



Greenyard NV

Statutory auditor's report to the shareholders' meeting on the annual accounts for the year ended 31 March 2017

The original text of this report is in Dutch

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As required by law and the company's articles of association, we report to you in the context of our appointment as the company's statutory auditor. This report includes our report on the annual accounts together with our report on other legal and regulatory requirements. These annual accounts comprise the balance sheet as at 31 March 2017 and the income statement for the year then ended, as well as the summary of accounting policies and other disclosures.

Report on the annual accounts – Unqualified opinion

We have audited the annual accounts of Greenyard NV ("the company"), prepared in accordance with the financial reporting framework applicable in Belgium, which show total assets of 757,844 (000) EUR and a profit for the year of 103,476 (000) EUR.

Board of directors' responsibility for the preparation of the annual accounts

The board of directors is responsible for the preparation and fair presentation of annual accounts in accordance with the financial-reporting framework applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

Statutory auditor's responsibility

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA) as adopted in Belgium. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the statutory auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the statutory auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the annual accounts. We have obtained from the company's officials and the board of directors the explanations and information necessary for performing our audit.

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

Unqualified opinion

In our opinion, the annual accounts of Greenyard NV give a true and fair view of the company's net equity and financial position as of 31 March 2017 and of its results for the year then ended, in accordance with the financial reporting framework applicable in Belgium.

Report on other legal and regulatory requirements

The board of directors is responsible for the preparation and the content of the directors' report on the annual accounts, as well as for maintaining the company's accounting records in compliance with the legal and regulatory requirements applicable in Belgium and for the company's compliance with the Companies Code and the company's articles of association.

As part of our mandate and in accordance with the Belgian standard complementary to the International Standards on Auditing applicable in Belgium, our responsibility is to verify, in all material respects, compliance with certain legal and regulatory requirements. On this basis, we make the following additional statements, which do not modify the scope of our opinion on the annual accounts:

- The director's report, prepared in accordance with articles 95 and 96 of the Companies Code and to be filed in accordance with article 100 of the Companies Code, includes, both in form and in substance, the information required by law, is consistent with the annual accounts and is free from any material inconsistencies with the information that we became aware of during the performance of our mandate.
- The social balance sheet, to be filed in accordance with article 100 of the Companies Code, includes, both in form and in substance, the information required by law and is free from any material inconsistencies with the information available in our audit file.
- Without prejudice to certain formal aspects of minor importance, the accounting records are maintained in accordance with the legal and regulatory requirements applicable in Belgium.
- The appropriation of results proposed to the general meeting is in accordance with the relevant requirements of the law and the company's articles of association.
- There are no transactions undertaken or decisions taken in violation of the company's articles of association or the Companies Code that we have to report to you.
- The Board of Directors have made following decisions in view of article 523 and/or 524 of the Company Code, as explained in the minutes of the Board of Directors:
 - On 1 June 2016, the Board of Directors decided on the consultancy services provided by Intal BVBA, represented by Johan Vanovenberghe, to the company as from the business combination between Greenyard Foods NV, FieldLink NV and Peatinvest NV. Intal BVBA, in its capacity of director-legal entity of the Company, and Johan Vanovenberghe, in his capacity of legal representative of a director-legal entity of the Company, has a conflicting interest in providing consultancy services to the Company. The financial judicial implications of the company amount to a monthly fee of 15,300 EUR.
 - On 5 July 2016, the Board of Directors has deliberated and decided on the remuneration of the Chief Executive Officer. The following director-legal entity had a conflict of interest: Mavac BVBA and Marleen Vaesen in her capacity as permanent representative of her respective director-legal entity. The financial judicial implications for the company amount to *an increase of the current (gross) annual fixed remuneration of the CEO with 10% as of April 1, 2016 (AY 16/17)*.

- On 27 November 2016, the Board of Directors decided on the termination of the existing lease agreement between De Weide Blik RE Poland Sp. Z o.o. (*De Weide Blik RE Poland*) and Greenyard Logistics Poland Sp. Z o.o. (*Greenyard Logistics Poland*) (formerly known as Univeg Logistics Poland Sp. Z o.o.) and the conclusion of a new lease agreement. The Board of Directors also decided on the parent company guarantee to be provided in accordance with the new lease agreement by Greenyard to guarantee the obligations of its subsidiary Greenyard Logistics Poland under the lease agreement. The directors Mr Hein Deprez (as permanent representative of Deprez Invest NV), Ms Veerle Deprez (as permanent representative of Management Deprez BVBA), Mr Marc Ooms (as permanent representative of Bonem Beheer BVBA) and Mr Johan Vanovenberghe (as permanent representative of Intal BVBA) had a conflict of interest. We hereby refer to our separate report on this matter and the application of article 524 of the Companies Code, as attached to the auditor's report on the annual accounts as at 31 March 2017.

- On 7 December 2016, the Board of Directors decided on the refinancing of the financial instruments on Group level by issuing convertible bonds convertible into newly issued Company's ordinary shares, in combination with syndicated bank financing. The directors Mr Hein Deprez (as permanent representative of Deprez Invest NV) and Ms Veerle Deprez (as permanent representative of Management Deprez BVBA) had a conflict of interest.
On 15 December 2016 the Board of Directors, held in front of notary Tim Carnewal, decided on the capital increase in kind in Greenyard NV, within the limits of its authorised capital and on the condition precedent of issuance of the convertible bonds, by means of the contribution by the holders of convertible bonds in Greenyard Fresh Holding BE NV (*Greenyard Fresh Holding BE*) (formerly known as FieldLink NV), a subsidiary of the Company, of their receivable against Greenyard Fresh Holding BE into Greenyard NV (subject to the effective exercise of their conversion right). The directors Mr Hein Deprez (as permanent representative of Deprez Invest NV), Ms Veerle Deprez (as permanent representative of Management Deprez BVBA), Mr Thomas Borman, Mr Marc Ooms (as permanent representative of Bonem Beheer BVBA) and Mr Johan Vanovenberghe (as permanent representative of Intal BVBA) had a conflict of interest.
The potential conflict of interest of these directors relates to their intention to subscribe, as the case may be, through a company controlled by them, for convertible bonds.
The financial judicial implications for the company relate to the fact that 1) the Refinancing will allow the Group to refinance its external financing under favourable conditions 2) the new credit instruments will be available for the entire Group 3) the Refinancing should allow the Group to create a stable financing structure in the long term which should allow the Group to implement its medium-term plan as laid down in the current business plan and 4) the Group can reduce further its annual interest costs, which is in the interest of the Company and its shareholders in general.

- On 27 March 2017, the Board of Directors decided on the proposed early repayments by Orchards Invest Services B.V. and The Fruit Farm Group B.V. to Greenyard Fresh Belgium NV, following a loan granted to respectively, Orchards Invest Services B.V. pursuant to a working capital facility agreement dated 19 July 2012 (as amended from time to time) (the *Orchards Invest Loan Agreement*) and The Fruit Farm Group B.V. pursuant to a subordinated shareholders' loan agreement dated 17 December 2014 (the *The Fruit Farm Group Loan Agreement*). The directors Mr Hein Deprez (as permanent representative of Deprez Invest NV), Ms Veerle Deprez (as permanent representative of Management Deprez BVBA), Mr Marc Ooms (as permanent representative of Bonem Beheer BVBA) and Mr Johan Vanovenberghe (as permanent representative of Intal BVBA) had a conflict of interest. We hereby refer to our separate report on this matter and the application of article 524 of the Companies Code, as attached to the auditor's report on the annual accounts as at 31 March 2017.

Gent, 17 July 2017

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

