's subsidiaries. The advances are deducted from the final sales price realised by Fresh, net of expenses, prior to payment to The Fruit Farm Group's subsidiaries. In the event that at the end of a season there is a balance due to Fresh, The Fruit Farm Group's subsidiary and Fresh will agree on payment terms.

Because of its expertise, Fresh procures sea freight services on behalf of some of the subsidiaries of The Fruit Farm Group, such as it does for a limited number of third party suppliers.

The Fruit Farm Group is ultimately owned by the preference shareholder of the Group.

Orchards Invest Group

Orchards Invest Group considers Fresh as its strategic partner to handle, distribute and market fruit on a free consignment basis with a floor price mechanism. The goods are transported by Orchards Invest's subsidiaries to the port of destination on a FOB or CIF basis. Fresh makes pre-season advances available to the Orchards Invest's subsidiaries. The advances are deducted from the final sales price realised by Fresh, net of expenses prior to payment to Orchards Invest's subsidiaries. In the event that at the end of a season there is a balance due to Fresh, Orchards Invest's subsidiary and Fresh will agree on payment terms.

Orchards Invest is ultimately owned by the preference shareholder of the Group.

Joint ventures

Transactions with joint ventures relate to sourcing, packing and selling of fruit and vegetables and logistic services.

Related parties	31 March 2018 €'000	31 March 2017 €'000
The Fruit Farm Group		
Purchase of products, services and other goods	83.061	47.411
Sales of services and other goods	6.087	3.771
Interest and similar revenue	8	-
Trade receivable incl advances	3.505	2.225
Trade payables	1.661	1.303
Orchards Invest Group		
Purchase of products, services and other goods	7.393	8.982
Sales of services and other goods	201	174
Trade receivable incl advances	2.051	65
Trade payables	-	19
De Weide Blik		
Purchase of products, services and other goods	125	-
Trade receivable incl advances	-	5
Trade payables	7	-
Joint ventures		
Purchase of products, services and other goods	15.472	17.015
Sales of services and other goods	554	716
Interest and similar revenue	-	67
Trade receivable incl advances	124	125
Trade payables	1.851	2.036

Remuneration of the Board of Directors and Leadership team

Remuneration	AY 17/18 €'000	AY 16/17 €'000
Board of Directors	1.011	916
Leadership team	4.790	3.849

The Board of Directors' remuneration includes the fee which Mr Hein Deprez (as permanent representative of Deprez Invest NV) received until 1 February 2018 in his capacity of Executive Chairman of the Board of Directors. The Leadership team's remuneration includes the remuneration of the CEO (excluding severance pay) and its other members. For more detailed information reference is made to chapter *Corporate Governance Statement* in the report of the Board of Directors.

The disclosures relating to the Belgian Corporate Governance Code of 2009 are included in the chapter *Corporate Governance Statement* in the report of the Board of Directors.

8.5. Events after balance sheet date

The Group announced on 3 April 2018 that an agreement with Ben De Pelsmaeker, Managing Director and Co-shareholder of Greenyard Fresh Direct Belgium NV, has been reached to take over his 49% stake in Fresh Direct Belgium NV. Through this transaction, closed in May 2018, the Group became 100% shareholder of Fresh Direct Belgium NV and Ben De Pelsmaeker became shareholder of Greenyard at € 19,68 per share.

There are no other major events subsequent to the balance sheet date which have a major impact on the further evolution of the Group.

8.6. Fees group auditor

During AY 17/18, additional services for a total amount of € 0,3m were provided by the statutory auditor and persons working under cooperative arrangements with him. These services mainly consist of supplementary audit and advisory services.

The audit fees charged to the Group for the accounting year ending 31 March 2018 amounted to € 1,5m.

All additional fees were presented in advance to the Audit Committee for approval. The Group's Audit Committee gave a positive decision on this extension.

STATEMENT OF RESPONSIBLE PERSONS

Declaration regarding the information given in this financial report for the 12 months period ended 31 March 2018.

Sint-Katelijne-Waver, 27 June 2018

The undersigned, in the name and on behalf of Greenyard NV, declare that, as far as they are aware:

- The financial statements, established in conformity with the applicable accounting standards, give a true and fair view of the equity, the financial position and the results of Greenyard NV, including its consolidated subsidiaries;
- The financial report for the 12 months period ended 31 March 2018 contains a true and fair statement of the important events, the results and the position of Greenyard NV, including its consolidated subsidiaries, as well as a comment on the principal risks and uncertainties confronting the Group.

Ahok BVBA, represented by Mr Koen Hoffman, Chairman of the Board of Directors

Deprez Invest NV, represented by Mr Hein Deprez, CEO and managing director

PDN BVBA, represented by Mr Carl Peeters, COO and CFO *ad interim*

STATUTORY AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Deloitte.

Statutory auditor's report to the shareholders' meeting of Greenyard NV for the year ended 31 March 2018 - Consolidated financial statements

In the context of the statutory audit of the consolidated financial statements of Greenyard NV ("the company") and its subsidiaries (jointly "the group"), we hereby submit our statutory audit report to you. This report includes our report on the consolidated financial statements together with our report on other legal, regulatory and professional requirements. These reports are one and indivisible.

We were appointed in our capacity as statutory auditor by the shareholders' meeting of 18 September 2015, in accordance with the proposal of the board of directors issued upon recommendation of the audit committee and presentation of the works council. Our mandate will expire on the date of the shareholders' meeting deliberating on the financial statements for the year ending 31 March 2018. Due to a lack of online archives dating back prior to 1997, we have not been able to determine exactly the first year of our appointment. We have performed the statutory audit of the consolidated financial statements of Greenyard NV for at least 20 consecutive periods.

Report on the audit of the consolidated financial statements

Unqualified opinion

We have audited the consolidated financial statements of the group, which comprise the consolidated statement of financial position as at 31 March 2018, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, as well as the summary of significant accounting policies and other explanatory notes. The consolidated statement of financial position shows total assets of 2 063 622 (000) EUR and the consolidated income statement shows a consolidated net profit for the year then ended of 3 429 (000) EUR.

In our opinion, the consolidated financial statements of Greenyard NV give a true and fair view of the group's net equity and financial position as of 31 March 2018 and of its consolidated results and its consolidated cash flow for the year then ended, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the "Responsibilities of the statutory auditor for the audit of the consolidated financial statements" section of our report. We have complied with all ethical requirements relevant to the statutory audit of consolidated financial statements in Belgium, including those regarding independence.

We have obtained from the board of directors and the company's officials the explanations and information necessary for performing our audit.

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matters
Goodwill impairment assessment	
The group's goodwill is recognized in 3 Cash Generating Units (CGUs): Long Fresh (79 Million EUR), Fresh (477 Million EUR) and Horticulture (78 Million EUR). We focused on this area due to the size of the goodwill balance (634 Million EUR as at 31 March 2018) and because the group's assessment of the 'value in use' of the 3 CGUs involves significant judgement in making estimates of cash flow projections, growth rates, REBITDA margin and discount rates. Due to the inherent uncertainty involved in forecasting and discounting cash flows, we consider this assessment as a key audit matter. The group disclosed the nature and the value of the assumptions used in the impairment test in note 7.2 to the consolidated financial statements.	In response to this key audit matter we inquired with central group management on the internal control procedures in place to identify impairment indicators and to ensure accuracy of the goodwill impairment assessment. Based on the outcome of our inquiry and our knowledge of significant events we assessed and challenged the existence of impairment indicators at CGU level. Further our audit procedures included amongst others the review of the methodology and management's assumptions used for each of the CGUs. Key assumptions relate to forecasted revenue growth, average REBITDA margin and discount rate applied. We involved internal valuation experts to assist us in this review especially in respect of assessing the reasonableness of the discount rate for each of the CGUs to which goodwill has been allocated. We challenged management's assumptions with reference to historical data, and where applicable, to external benchmarks. We carried out audit procedures on management's sensitivity calculations. We critically challenged and assessed the historical accuracy of management's budgets and forecasts. We compared current performance with forecasts and corroborated previous forecasts with actual data. We assessed the adequacy of the disclosures with respect to the impairment test and the sensitivity analyses.

Deferred taxes – Recoverability of deferred tax assets	
The company has a significant amount of deferred tax assets (56 Million EUR before set-off of assets and liabilities), mainly resulting from net tax losses. The total amount of tax losses for which a deferred tax asset has been set up amounts to 142 Million EUR (gross) at 31 March 2018. The risk exists that future (tax) profits will not be sufficient to fully recover the deferred tax assets. Management supports the recoverability of the deferred tax assets mainly with income projections that contain estimates of future taxable income. Changes in the business, its markets and changes in regulations may affect these projections. The recoverability of deferred tax assets is considered a key audit matter as the amount is material to the consolidated financial statements and the assessment process is judgemental and requires careful consideration in relation to expected future market and economic conditions. The group disclosed deferred tax assets in note 7.7 of the consolidated financial statements.	In this area, our audit procedures included, amongst others, assessing the appropriateness of the level of deferred tax assets recognized in the balance sheet. We mainly focused on the long-term forecasts and critically assessed and challenged the assumptions and judgements included in these forecasts by considering the historical accuracy of forecasts and the sensitivities of the profit forecasts. We furthermore considered also relevant tax laws and critically assessed the applied tax rates. We also assessed the adequacy of the related disclosures setting out the basis of the deferred tax assets.

Responsibilities of the board of directors for the consolidated financial statements

The board of directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements the board of directors is responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters to be considered for going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the group or to cease operations, or has no other realistic alternative but to do so.

Responsibilities of the statutory auditor for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. 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.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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 an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain 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 group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;
- conclude 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 group'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 consolidated 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 the group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and we communicate with them about all relationships and other matters that may reasonably be thought to bear our independence, and where applicable, related safeguards.

From the matters communicated to the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes any public disclosure about the matter.

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Report on other legal, regulatory and professional requirements

Responsibilities of the board of directors

The board of directors is responsible for the preparation and the content of the directors' report on the consolidated financial statements, the statement of non-financial information attached to the directors' report on the consolidated financial statements and other matters disclosed in the annual report.

Responsibilities of the statutory auditor

As part of our mandate and in accordance with the Belgian standard complementary (Revised in 2018) to the International Standards on Auditing (ISA), our responsibility is to verify, in all material respects, the director's report on the consolidated financial statements, the statement of non-financial information attached to the directors' report on the consolidated financial statements and other matters disclosed in the annual report, as well as to report on these matters.

Aspects regarding the directors' report on the consolidated financial statements and other matters disclosed in this report

In our opinion, after performing the specific procedures on the directors' report on the consolidated financial statements, this report is consistent with the consolidated financial statements for the period ended 31 March 2018 and it has been established in accordance with the requirements of article 119 of the Companies Code.

In the context of our statutory audit of the consolidated financial statements we are also responsible to consider, in particular based on information that we became aware of during the audit, if the director's report on the consolidated financial statements is free of material misstatement, either by information that is incorrectly stated or otherwise misleading. In the context of the procedures performed, we are not aware of such material misstatement. We do not express any kind of assurance on the director's report on the consolidated financial statements.

The non-financial information as required by article 119, § 2 of the Companies Code, has been disclosed in the directors' report on the consolidated financial statements. This non-financial information has been established by the company in accordance with the GRI Standards. We do however not express any opinion on the question whether this non-financial information has been established, in all material respects, in accordance with these GRI Standards. Furthermore, we do not express any form of assurance conclusion on individual elements that have been disclosed in this non-financial information.

Statements regarding independence

- Our audit firm and our network have not performed any prohibited services and our audit firm has remained independent from the company during the performance of our mandate.
- The fees for the additional non-audit services compatible with the statutory audit of the consolidated financial statements, as defined in article 134 of the Companies Code, have been properly disclosed and disaggregated in the notes to the consolidated financial statements.

Other statements

- This report is consistent with our additional report to the audit committee referred to in article 11 of Regulation (EU) No 537/2014.

Ghent, 28 June 2018

The statutory auditor

DELOITTE Bedrijfsrevisoren / Réviseurs d'Entreprises
BV o.v.v.e. CVBA / SC s.f.d. SCRL
Represented by

Mario Dekeyser

Charlotte Vanrobaeys

CONDENSED STATUTORY ACCOUNTS OF THE PARENT COMPANY GREENYARD NV, ACCORDING TO BELGIAN ACCOUNTING STANDARDS

The statutory financial statements of the parent company, Greenyard NV, are presented below in a condensed form. The statutory auditor issued an unqualified report on the financial statements of Greenyard NV. In accordance with Belgian company law, the directors' report and financial statements of the parent company, Greenyard NV, together with the statutory auditor's report, will be deposited with the National Bank of Belgium as provided by law.

They are available on our website www.greenyard.group and on request from:

Greenyard NV
Strijbroek 10
BE – 2860 Sint-Katelijne-Waver
Belgium
www.greenyard.group

ASSETS	Codes	31 March 2018 €'000	31 March 2017 €'000
NON-CURRENT ASSETS	20/28	424.147	334.411
Formation expenses	**20**	**1.565**	**1.638**
Intangible assets	**21**	**67**	**50**
Tangible assets	**22/27**	**9.960**	**7.354**
Land and buildings	22	9.182	6.806
Plant, machinery and equipment	23	7	-
Furniture and vehicles	24	-	-
Leasing and other similar rights	25	78	-
Other tangible assets	26	-	-
Assets under construction and advance payments	27	693	548
Financial assets	**28**	**412.556**	**325.369**
Affiliated enterprises	280/1	398.897	325.369
Participating interests	280	398.897	325.369
Amounts receivable	281	-	-
Other enterprises linked by participating interests	282/3	9.740	-
Participating interests	282	9.740	-
Amounts receivable	283	-	-
Other financial assets	284/8	3.919	-
Shares	284	3.919	-
Amounts receivable and cash guarantees	285/8	-	-
CURRENT ASSETS	29/58	379.067	423.433
Amounts receivable after more than one year	**29**	**352.871**	**373.708**
Trade receivables	290	-	-
Other amounts receivable	291	352.871	373.708
Stocks and contracts in progress	**3**	**-**	**-**
Stocks	30/36	-	-
Raw materials and consumables	30/31	-	-
Work in progress	32	-	-
Finished goods	33	-	-
Goods purchased for resale	34	-	-
Immovable property acquired or constructed for resale	35	-	-
Advance payments	36	-	-
Contracts in progress	37	-	-
Amounts receivable within one year	**40/41**	**3.142**	**32.358**
Trade receivables	40	1.657	10.143
Other amounts receivable	41	1.485	22.214
Investments	**50/53**	**-**	**-**
Own shares	50	-	-
Other investments and deposits	51/53	-	-
Cash at bank and in hand	**54/58**	**199**	**1.496**
Deferred charges and accrued income	**490/1**	**22.855**	**15.872**
TOTAL ASSETS	20/58	803.214	757.844

LIABILITIES	Codes	31 March 2018 €'000	31 March 2017 €'000
EQUITY	**10/15**	**442.733**	**458.279**
Capital	**10**	**293.852**	**293.852**
Issued capital	100	293.852	293.852
Uncalled capital	101	-	-
Share premiums	**11**	**-**	**-**
Revaluation surplus	**12**	**-**	**-**
Reserves	**13**	**46.241**	**32.637**
Legal reserve	130	9.474	9.474
Reserves not available for distribution	131	30.064	16.460
In respect of own shares held	1310	30.039	16.436
Other	1311	25	25
Untaxed reserves	132	1.477	1.477
Reserves available for distribution	133	5.226	5.226
Profit/ loss (-) carried forward	**14**	**102.640**	**131.790**
Investment grants	**15**	**-**	**-**
Advance to shareholders on the split of net assets	**19**	**-**	**-**
PROVISIONS AND DEFERRED TAXATION	**16**	**-**	**-**
Provisions for liabilities and charges	160/5	-	-
Pensions and similar obligations	160	-	-
Taxation	161	-	-
Major repairs and maintenance	162	-	-
Environment liabilities	163	-	-
Other liabilities and charges	164/5	-	-
Deferred taxation	168	-	-
CREDITORS	**17/49**	**360.481**	**299.566**
Amounts payable after more than one year	**17**	**330.536**	**150.000**
Financial debts	170/4	330.536	150.000
Subordinated loans	170	-	-
Unsubordinated bonds	171	150.000	150.000
Leasing and other similar obligations	172	36	-
Credit institutions	173	-	-
Other loans	174	180.500	-
Trade debts	175	-	-
Suppliers	1750	-	-
Bills of exchange payable	1751	-	-
Advances received on contracts in progress	176	-	-
Other amounts payable	178/9	-	-
Amounts payable within one year	**42/48**	**23.765**	**142.987**
Current portion of amounts payable after more than one year	42	39	-
Financial debts	43	-	27.897
Credit institutions	430/8	-	10.000
Other loans	439	-	17.897
Trade debts	44	7.040	5.598
Suppliers	440/4	7.040	5.598
Bills of exchange payable	441	-	-
Advances received on contracts in progress	46	-	-
Taxes, remuneration and social security	45	676	433
Taxes	450/3	205	265
Remuneration and social security	454/9	471	168
Other payables	47/48	16.010	109.059
Accrued charges and deferred income	**492/3**	**6.181**	**6.579**
TOTAL EQUITY AND LIABILITIES	**10/49**	**803.214**	**757.844**

INCOME STATEMENT	Codes	AY 17/18 €'000	AY 16/17 €'000
Operating income	**70/76A**	**17.428**	**158.521**
Turnover	70	13.923	114.898
Increase (+) ; Decrease (-) in stocks of finished goods and work and contracts in progress	71	-	9.149
Own construction capitalised	72	-	-
Other operating income	74	3.501	8.845
Non-recurring operating profit	76A	4	25.629
Operating charges	**60/66A**	**24.241**	**128.166**
Raw materials. consumables and goods for resale	60	-	82.735
Purchases	600/8	-	84.745
Increase (-) ; Decrease (+) in stocks	609	-	-2.010
Services and other goods	61	18.260	20.554
Remuneration, social security costs and pensions	62	2.916	11.447
Depreciation of and other amounts written off formation expenses, intangible and tangible assets	630	1.174	4.132
Increase (+) ; Decrease (-) in amounts written off stocks, contracts in progress and trade receivables	631/4	-	52
Increase (+) ; Decrease (-) in provisions for liabilities and charges	635/8	-	-164
Other operating charges	640/8	1.889	9.409
Operating charges capitalised as reorganisation	649	-	-
Non-recurring operating charges	66A	2	-
Operating profit/loss (-)	**9901**	**-6.812**	**30.356**
Financial income	**75/76B**	**12.290**	**95.152**
Recurring financial income	75	11.732	39.199
Income from financial assets	750	0	16.500
Income from current assets	751	11.710	17.845
Other financial income	752/9	21	4.854
Non-recurring financial income	76B	558	55.953
Financial charges	**65/66B**	**12.004**	**22.025**
Recurring financial charges	65	11.446	13.286
Interest and other debts charges	650	10.317	12.642
Increase (+) ; Decrease (-) in amounts written off current assets other than stocks, contracts in progress and trade receivables	651	-	-
Other financial charges	652/9	1.129	644
Non-recurring financial charges	66B	558	8.739
Profit/loss (-) for the period before taxes	**9903**	**-6.527**	**103.482**
Transfer from deferred taxation	**780**	**-**	**1**
Transfer to deferred taxation	**680**	**-**	**-**
Income taxes	**67/77**	**145**	**7**
Income taxes	670/3	145	7
Adjustment of income taxes and write-back of tax provisions	77	-	-
Profit/loss (-) of the period	**9904**	**-6.672**	**103.476**
Transfer from untaxed reserves	**789**	**-**	**-**
Transfer to untaxed reserves	**689**	**-**	**-**
Profit/loss (-) for the period available for appropriation	**9905**	**-6.672**	**103.476**

APPROPRIATION ACCOUNT	Codes	AY 17/18 €'000	AY 16/17 €'000
Profit/loss (-) to be appropriated	**9906**	**125.118**	**162.274**
Profit/loss (-) for the period available for appropriation	(9905)	-6.672	103.476
Profit/loss (-) brought forward	14P	131.790	58.797
Transfers from equity	**791/2**	**-**	**-**
From capital and share premiums	791	-	-
From reserves	792	-	-
Transfers to equity	**691/2**	**13.603**	**21.609**
To capital and share premiums	691	-	-
To legal reserve	6920	-	5.174
To other reserves	6921	13.603	16.436
Profit/loss (-) to be carried forward	**(14)**	**102.640**	**131.790**
Shareholders' contribution in respect of losses	**794**	**-**	**-**
Distribution of profit	**694/7**	**8.875**	**8.875**
Dividends	694	8.875	8.875
Directors' emoluments	695	-	-
Employees	696	-	-
Other allocations	697	-	-

FINANCIAL DEFINITIONS

CAPEX	Capital expenditures
EBIT	Operating result
EPS	Earnings per share
IRS	Interest rate swap
Liquidity	Current assets (including assets classified as held for sale)/Current liabilities (including liabilities related to assets classified as held for sale)
Leverage	NFD/Adjusted REBITDA
Net financial debt (NFD)	Interest-bearing debt (at nominal value) less derivatives, bank deposits, cash and cash equivalents
Net result	Profit/loss (-) for the period
Non-recurring items	Non-recurring items are those that in management's judgement need to be disclosed by virtue of their size or incidence. Such items are disclosed on the face of the consolidated income statement and separately disclosed in the notes to the financial statements. Transactions which may give rise to non-recurring items are principally restructuring and reorganisation activities, impairments, disposal of assets and investments, claims, IFRS 3 acquisition accounting and merger & acquisition projects and the effect of the accelerated repayment of certain financial indebtedness.
REBITDA	EBIT corrected for depreciation, amortisation and impairments excluding non-recurring items and EBIT corrected for depreciation, amortisation and impairments from minor divested operations
Adjusted REBITDA	Last twelve months REBITDA, adjusted for acquisitions
Working capital	Working capital is the sum of the inventories, trade and other receivables (non-current and current) and trade and other payables (current). In this respect trade and other receivables are corrected for long-term (financing) receivables and accrued interest income and trade and other payables exclude accrued interest expenses and dividend payable.
AY 17/18	Accounting year ended 31 March 2018
AY 16/17	Accounting year ended 31 March 2017

ABOUT GREENYARD

Greenyard (Euronext Brussels: GREEN) is a global market leader of fresh, frozen and prepared fruit & vegetables, flowers, plants and growing media. Counting Europe's leading retailers amongst its customer base, the group provides efficient and sustainable solutions to customers and suppliers through best-in-class products, market leading innovation, operational excellence and outstanding service.

Our vision is to make lives healthier by helping people enjoy fruit & vegetables at any moment, easy, fast and pleasurable, whilst fostering nature.

With more than 10,000 employees operating in 27 countries worldwide, Greenyard identifies its people and key customer and supplier relationships as the key assets which enable it to deliver goods and services worth more than € 4 billion per annum.

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www.greenyard.group

for a healthier future