GREENYARD

Financial Report 2018-2019

for a healthier future

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REPORT OF THE BOARD OF DIRECTORS

PREFACE BY THE CO-CEOs

"Facing one of the most challenging years in the history of the company, forced us to transform Greenyard faster to unlock the large untapped potential for the future"

Greenyard has faced a number of challenges in the past year, ranging from fierce market pressure in its Fresh segment where we are transforming our business model into a partnership model, combined with extremely dry climatological circumstances in our prime harvesting season in Fresh and Long Fresh, to managing the consequences of a recall action in our Frozen division.

The combination of all these events has forced us to rationalise our footprint, to revitalise our relationships with our main customers and with all of our stakeholders. Decisively, we have chosen to strengthen our management team for the hard road ahead and to immediately implement a Transformation Plan that was based on three pillars:

(i) We need to revitalise our commercial relationships by advancing faster in the partnerships;
(ii) Operational excellence is and will always be top of mind and an element of continuous improvement;
(iii) We need to strive for financial health of the company after years of expansion and growth.

Today, we show that we are progressing strongly with our customers. In our Fresh segment, we have been able to forge more extensive partnerships with Carrefour and Delhaize, and in our Frozen division, we are pioneering a partnership with our long-standing customer Tesco. Other partnerships are in the making.

In parallel, we focus on executing the two other pillars of the Transformation Plan: we realise savings that will become visible in the next quarters, but are also laying the foundations for using our scale and synergies for the benefit of the company. Likewise, we execute the divestments that we promised, of which the sale of Greenyard Frozen Hungary is the first signed agreement. Other divestments are in equally advanced stages, while some others are getting started, but all are on track.

We also realise that it takes more effort to reach financial health and to restore the confidence of our stakeholders. That is why we continue conversations with potential cornerstone investors that will ultimately lead to a capital increase. We also continue to explore the sale of our Prepared division.

We strongly believe that Greenyard is at the forefront of shaping a more efficient, sustainable and quality driven fruit and vegetable landscape and is committed to make this happen.

We thank our employees, customers and other stakeholders for their continued belief and support. Our vision is to increase the consumption of fruit and vegetables and we feel that, by working as a group and in partnerships with our customers, the retailers, we have the tools to do that and to ensure a healthier future for all.

Hein Deprez & Marc Zwaaneveld
co-CEOs Greenyard

KEY FINANCIALS AY 18/19

- **Sales**. Overall Group net sales amounted to € 3.911,5m, indicating a decline of -4,3% YoY.
  - Fresh sales amounted to € 3.188,7m, down € 154,2m from € 3.342,9m last year (-4,6%), mainly due to a volume decline from continuing market pressure in most of its key markets, in combination with the effects of the extreme weather conditions of last summer. In Q4, Fresh slightly recovered from its Q3 low performance by reaching sales of € 810,7m (-5,0% YoY), versus Q3 sales of € 730,2m (-6,6% YoY).
  - Long Fresh sales amounted to € 722,8m, down € 20,0m from € 742,8m (-2,7%). The decline in Long Fresh is primarily due to the recall and related delays in production and distribution of Frozen products in the summer of 2018, alongside the effects of the extreme weather conditions during summer, resulting in lower crop yields, only partly offset by better product mix and prices. In Q4, Long Fresh continued its steady recovery from the previous period. Q4 Sales amounted to € 196,5m (0,8% YoY) versus Q3 sales of € 194,5m (-2,0%).
- **Adjusted EBITDA lands at upper end of the guidance.** Group adjusted EBITDA amounts to € 64,5m. The decrease of € 64,3m YoY (-49,9%) is attributable to the following elements:

  - Fresh: the ultimate low adjusted EBITDA of € 25,0m versus € 72,7m last year (-65,7%), resulted from a drop in sales due to the continuing competitive market pressure and due to price, quality and quantity effects of the extreme weather conditions. In addition, our mission to become the partner of the retailer and consequential shift from the transactional model to a partnership model has resulted in margin vulnerability in this transitional year. Greenyard's partnership models continue to perform well and show resilience and stability in challenging market conditions.
  - Long Fresh: the adjusted EBITDA amounted to € 41,9m for the AY 18/19 versus € 56,7m last year (-26,2%). A loss in volumes and lower cost absorption, of which the majority is due to the recall in Greenyard's Frozen division, and the extremely dry summer are the main drivers of the decreased adjusted EBITDA.
- **Execution of the Transformation Plan on course, showing first signs of recovery.** Greenyard remains on course in executing its Transformation Plan. The Transformation Plan is expected to result in an increase in adjusted EBITDA of € 20,0m in AY 19/20, and a cumulative increase of € 44,0m for AY 20/21, resulting in an adjusted EBITDA of more than € 100,0m in AY 20/21. Greenyard already notes that its April 2019 performance ended above budget and above last year.
  - Greenyard continues to invest further in its partnership model. New partnerships have been announced with Carrefour, Delhaize and Tesco and more partnerships are in the pipeline. These new partnerships will start contributing to the results in the coming quarters. In this respect, Greenyard is shifting the majority of its Fresh sales into the more stable partnership model.
  - Furthermore, Greenyard has executed various projects to reduce costs in logistics, waste management, procurement and labour (reduction in workforce), which are on track and expected to result in an improved adjusted EBITDA already as of the coming months.
- **Net result affected by one-off costs (adjustments) and non-cash impairment.** One-off items such as recall costs, reorganisation costs and a goodwill impairment in Long Fresh resulted in a net loss (before discontinued operations) of € 192,0m.
  - Adjustments. Greenyard is currently in the process of a further transformation of the Group, addressing the competitive challenges of last year as well as recovering from the recall in its Frozen division in the summer of 2018. As a result, Greenyard is accounting for a number of one-off items, of which the main items are (i) recall action and consequences (€ 25,7m), and (ii) reorganisation costs (€ 14,6m).
  - Goodwill impairment. A goodwill impairment on Long Fresh (€ 78,9m), due to a delay in the execution of the business plan in Long Fresh caused by to the events over the summer.
- **Discontinued operations.** Discontinued operations include the impact of the sale of the Horticulture segment, which was finalised in December 2018 and amounts to € -45,7m, leading to an overall net result of € -237,7m.
- **Net financial debt under control.** Net financial debt (NFD) increases by € 37,2m ended at € 456,3m, up from € 419,1m last year, mainly due to non-recurring costs related to the transformation and the recall in its Frozen divisions. Greenyard also received € 120,0m proceeds from the sale of the Horticulture segment, offsetting a deterioration of its working capital. On 11 April 2019, Greenyard signed a consent letter with its relationship banks for a covenant waiver period until June 2020, which allows Greenyard the time and calm to implement and execute its Transformation Plan. The consent is conditional upon realising the various transformation results, the divestment of non-core assets in a timely and diligent manner, the identification of a cornerstone investor that supports a subsequent additional capital raise, as well as the exploration of a sale of its Prepared division. Further to this consent letter, Greenyard's banks have waived the leverage and interest ratio covenants up to and including June 2020. For AY 18/19, the decrease in adjusted EBITDA combined with the increase in NFD results in a leverage of 7,1x.
- **Divestments are on track.** Greenyard is committed to reduce the net financial debt and leverage in the coming three years to a leverage ratio below 3,0x. Combined with a gradual recovery of the LTM adjusted EBITDA over the coming years, Greenyard has identified assets that are no longer essential in maintaining its service level towards its customers and is in the process of divesting these assets. Greenyard is expecting to yield cash proceeds in a range of € 50,0m to € 75,0m. In the meantime, Greenyard has closed the divestment of its Greenyard Frozen Hungary facility in Baja. Other divestments are also in well advanced stages of divestment, while others are currently being prepared for divestment.
- **Exploration sale of Prepared on course.** Greenyard has initiated the exploration of the sale of its Prepared division. This project continues its course.
- **Conversations with cornerstone investors ongoing.** Over the past couple of months Greenyard has initiated conversations with a shortlisted number of potential cornerstone investors with the intention to close a deal at the latest by the end of AY 19/20.
- **Dividend.** The Board of Directors will propose not to pay a dividend for AY 18/19.

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 2019.

1. Consolidated income statement

Following IFRS 5, all income and costs related to Horticulture are presented within profit/loss (-) for the period from discontinued operations for AY 17/18 and AY 18/19.

Sales

Net sales are down 4,3% or € 174,2m year-on-year (€ 3.911,5m). The decrease is due to an underperformance in both segments, caused by lower volumes due to ongoing market pressure, mainly in Fresh, on top of bad weather (drought) that impacted both segments and a recall in the Frozen division. In Fresh, sales amount to € 3.188,7m, down 4,6% versus last year (€ 3.342,9m) primarily due to a decline in volumes. In Long Fresh, sales decrease to € 722,8m versus € 742,8m last year (-2,7%), resulting largely from a recall in our Frozen division (which had a temporary effect on sales) and the drought, impacting both divisions in Long Fresh.

FX does not impact sales, where M&A/divestitures impact sales positively by 0,3%. Therefore, internal or organic sales growth amount to -4,6%.

Fresh represents 81,5% of consolidated sales, while Long Fresh represents 18,5%.

Gross profit

Gross profit decreases by € 76,8m from € 275,7m to € 199,0m (-27,8%), which is mainly due to the decrease in sales of € 174,2m, versus an improvement in the cost of sales of € 97,4m. The gross profit margin decreases from 6,7% to 5,1%.

EBIT

EBIT decreases significantly from € 34,9m to € -133,4m given the lower gross profit for AY 18/19, and the rather slightly increasing SG&A costs (€ 4,7m), representing 6,5% of sales versus 6,1% last year, the goodwill impairment (€ 78,9m) and the movement in other operating income/expense (€ -8,4m).

Net finance income / cost

Net finance costs increase by € 3,4m year-over-year to € 38,0m. Net interest expenses (excluding amortisation) increase by € 6,4m. The increase is due to increased interest expenses on a higher amount of debt.

Income tax expense / income

The corporate income tax expense of € 20,6m translates into a consolidated effective tax rate of -12,02%, due to the non-deductible goodwill impairment and the reversal and non-recognition of tax losses.

2. Consolidated statement of financial position

Non-current assets

Non-current assets decrease by € 257,6m to € 1.103,8m, primarily due to the disposal of Horticulture for € 153,0m, a decrease for goodwill impairment Long Fresh for € 78,9m and depreciation and amortisation for € 71,1m partly compensated by investments in property, plant & equipment and intangible assets for € 55,5m.

Property, plant & equipment decreases as it is the net result of the disposal of Horticulture (€ 54,3m), ongoing investments (€ 43,6m) and depreciation (€ 50,2m). The investments consist of land and buildings (€ 1,3m), plant, machinery and equipment (€ 23,4m), furniture and vehicles (€ 3,6m), leasing (€ 2,1m) and assets under construction (€ 13,2m).

The decrease in goodwill concerns the goodwill impairment for Long Fresh (€ 78,9m) and disposal of Horticulture (€ 77,9m).

The disposal of Horticulture also impacts the movement in other intangible assets for € 24,8m, of which € 20,7m related to customer relationships. The investments in software and licences amount to € 11,9m, while amortisation for an amount of € 18,8m, of which € 14,5m related to customer relations, trigger a decrease in other intangibles assets.

Current assets

Current assets increase by € 51,3m to € 753,6m. The increase is mainly clarified by the restricted cash of € 125,0m and is only partly offset by a decrease in inventories (€ 40,8m) and trade and other receivables (€ 47,3m).

Equity

Total equity amounts to € 467,9m and represents 25,2% of total equity and liabilities at 31 March 2019. The decrease of € 241,3m compared to 31 March 2018 mainly results from the loss of the period (€ 237,7m).

Non-current liabilities

Non-current liabilities decline by € 281,7m to € 197,9m. This decline is mainly due to a decrease in interest-bearing loans of € 283,5m.

The decrease in interest-bearing loans is the result of the decrease in bond loans of € 147,1m (given the short-term repayment of the retail bond) and the decrease in bank loans of € 137,0m being the entire term loan which is presented as a current liability as Greenyard was still in negotiations per 31 March 2019 with its banks to waive a breach with certain conditions of the term loan agreement. As the consent agreement related to the breach is only signed in April 2019 (see note 8.5. *Events after balance sheet date*), under the Facility Agreement the relevant bank debt is technically due per 31 March 2019. However; according to the contractual terms of the term loan € 125,0m should be presented as a long-term debt per 31 March 2019.

Current liabilities

Current liabilities amount to € 1.191,6m, representing a € 316,8m increase compared to 31 March 2018. This increase is the net result of an increase in interest-bearing loans (€ 460,0m) and provisions (€ 4,4m) and a decrease in trade and other payables (€ 146,9m).

The increase in interest-bearing loans is mainly the result of the shift from non-current to current liabilities for the retail bond and the term loan and higher withdrawn amount on the revolving credit facility on 31 March 2019 compared to 31 March 2018, following the restricted cash of € 125,0m resulting from the sales of Horticulture and a building in the Netherlands.

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 flow from operating activities amounts to € -51,1m in AY 18/19, compared to a cash flow from operating activities of € 115,1m in AY 17/18 or a decrease of € 166,2m. This decrease is the result of a combination of a lower EBIT corrected for mainly non-cash EBIT adjustments (€ 85,6m) and a higher net working capital[1] cash outflow for € 86,4m from € 11,1m in AY 17/18 to € -75,3m in AY 18/19. The amount of income taxes paid (€ 6,9m) decreases compared to AY 17/18.

The cash flow from investing activities amounts to € 55,9m, which is € 187,0m higher than in AY 17/18. The improvement can be explained by the disposals from subsidiaries (mainly Horticulture) in AY 18/19 of € 117,4m and the acquisition of subsidiaries in AY 17/18 (mainly Mykogen transaction) of € 60,5m. Acquisitions of intangible assets and property, plant & equipment decrease by € 3,8m (from € 71,8m in AY 17/18 to € 68,0m in AY 18/19), while disposals of intangible assets and property, plant & equipment generated an increased cash in of € 4,8m.

The cash flow from financing activities increases with € 43,9m to € 5,2m. This is mainly the result of increased borrowings, partly compensated by the restricted cash of € 125,0m.

[1] Please refer to *Financial definitio*ns for the definition.

DIVIDENDS

The Board of Directors proposes not to pay a dividend for the current accounting year 18/19, based on the weak performance of this year. For next years, Greenyard is determined to decrease its leverage ratio below 3,0x and will decide on the payment of dividends in light of reaching such target and a sounder financial health.

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 and Poland. 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 fixed price or agreed price ranges.

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 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 68% 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 through own purchase organisations, and/or (iii) changing trends in the industry.

The Group believes its customer intimacy strategy is key to the pursuit of margin and volume 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.

Partnership model

The Group's strategy of establishing holistic partnerships with main retailers and vertically integrating with them may not be successful. The Group is pursuing a transition from a trading model to a partnership model (implying, among other things, a change from transaction-based purchasing to more category purchasing agreements) in its customers' relationships. In such partnership model, the Group provides an assortment of products and services to its customers creating an interdependence relationship between the Group and its customers, and making it more difficult for the relevant customers to switch supplier.

Certain frictions arise due to the Group's transition from a trading to a partnership model, which proceeds at a slow pace: such transition temporarily combines high services levels with margin vulnerability, allowing adverse market conditions to cause disappointing short-term results. In addition, it can also not be guaranteed that a new partnership (post transition) will be as profitable as existing partnership models.

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.

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 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[2], in order to cope with important working capital swings, and continuously aims at securing its funds and resources accordingly.

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

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 have difficulties 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 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*.

Credit risk

The Group is exposed to the risks associated with their counterparties being unable to perform their 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 customers of the Group have varying degrees of creditworthiness, exposing the Group to the risk of non- payment or other default under its contracts and other arrangements with them. 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. For entities excluded from the factoring program the receivables or included in de credit insurance.

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 the produce delivered by the counterparty. Further reference is made to note 7.18. *Risk management policy*.

Indebtedness, liquidity risk and covenant compliance

The Group is highly financially leveraged. On one hand, term and revolving credit facility loans provided by syndicated lenders depend on semi-annual covenant testing. Over the last year actual results did not meet the covenant targets, requiring waivers granted in September 2018 and a 15-month waiver period granted in April 2019. As described in the note 4. *Going concern*, these waivers are conditional on achieving profitability, liquidity and Transformation Plan targets. Although sufficient contingencies have been included and executive management and the Board of Directors feel confident that the conditions will be met, risk exists that further negotiations would be needed with the syndicated lenders to request amendments in case deviations would occur.

On the other hand, last year's results and one-off cash outs have put pressure on liquidity. Liquidity is dependent on maintaining the existing syndicated loans which has been secured by a waiver period, see above. Furthermore, working capital financing depends on factoring of outgoing invoices and on maintaining supplier financing. Cash shortage could restrict the opportunities to grow the business or necessitate to find extra funding. As to factoring, risk is mitigated as factoring banks confirmed the waiver period and a sustainable sales growth is expected after last year's dip. As to suppliers, credit insurers have aligned their credit limits with the lower profitability of the Group. As described in note 4. *Going concern*, the Group has refined its short-term liquidity forecasting and secured the necessary funding, including sufficient headroom, in order to pay its suppliers in time and build inventories in Long Fresh.

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*.

Brexit

On June 23, 2016, the UK held a referendum in which a majority of voters approved an exit from the EU, commonly referred to as "Brexit." Although the referendum was voluntary and not mandatory, the British government has begun negotiating the terms of the UK's withdrawal from the EU (referred to as the Article 50 procedure). The announcement of Brexit caused significant volatility in global stock markets and currency exchange fluctuations, including a sharp decline in the value of the British pound sterling and the euro as compared to the US dollar and other currencies. The long-term effects of Brexit are expected to depend on, among other things, any agreements the UK makes to retain access to EU markets, either during a transitional period or more permanently. Brexit could adversely affect European or worldwide economic or market conditions and could contribute to instability in global financial markets. In addition, Brexit could lead to legal uncertainty and potentially divergent national laws and regulations as the UK determines which EU laws to replace or replicate.

After extensive negotiations between the European Council and the United Kingdom, it was jointly decided on 11 April 2019 to extend further the two-year period provided for by Article 50 of the Treaty on European Union, until 31 October 2019. In the event that the withdrawal agreement is not approved by the UK House of Commons by 31 October 2019, all Union primary and secondary law will cease to apply to the United Kingdom from 1 November 2019. The United Kingdom will then become a third country. However, the UK will leave the EU before this date if the withdrawal agreement is ratified by the UK and the EU before then.

The Group trades and supplies in the UK Until the terms and timing of the UK's exit from the EU become more clear, it is not possible to determine the exact impact that the referendum, the UK's departure from the EU and/or any related matters may have on the Group; however, any of these effects of Brexit, and others the Group cannot anticipate, could adversely affect the Group's business, business opportunities, results of operations, financial condition and cash flows.

A number of actions have been identified by the Group to prepare and mitigate the effects of a (hard) Brexit. Such actions amongst others refer to the set-up of the necessary customs and VAT procedures as well as application for certifications such as AEO certification, verification of specific product regulatory requirements, preliminary movement of stock, etc. In addition, clients and suppliers have been/are being contacted where required to discuss the next steps as well as the supply- and incoterms to be applied. The majority of the sales to the UK market are driven by the Group's UK subsidiaries. The Brexit might (in time) also have positive effects on the sales of the UK subsidiaries since import tariffs will increase.

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 and Long Fresh employ respectively 25 and 10 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 € 3,5m.

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 18/19 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 a dedicated 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.

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, QS, BRC).

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 close to 9.000 employees (on average), 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 2018, the Group registered 270 working accidents with lost time, compared to 389 in 2017. 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 2018, the Group provided on average 12 hours of training per own 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 4,4 million m³ water in 2018, compared to 4,6 million m³ water in 2017.

Besides water, energy is also required. In 2018 the Group used 2,4 million GJ of energy, compared to 2,5 million GJ of energy in 2017. 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. 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 can vouch for their compliance with international and national employment legislation, particularly 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.

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 2018, 26% of the employees were older than 50.

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 optimisation 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

On April 11, Greenyard has entered into a waiver consent agreement with its relationship banks regarding the waiver of its covenants in its syndicated bank facility. More information regarding this waiver consent agreement can be found in note 4. *Going concern*.

In May, Greenyard has closed an agreement to increase its investment in Bardsley England and to strengthen its position in the UK. Bardsley England is a UK based and fifth generation premium apple and pear producer and packer. The expansion of the Joint Venture has also positioned the business with a significant competitive advantage in case of a hard Brexit. Given the success of the Joint Venture, Greenyard's vision to develop new and innovative business models and Bardsley's commitment to high quality fruit with local provenance and a strong pedigree, both companies anticipate that the growth over the next three to five years will see the position of both businesses further build market share and penetration. Moreover, both companies have the ambition to expand the volumes of fruit passing through the business by 50% in the next three years.

Greenyard has closed the divestment of its Baja Frozen facility in Hungary.

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 18/19 and last modified on 21 September 2018.

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

Greenyard uses the Belgian Corporate Governance Code of 2009 as reference code[3], 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. The new 2020 Belgian Code on Corporate Governance applies compulsorily as from AY 20/21, however the Company aims to be to a great extent compliant with these governance rules as from AY 19/20.

Except for a minor deviation in relation to provision 5.2/4 of Appendix C of the Belgian Corporate Governance Code of 2009 - which is indicated and explained in more detail in the relevant section of the Corporate Governance Statement - Greenyard is fully compliant with the provisions of the Belgian Corporate Governance Code of 2009.

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

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.

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 2019, 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.

Since these mandates then come to an end, the Nomination and Remuneration Committee has been instructed to initiate the selection process for suitable candidate-directors and to determine a profile of the required roles within the Board of Directors based on assessment of the skills, know-how and experience already available and necessary at the level of the Board of Directors with a view to ensuring diversity and complementarity in respect of education and competencies between the directors. Based on the recommendations by the Nomination and Remuneration Committee, the Board of Directors will propose candidates to the 2019 Annual General Shareholders' Meeting, for election as director.

The mandate of Aalt Dijkhuizen B.V. (represented by Mr Aalt Dijkhuizen) and that of Ahok BVBA (represented by Mr Koen Hoffman) expire immediately after the Annual General Shareholders' Meeting regarding the accounting year ending on respectively 31 March 2020 and 31 March 2022.

During AY 18/19, 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)	19/06/2015	AGM 2019
Ahok BVBA, rep. by Mr Koen Hoffman(1) and (3)	4/10/2017	AGM 2022
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
Omorphia Invest BVBA, rep. by Ms Valentine Deprez(4)	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

(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 legal 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.

(3) The 2018 Annual General Shareholders' Meeting held on 21 September 2018 ratified the decision of the Board of Directors of 4 October 2017 to co-opt Mr Koen Hoffman (as legal representative of Ahok BVBA) as independent director, and subsequently, formally and definitively appointed Mr Koen Hoffman (as legal representative of Ahok BVBA), upon proposal by the Board of Directors and following recommendations by the Nomination and Remuneration Committee, as independent director with effect as from 21 September 2018. The term of office of his mandate as director ends immediately after the 2022 Annual General Shareholders' Meeting regarding the financial year ending on 31 March 2022.

(4) Ms Valentine Deprez (as legal 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 2018 Annual General Shareholders' Meeting held on 21 September 2018 formally and definitively appointed Ms Valentine Deprez (as legal representative of Omorphia Invest BVBA), upon proposal by the Board of Directors and following recommendations by the Nomination and Remuneration Committee, as non-executive director for a period which ends immediately after the 2019 Annual General Shareholders' Meeting regarding the financial year ending on 31 March 2019.

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 – co-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 independent board member at Fagron (Chairman), Mithra Pharmaceuticals, MDX Health (Chairman) and SnowWorld (Chairman).

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 supervisory board member at several companies, such as Royal De Heus and Ploeger Oxbo Group (Chairman). He 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 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.

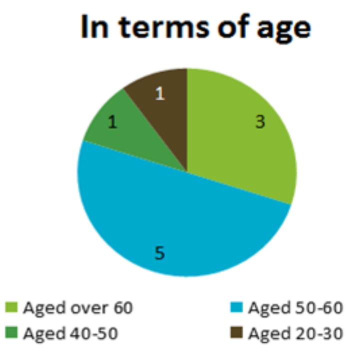
Marc Ooms – non-executive director

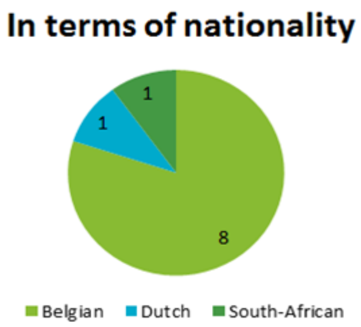
Mr Marc Ooms was General Partner of the Petercam group, a Benelux Investment Bank, and Chairman of Petercam Bank Nederland until 2011. Today, he is a private equity investor and board member of several companies like Sea-Invest Corporation, Baltisse, Universal Partners and De Weide Blik.

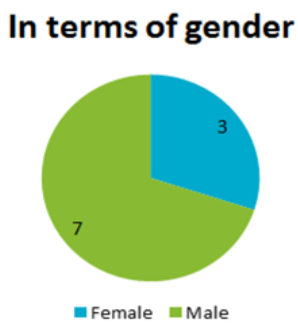
Johan Vanovenberghe – non-executive director

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 2019, 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

The Board of Directors of 26 January 2018 appointed Mr Koen Hoffman (as legal 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 Executive Management, and particularly with the Chief Executive Officer or, as from 9 February 2019, with the co-Chief Executive Officers (the position of Chief Executive Officer is jointly shared by Mr Hein Deprez and Mr Marc Zwaaneveld as from 9 February 2019), 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 18/19, the Board of Directors met on twenty-four occasions. All meetings were attended by the secretary of the Board of Directors, Ms Fran Ooms, legal counsel of the Company.

During AY 18/19, 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 18/19;
- Approving the establishment of a Transformation Office which has been set-up for the purpose of steering all actions that need to be taken or accelerated with a view to restoring the Group's profit generation and improving its financial position;
- Following-up on the execution of the Transformation Plan as developed by the Transformation Office, including monitoring the turn-around actions initiated and coordinated by the Transformation Office and the envisaged potential divestment and closing of non-core and non-strategic operations and assets;
- Reviewing and following-up on the financial and operational results of the Group;
- Supervising its advisory Committees and the Leadership Team;
- Approving changes to the composition of and positions held within the Leadership Team and Executive Management;
- Approving changes to the remuneration policy for the Leadership Team, including the implementation of a new long-term incentive plan applicable as from AY 19/20;
- Monitoring the compliance with the Market Abuse Regulation requirements, particularly on disclosure of inside information;
- Approving press releases to announce the annual, bi-annual and quarterly financial results, to pre-announce the preliminary annual financial results for AY 17/18 (on 2 May 2018) and to announce the revised FY profitability forecast for AY 18/19 (on 27 August 2018 and on 28 January 2019);
- Monitoring and approving the changes in the organisational chart on corporate and divisional level;

- Following-up on the steps taken by the Leadership Team to establishing strategic partnerships with key customers;
- Submitting a request to the lending banks for a covenant waiver under the applicable financing documentation;
- Taking all the necessary steps and decisions with respect to:
    - the Listeria recall of frozen vegetables produced by its processing plant in Baja (Hungary) which was imposed by the Hungarian National Food Chain Safety Office (NEBIH) following an order issued on 29 June 2018, including following-up on the assessment of its financial impact for Greenyard and on the communication towards the market;
    - the sale of the entire share capital of Myco-Invest NV and Peatinvest NV, which, together with their subsidiaries, constitute the Horticulture segment, to Straco BVBA pursuant to a share purchase agreement executed on 22 September 2018, which transaction was completed on 18 December 2018;
    - the possible debt and/or equity investment options that are being explored in parallel with and to expedite the implementation of the Transformation Plan, with a view to further deleveraging and strengthening the Group.

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 and Executive Management. 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 are being further addressed. The following formal evaluation procedure is scheduled for AY 19/20.

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 executive director(s).

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 18/19 the Audit Committee consisted of:

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

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

The Chief Financial Officer and the Chief Operating Officer were invited to attend the meetings of the Audit Committee which were held during AY 18/19.

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*".

In derogation of provision 5.2/4 of Appendix C of the Belgian Corporate Governance Code of 2009, the Audit Committee is not composed of a majority of independent directors, but of an equal number of independent and non-independent directors. This divergence from 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 18/19:

- Monitoring the consolidated half-year and annual results of the Group and the Company's annual and consolidated financial statements;
- Monitoring and evaluating the external audit;
- Monitoring and evaluating the internal audit, including the internal audit plan defining the contemplated audit activities and risk assessment for AY 18/19;
- 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;
- Advising on the new Group policy outlining the internal procedure for related party transactions in the meaning of article 524 of the Company Code;
- Making recommendations on the renewal of the mandate of the statutory auditor and its total annual fee for auditing Greenyard and subsidiaries within the Group;
- Following-up on the effects of the European and Belgian audit reform legislation and legislative updates on IFRS.

The Audit Committee evaluates its functioning, efficiency and internal regulations on a regular basis (at least every two to three years). The results of the formal evaluation procedure which was conducted during AY 16/17 were satisfactory. The new evaluation which was scheduled for AY 18/19 has been postponed to AY 19/20.

The Audit Committee met on five occasions over the past AY 18/19. The statutory auditor has attended three meetings.

3. Nomination and Remuneration Committee

The role of the Nomination and Remuneration Committee is twofold: providing recommendations to the Board of Directors regarding the individual remuneration of and the remuneration policy for 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.

During AY 18/19, the Nomination and Remuneration Committee was composed of:

- Aalt Dijkhuizen BVBA(1), Chairman, represented by Mr Aalt Dijkhuizen;
- Ahok BVBA(1), represented by Mr Koen Hoffman;
- Management Deprez BVBA, represented by Ms Veerle Deprez.

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

The composition of the Nomination and Remuneration Committee corresponds to the requirements in this respect set forth in article 526*quarter* of the Company Code and to the recommendations laid down in the Belgian Corporate Governance Code of 2009. The majority of its members meets the independence criteria as determined in article 526*ter* of the Company Code. Its composition demonstrates in accordance with article 526*quater* of the Company Code the skills and the expertise required in matters of remuneration policies.

The Chief Executive Officer or, as from 9 February 2019, the co-Chief Executive Officers are 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 and Remuneration Committee has met on five occasions in AY 18/19:

- Discussing and making proposals to the Board of Directors regarding the changes to the composition of and the positions held within the Leadership Team and Executive Management;
- Advising on the severance pay to be paid to Leadership Team members;
- Dealing with matters pertaining to grants of bonuses and long-term incentive rewards to the Leadership Team and Executive Management members and to selected key management personnel;
- Making recommendations on the amendments to the remuneration policy for the Leadership Team and Executive Management for AY 19/20;
- Addressing specific topics such as the Shareholders Rights Directive II (EU/2017/828).

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 (potential) investments.

The Strategic Committee is composed of:

- Deprez Invest NV, Chairman, represented by Mr Hein Deprez;
- Mr Thomas Borman;
- Bonem Beheer BVBA, represented by Mr Marc Ooms;
- Aalt Dijkhuizen B.V.(1), represented by Mr Aalt Dijkhuizen;
- Ahok BVBA(1), represented by Mr Koen Hoffman.

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

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 three times during AY 18/19 to advise on the Group portfolio strategy and M&A target selection proposed by the Leadership Team and to discuss possible strategic deleveraging options with a view to improving the performance of the Group assets and optimizing its portfolio performance.

5. Temporary ad hoc Committee

On 21 February 2019, the Board of Directors has set up - in accordance with article 522 of the Company Code - a temporary ad hoc committee which has met during AY 18/19 for the purpose of advising the Board of Directors on short-term liquidity solutions and long-term capital funding options.

This ad hoc committee is composed of the following directors: Mr Hein Deprez (as legal representative of Deprez Invest NV), Mr Koen Hoffman (as legal representative of Ahok BVBA), Mr Marc Ooms (as legal representative of Bonem Beheer BVBA) and Mr Thomas Borman, who has been appointed as the chairman of the committee. The Executive Management is invited to participate to the meetings of the ad hoc committee.

During AY 18/19, four meetings of the ad hoc committee have taken place (on 28 February and on 4, 18 and 25 March 2019).

6. Attendance

AY 18/19	Board of Directors	Audit Committee	Nomination & Remuneration Committee	Strategic Committee
Number of meetings(1)	24	5	5	3
Deprez Invest NV, rep. by Mr Hein Deprez	24/24		5/5	3/3
Ahok BVBA, rep. by Mr Koen Hoffman	24/24		5/5	3/3
Ms Hilde Laga	21/24	4/5		
Gescon BVBA, rep. by Mr Dirk Van Vlaenderen	24/24	5/5		
Aalt Dijkhuizen B.V., rep. by Mr Aalt Dijkhuizen	22/24		5/5	3/3
Management Deprez BVBA, rep. by Ms Veerle Deprez	23/24		5/5	
Omorphia Invest BVBA, rep. by Ms Valentine Deprez	24/24			
Mr Thomas Borman	22/24(2)	5/5		3/3
Bonem Beheer BVBA, rep. by Mr Marc Ooms	18/24(3)			3/3
Intal BVBA, rep. by Mr Johan Vanovenberghe	21/24	5/5		

(1) The first figure represents attendance and the second figure the number of meetings.

(2) Mr Thomas Borman was represented by proxy at one Board of Directors' meeting, which meeting he is deemed not to have attended for the purpose of this overview.

(3) Mr Marc Ooms (as legal representative of Bonem Beheer BVBA) was represented by proxy at one Board of Directors' meeting, which meeting he is deemed not to have attended for the purpose of this overview.

7. Leadership team

7.1. Role of the Leadership Team

The role of the Leadership Team is to supervise and manage the worldwide operations of the Group and to exercise the powers delegated to it by the Board of Directors, under the leadership of the co-Chief Executive Officers, taking into account the Company's general strategy as determined by the Board of Directors. The Leadership Team's key responsibilities include, amongst others supporting the co-Chief Executive Officers in the daily management of the Group and the exercise of their responsibilities, giving direction to and supervising the Group's business, working out strategic guidelines, analysing budgets and operational goals, supervising the local management teams and executing other tasks and responsibilities entrusted to the Leadership Team 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.

7.2. 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 co-Chief Executive Officers, for an indefinite period of time. The Leadership Team is assisted by a team of key persons active in each of the different divisions of the Group.

The Leadership Team consists as per 31 March 2019 of:

- Deprez Invest NV(1) and (2), co-Chief Executive Officer(3) and Chairman of the Leadership Team, represented by Mr Hein Deprez;
- MZ-B BVBA(1) and (4), co-Chief Executive Officer(3), represented by Mr Marc Zwaaneveld;
- Chilibri BVBA(1) and (5), Chief Financial Officer, represented by Mr Geert Peeters;
- PDN BVBA(1) and (6), Chief Operating Officer, represented by Mr Carl Peeters;
- VLT Consulting BVBA, Managing Director Fresh German Markets, represented by Mr Tim Van Londersele;
- Ms Irénke Meekma, Managing Director Fresh-Bakker;
- Alvear International BVBA, Managing Director Frozen, represented by Mr Charles-Henri Deprez;
- Qualexco BVBA, Group Legal Director, represented by Mr Alexander Verbist;
- Gemini Consulting BVBA(7), Group Strategic Director, represented by Mr Yannick Peeters.

(1) Member of the Executive Management as per 31 March 2019.
(2) During AY 18/19, the Board of Directors consisted of one executive director, Mr Hein Deprez (as legal representative of Deprez Invest NV), who is also member of the Leadership Team and Executive Management. Hence, the Company is compliant with provision 6.2 of the Belgian Corporate Governance Code of 2009.
(3) Mr Hein Deprez (as legal representative of Deprez Invest NV) and Mr Marc Zwaaneveld (as legal representative of MZ-B BVBA) jointly share the role of Chief Executive Officer as from 9 February 2019.
(4) Member as from 1 January 2019, when he took up the role of Chief Transformation Officer. As from 9 February 2019, he has been appointed as co-Chief Executive Officer.
(5) Member as from 3 September 2018.
(6) Member until 1 April 2019.
(7) Member as from 9 February 2019.

Executive Management as from 1 April 2019 (from left to right): Marc Zwaaneveld, Hein Deprez and Geert Peeters.

Hein Deprez – co-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. In the beginning of 2018, he took up the role of CEO for Greenyard, focusing on the Company's long-term vision and strategy, while also personally engaging with some of its key customers. As from mid-February 2019, Mr Hein Deprez and Mr Marc Zwaaneveld jointly share the role of CEO.

Marc Zwaaneveld – co-Chief Executive Officer

Mr Marc Zwaaneveld was advisor of different international companies and consulted on investments, restructuring and interim-management during the periods 2002-2005 and 2011-2014. Between 2005 and 2011, he has been CFO and Vice-Chairman of the Management Board within SUEZ Benelux & Germany. In 2014, he started as COO at Van Gansewinkel Group. After six months, he was appointed CEO (until 2017) and led the turnaround. Early 2019, he took up the newly created position of Chief Transformation Officer at Greenyard, to lead the Transformation Office. In order to guarantee an embedded and efficient implementation of the Transformation Plan (developed by the Transformation Office) throughout the entire organisation, he was appointed mid-February 2019 as co-CEO, alongside Mr Hein Deprez.

Geert Peeters – Chief Financial Officer

Mr Geert Peeters started his career as a Management Consultant at PwC and advised international companies on business processes, reporting and systems. He then worked as a Senior Manager at PwC, later at Deloitte, in Corporate Finance & Recovery, where he supervised various acquisitions and reorganisations. In 2005, he started at SUEZ, where he promoted to Controlling Manager and later to Finance Director Belux. In 2012, he became CFO of the Metallo Group, where he also served as Director. In September 2018, he joined Greenyard as CFO.

Carl Peeters – Chief Operating Officer (until 1 April 2019)

Mr Carl Peeters started his career at Agfa as a Product Manager in the medical imaging division. He joined Barco in 1986, initially on an assignment for Barco's US operations. 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 CFO of the BarcoNet spin-off. In 2010, he was appointed CFO within Barco. In September 2016, he became CFO at Greenyard. Early 2018, he took up the position of COO.

Tim Van Londersele – Managing Director Fresh German Markets

Mr Tim Van Londersele started his career in 2005 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 CFO 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. As from February 2019, Mr. Tim Van Londersele focuses on the turnaround in the Fresh operations in Germany and leads the Fresh German Markets region. He is also responsible for the Fresh Sourcing Connections companies.

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 Frozen

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. Early 2019, he took over the overall responsibility of the Frozen business worldwide.

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.

Yannick Peeters – Group Strategic Director

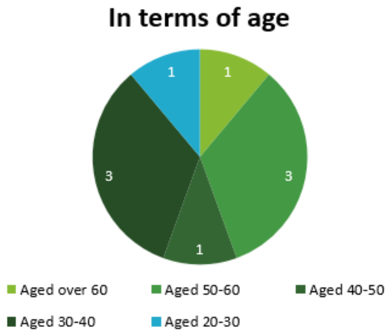
Mr Yannick Peeters started his career as M&A Consultant at Deloitte Belgium and, after 3 years, moved to Deloitte's London office where he worked as Assistant Director and advised a range of private and public corporates and international private equity firms on a vast amount of M&A transactions. He joined Greenyard in September 2017 as a Corporate Finance Manager and since mid-2018 took on his current role of Group Strategic Director, responsible for group-wide M&A and strategy related projects. Recently, he also leads the Transformation Office at Greenyard.

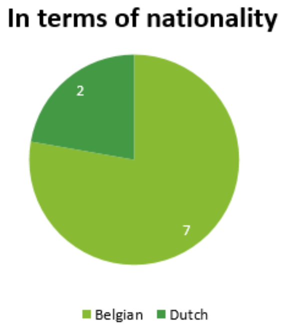
7.3. Diversity in the Leadership Team

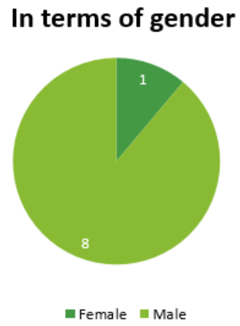
As per 31 March 2019, the Leadership Team is composed of one female member out of the nine members in total, representing two different nationalities and different age categories. Furthermore, the members of the Leadership Team have different professional backgrounds and experience, as can be read in each of their biographies (above).

As of the beginning of next AY 19/20, the Leadership Team consists of two female members out of the nine members in total, given that the cooperation with Mr Carl Peeters (as legal representative of PDN BVBA) as Chief Operating Officer ended with effect as from 1 April 2019, and Ms Bénédicte Vandaele has taken up the position of Group HR Director *a.i.* on 5 April 2019, in replacement of Ms Christine Buytaert (as legal representative of HCTL Consulting BVBA).

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.







7.4. Jointly shared role of Chief Executive Officer

As from 1 January 2019, the Transformation Office has been established to develop the Group's Transformation Plan, which was finalised and announced on 15 March 2019, and to steer its successful implementation. Mr Marc Zwaaneveld (as legal representative of MZ-B BVBA) has been appointed by the Board of Directors as Chief Transformation Officer to lead this Transformation Office.

The Board of Directors of 9 February 2019 decided to appoint him as co-Chief Executive Officer (*co-CEO*), alongside Mr Hein Deprez (as legal representative of Deprez Invest NV), in order to ensure an efficient and embedded execution of the Transformation Plan throughout the Group.

In his capacity of co-CEO, Mr Hein Deprez will further focus on the roll-out of Greenyard's strategic partnership model with key customers. As Chairman of the Strategic Committee, he 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.

The co-CEOs exercise their responsibilities with respect to the day-to-day management in close cooperation with the Chief Financial Officer and (until 1 April 2019) the Chief Operating Officer, together with whom they form the Executive Management. The Leadership Team provides assistance in the execution of the day-to-day management.

7.5. Changes to the composition of and the positions held within the Leadership Team

Until 1 February 2018, Mr Carl Peeters (as legal representative of PDN BVBA) was the Chief Financial Officer (*CFO*) of Greenyard. As from this date, he took up the newly created position of Chief Operating Officer (*COO*), while he remained temporarily exercising the powers granted to the CFO, until the appointment of Mr Geert Peeters (as legal representative of Chilibri BVBA) as new CFO, starting as from September 2018.

Following the sale of the Horticulture segment to Straco BVBA, the management agreement with the Managing Director of Horticulture, Mr Stefaan Vandaele (as legal representative of T-I BVBA) was terminated in mutual consent, with effect as from 31 December 2018.

To accelerate successful execution of the Transformation Plan, the Managing Director of the Fresh division will further focus on the turnaround of the Fresh operations in Germany and the Managing Director of Long Fresh has taken over the overall responsibility of the Frozen business worldwide, as from 9 February 2019. As from the same date, the Group Strategic Director who follows-up the disposals of non-core and non-strategic operations and assets, which are being explored or initiated within the framework of the Transformation Plan, leads the Transformation Office and joined the Leadership Team.

The Board of Directors and Ms Christine Buytaert (as legal representative of HCTL Consulting BVBA), Group HR Director, decided to end their cooperation and to terminate the management agreement with the Company, with effect as from 31 January 2019. In the meantime, until the vacant position has been filled, her corporate HR responsibilities were temporarily assigned to the COO.

On 6 March 2019, the Board of Directors was informed about the decision that Mr Carl Peeters (as legal representative of PDN BVBA) will step down from his current position as COO after appropriate transition. An agreement was reached with respect to the termination of the management agreement with the Company and the end of its mandate as COO of Greenyard, with effect as from 1 April 2019.

After an executive recruitment search, Ms Bénédicte Vandaele joined Greenyard as Group HR Director *a.i.*, with effect as from 5 April 2019.

8. Statutory auditor

The audit of the annual accounts and consolidated financial statements of the Company has been entrusted to Deloitte Bedrijfsrevisoren 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 2021 Annual General Shareholders' Meeting regarding the accounting year ending on 31 March 2021. For the exercise of its duties, Deloitte Bedrijfsrevisoren CVBA is represented by Ms Charlotte Vanrobaeys in the capacity of permanent representative, having her offices at Raymonde de Larochelaan 19A, 9051 Sint-Denijs-Westrem.

9. 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 must 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.

9.1. 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 thirteen Board of Directors' meetings in AY 18/19 (on 30 May, 21 July, 9 and 23 August, 7, 11, 20 and 21 September 2018, 17 January, 9 and 21 February as well as 6 and 14 March 2019).

Changes to the composition of and positions held within the Leadership Team and Executive Management

On 9 February 2019, the Board of Directors decided, upon advice of the Nomination and Remuneration Committee, on the changes to the composition of the Leadership Team and Executive Management, and the tasks and roles assigned to their members.

Mr Hein Deprez (as legal representative of Deprez Invest NV) declared at the beginning of the meeting of the Board of Directors to have a conflicting interest with the decisions to be taken by the Board of Directors on the proposed corporate reorganisation within the Leadership Team and Executive Management, given that, in his capacity as Chief Executive Officer (*CEO*), he is member of the Leadership Team and Executive Management (as recorded in the minutes of the Board of Directors' meeting of 9 February 2019):

"*Mr Hein Deprez declared that he has to be regarded as having a conflicting interest within the meaning of article 523 of the Belgian Company Code with respect to agenda item 6 given that the Board of Directors will have to decide on the proposed corporate reorganisation within the Executive Management and Leadership Team, of which he is member as Chief Executive Officer*.

The financial consequences of the relevant decisions pertain to […] the remuneration paid to Mr Hein Deprez as CEO.".

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

The Board of Directors approved the new corporate organizational chart as presented by the Chairman of the Nomination and Remuneration Committee and the appointment of Mr Marc Zwaaneveld (as legal representative of MZ-B BVBA) as co-CEO, as from 9 February 2019, alongside Mr Hein Deprez (as legal representative of Deprez Invest NV), who remains CEO and managing director. As from this date, Mr Marc Zwaaneveld and Mr Hein Deprez jointly share the role of CEO.

Amendments to the remuneration policy for the Leadership Team and Executive Management applicable as from AY 19/20

Given the changes in roles and tasks assigned to the members of the Leadership Team and Executive Management, the Board of Directors' meeting of 9 February 2019 requested the Nomination and Remuneration Committee to revise the individual remuneration packages for the current Leadership Team and Executive Management members for AY 19/20 and to determine those for the newly appointed members, taking into account the internal job grades.

At the beginning of the Board of Directors' meetings of 21 February 2019 and 6 and 14 March 2019, Mr Hein Deprez (as legal representative of Deprez Invest NV) declared to have a potentially conflicting interest within the meaning of article 523 of the Company Code with respect to the agenda item on the proposed remuneration packages for AY 19/20 for the members of the Leadership Team and the Executive Management, of which he is member as (co-)CEO. He declared (as recorded in the minutes of the Board of Directors' meetings of 21 February 2019 and 6 and 14 March 2019) "*not to participate in the deliberation and voting on this agenda item. He will inform the statutory auditor of the application of article 523 of the Belgian Company Code immediately after the Board meeting*.".

The proposed amendments to the remuneration policy for the Leadership Team and Executive Management, as well as the individual remuneration packages of the co-CEOs and the other members of the Leadership Team for AY 19/20 were approved by the Board of Directors' meeting of respectively 6 and 14 March 2019.

For the financial impact of the remuneration policy for the members of the Leadership Team on the Company, reference is made to the Remuneration report, which is part of the Corporate Governance Statement.

Grant of long-term incentive awards in the form of Performance Share Units (*PSUs*) for AY 18/19 – Annual bonus payments to the members of the Leadership Team for AY 17/18

Prior to the start of the deliberations, the Board of Directors held on 30 May 2018 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 share units (*PSUs*) and the payment of annual bonuses to the members of the Leadership Team and to selected key management personnel.

Mr Hein Deprez (as legal representative of Deprez Invest NV) declared at the beginning of the meeting of 30 May 2018 to have a conflicting financial interest given his membership of the Leadership Team. This statement was recorded as follows in the minutes of this Board of Directors' meeting:

"*Mr Hein Deprez, in his capacity as legal representative of Deprez Invest NV, managing director of the Company, declared to have 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 bonuses to be paid for AY 17/18 and the target number of PSUs to be granted for AY 18/19 to the members of the Leadership Team, including Deprez Invest NV as Chairman 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. He will inform the Company's statutory auditor of the application of article 523 of the Company Code immediately after the Board meeting."*
Within the framework of the long-term incentive PSU plan as adopted and implemented in AY 17/18, the Board of Directors agreed with "*the allocation of Performance Share Units (PSUs) for AY 18/19 to the Leadership Team members (with total nominal value of € 882,5k, including the nominal value of € 375k for the PSUs to be granted to the Chairman of the Leadership Team for AY 18/19)*".

In addition, the following decisions were taken by the Board of Directors with respect to the annual bonus payments to the Leadership Team members for AY 17/18: "*Upon recommendation of the Nomination and Remuneration Committee, the Board of Directors agreed with the annual bonus payments to be made to the members of the Leadership Team for AY 17/18. The financial impact for the Company of the AY 17/18 annual bonus payments to the Leadership Team members amounts to € 611k in total. Given that Mr Hein Deprez (as permanent representative of Deprez Invest NV) holds the position of Chairman of the Leadership Team as from the end of AY 17/18, no annual bonus was paid for AY 17/18.".*

Divestment of Horticulture segment: professional link of certain directors with potential candidate-purchasers

Prior to the start of the deliberations, the Board of Directors held on 21 July, 9 and 23 August, as well as 7, 11, 20 and 21 September 2018 was informed about a conflict of interest in the meaning of article 523 of the Company Code in connection with the envisaged divestment of the Horticulture segment (consisting of both the Horticulture and Mycoculture business).

At the beginning of the meetings of 21 July, 9 and 23 August, and 7 September 2018, the Board of Directors was informed that Ms Hilde Laga has a potential conflict of interest with respect to the envisaged divestment, as recorded in the minutes of these Board meetings, because "*she is also exercising a mandate in the board of directors of one of the potential candidate-purchasers*". Ms Hilde Laga did not attend the Board meetings held on 21 July and 7 September 2018, as a result of which the procedure laid down in article 523 of the Company Code did not need to be applied in this respect. Ms Hilde Laga declared at the start of the meetings of 9 and 23 August 2018 – which meetings Ms Hilde Laga attend - "*not to participate in the deliberation and voting on agenda item 7 [in which a status update on the potential Horticulture divestment was given]. Given the potential conflict of interest, the presentation with respect to this potential divestment opportunity has not been provided to Ms. Hilde Laga. She will inform the Company's statutory* *auditor of the application of article 523 of the Company Code immediately after the Board meeting."* As the candidate-purchaser concerned was no longer involved in the sale process after the Board meeting of 7 September 2018, Ms Hilde Laga was no longer potentially conflicted after this date for the decisions to be taken in respect of the envisaged divestment.

Prior to the start of the meetings of 7, 11, 20 and 21 September 2018, the Chairman of the Board of Directors explained that Mr Marc Ooms (as legal representative of Bonem Beheer BVBA) has a potential interest conflicting with the decisions to be taken with respect to the Horticulture divestment, given his professional link with a potential candidate-purchaser. Given that Mr Marc Ooms was excused for these Board meetings, the procedure laid down in article 523 of the Company Code did not need to be applied.

Following an analysis of the offers received for the acquisition of the Horticulture segment, in terms of key financial parameters, deal structuring and timing, and based on the outcome of the discussions held with the candidate-purchasers, the Board of Directors agreed to an exclusivity period to further negotiate the transaction which resulted in an agreement for the sale of the entire share capital of Myco-Invest NV and Peatinvest NV (together with their subsidiaries, constituting the Horticulture segment) to Straco BVBA for a total purchase price of € 120,0m.

Request from a subsidiary of The Fruit Farm Group B.V. to receive grower advances payment

The Board of Directors held on 17 January 2019 had to take a decision in response to the request received by subsidiaries of Greenyard from the Dutch grower A.C. Hartman Beheer B.V. (*Hartman*), a wholly-owned subsidiary of The Fruit Farm Group B.V. (*TFFG*) and therefore an affiliated company of Greenyard pursuant to article 11 of the Company Code, to pay additional grower advances of € 2,3m in total, which matter was dealt with in agenda item 7.

At the beginning of the meeting, the following directors made the following statement (as recorded in the minutes of the meeting of the Board of Directors of 17 January 2019):

"*Prior to the deliberation, pursuant to article 523 of the Belgian Company Code, each of Mr Hein Deprez (in his capacity as legal representative of Deprez Invest NV), Ms Veerle Deprez (in her capacity as legal representative of Management Deprez BVBA), Mr Marc Ooms (in his capacity as legal representative of Bonem Beheer BVBA) and Mr Johan Vanovenberghe (in his capacity as legal representative of Intal BVBA) declared to the other directors that they are to be regarded as having an interest conflicting with the decision to be made by the Board of Directors in connection with agenda item 7. Each of said directors advised the Board of Directors that the conflict of interest arose from the fact that (s)he is an indirect shareholder and/or director of The Fruit Farm Group B.V., the parent company of the grower/supplier, of which the request for grower advances from the Greenyard group will be discussed in agenda item 7*.

Each of these directors did not participate in the deliberation and voting on this agenda item. To avoid creating the impression of a conflict of interest, Ms Valentine Deprez (in her capacity as legal representative of Omorphia Invest BVBA) did not participate in the deliberation and voting of this agenda item either.

Said directors will inform the statutory auditor of the conflict of interest that has arisen pursuant to article 523 of the Belgian Company Code."

After deliberation and discussion, the Board of Directors took the following decision: "*Taking into account the information received on Hartman and considering the current circumstances and uncertainties, the Board of Directors decided not to give its approval in principle with this advance payment*." Given that the Board of Directors decided not to take this request for advance payments into further consideration, the procedure of article 524 of the Company Code did not need to be applied.

9.2. 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 legal basis for the dealing code is Regulation (EU) No 596/2014 of 16 April 2014 on market abuse, together with its implementing regulations and the ESMA and FSMA guidance. The dealing code has been last modified by the Board of Directors of 23 August 2018.

The dealing code can be consulted on the website of the Company, under the heading Investor Relations, Corporate Governance (https://www.greenyard.group).

10. Remuneration report

10.1. Description of the procedure applied during AY 18/19 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.

During AY 18/19, decisions have been taken by the Board of Directors to amend the remuneration policy for the Leadership Team and Executive Management members in the next AY 19/20. On 14 March 2019, the Board of Directors approved the 2019 Stock Option Plan (subject to approval by the 2019 Annual General Shareholders' Meeting), enabling it to grant certain stock options to selected staff members, consisting of Leadership Team members and key employees. The 2019 Stock Option Plan is applicable as from AY 19/20, upon acceptance by the beneficiaries concerned of the options granted within 60 days after the grant date (*i.e.* before 14 May 2019). Upon the achievement of the vesting conditions under the Plan, the options are definitively acquired (vested) after a vesting period of three years (ending on 31 March of the third calendar year following the year of the grant, *i.e.* on 31 March 2022). As from AY 19/20 no new Performance Share Units will be granted under the existing long-term incentive Performance Share Units Plan (*PSU Plan*), given the implementation of the 2019 Stock Option Plan which will replace the PSU Plan as long-term incentive plan. Next to this, the Board of Directors has decided to amend the individual remuneration packages of the Leadership Team members for AY 19/20, with the aim to lower the level of fixed remuneration while compensating with incentive awards.

There are no plans to substantially amend the current remuneration policy for the directors in the next AY 19/20 and AY 20/21.

10.1.1. Statement on the remuneration policy for the directors and the members of the Leadership Team with respect to AY 18/19

Remuneration policy for the non-executive directors

The remuneration of the non-executive directors consists of a fixed remuneration of € 30.000 per annum plus an additional attendance fee of € 2.500 per meeting of the Board of Directors or an advisory Committee which the director concerned attends (including the attendance through video or telephone conference). The directors are not entitled to an attendance fee for meetings which are organised 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 Chairman of the Board of Directors is paid 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.

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

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.

The Board of Directors is composed of one executive director, Mr Hein Deprez (as legal representative of Deprez Invest NV), who, in his capacity of (co-)CEO, received a management fee for AY 18/19.

Remuneration policy for the members of the Leadership Team

The remuneration policy for the co-CEOs 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 co-CEOs' 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 co-CEOs, taking into account the financial and corporate objectives set by the Board of Directors.

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). No new PSUs will be granted as from AY 19/20 as this long-term incentive plan will be replaced by the 2019 Stock Option Plan as from AY 19/20.

10.1.2. Remuneration of the directors and the members of the Leadership Team with respect to AY 18/19

Total annual remuneration of the directors

The total annual remuneration paid to the non-executive directors for the performance of their mandate during AY 18/19 amounts to € 648.472 (VAT exclusive).

The table below includes the individual remuneration paid to each director with respect to AY 18/19. These amounts are calculated based on twenty-four meetings of the Board of Directors (of which ten update meetings organised by conference call). In AY 18/19, the Audit Committee and the Nomination and Remuneration Committee met on five occasions and the Strategic Committee met three times.

Directors' remuneration	Fixed remuneration €'000	Attendance fee per Board €'000	Attendance fee per Committee €'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)]	40,0	35,0	27,5	-	102,5
Ms Hilde Laga	30,0	27,5	10,0	-	67,5
Gescon BVBA, rep. by Mr Dirk Van Vlaenderen	30,0	35,0	12,5	-	77,5
Aalt Dijkhuizen B.V., rep. by Mr Aalt Dijkhuizen[(2)]	30,0	30,0	20,0	-	81,7
Management Deprez BVBA, rep. by Ms Veerle Deprez	30,0	35,0	12,5	-	77,5
Omorphia Invest BVBA, rep. by Ms Valentine Deprez	30,0	35,0	-	-	65,0
Mr Thomas Borman[(3)]	30,0	32,5	20,0	-	106,8
Bonem Beheer BVBA, rep. by Mr Marc Ooms	30,0	32,5	7,5	-	70,0
Intal BVBA, rep. by Mr Johan Vanovenberghe[(4)]	-	-	-	-	-
TOTAL	**250,0**	**262,5**	**110,0**	**-**	**648,5**

* Executive directors do not receive any additional compensation for the execution of their mandate as director.
(1) In his capacity as Chairman of the Board of Directors, Mr Koen Hoffman (as legal representative of Ahok BVBA) receives an additional fixed remuneration of € 10.000 per annum.
(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 18/19, amounting to € 1.709,91.
(3) 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 18/19, amounting to € 24.262.
(4) 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.

Annual remuneration of the co-Chief Executive Officers

In his capacity of Chief Executive Officer (*CEO*), Mr Hein Deprez (as permanent representative of Deprez Invest NV) has been paid for AY 18/19 a fixed management fee of € 750.000. No bonus has been paid for AY 18/19. The total amount of expenses of € 16.080 has been reimbursed during AY 18/19.

As from 9 February 2019, the role of CEO is jointly shared with Mr Marc Zwaaneveld (as permanent representative of MZ-B BVBA). For AY 18/19, he received a fixed management fee of € 144.178 on a pro-rata basis according to the duration of his term of office within the Company, starting as from his appointment as Chief Transformation Officer as from 1 January 2019. The total amount of expenses of € 8.785 has been reimbursed during AY 18/19.

The Board of Directors has decided, upon advice of the Nomination and Remuneration Committee, to decrease the fixed management fee of the co-CEOs to € 600.000 per annum as from 1 April 2019, while compensating with additional variable incentives for AY 19/20.

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

Total annual remuneration of the members of the Leadership Team (excluding the co-CEOs)

Components of total annual remuneration	AY 18/19[(1)] €'000	AY 17/18 €'000
Total basic remuneration	2.492	2.661
Total variable remuneration	- [(2)]	941
Pensions	20	39
Other benefits	131	9
TOTAL	**2.643**	**3.650**

(1) The figures include the remuneration of members who are no longer in function as from AY 19/20.
(2) There is no bonus payment for AY 18/19.

For AY 18/19, the total annual remuneration paid to the members of the Leadership Team (excluding the co-CEOs) amounts to € 2.643m, which implies a decrease against AY 17/18, given that there is no bonus payment for AY 18/19.

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 (adjusted EBITDA) and corporate objectives which are established annually. For AY 18/19, 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 co-CEOs 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 current long-term incentive plan consists of a Performance Share Units (*PSUs*) Plan applicable as from AY 17/18. Certain members of the Leadership Team are also eligible to participate in the 2019 Stock Option Plan (subject to approval by the 2019 Annual General Shareholders' Meeting) as from AY 19/20.

Performance Share Units Plan

On 21 September 2018, the Annual General Shareholders' Meeting approved and ratified the long-term incentive plan in the form of the Performance Share Units Plan applicable as from AY 17/18. Under the Plan 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 realisation of the performance condition. The realisation 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 2018 Annual General Shareholders' Meeting with respect to AY 17/18 has approved dispensation with the application of article 520*ter*, second paragraph, of the Company Code for AY 18/19.

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

Leadership Team member during AY 18/19	Grant date					
	15 june 2017 (AY 17/18)			15 June 2018 (AY 18/19)		
	Number of PSUs	Share price	year of vesting	Number of PSUs	Share price	year of vesting
Deprez Invest NV, rep by Mr Hein Deprez	- (1)	€ 18,51	2020	25.219	€ 14,87	2021
M-Z BVBA, rep. by Mr. Marc Zwaaneveld	- (1)			- (1)		
Chilibri BVBA, rep. by Mr Geert Peeters	- (1)			4.707		
PDN BVBA, rep. by Mr Carl Peeters (3)	5.402			15.299		
Ms Irénke Meekma	-			2.354		
VLT Consulting BVBA, rep. by Mr Tim Van Londersele	540 (1) and (2)			2.354		
Alvear International BVBA, rep. by Mr Charles-Henri Deprez	540 (1) and (2)			2.354		
T-I BVBA, rep. by Mr Stefaan Vandaele (3)	1.891			2.354		
HCTL Consulting BVBA, rep. by Ms Christine Buytaert (3)	1.891			2.354		
Qualexco BVBA, rep. by Mr Alexander Verbist	1.891			2.354		
Gemini Consulting BVBA, rep. by Mr Yannick Peeters	- (1)			- (1)		

(1) No Leadership Team member at grant date.
(2) PSUs have not been granted in their capacity as Leadership Team member, but in the framework of the long-term incentive scheme for selected key management personnel in the Group.
(3) Considered as a “good leaver” under the Performance Share Units Plan following the termination of the management agreement with Greenyard. As a result of this, the granted PSUs will vest as described in this Plan.

10.1.4. 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 Nomination and Remuneration Committee, the Board of Directors agreed to pay severance pay to Ms Christine Buytaert (as legal representative of HCTL Consulting BVBA) equal to six months’ fixed remuneration paid for AY 18/19, following her resignation as Group HR Director with effect as from 31 January 2019. She is not entitled to any bonuses or incentive awards for AY 18/19.

Pursuant to the settlement agreement which was reached with Mr Carl Peeters (as legal representative of PDN BVBA) with respect to the termination of the management agreement with the Company, he has been paid severance pay equal to ten months’ fixed remuneration paid for AY 18/19 (*i.e.* without bonuses or incentive awards).

Mr Stefaan Vandaele (as legal representative of T-I BVBA) received in accordance with the termination agreement which was signed with the Company following completion of the divestment of the Horticulture segment a transaction bonus fee equal to three months’ fixed remuneration paid for AY 18/19, on top of an amount of € 21.328 as part of his variable remuneration for AY 18/19.

The PSUs which were granted for AY 17/18 to these former members of the Leadership Team will vest as described in the Performance Share Units Plan.

10.1.5. 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.

10.1.6. 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 2019, 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 representative is appointed for the exercise of the voting right.

Voting rights may be suspended in relation to shares if decided by a competent court or the FSMA.

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 authorised 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 authorised 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 (*i.e.* until 15 September 2022).

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 authorisation 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 authorised 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.

Furthermore, the authorisation allows the Board of Directors to purchase and dispose of own shares without prior approval of the General Shareholders' Meeting, if such purchase or disposal is necessary "to avoid imminent and serious danger to the company" within the meaning of article 620 of the Company Code. This authorisation is valid for a period of three years starting from the date of publication of the resolution in the annexes of the Belgian Official Gazette on 31 October 2017, *i.e.* until 31 October 2020. This authorisation 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 18/19 of shareholders' agreements that could give rise to share transfer restrictions and/or limitations to the exercise of voting rights.

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 originally dated on 1 March 2016 as amended and restated from time to time, and all its addenda which constitute an integral part of the Agreement, 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 original *Factors*, of the other part; and
- The Senior Facilities Agreement originally dated 22 December 2016, as amended from time to time and most recently on 20 September 2018, between, among others Greenyard and certain of its subsidiaries named therein as *original borrowers* and/or *original guarantors*, BNP Paribas Fortis SA/NV, KBC Bank NV, ING Belgium SA/NV, Belfius Bank NV/SA, ABN AMRO Bank N.V. and Coöperatieve Rabobank U.A. as *arrangers*, the financial institutions named therein as *original lenders* and ING Bank N.V. as *agent* and *security agent*;
- The Intercreditor Agreement originally dated 22 December 2016 between, of the one part, ING Bank N.V. as *senior agent* and *security agent*, the financial institutions listed therein as *senior lenders*, ING Belgium NV/SA, BNP Paribas Fortis NV/SA and KBC Bank NV as *senior arrangers*, Greenyard as *company*, de companies listed therein as *intra-group lenders* and certain of Greenyard's subsidiaries as original *debtors*; 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 as *Joint Global Coordinators* and Bank Degroof Petercam SA/NV, KBC Bank NV, Daiwa Capital Markets Europe Limited as *Joint Bookrunners*, of the other part.

11. 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.

11.1. Control environment

11.1.1. 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.

11.1.2. 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.

11.1.3. 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.

11.2. 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*.

11.3. 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.

11.4. 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 that is already issued. 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

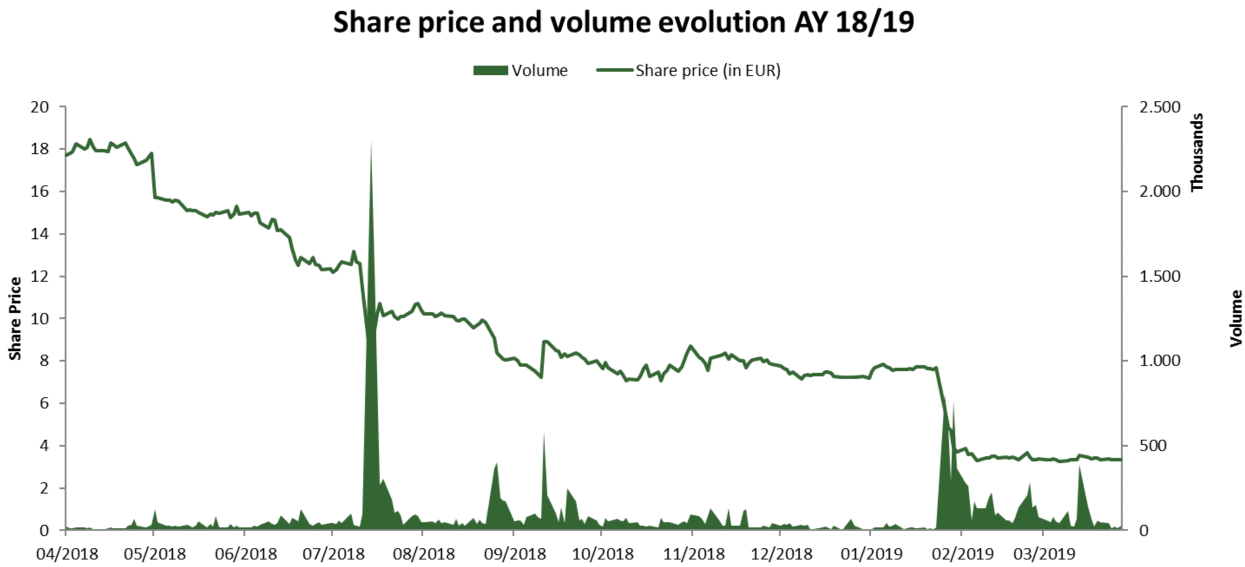
1. Shares

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. As per 31 March 2019 the Company holds 1.363.854 treasury shares.

2. Share trading evolution

	AY 18/19	Date	AY 17/18	Date
Highest price	€ 18,56	11/04/2018	€ 22,12	18/08/2017
Lowest price	€ 3,21	28/02/2019	€ 17,43	18/04/2017
Opening price	€ 18,12	3/04/2018	€ 17,90	3/04/2017
Closing price	€ 3,34	29/03/2019	€ 18,12	29/03/2018
Average daily trading volume	91.635		81.292	
Turnover	€ 183.541.217		€ 406.449.532	
Total number of shares including treasury shares	44.372.585		44.372.585	
Market capitalisation	€ 148.204.434		€ 804.031.240	

The average daily trading volume in AY 18/19 was 91.635 shares, compared to 81.292 shares the year before, or a 13% increase. Due to the decrease of the share price, total turnover decreases from € 406.449.532 to € 183.541.217.



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 several times, with an amount of € 293.851.765,23. The authority is valid for five years, as from 15 July 2015 (i.e. until 15 July 2020), 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 share capital by means of issuing ordinary shares, warrants, convertible bonds or subscription rights, the conversion of reserves and may limit or cancel the preferential subscription right granted by law to the existing shareholders. In addition, the Extraordinary General Shareholders' Meeting held on 19 June 2015 granted the Board of Directors the authority to increase the Company's share capital, in one or several times, from the date of the FSMA's notification to the Company of a public takeover bid on the financial instruments of the Company and subject to the limitations imposed by law. This authorisation was granted for a period of three years from the date of this resolution of the Extraordinary General Shareholders' Meeting on 19 June 2015, i.e. until 19 June 2018.

Issuance of convertible bond

On 7 December 2016, the Board of Directors approved the issuance by Greenyard Fresh 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.

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.

As per 31 March 2019 no conversion options were exercised.

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 August 2017, the Company repurchased all 1.750.000 shares or almost 3,94% of the total issued share capital. The total consideration amounted to € 30,0m or € 17,17 per share.

In AY 18/19 the total amount of treasury shares decreases by € 7,6m, following the acquisition of the remaining 49% in Greenyard Fresh Direct Belgium. As per 31 March 2019 the Group holds 1.363.854 treasury shares, representing 3,1% of the shares.

4. Shareholder structure

Every shareholder with at least 3,0% 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 2019 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	3.283.381	7,4%
Treasury shares	1.363.854	3,1%
Public	14.225.371	32,0%
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 21 September 2018 Kabouter Management LLC has notified the Company that it has exceeded the notification threshold of 7,5% of the total number of shares as a consequence of the introduction of additional statutory notification thresholds, as decided by the extraordinary shareholders' meeting of Greenyard of 21 September 2018, given that Kabouter Management LLC holds 3.834.080 Company shares (representing 8,64% of the total number of shares).

Kabouter Management LLC has notified the Company that on 26 February 2019 its shareholding in Greenyard has downwards crossed the 7,5% statutory threshold. According to the transparency notification Kabouter Management LLC holds 3.283.381 Greenyard shares (representing 7,4% of the total number of Greenyard shares).

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

Investor Relations Manager

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

Or by e-mail: ir@greenyard.group

7. Financial calendar

Q1 trading update AY 19/20:	27 August 2019 (before market)
General Assembly AY 18/19:	20 September 2019 (2 pm)
Announcement of half-year results (01/04/2019-30/09/2019):	19 November 2019 (before market)

KEY FINANCIAL INFORMATION

Key financials	AY 18/19	AY 17/18	Difference
Sales (€'000 000)	3.911,5	4.085,6	-4,3%
Adjusted EBITDA (€'000 000)	64,5	128,8	-49,9%
Adjusted EBITDA-margin %	1,6%	3,2%	
Net result (€'000 000)	-192,0	-1,7	
EPS continuing operations (€)	-4,48	-0,05	
NFD (€'000 000)	456,3	419,1	8,9%
Leverage	7,1	2,8	

Sales decrease by 4,3% to € 3.911,5m in AY 18/19. This decline is the result of internal or organic growth (-4,6%), mergers and acquisitions (0,3%), but is not impacted by exchange rate fluctuations.

Adjusted EBITDA also decreases by 49,9% to € 64,5m. The € 64,3m decrease in AY 18/19 is mainly the result of a drop in topline, due to continuing competitive market pressure in combination with the extreme dry summer weather in 2018 and the recall in our Frozen division. Greenyard notes that its partnership models continue to perform well and show resilience and stability in challenging market conditions. Greenyard is further investing in the partnership model. New partnerships have been announced with Carrefour, Delhaize and Tesco after the balance sheet date of 31 March 2019 and more partnerships are in the pipeline. These new partnerships will start contributing to the results in the coming quarters.

Net result from continued operations amounts to € -192,0m. Result from discontinued operations amounts to a loss of € 45,7m, resulting in a net result for the Group of € -237,7m.

Net financial debt[4] increases by € 37,2m to € 456,3m in AY 18/19. This translates into a leverage[4] of 7,1x, up from 2,8x last year. The increase is driven by the temporary but sharp drop in profitability and the one-off costs related to Listeria and the reorganisation in the divisions. The net proceeds from the sale of the Horticulture segment offset a deterioration of the working capital. Related to the indebtedness and leverage, Greenyard has obtained a consent from its relationship banks to waive its leverage and interest covenants until June 2020. Further information is provided under note 4. *Going concern*.

For comparison the adjustments are shown on their related line in the consolidated income statement, resulting in a like-for-like income statement presentation.

Consolidated income statement - Like-for-like (LFL)	AY 18/19 €'000	Adjustments €'000	LFL AY 18/19 €'000	AY 17/18 €'000	Adjustments €'000	LFL AY 17/18 €'000
Sales	3.911.468	7.140	3.918.608	4.085.624	22	4.085.646
Cost of sales	-3.712.509	17.938	-3.694.571	-3.809.898	6.256	-3.803.642
Gross profit/loss (-)	**198.959**	**25.078**	**224.037**	**275.726**	**6.278**	**282.004**
Selling, marketing and distribution expenses	-100.469	3.772	-96.697	-97.256	3.450	-93.806
General and administrative expenses	-153.005	16.097	-136.908	-151.531	23.591	-127.940
Goodwill impairment	-78.910	-	-78.910	-	-	-
Other operating income/expense (-)	-413	4.952	4.539	7.947	-1.700	6.247
Share of profit/loss (-) of equity accounted investments	425	-	425	45	-	45
EBIT before adjustments	**-133.413**	**49.899**	**-83.514**	**34.931**	**31.619**	**66.550**
Adjustments	-	-49.899	-49.899	-	-31.619	-31.619
EBIT	**-133.413**	-	**-133.413**	**34.931**	**-**	**34.931**

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

EBIT - Adjusted EBITDA	AY 18/19				AY 17/18			
	Fresh	Long Fresh	Unallocated	TOTAL	Fresh	Long Fresh	Unallocated	TOTAL
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
EBIT	-19.342	-105.528	-8.543	-133.413	26.880	18.889	-10.838	34.931
Depreciation and amortisation	28.835	37.197	608	66.641	27.951	34.037	90	62.078
Goodwill impairment	-	78.910	-	78.910	-	-	-	-
EBITDA	**9.493**	**10.579**	**-7.935**	**12.138**	**54.831**	**52.926**	**-10.748**	**97.008**
Reorganisation costs	10.400	2.938	1.274	14.613	17.594	3.335	1.084	22.013
Merger & acquisition and other project costs	-	584	3.371	3.955	250	-	9.127	9.377
Costs related to legal claims	118	250	-	368	1.119	235	-	1.354
Impairment long-term receivables	4.228	-	-	4.228	-	-		-
Result on sale subsidiaries	593	-	-	593	-843	19	-	-824
Result on sale of assets	-400	-373	-	-773	-808	-	-	-808
Listeria related net cost	-	25.661	-	25.661	-	-	-	-
Other	529	127	598	1.253	843	174	-510	507
Adjustments	**15.469**	**29.187**	**5.243**	**49.899**	**18.155**	**3.763**	**9.701**	**31.619**
Divestitures (not in IFRS 5 scope)	**-**	**2.086**	**-**	**2.086**	**-256**	**-**	**-**	**-256**
Net intercompany transactions between continuing and discontinued operations	**-**	**-**	**353**	**353**	**-**	**-**	**446**	**446**
Adjusted EBITDA	24.962	41.852	-2.339	64.475	72.730	56.689	-602	128.817

During summer, Greenyard organised a large recall of frozen products from its Hungarian facility, subsequent to an investigation by the European Food Safety Authority in a European outbreak of a Listeria contamination. Greenyard incurred a non-recurring cost of € 25,7m (net of insurance proceeds) related to the recall and destruction of frozen vegetables from its Hungarian facility and other related consequences thereof.

The transformation costs mainly relate to provisions for redundancy of personnel consequent to the Transformation Plans to be executed in the beginning of AY 19/20. A smaller part of the amount is related to the closure of plants e.g. distribution centres in Germany and the plant in Baja, Hungary.

M&A and other project costs are mainly related to external projects costs incurred in relation to the Transformation Plan with a view on identifying and realising cost savings, running the disposal processes, looking for a cornerstone investor and supporting the bank waiver process.

Reconciliation net financial debt	31 March 2019			31 March 2018		
	As reported	Reconciliation (*)	Total	As reported	Reconciliation (*)	Total
	€'000	€'000	€'000	€'000	€'000	€'000
Cash and cash equivalents	-67.880	-	-67.880	-57.432	-	-57.432
Restricted cash	-125.000	-	-125.000	-	-	-
Interest-bearing loans (non-current/current)	637.538	11.608	649.146	461.017	15.560	476.577
Net financial debt			456.266			419.145

(*) Net capitalised transaction costs related to the refinancing for € 4,5m (AY 17/18 € 6,2m) and net value of the conversion option at inception after amortisation for € 7,1m (AY 17/18 € 9,4m) are added back in order to present the nominal amounts of drawn financing as part of the reported net financial debt.

SALES AND ADJUSTED EBITDA PER OPERATING SEGMENT

Fresh

Fresh	AY 18/19 €'000 000	AY 17/18 €'000 000	Difference
Sales	3.188,7	3.342,9	-4,6%
Adjusted EBITDA	25,0	72,7	-65,7%
Adjusted EBITDA-margin %	0,8%	2,2%	

Bearing in mind that there is very limited foreign exchange impact and an M&A/divestitures impact of 0,4%, sales declined internally by 5,0%, mainly due to lower volumes in the key markets, mainly in Germany and, to a lesser extent in Belgium primarily due to the continuing market pressure, as well as the quantity, quality and price impact of the extreme summer weather. Volumes declined in combination with a price deflation on certain key categories, across all main entities in Fresh.

On the other hand, Greenyard continues to note the resilience of its partnership models in this challenging year, both in terms of sales and margin. In this respect, Greenyard has closed additional partnerships with large important retailers Carrefour and Delhaize in the months following 31 March 2019.

Lost volumes also impact adjusted EBITDA, which drops by 65,7%, translating into a margin of 0,8%, versus 2,2% last year.

Long Fresh

Long Fresh	AY 18/19 €'000 000	AY 17/18 €'000 000	Difference
Sales	722,8	742,8	-2,7%
Adjusted EBITDA	41,9	56,7	-26,2%
Adjusted EBITDA-margin %	5,8%	7,6%	

Long Fresh sales were mainly impacted by the recall in the Frozen division, which caused a temporary slow-down in sales, and the extreme drought in Europe. Sales decreased by € 20,0m versus last year, representing a decrease of 2,7% (including a 0,4% negative FX impact). The majority of this impact was in H1 of the AY 2018/19 and a recovery in the subsequent quarters was evident.

The adjusted EBITDA decreased by 26,2% (-€ 14,8m) versus last year, caused primarily by the lower cost absorption effect in both the Frozen and Prepared divisions due to the extreme drought in the harvesting season, but also by the impact of the recall in the Frozen division (due to the production stop in its Hungarian facility). After the balance sheet date, Greenyard has announced the sale of its Hungarian Frozen factory in Baja.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

Consolidated income statement	Note (*)	AY 18/19 €'000	AY 17/18 (**) €'000
CONTINUING OPERATIONS			
Sales	6.1.	3.911.468	4.085.624
Cost of sales	6.2.	-3.712.509	-3.809.898
Gross profit/loss (-)		**198.959**	**275.726**
Selling, marketing and distribution expenses	6.2.	-100.469	-97.256
General and administrative expenses	6.2.	-153.005	-151.531
Goodwill impairment	7.2.	-78.910	-
Other operating income/expense (-)	6.4.	-413	7.947
Share of profit/loss (-) of equity accounted investments	7.5.	425	45
EBIT		**-133.413**	**34.931**
Interest expense	6.5.	-35.649	-29.275
Interest income	6.5.	465	539
Other finance result	6.5.	-2.771	-5.869
Net finance income/cost (-)		**-37.955**	**-34.604**
Profit/loss (-) before income tax		**-171.368**	**327**
Income tax expense (-)/income	6.6.	-20.592	-1.992
Profit/loss (-) for the period from continuing operations		**-191.960**	**-1.665**
DISCONTINUED OPERATIONS			
Profit/loss (-) for the period from discontinued operations	6.8.	-45.723	5.095
PROFIT/LOSS (-) FOR THE PERIOD		**-237.683**	**3.429**
Attributable to:			
The shareholders of the Group		-238.243	2.912
Non-controlling interests		560	517

Earnings per share from continuing and discontinued operations (in € per share)	Note (*)	AY 18/19	AY 17/18
Basic	6.7.	-5,54	0,07
Diluted	6.7.	-5,54	0,07

Earnings per share from continuing operations (in € per share)	AY 18/19	AY 17/18
Basic	-4,48	-0,05
Diluted	-4,48	-0,05

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

(**) The consolidated income statement is restated in accordance with IFRS 5 due to the discontinued operation and for no longer presenting non-recurring items on a separate line.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Consolidated statement of comprehensive income	Note (*)	AY 18/19 €'000	AY 17/18 €'000
Profit/loss (-) for the period		**-237.683**	**3.429**
Remeasurements on post employment benefit obligations, gross	7.14.	-820	-487
Deferred tax on remeasurements on post employment benefit obligations		77	173
Items that will not be reclassified to profit or loss		**-743**	**-313**
Cash flow hedges, gross	7.18.	2.500	-1.145
Deferred tax on cash flow hedges		-738	389
Currency translation differences		1.863	-4.622
Fair value reserve		6	13
Other		-	127
Items that may be reclassified to profit or loss		**3.630**	**-5.238**
Other comprehensive income		**2.887**	**-5.551**
TOTAL		**-234.796**	**-2.122**
Attributable to:			
The shareholders of the Group		-235.526	-2.461
Non-controlling interests		730	339

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets	Note (*)	31 March 2019 €'000	31 March 2018 €'000
NON-CURRENT ASSETS		**1.103.798**	**1.361.377**
Property, plant & equipment	7.1.	350.572	419.512
Goodwill	7.2.	477.247	633.852
Other intangible assets	7.3.	221.230	252.706
Biological assets	7.4.	21.713	20.711
Investments accounted for using equity method	7.5.	9.833	9.435
Other financial assets	7.6.	5	35
Deferred tax assets	7.7.	16.704	19.630
Trade and other receivables	7.9.	6.494	5.495
CURRENT ASSETS		**753.555**	**702.245**
Biological assets		13	76
Inventories	7.8.	271.625	312.393
Trade and other receivables	7.9.	284.509	331.786
Other financial assets	7.6.	1.137	558
Cash and cash equivalents	7.10.	67.880	57.432
Restricted cash	7.10.	125.000	-
Assets held for sale	7.19.	3.391	-
TOTAL ASSETS		**1.857.354**	**2.063.622**

Equity and liabilities	Note (*)	31 March 2019 €'000	31 March 2018 €'000
EQUITY		**467.882**	**709.218**
Issued capital	7.12.	288.392	288.392
Share premium and other capital instruments	7.12.	317.882	317.882
Consolidated reserves		-144.467	97.316
Cumulative translation adjustments		-5.943	-7.893
Non-controlling interests		12.018	13.521
NON-CURRENT LIABILITIES		**197.890**	**479.573**
Employee benefit liabilities	7.14.	19.046	21.708
Provisions	7.15.	10.700	10.940
Interest-bearing loans	7.16.	117.538	401.034
Other financial liabilities	7.6.	26	1.341
Trade and other payables	7.17.	4.063	3.118
Deferred tax liabilities	7.7.	46.517	41.432
CURRENT LIABILITIES		**1.191.583**	**874.831**
Provisions	7.15.	12.458	8.060
Interest-bearing loans	7.16.	520.000	59.983
Other financial liabilities	7.6.	1.572	2.317
Trade and other payables	7.17.	657.552	804.470
TOTAL EQUITY AND LIABILITIES		**1.857.354**	**2.063.622**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Equity AY 18/19	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 2018	288.392	317.882	-30.039	132.069	-2.657	-7.893	40	-2.097	695.697	13.521	709.218
Profit/loss (-) for the period	-	-	-	-238.243	-	-	-	-	-238.243	560	-237.683
Other comprehensive income	-	-	-	-	1.762	1.674	6	-725	2.717	170	2.887
Total comprehensive income for the period	-	-	-	-238.243	1.762	1.674	6	-725	-235.526	730	-234.796
Dividend payment (note 7.12.)	-	-	-	-8.602	-	-	-	-	-8.602	-11	-8.613
Acquisition 49% Greenyard Fresh Direct Belgium (note 8.1.)	-	-	-	-4.439	-	-	-	-	-4.439	-3.361	-7.800
Sale of Horticulture (note 8.1.)	-	-	-	-	-	275	-	-	275	-147	128
Acquisition of Mor International (note 8.1.)	-	-	-	-	-	-	-	-	-	1.286	1.286
Disposal of treasury shares (note 8.1.)	-	-	7.600	-	-	-	-	-	7.600	-	7.600
Share based payments, gross (note 7.13.)	-	-	-	781	-	-	-	-	781	-	781
Deferred tax on share based payments	-	-	-	-303	-	-	-	-	-303	-	-303
Other	-	-	-	380	-	-	-	-	380	-	380
Balance at 31 March 2019	288.392	317.882	-22.439	-118.357	-895	-5.943	46	-2.822	455.863	12.018	467.882

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 reserve	Fair value reserve	Defined benefit liability	Total		
	€'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
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

CONSOLIDATED STATEMENT OF CASH FLOWS

Consolidated statement of cash flows	Note (*)	AY 18/19 €'000	AY 17/18 €'000
CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS, OPENING BALANCE		**57.432**	**112.735**
CASH FLOW FROM OPERATING ACTIVITIES (A)		**-51.060**	**115.138**
EBIT from continuing operations		**-133.413**	**34.931**
EBIT from discontinued operations	6.8.	**-43.789**	**5.647**
Income taxes paid	6.6.	**-6.918**	**-12.706**
Adjustments		**208.324**	**76.165**
Fair value adjustments biological assets	7.4.	-507	-747
Amortisation of intangible assets	7.3.	18.797	15.933
Depreciation and impairment of property, plant & equipment	7.1.	52.311	52.062
Impairment on goodwill	7.2.	78.910	-
Write-off on stock/trade receivables		7.182	61
Increase/decrease (-) in provisions and employee benefit liabilities	7.14.,7.15.	1.577	8.987
Gain (-)/loss on disposal of property, plant & equipment and subsidiaries		49.317	-214
Share based payments and other	7.13.	1.161	127
Share of profit/loss (-) of equity accounted investments		-425	-45
Increase (-) /decrease in working capital		**-75.265**	**11.101**
Increase (-)/decrease in inventories	7.8.	18.358	-13.845
Increase (-)/decrease in trade and other receivables	7.9.	46.003	-3.386
Increase/decrease (-) in trade and other payables	7.17.	-139.626	28.332
CASH FLOW FROM INVESTING ACTIVITIES (B)		**55.871**	**-131.096**
Acquisitions (-)		**-71.044**	**-135.310**
Acquisition of intangible assets and property, plant & equipment	7.1.,7.3.	-68.010	-71.774
Acquisition of subsidiaries	8.1.	-3.034	-63.536
Disposals		**126.915**	**4.214**
Disposal of intangible assets and property, plant & equipment	7.1.,7.3.	7.976	3.150
Disposal of subsidiaries	6.8.	117.436	1.064
Disposal of associates/joint ventures		1.503	-
CASH FLOW FROM FINANCING ACTIVITIES (C)		**5.228**	**-38.659**
Dividend payment	7.12.	-8.613	-8.525
Acquisition of treasury shares	7.12.	-	-13.603
Long- and short-term funds paid (-)/ obtained		170.103	10.622
Net interests paid		-29.230	-24.923
Other financial expenses		-2.032	-2.231
Transfer to restricted cash	7.10.	-125.000	-
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		**10.038**	**-54.618**
Effect of exchange rate fluctuations		-283	-685
CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS, CLOSING BALANCE	**7.10.**	**67.186**	**57.432**
Of which:			
Cash and cash equivalents		67.880	57.432
Bank overdrafts		694	-

(*) 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 and plants. 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 approximately 9.600 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 2019 were authorised for issue by the Board of Directors on 3 June 2019.

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

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those applied in the preparation of the consolidated financial statements for the financial year 2017-2018 ending as per 31 March 2018, except for the below mentioned items.

Amendments to IFRS that are mandatorily effective for the current year4

- 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);
- 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);
- IFRS 15 Revenue from Contracts with Customers (effective from annual periods beginning on or after 1 January 2018), the Group started to adopt the new standard on April 1, 2019 date using the modified retrospective method. The implementation did not significantly impact revenues in AY 18/19
- IFRS 9 Financial Instruments (effective from annual periods beginning on or after 1 January 2018)**.** Overall, the Group did not have a significant impact on its balance sheet and equity.

With regard to the standards and interpretations which became applicable during the period April 2018 – March 2019, 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 18/19 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:

- 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 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);
- IFRS 16 Leases (applicable for annual periods beginning on or after 1 January 2019);
- Amendments to IAS 1 and IAS 8 Definition of Material (applicable for annual periods beginning on or after 1 January 2020, 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);
- Amendments to IFRS 3 Business Combinations (applicable for annual periods beginning on or after 1 January 2020, but not yet endorsed in the EU);
- Amendments to IFRS 9 Prepayment Features with Negative Compensation (applicable for annual periods beginning on or after 1 January 2019);
- Amendments to references to the Conceptual Framework in IFRS standards (applicable for annual periods beginning on or after 1 January 2020, 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).

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

- IFRS 16 Leases (effective for 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 will apply the standard from its mandatory adoption of 1 April 2019. The Group will apply the simplified transition approach, meaning that the liability is based on the discounted future cash flows, using the discount rate at transition date and assets equalling to the liabilities at transition date. The Group will not restate comparative amounts for the year prior to first adoption. All right-of-use assets will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses). During the last months the Group has analysed all the lease agreements of the Group in light of these new lease accounting rules in IFRS 16 and has assessed the impact on its financial statements. The Group has as per reporting date non-cancellable operating lease commitments due within one year of € 46,6m (see note 8.3.2. *Commitments concerning rent and operating leases*). Approximately € 8,8m of these commitments relate to short-term leases and low-value leases which will both be recognised on a straight-line basis as expense in profit or loss. For the remaining lease commitments, the Group expects to recognise right-of-use assets and lease liabilities of approximately € 284,1m on 1 April 2019 (after adjustments for prepayments and accrued lease payments recognised at 31 March 2019). The Group expects that the net result after tax will not decrease significantly in AY 19/20 as a result of adopting the new rules. Adjusted EBITDA is expected to increase by approximately € 37,8m, as operating lease payments are included in adjusted EBITDA, but the depreciation of the right-of-use assets and interest on the lease liability are excluded from this measure. Consequently, operating cash flows will increase and financing cash flows will decrease by € 37,8m since the repayment of the principal option of the lease liabilities will be classified as cash flows from financing activities. The Group's activities as a lessor are not significant and hence the Group does not expect any significant impact on the financial statements. However, some additional disclosures will be required from next year onwards.

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 transaction. 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.

B. 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.

C. Exchange rates

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

	Closing rate		Average rate	
	31 March 2019	31 March 2018	AY 18/19	AY 17/18
1 USD =	€ 0,8901	€ 0,8116	€ 0,8637	€ 0,8539
1 GBP =	€ 1,1651	€ 1,1430	€ 1,1338	€ 1,1330
1 PLN =	€ 0,2325	€ 0,2375	€ 0,2330	€ 0,2369
1 BRL =	€ 0,2280	€ 0,2443	€ 0,2283	€ 0,2654
1 CZK =	€ 0,0388	€ 0,0393	€ 0,0389	€ 0,0386
1 CLP =	€ 0,0013	€ 0,0013	€ 0,0013	€ 0,0013
1 HUF =	€ 0,0031	€ 0,0032	€ 0,0031	€ 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.

Item	Years	Method
Software and licences	3 - 7	Straight-line
Customer relationships	15 - 20	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

A. 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.

B. 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.

C. 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.

D. 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 IFRS 9 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 IFRS 9 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 IFRS 9 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.

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.

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.

- 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%.
- 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 IFRS 9, paragraph 4.3.1. 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 IFRS 9. The Group considers that the conversion option meets the "fixed-for-fixed" criterion in IAS 32.16 and is therefore classified within equity and was as from November 2017 onwards no longer remeasured at fair value through profit and loss (see note 7.16. *Interest-bearing loans*);

3.2. Key sources of estimation uncertainty

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in any future years affected.

In applying the Group's accounting policies described above the Directors have identified that the following areas are the key estimates that have a significant risk of resulting in a material adjustment to the carrying value of assets and liabilities within the next financial year:

- The Group determines whether goodwill is impaired on at least an annual basis. This requires an estimate of the value in use of the CGUs to which the goodwill is allocated. To estimate the value in use, the Group estimates the expected future cash flows from the CGU and discounts them to their present value at a determined discount rate, which is appropriate for the territory where the goodwill is allocated to. Forecasting expected cash flows and selecting an appropriate discount rate inherently requires estimation. The resulting calculation is sensitive to the assumptions in respect of sales growth rate, adjusted EBITDA growth rate and the discount rate applied. A sensitivity analysis has been performed over the estimates (see note 7.2. *Goodwill*). The Directors consider that the assumptions made represent their best estimate of the future cash flows generated by the CGUs, and that the discount rate used is appropriate given the risks associated with the specific cash flows. Budgets comprise forecasts based on current and anticipated market conditions that have been considered and approved by the Board of Directors. Although based on the sensitivity analysis performed there is no impairment charge to goodwill of the Fresh segment, it is considered appropriate to disclose this as an area of significant estimation due to the size of the balance and the fact that it could change as a result of future events within the next five years.
- The depreciation term of client relations of the Fresh segment has been reduced from 25 to 20 years in order to reflect an ongoing change in the consolidating retail landscape, which makes Greenyard to take a more conservative stance on the lifetime of the existing customer portfolio. Greenyard continues to focus on strategic and tailored partnerships with its main customer retailers. Depreciation for AY 18/19 amounts to € 11,6m, which is € 2,6m higher than before the adjustment to 20 years.
- Current tax provisioning: In determining the income tax assets and liabilities recognized in the consolidated statement of the financial position, the Group is required to estimate the outcome of multiple tax years remaining open to tax authority audit in each of the jurisdictions in which the Group has companies. In making estimates for tax provisioning purposes management makes use of in-house tax expertise, third party studies prepared by professional advisors and any other information available. In the event of an audit the Group may liaise with the relevant taxation authorities to agree an

outcome. The tax liability provided for each tax year and jurisdiction is reassessed in each period to reflect our best estimate of the probable outcome in light of all the information available. A final position agreed with a tax authority or through expiry of a tax audit period could differ from the estimates made by us which would impact the current tax liability recognised in the consolidated statement of financial position. Several tax audit discussions are ongoing in different countries and entities. Should a tax audit commence this would give additional visibility over maximum potential exposures as the tax authorities' own position becomes clearer. Such developments would then further inform our best estimate in line with the approach above. Conversely should tax audit windows close without audits commencing this would enable tax provisions to be released.

- Deferred tax assessment: Deferred taxes are recognized in respect of temporary differences between the tax treatment and the treatment within the financial statements for assets and liabilities. Deferred tax assets are only recognised to the extent they are expected to be recovered. Recoverability is assessed on an ongoing basis. Deferred tax is calculated at the substantively enacted rate which is expected to apply in the period the asset or liability is expected to be realised. The Corporate Tax team, who 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. 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. Deferred tax assets relating to tax losses carried forward, unused tax credits and temporary differences are recognized 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 tax laws, regulations, budgets and long-term business strategies (disregarding potential tax planning opportunities). Further details are provided for in note 6.6. *Income tax expense/income* and note 7.7. *Deferred tax assets and liabilities*. There is also estimation involved in those potential tax assets that remain unrecognised. The nature and amounts of unrecognised potential tax assets are disclosed in note 7.7. *Deferred tax assets and liabilities*. Although the Group does not believe that there is a significant risk of a material adjustment to deferred tax assets within the next financial year, there is a significant uncertainty existing at each year end and therefore the Group's overall tax position could change within the next 12 months. 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 realize the assets and settle the liabilities simultaneously.
- Employee benefit obligations: the determination of the defined benefit obligations is based on actuarial assumptions such as discount rate, salary increases, inflation and average duration of plans which are detailed in note 7.14. *Pension and other employee benefit liabilities*. These assumptions are considered to be a key source of estimation uncertainty as relatively small changes in the assumptions used may have a significant effect on the Group's financial statements within the next year. Further information on the carrying amounts of the Group's defined benefit obligation and the sensitivity of those amounts to changes in discount rate are provided in note 7.14. *Pension and other employee benefit liabilities*.
- Fair value measurements that cannot be fully based on observable market parameters involve judgment that could affect the estimated fair value. This includes biological assets (see note 7.4. *Biological assets*), of which the valuations are particularly sensitive to changes in one or more unobservable inputs which are considered reasonably possible within the next financial year. Further information on the carrying amounts of these assets and liabilities and the sensitivity of those amounts to changes in unobservable inputs are provided in note 7.18.6. *Fair value hierarchy included in the statement of financial position*.

4. Going concern

Over the last year Greenyard has suffered a sudden and steep decrease in profitability. On one hand, this is due to market pressure coming from changes in the retail landscape putting price pressure and from the transitional impact consequent to shifting from a trading to a partnership model with a selection of retailers. On the other hand, the company experienced a number of one-off events, such as the extremely dry weather in the summer of 2018 and the financial consequences of a recall pursuant to a potential Listeria contamination in June of 2018.

These events triggered uncertainties related to liquidity and covenants. The former is due to lower cash generation and decline of trust with main stakeholders. The latter relates to imbalance between profitability and increasing debt levels.

In order to react in a decisive way, executive management has been reorganised and strengthened begin 2019 with Marc Zwaaneveld as a Co-CEO, next to Hein Deprez, Co-CEO and Geert Peeters, CFO. To restore profitability, an in-depth transformation and business plan has been developed. This plan consists of a concrete portfolio of actions defined over eight work streams including cost efficiency gains, revenue improvements and asset disposals. A dedicated team was set up to ensure a diligent execution of the plan and to make adjustments where needed.

Based on the credibility of its plans and liquidity forecasts, the recognition that more than sufficient contingencies were included and acknowledging management's strong ability of implementation, syndicated banks have confirmed their support. Concretely, they have agreed on 11 April 2019 to enter in a 15-month waiver period ending 15 June 2020 and to provide extra transitional funding ensuring a robust level of liquidity for the coming year.

This agreement is conditional to achieving the plans and showing periodically a positive progress. Main conditions are:

- Achieving on a year-to-date basis an EBITDA in line with the conservative case of the business plan;
- Proving strong cash flow forecast capabilities to keep sufficient liquidity headroom;
- Using commercially reasonable endeavours to find a cornerstone investor to strengthen the capital structure;
- Using commercially reasonable endeavours to divest the Prepared division to deleverage;
- Using commercially reasonable endeavours to dispose non-core assets to deleverage;
- Showing concrete progress before year-end on developing partnership agreements with key retail customers;
- Proposing corrective actions in case any of the conditions above are not (fully) met;
- Selected key management, co-CEO M. Zwaaneveld and CFO G. Peeters, remain on-board during the waiver period.

To summarise, the material uncertainties which are underlying the going concern assessment are: the realisation of the Transformation Plan, management of working capital needs, identification of a cornerstone investor whom supports a capital raise, divestment of non-core assets in a timely and diligent matter, further exploration of a sale of the Prepared division, in case of deviations alternative deleverage proposals can be considered.

Based on the current progress and information, executive management and the Board of Directors believes that financial commitments of Greenyard can be fulfilled and the required conditions above will be met. Or, in case it would be necessary, corrective actions will be proposed in order to remedy any deviation.

For the period after 15 June 2020, it is the intention to gradually deleverage below 3,0x. This target might not yet have been achieved on 30 September 2020. Executive management however believes that there is sufficient time to find an agreement with its relationship banks to further align the covenant targets.

The conclusion of the executive management and the Board of Directors is that the consolidated financial statements can be prepared under the going concern assumption.

5. Segment information

For management purposes the Group was organised in three operating segments based on the activity of the Group. Following the disposal of the Horticulture segment only two segments remain.

The Fresh segment is a global market leader and supplier of fresh fruit and vegetables, flowers and plants and logistic services. Segment Long Fresh includes the Frozen and Prepared activities. Frozen is a pioneer and market leader that processes freshly harvested fruits and vegetables into frozen food products that are easy to store and take little or no time to prepare. Prepared is a global player in freshly preserved fruit, vegetables, mushrooms and other ambient food products that are easy to store and ready to eat.

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 adjusted EBITDA 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 18/19	Continuing operations					
	Fresh €'000	Long Fresh €'000	Horticulture €'000	Eliminations (*) €'000	Unallocated (**) €'000	Consolidated €'000
Sales	**3.190.603**	**722.789**	**-**	**-1.923**	**-**	**3.911.468**
Third party sales	3.188.690	722.778	-	-	-	3.911.468
Intersegment sales	1.913	11	-	-1.923	-	-
Adjusted EBITDA	**24.962**	**41.852**	**-**	**-**	**-2.339**	**64.475**
Total assets at 31 March 2019	**1.077.400**	**582.854**	**-**	**-49.981**	**247.081**	**1.857.354**

Segment information AY 17/18	Continuing operations					
	Fresh €'000	Long Fresh €'000	Horticulture €'000	Eliminations (*) €'000	Unallocated (**) €'000	Consolidated €'000
Sales	**3.344.829**	**742.778**	**-**	**-1.983**	**-**	**4.085.624**
Third party sales	3.342.854	742.769	-	-	-	4.085.624
Intersegment sales	1.975	8	-	-1.983	-	-
Adjusted EBITDA	**72.730**	**56.689**	**-**	**-**	**-602**	**128.817**
Total assets at 31 March 2018	**1.101.192**	**696.254**	**198.485**	**-27.631**	**95.322**	**2.063.622**

(*) Long-term intersegment receivables and intersegment participations are not included in the segment assets and therefore not included in the eliminations.
(**) Unallocated adjusted EBITDA includes adjusted EBITDA allocated to corporate. Unallocated assets include derivative financial instruments, cash and cash equivalents, restricted cash and other assets allocated to corporate.

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

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 51,7% of the total sales in AY 18/19 (AY 17/18 48,9%). 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 67,8% of the total sales in AY 18/19 (AY 17/18 65,6%).

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 18/19	AY 17/18
Germany	29,3%	30,7%
The Netherlands	25,4%	23,9%
Belgium	10,4%	9,8%
The United Kingdom	8,4%	8,5%
France	5,2%	5,6%
Other - Europe	15,3%	16,1%
Other - non-Europe	5,8%	5,5%
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 2019 €'000	31 March 2018 €'000
Belgium	209.544	218.129
The Netherlands	92.854	102.550
The United Kingdom	96.489	95.532
Germany	77.901	79.460
Poland	30.641	73.729
France	56.517	65.083
Other	45.897	73.377
TOTAL	609.842	707.859

6. Notes to the consolidated income statement

The Horticulture segment is classified as discontinued operations and is therefore not included anymore in the notes to the consolidated income statement in both AY 17/18 and AY 18/19. The AY 17/18 notes are reworked for the adjusted presentation of non-recurring items.

6.1. Sales

Sales are fully related to contracts with customers and can be disaggregated based on the type of goods and services delivered; being sales related to fresh, frozen and prepared goods. The sale of frozen and prepared goods are both allocated to the Long Fresh segment.

Fresh sales comprise the sale of high-quality top, tropical, citrus and stone fruit, vegetables, salads, fresh-cut products and related services.

Frozen sales is based on the transformation of freshly harvested vegetables and fruits into frozen food products that are easy to store, conserve and consume. Greenyard offers a wide range of innovative and high-quality frozen vegetables, fruits, vegetable mixes, convenience and herbs.

Prepared sales comprise the sale of freshly preserved fruit, vegetables and other ambient food products that are easy to store and ready to eat. Greenyard offers the customers an extensive product portfolio, from classic preserved products in cans or jars to ready-made soups, sauces, dips and pasta dishes in a variety of packaging.

Sales	AY 18/19 €'000	AY 17/18 €'000
Fresh	**3.188.690**	**3.342.854**
Frozen	420.224	432.616
Prepared	311.456	317.806
Intercompany eliminations	-8.903	-7.653
Long Fresh	**722.778**	**742.770**
TOTAL	3.911.468	4.085.624

The performance obligations related to the sales are satisfied at a point in time determined based on the incoterms. For the sales related to the sale of fresh goods, the performance obligation is predominantly satisfied at the moment the customer accepts the goods at its premises. For frozen and prepared sales the incoterms vary from ‘ex-work’ to ‘delivered duty paid’. In case of quality issues, the goods are not accepted or can be returned.

6.2. Operating expenses

Operating expenses	AY 18/19 €'000	AY 17/18 €'000
Cost of goods	2.733.647	2.862.153
Transport	301.642	287.966
Packing, warehousing and farming	349.672	345.296
Personnel and temporary workforce costs	271.631	270.283
Other	55.917	44.199
Cost of sales (*)	**3.712.509**	**3.809.898**
Goodwill impairment	78.910	-
Rentals	15.503	14.222
Maintenance and repair	3.821	3.669
Personnel expenses	143.880	135.307
Utilities	2.981	2.473
Travel and representation	8.571	8.967
Office expenses	3.606	3.584
Fees	21.047	29.856
Insurance	3.339	4.501
Information and communication technology	9.819	9.884
Depreciation	19.881	18.684
Quality	360	378
Indirect tax	6.291	5.514
Other	14.373	11.748
Selling, marketing and distribution & general and administrative expenses	**253.474**	**248.787**
TOTAL	**3.965.983**	**4.058.685**

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

Depreciation and amortisation expenses, excluding goodwill amortisation, included in the cost of sales amounts to € 46,7m (AY 17/18 € 43,4m).

In AY 17/18 the amount of fees was higher than current year as it included M&A fees related to Dole Food Company Inc. for € 7,0m.

6.3. Personnel expenses

Personnel expenses	AY 18/19 €'000	AY 17/18 €'000
Wages and salaries	238.796	229.988
Social security costs	44.826	44.301
Pension costs - defined benefit plans	294	1.225
Pension costs - defined contribution plans	4.586	3.571
Termination benefits	845	1.800
Temporary workforce	104.840	101.560
Other employee benefit expenses	21.324	23.143
TOTAL	**415.511**	**405.589**
Included within cost of sales	**271.631**	**270.283**
Included within other operating expenses	**143.880**	**135.307**

The total number of full time equivalents at 31 March 2019 amounts to 9.600 (including temporary personnel), compared to 10.470 at 31 March 2018. This decrease is mainly due to the sale of Horticulture (830 FTE as per 31 March 2018).

6.4. Other operating income/expense

Other operating income/expenses (-)	AY 18/19 €'000	AY 17/18 €'000
Income from rentals	1.670	1.643
Indemnities due	-14.338	-
Indemnities recovery	10.008	853
Sale of waste	811	991
Gain/loss (-) on disposal of property, plant & equipment	935	1.022
Result on sale of subsidiaries/equity accounted investments	-478	1.206
Other	979	2.232
TOTAL	-413	7.947

The indemnities due and recovery mainly follow the recall of frozen products from our Hungarian facility. The gain on disposal of property, plant & equipment mainly relates to the sale of a building in the Netherlands and a distribution centre in Germany.

6.5. Net finance income/cost

Net finance income/cost (-)	AY 18/19 €'000	AY 17/18 €'000
Interest expense - retail bond	-7.500	-7.500
Interest expense - convertible bond	-4.688	-4.688
Interest expense - bank borrowings	-12.738	-6.801
Amortisation transaction costs - retail bond	-79	-75
Amortisation transaction costs - convertible bond	-525	-492
Amortisation conversion option	-2.287	-2.143
Amortisation transaction costs - term loan / revolving credit facility	-1.061	-977
Interest expense - factoring	-4.622	-4.190
Interest expense - IRS	-1.486	-1.597
Other	-663	-810
Interest expense	**-35.649**	**-29.275**
Interest income	465	539
Interest income	**465**	**539**
Foreign exchange gains/losses (-)	-417	-606
Fair value gains/losses (-) on IRS	124	128
Bank and other financial income/cost (-)	-2.478	-5.391
Other finance result	**-2.771**	**-5.869**
TOTAL	-37.955	-34.604

6.6. Income tax expense/income

Income tax expense (-)/income	AY 18/19 €'000	AY 17/18 €'000
Current tax on profits for the year	-7.639	-7.064
Adjustments in respect of prior years	-74	-1.345
Current tax	**-7.713**	**-8.410**
Origination and reversal (-) of temporary differences	6.689	10.539
Recognition and reversal (-) of deferred tax assets on tax losses and forfeited losses	-19.568	-4.121
Deferred tax	**-12.879**	**6.418**
TOTAL	-20.592	-1.992

Effective tax rate reconciliation	AY 18/19 €'000	AY 17/18 €'000
Profit/loss (-) before income tax	**-171.368**	**327**
Theoretical tax rate	29,58%	33,99%
Tax calculated at statutory Belgian tax rate applicable to profits	50.691	-111
Tax effects of:		
Effect of different tax rates in other countries	-7.861	1.023
Income not subject to income tax	653	236
Non-deductible items	-29.902	-3.751
Non-recognised deferred tax assets on tax losses and forfeited losses	-32.494	-8.019
Recognition and use of deferred tax assets not previously recognised	34	7.582
Adjustments in respect of prior years	-149	-1.345
Nominal tax rate changes	370	1.697
Other	-1.935	696
Effective income tax expense (-)/ income	**-20.592**	**-1.992**
Effective tax rate	**-12,02%**	**609,95%**

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

Income tax for AY 18/19 amounts to € 20,6m. This implies a consolidated effective tax rate of -12,02%. The effective tax rate for AY 18/19 is highly impacted by the non-deductible goodwill impairment and the reversal and non-recognition of DTA's on tax losses. Approximately half of the non-recognised deferred tax assets on tax losses and forfeited losses relates to the reversal of previously recognised tax losses.

6.7. Earnings per share

Earnings per share AY 18/19	Basic	Diluted
Weighted average number of ordinary shares	43.007.709	43.007.709
Dilution effect of convertible bond (issued in December 2016)	-	-
Total	**43.007.709**	**43.007.709**
Profit/loss (-) attributable to the shareholders of the Group:		
Continuing operations	-192.541	-192.541
Discontinued operations	-45.702	-45.702
Earnings per share	**-5,54**	**-5,54**

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:		
Continuing operations	-2.211	-2.211
Discontinued operations	5.123	5.123
Earnings per share	**0,07**	**0,07**

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 (1.363.854 as per 31 March 2019). 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 (€ 2,8m) and (iii) taxes (€ 1,3m).

The convertible bond is anti-dilutive in AY 18/19, 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. The amount of shares to be converted has been set at 7.171.543.

6.8. Discontinued operations

On 24 September 2018 the Group announced that they have signed a Share Purchase Agreement for the sale of the Horticulture segment to Straco for a total consideration of € 120,9m, consisting of a € 95,6m consideration for its shares and € 25,3m for debt settlement. The net cash received amounts to € 117,4m. The disposal was completed on 18 December 2018, on which date control of the Horticulture segment passed to the acquirer. Pursuant to the agreement, all the operations and assets of both the Horticulture and Mycoculture division were transferred to Straco.

Hence as per 31 March 2019 the Horticulture segment is presented in the income statement as a discontinued operation in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

The consolidated loss on the sale of the Horticulture segment amounts to € 49,7m.

Loss on sale of Horticulture	31 March 2019 €'000
Consideration received	95.587
Net assets disposed of	-145.119
Non controlling interests included in net assets disposed of	147
Cumulative translation differences related to net assets disposed of	-275
Loss (-) on sale	**-49.660**

Analysis of assets and liabilities over which control was lost

Analysis of assets and liabilities over which control was lost	18 December 2018 €'000
Property, plant & equipment	54.257
Goodwill	73.696
Other intangible assets	24.801
Other financial assets	4
Deferred tax assets	247
Inventories	21.448
Trade and other receivables	11.519
Cash and cash equivalents	3.415
TOTAL ASSETS OVER WHICH CONTROL WAS LOST	**189.387**
Employee benefit liabilities	350
Provisions	589
Interest-bearing loans	522
Deferred tax liabilities	5.777
Trade and other payables	37.030
TOTAL LIABILITIES OVER WHICH CONTROL WAS LOST	**44.269**
NET ASSETS DISPOSED OF	**145.119**

Analysis of the result of the period from discontinued operations

The results from the discontinued operations included in the consolidated income statement are presented below. The comparative profit and loss accounts and cash flow statement from discontinued operations have been re-presented to include these operations as discontinued operations.

Profit/loss (-) for the period from discontinued operations	AY 18/19 €'000	AY 17/18 €'000
Sales	71.344	90.266
Cost of sales	-58.471	-74.981
Gross profit/loss (-)	**12.873**	**15.285**
Selling, marketing and distribution expenses	-1.890	-3.264
General and administrative expenses	-5.327	-6.903
Other operating income/expense (-)	216	529
Loss on the remeasurement to fair value less costs to sell	-47.013	-
Loss on disposal of discontinued operations	-2.647	-
EBIT	**-43.789**	**5.647**
Net finance income/cost (-)	**-194**	**-400**
Profit/loss (-) before income tax	**-43.982**	**5.247**
Income tax expense (-)/income	-1.741	-153
PROFIT/LOSS (-) FOR THE PERIOD	**-45.723**	**5.095**
Attributable to:		
The shareholders of the Group	-45.702	5.123
Non-controlling interests	-21	-28

Cash flows from discontinued operations	AY 18/19 €'000	AY 17/18 €'000
Cash flow from operating activities	5.690	10.623
Cash flow from investing activities	-5.329	3.251
Cash flow from financing activities	-10.715	-3.566
NET INCREASE IN CASH AND CASH EQUIVALENTS	**-10.353**	**10.307**

7. Notes to the consolidated statement of financial position

7.1. Property, plant & equipment

Property, plant & equipment AY 18/19	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 2018	**336.783**	**611.085**	**64.250**	**15.053**	**17.626**	**1.044.797**
Additions	1.256	23.408	3.639	2.060	13.248	43.611
Finalisation purchase price allocation	2.755	370	1.097	-	-	4.222
Change in scope: business combinations	-	-	236	98	-	334
Sales and disposals	-10.448	-31.841	-5.616	-277	-294	-48.476
Change in scope: disposal of subsidiaries	-36.459	-49.605	-8.848	-850	-4.453	-100.215
Classification as assets held for sale	-4.836	-6.637	-414	-	-7	-11.893
Transfer from one heading to another	4.712	11.890	1.595	38	-19.460	-1.225
Translation differences	213	545	76	37	-88	783
Balance at 31 March 2019	**293.977**	**559.215**	**56.015**	**16.159**	**6.572**	**931.938**
DEPRECIATION AND IMPAIRMENT LOSSES						
Balance at 31 March 2018	**161.360**	**401.826**	**52.681**	**8.833**	**587**	**625.286**
Depreciation	11.405	33.144	3.942	1.683	-	50.174
Impairment losses	215	2.368	-	-	-480	2.102
Change in scope: business combinations	-	-	160	2	-	162
Reversals after sales and disposals	-4.729	-31.177	-5.357	-267	-89	-41.619
Change in scope: disposal of subsidiaries	-11.673	-28.777	-4.928	-579	-	-45.958
Classification as assets held for sale	-2.437	-5.946	-120	-	-	-8.502
Transfer from one heading to another	-328	-547	74	-	-	-801
Translation differences	95	384	52	2	-11	522
Balance at 31 March 2019	**153.907**	**371.275**	**46.503**	**9.675**	**7**	**581.366**
Net carrying amount at 31 March 2019	**140.070**	**187.940**	**9.512**	**6.484**	**6.565**	**350.572**

Property, plant & equipment AY 17/18	Land and buildings €'000	Plant, machinery and equipment €'000	Furniture and vehicles €'000	€'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**

The decrease in property, plant & equipment of € 68,9m is mainly related to the disposal of Horticulture (€ 54,3m), the depreciation and impairment loss (€ 52,3m), the disposal of assets (€ 6,9m) and the transfer to assets held for sale for the Hungarian plant (€ 3,4m). This decrease is partially compensated by investments (€ 43,6m), the purchase price adjustment for Mykogen (€ 4,2m) and the impact of foreign exchange fluctuations (€ 0,3m). The main investments concern new ripening cells in Germany and UK and new machinery in several countries, such as a waste water treatment plant in Greenyard Frozen UK. The disposal of assets mainly relates to the sale of a building in The Netherlands.

7.2. Goodwill

Goodwill per cash generating unit	31 March 2019 €'000	31 March 2018 €'000
Fresh	477.247	477.029
Long Fresh	-	78.910
Horticulture	-	77.913
TOTAL	**477.247**	**633.852**

Goodwill	31 March 2019 €'000	31 March 2018 €'000
ACQUISITION VALUE		
Balance at the end of the preceding period	**633.852**	**591.923**
Change in scope: business combinations (note 8.1.)	218	41.929
Purchase price allocation adjustment (note 7.1.)	-4.222	-
Change in scope: disposal of subsidiaries (note 6.8.)	-73.691	-
Balance at the end of the period	**556.157**	**633.852**
IMPAIRMENT LOSSES		
Balance at the end of the preceding period	**-**	**-**
Impairment losses	78.910	-
Balance at the end of the period	**78.910**	**-**
Net carrying amount at the end of the period	**477.247**	**633.852**

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.

At 31 March 2019 the Group performed its annual impairment test for each cash generating unit, i.e. segments Fresh and Long Fresh. 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 19/20 and revised long range plan for the subsequent financial periods until AY 23/24 (together referred to as 'LRP'), in conjunction with a perpetuity of cash flows to determine terminal value. The revised LRP was approved by the Board of Directors of 14 March 2019.

Fresh

The revised LRP takes into account a margin improvement resulting in an expected average yearly adjusted EBITDA margin of 1,6% (which is an increase from 1,3% to 1,8% over the period AY 19/20 - AY 23/24, compared to 0,9% for the period AY 18/19) and an average sales growth of 5,7% (over the period AY 19/20 - AY 23/24), 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 7,8% 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 € 100,4m. The major sensitivities for the impairment tests are the sales growth rate, the adjusted EBITDA 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 103 base points (to an average yearly sales growth of 4,7% and a perpetual sales growth rate of 0,0%), or the yearly adjusted EBITDA growth rates were to fall by 198 base points (reducing the average yearly adjusted EBITDA margin to 1,5%) or if the after-tax discount rate was to rise by 127 base points (or a rate of 9,1%) in all periods until AY 23/24 and thereafter. Based on the above assumptions the Group has concluded that no impairment losses need to be recorded at 31 March 2019 on the goodwill of the Fresh segment.

Long Fresh

The revised LRP takes into account a margin improvement resulting in an expected average yearly adjusted EBITDA margin of 6,7% (which is an increase from 5,8% to 7,1% over the period AY 19/20 - AY 23/24, compared to 5,2% for the period AY 18/19) and an average yearly sales growth of 5,4% (over the period AY 19/20 - AY 23/24), 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 7,9% which was benchmarked with the WACC provided by the analysts. The results of this test have shown that the carrying value exceeds value in use of the cash flow generating unit (the 'shortage') by € 73,3m. Based on the performed impairment test the Group has concluded to impair the goodwill of the Long Fresh segment for the entire amount of € 78,9m at 31 March 2019.

At 31 March 2018 the applied methodology was similar to the one discussed above. The key parameters are presented below.

Goodwill impairment test - key parameters	31 March 2019	31 March 2018
Fresh		
Average sales growth rate	5,7%	5,4%
Perpetual growth rate	1,0%	1,0%
Average adjusted EBITDA margin	1,6%	2,5%
Discount rate (*)	7,8%	6,8%
Headroom (in €'000 000)	100,4	428,4
Long Fresh		
Average sales growth rate	5,4%	3,9%
Perpetual growth rate	1,7%	1,7%
Average adjusted EBITDA margin	6,7%	9,2%
Discount rate (*)	7,9%	6,9%
Headroom/shortage (-) (in €'000 000)	-73,3	87,5

(*) The discount rate is calculated as the Weighted Average Cost of Capital (WACC). For AY 18/19 the WACC increases with 1% risk premium to reflect the current financial position of the Group. We refer to note 4. *Going concern*.

7.3. Other intangible assets

Other intangible assets AY 18/19	Software and licences €'000	Customer relationships €'000	Other €'000	TOTAL €'000
ACQUISITION VALUE				
Balance at 31 March 2018	**46.657**	**273.425**	**9.681**	**329.764**
Additions	11.879	-	13	11.892
Change in scope: business combinations	148	-	-	148
Sales and disposals	-892	-	-	-892
Change in scope: disposal of subsidiaries	-430	-22.631	-9.084	-32.145
Transfer from one heading to another	424	-	-	424
Translation differences	51	-260	-	-209
Balance at 31 March 2019	**57.837**	**250.535**	**610**	**308.982**
AMORTISATION AND IMPAIRMENT LOSSES				
Balance at 31 March 2018	**34.699**	**37.091**	**5.268**	**77.057**
Amortisation	4.002	14.525	270	18.797
Change in scope: business combinations	32	-	-	32
Reversals after sales and disposals	-764	-81	-	-845
Change in scope: disposal of subsidiaries	-296	-1.911	-5.137	-7.344
Translation differences	39	15	1	55
Balance at 31 March 2019	**37.711**	**49.639**	**403**	**87.752**
Net carrying amount at 31 March 2019	**20.126**	**200.896**	**207**	**221.230**

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**

The decrease of the other intangible assets by € 31,5m mainly results from the disposal of Horticulture (€ 24,8m) and amortisations of the period (€ 18,8m), partly compensated by investments (€ 11,9m).

The depreciation term of customer relationships of the Fresh segment has been reduced from 25 years to 20 years, please refer to note 3.2. *Key sources of estimation uncertainty* for more information. Depreciation for AY 18/19 amounts to € 11,6m, which is € 2,6m higher than before the adjustment to 20 years. The portfolio has a remaining useful life of 16 years.

7.4. Biological assets

Biological assets	AY 18/19 €'000	AY 17/18 €'000
Net carrying amount at the end of the preceding period	**20.711**	**20.353**
Change in fair value through P&L	507	760
Translation differences	495	-401
Net carrying amount at the end of the period	**21.713**	**20.711**

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 18/19 2.391 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 € 0,5m.

7.5. Investments accounted for using equity method

Name of investment	Description of interest	Type of investment	31 March 2019	31 March 2018
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 18/19 €'000	AY 17/18 €'000
Balance at the end of the preceding period	**9.435**	**8.975**
Share of profit/loss (-)	425	45
Acquisition	-	200
Change in scope: disposal of associate	-79	-
Capital increase	-	287
Impairment loss	-	-5
Translation differences	52	-66
Balance at the end of the period	**9.833**	**9.435**

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 2019 €'000	31 March 2018 €'000	31 March 2019 €'000	31 March 2018 €'000	31 March 2019 €'000	31 March 2018 €'000
Grupo Yes Procurement Marketing SL	11.182	11.158	2.413	3.194	8.769	7.964
Logidis Sistem SL	6.929	6.180	5.132	4.658	1.797	1.523
Mahindra Greenyard Pvt Ltd	2.609	871	1.767	369	843	502
Lunasoft (1)	228	268	121	162	108	105
Bardsley Farms Ltd	8.327	8.291	5.033	5.178	3.294	3.112
Agritalia Srl (1)	2.402	2.506	2.069	2.197	333	309

Investments accounted for using equity method	Sales		Expenses		Profit after tax	
	AY 18/19 €'000	AY 17/18 €'000	AY 18/19 €'000	AY 17/18 €'000	AY 18/19 €'000	AY 17/18 €'000
Grupo Yes Procurement Marketing SL	22.902	24.919	22.097	24.144	805	775
Logidis Sistem SL	22.846	21.883	22.571	21.668	275	215
Mahindra Greenyard Pvt Ltd	6.103	2.748	6.507	3.505	-403	-758
Lunasoft (1)	162	114	136	117	27	-2
Bardsley Farms Ltd	6.557	4.668	6.419	5.245	137	-577
Agritalia Srl (1)	7.923	5.905	7.926	5.896	3	9

(1) Figures at 31 December.

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 2019		31 March 2018	
	Assets	Liabilities	Assets	Liabilities
	€'000	€'000	€'000	€'000
IRS - cash flow hedging	-	26	-	1.341
Forward agreements - cash flow hedges	-	-	4	-
Non-current derivatives	**-**	**26**	**4**	**1.341**
IRS - held-for-trading	-	48	-	175
Forward agreements -held-for-trading	13	-	-	-
Forward agreements - cash flow hedges	1.021	1.524	455	2.142
Current derivatives	**1.034**	**1.572**	**455**	**2.317**
Available-for-sale financial assets	**108**	**-**	**134**	**-**
TOTAL	1.142	1.598	593	3.658

7.7. Deferred tax assets and liabilities

Deferred taxes (net carrying amount)	AY 18/19		AY 17/18	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
	€'000	€'000	€'000	€'000
Balance at the end of the preceding period	19.630	41.432	22.579	47.458
Increase/decrease (-) via income statement	-16.765	-3.886	-16.301	-23.439
Increase/decrease (-) via equity	-661	-303	394	-169
Change in scope: business combinations	-128	15	245	4.636
Change in scope: disposal of subsidiaries	-247	-5.777	-	-
Translation differences	-195	-32	-292	-59
Set-off of assets and liabilities	15.069	15.069	13.005	13.005
Balance at the end of the period	16.704	46.517	19.630	41.432

Deferred taxes (allocation)	31 March 2019		31 March 2018	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
	€'000	€'000	€'000	€'000
Intangible assets	7.815	48.950	8.978	56.217
Property, plant & equipment	5.823	13.778	3.186	15.703
Derivatives	123	-	901	-
Interest-bearing loans	120	-	66	-
Inventories	100	3.076	102	3.118
Trade and other receivables	389	415	596	576
Provisions	6.191	878	5.612	1.035
Current liabilities	639	9	183	61
Fiscal losses and other tax credits	17.149	-	36.717	-
Tax reserves	-	1.056	-	1.435
Total deferred taxes related to temporary differences	38.348	68.162	56.343	78.145
Set-off of assets and liabilities	-21.644	-21.644	-36.713	-36.713
Net deferred tax assets/liabilities	16.704	46.517	19.630	41.432

The deferred tax liabilities mainly relate to the customer relationships. The total amount of fiscal losses for which a deferred tax asset has been set up amounts to € 57,2m (gross) at 31 March 2019. These losses mainly relate to tax losses originated in Belgium.

Maturity date of unrecognised fiscal losses and other tax credits (gross)	31 March 2019	31 March 2018
	€'000	€'000
Within one year	988	4.337
Between one and five years	15.674	2.385
More than five years	-	25
Indefinite	183.929	59.936
TOTAL	200.592	66.683

7.8. Inventories

Inventories	31 March 2019 €'000	31 March 2018 €'000
Raw materials and consumables	29.887	41.121
Work in progress and finished goods	241.739	271.272
TOTAL	271.625	312.393

Raw materials and consumables mainly include fresh fruit and vegetables and packing materials. 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).

The decrease in inventories are partly explained by the disposal of Horticulture (€ 21,5m) and inventory impairment (€ 3,3m).

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 2019 €'000	31 March 2018 €'000
Trade receivables	99	99
Valuation allowances on trade receivables	-99	-99
Trade receivables net	-	-
Other receivables	4.341	4.278
Guarantee deposits	566	573
Prepayments	1.588	644
Other receivables net	**6.494**	**5.495**
Non-current	6.494	5.495
Trade receivables	199.635	235.632
Valuation allowances on trade receivables	-8.452	-4.699
Trade receivables net	**191.182**	**230.933**
Other receivables	45.002	62.168
Prepaid expenses and accrued income	24.181	18.191
Prepayments	24.144	20.494
Other receivables net	**93.327**	**100.853**
Current	284.509	331.786

Trade receivables relate fully to sales from contracts with customers. The payment terms for the sale of fresh goods vary but the majority is 60 days. For the sale of frozen and prepared goods the payments terms vary to a maximum of 110 days. The movement in trade receivables is impacted by the disposal of Horticulture (€ -7,0m) and the inclusion of MOR in the consolidation (€ 11,5m).

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 2019			31 March 2018		
	Gross	Valuation allowances	Net	Gross	Valuation allowances	Net
	€'000	€'000	€'000	€'000	€'000	€'000
Not overdue	98.900	-	98.900	136.852	-6	136.846
Overdue less than 30 days	79.695	-104	79.590	78.337	-4	78.332
Overdue between 30 and 60 days	5.267	-256	5.011	6.856	-50	6.806
Overdue more than 60 days	15.773	-8.092	7.681	13.588	-4.638	8.949
TOTAL	**199.635**	**-8.452**	**191.182**	**235.632**	**-4.699**	**230.933**

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 18/19	AY 17/18
	€000	€000
Balance at the end of the preceding period	**-4.699**	**-4.311**
Additions	-4.992	-1.037
Change in scope: business combinations	-241	-594
Change in scope: disposal of subsidiaries	589	-
Non-recoverable amounts (use)	619	925
Reversals	271	317
Balance at the end of the period	**-8.452**	**-4.699**

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

Trade and other receivables: foreign currencies	31 March 2019	31 March 2018
	€'000	€'000
GBP	21.946	20.484
USD	26.431	21.216
PLN	7.890	16.213
CZK	22.669	32.508
Other	11.083	10.900

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 (meaning that the receivables can only be sold to the syndicate of commercial finance companies), a maximum dilution ratio (meaning that at least 95% of the payments should be on the bank account of the syndicate of commercial finance companies), a leverage test (being the one for the Facilities Agreement) and a maximum program amount of € 475,0m.

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 when the transferred receivables are subject to credit insurance through credit insurers with at least an investment grade rating as the syndicate of commercial finance companies bears the ultimate credit risk.

As at 31 March 2019 € 418,1m of financing was obtained through the multi-country syndicated factoring program (€ 415,9m as at 31 March 2018). The late payment risk related to the factoring has been assessed as immaterial.

In accordance with IFRS 9 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, restricted cash and bank overdrafts

Cash and cash equivalents and bank overdrafts	31 March 2019 €'000	31 March 2018 €'000
Cash and cash equivalents	67.880	57.432
Bank overdrafts	-694	-
TOTAL	**67.186**	**57.432**

The restricted cash relates to the sale of Horticulture (€ 120,0m) and the sale of a building in the Netherlands (€ 5,0m). It is the intention to use this for the repayment of the retail bond due in July 2019.

The cash and cash equivalents and the restricted cash are held at reputable banks.

7.11. Financial instruments by category

Financial assets by category at 31 March 2019	Note	Loans and receivables €'000	Assets at fair value through profit and loss €'000	Derivatives used for hedging €'000	Available-for-sale €'000	TOTAL €'000
Available-for-sale financial assets	7.6.	-	-	-	108	108
Derivatives	7.6.	-	13	1.021	-	1.034
Trade and other receivables excluding prepayments	7.9.	265.272	-	-	-	265.272
Cash and cash equivalents	7.10.	67.880	-	-	-	67.880
Restricted cash	7.10.	125.000	-	-	-	125.000
TOTAL		**458.152**	**13**	**1.021**	**108**	**459.294**

Financial assets by category at 31 March 2018	Note	Loans and receivables €'000	Assets at fair value through profit and loss €'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**

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 17/18 and AY 18/19. The capital of the Group consists at 31 March 2019 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 article 12 of the Greenyard's articles of association, the General Shareholders' Meeting of 15 September 2017 has granted the Board of Directors the authority to acquire, on or outside the stock exchange, a number of shares representing a maximum of 20% of the Company's share capital. In AY 17/18, the Group bought back 1.750.000 treasury shares for an amount of € 13,6m. In AY 18/19 the total amount of treasury shares decreased with € 7,6m, following the acquisition of the remaining 49% stake in Greenyard Fresh Direct Belgium. As per 31 March 2019, the Group holds 1.363.854 treasury shares, representing 3,1% of the total shares.

The Annual General Meeting of 21 September 2018 approved the dividend payment of € 0,20 per share, which was paid in October 2018 (€ 8,6m).

7.13. Stock option, warrant plans and performance share units

On the recommendation of the Remuneration Committee, the Board of Directors has approved on 31 May 2017 the Long Incentive (LTI) Performance Share Plan for Greenyard NV (the Plan). The Plan has awarded in 2017 ("Series 2017") and 2018 ("Series 2018") the Leadership Team and other key persons at Greenyard (the Beneficiaries) Performance Share Units (PSU's) which are optional constructions granting the beneficiaries Greenyard shares. The number of share granted to beneficiaries depends on Total Shareholder Return (TSR) increase over a 3 years' period (the Performance Period) times a Performance Factor. The TSR at the end of the Performance Period is calculated as follows: average share price during the period May 15 – June 14 preceding the end date of the Performance Period minus the average share price at the start of the Performance Period plus the dividends per share distributed by Greenyard during the Performance Period.

Performance condition	Number of shares granted per PSU
TSR increase >=10% per year	2,0
5% per year>= TSR increase < 10% per year	1,5
0% >= TSR increase < 5% per year	1,0
TSR increase < 0%	-

Because of the structure of the pay of the PSU's (including averages of closing prices at the maturity of the structure), the economic value must be valued using numerical techniques. The technique used here to value the PSU's technically consists in Monte-Carlo simulations using Geometric Brownian Motion assumptions. The estimation for the relevant implied volatility assumption is based on benchmarking techniques considering the premium of listed equity options with comparable maturities. As a result, volatilities assumptions used were 21,3% for the Series 2017 and 20,9% for the 2018 Series.

Considering this valuation approach the value per PSU for Series 2017 was calculated at € 20,23 and for Series 2018 at € 10,49 per PSU.

Based on the value calculated at grant date the cost of the share based payments is affecting the income statement and the equity, spread over the 3 years vesting period. In case PSU's are forfeited the cost for the remainder of the vesting period is impacting the income statement in the period the PSU's are forfeited.

Number of PSU's	31 March 2018	Granted AY18/19	Forfeited AY 18/19	31 March 2019
Series 2017	31.442	-	-11.081	20.361
Series 2018	-	90.282	-26.259	64.023
TOTAL	**31.442**	**90.282**	**-37.340**	**84.384**

	AY18/19		AY17/18	
	Impact income statement €'000	Impact equity €'000	Impact income statement €'000	Impact equity €'000
Series 2017	337	337	127	127
Series 2018	443	443	-	-
TOTAL	**781**	**781**	**127**	**127**

The Board of Directors approved the 2019 Stock Option Plan (subject to approval by the 2019 Annual General Shareholders' Meeting), enabling it to grant certain stock options to selected staff members, consisting of Leadership Team members and key employees. The 2019 Stock Option Plan is applicable as from AY 19/20, upon acceptance by the beneficiaries concerned of the options granted within 60 days after the grant date (*i.e.* before 14 May 2019). Upon the achievement of the vesting conditions under the Plan, the options are definitively acquired (vested) after a vesting period of three years (ending on 31 March of the third calendar year following the year of the grant, *i.e.* on 31 March 2022). As from AY 19/20 no new Performance Share Units will be granted under the existing long-term incentive Performance Share Units Plan (*PSU Plan*), given the implementation of the 2019 Stock Option Plan which replaces the PSU Plan as long-term incentive plan.

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 18/19 amount to € 4,6m (AY 17/18 € 3,6m).

In Prepared Netherlands, as from 1 January 2019, the pension plan is funded through the multi-employer pension fund BPL. Greenyard can't be reliable for any possible underfunding of the fund. The contributions are determined as a percentage of the remuneration and for the period starting from 1 January 2019 (begin of participation to the plan) till 31 March 2019 € 0,3m was paid to the plan representing 0,33% of the total BPL plan contributions. The expected contributions for AY 19/20 will amount to € 1,4m.

Belgian defined contribution plans – presented as defined benefit 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 1 January 2016 onwards, the minimum guaranteed rate of return equals 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 did not lead to a material 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.

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, four for employees in the Netherlands, three for employees in Germany and plans in 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. For the insured plans, the fair value takes 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.

Employee benefit liabilities	31 March 2019 €'000	31 March 2018 €'000
Obligations for defined benefit plans	17.156	19.423
Obligations other employee benefits	1.891	2.284
TOTAL	**19.046**	**21.708**

Defined benefits - income statement	AY 18/19 €'000	AY 17/18 €'000
Employee benefit expense	294	1.225
Interest expense	332	380
TOTAL	**625**	**1.605**

The expected employer contributions to be paid during AY 19/20 amount to € 1,1m.

Defined benefit - amounts recognised in the statement of financial position	31 March 2019 €'000	31 March 2018 €'000
Present value of defined benefit obligation	41.909	61.553
Fair value of plan assets	-24.753	-42.129
Net liability	**17.156**	**19.423**

Movement in defined benefit obligation	AY 18/19 €'000	AY 17/18 €'000
Balance at the end of the preceding period	**61.553**	**59.543**
Current service cost	1.672	1.236
Past service cost	-1.403	-133
Interest cost	686	1.088
Remeasurements: Experience gain (-)/loss	1.093	-377
Remeasurements: Gain (-)/loss due to demographic assumption changes	-41	-25
Remeasurements: Gain (-)/loss due to financial assumption changes	931	1.524
Expected plan participant contributions	199	540
Benefits paid	-1.014	-1.248
Plan closure	-19.004	-
Settlements	-3.021	-
Translation differences	257	-595
Balance at the end of the period	**41.909**	**61.553**

Movement in fair value of plan assets	AY 18/19 €'000	AY 17/18 €'000
Balance at the end of the preceding period	**42.129**	**40.337**
Interest income	355	708
Actual expenses, taxes and premiums paid	-49	-122
Employer contributions	2.359	1.267
Plan participant contributions	199	540
Return on plan assets (excluding interest income)	1.156	689
Benefits paid from plan assets	-655	-938
Plan closure	-17.929	-
Settlements	-2.996	-
Translation differences	183	-351
Balance at the end of the period	**24.753**	**42.129**

Defined benefit - development of accumulated other comprehensive income	AY 18/19 €'000	AY 17/18 €'000
Experience gain (-)/loss	1.093	-377
Gain (-)/loss due to demographic assumption changes	-41	-25
Gain (-)/loss due to financial assumption changes	931	1.524
Return on plan assets (excluding interest income)	-1.156	-689
Translation differences	-7	54
Total movement in other comprehensive income	**820**	**487**

Defined benefit - expense recognised in the income statement	AY 18/19 €'000	AY 17/18 €'000
Current service cost	1.672	1.236
Past service cost	-1.403	-133
Settlements	-25	-
Interest cost	686	1.088
Interest income	-355	-708
Actual expenses, taxes and premiums paid	49	122
Expense recognised in income statement	**625**	**1.605**

The settlements relate to the defined benefit plan in the US for which the obligation was settled in January 2019 through a one-off payment to an insurance company.

The plan closure relates to a fully insured defined pension plan in the Netherlands (Fresh segment) which has been amended such that the insurance company will bear all the risks related to the plan. This plan is now accounted for as a defined contribution plan.

For Prepared Netherlands the pension plan is funded through the industrywide multi-employer pension fund BPL (for agriculture and green sector) as from 1 January 2019. Due to the nature of the multi-employer funds it is not possible to separate the plan assets and liabilities related to Prepared Netherlands. Therefore, this plan is accounted for as a defined contribution plan. The past service benefits at 31 December 2018 remain funded through an insurance arrangement whereby the risks have not been entirely transferred to the insurance company. This closed plan continues to be accounted for as a defined benefit plan. The operation generates a past service credit of € 1,4m.

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

Principal actuarial assumptions	The Netherlands		Germany	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Discount rate	1,7%	1,9%	1,7%	1,9%
General wage increases	1,9%	1,9%	2,0%	2,0%
Inflation	1,9%	1,9%	2,0%	1,8%
Average duration of pension plans	27	24	13	14

Principal actuarial assumptions	Italy		The US	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Discount rate	1,7%	2,0%	3,8%	3,8%
General wage increases	2,3%	2,3%	N/A	N/A
Inflation	1,9%	1,8%	0,0%	0,0%
Average duration of pension plans	13	14	-	8

As from 31 March 2019 onwards the discount rate is calculated as the single equivalent discount rate which more accurately reflects the amount and timing of the benefit payments. Determining the discount rate on a similar method as in prior year (i.e. using a benchmark for high quality corporate bonds), the discount rate for the euro entities would have been 1,5%.

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

Sensitivity of defined benefit obligation - major plans	31 March 2019			31 March 2018		
	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	5.424	-674	791	34.042	-3.408	4.210
Germany	15.145	-1.046	1.171	14.429	-1.006	1.127
Italy	2.172	-134	139	2.130	-131	151
The US	-	-	-	2.995	-109	115
TOTAL	**22.742**	**-1.854**	**2.100**	**53.596**	**-4.655**	**5.604**

Detail of plan assets	31 March 2019				31 March 2018			
	Insurance contracts	Equity instruments	Corporate bonds	Cash	Insurance contracts	Equity instruments	Corporate bonds	Cash
The Netherlands	100%	-	-	-	100%	-	-	-
Germany	-	-	100%	-	-	-	99%	1%
The US	-	-	-	-	-	52%	45%	3%

7.15. Provisions

Provisions AY 18/19	Legal claims €000	Decommis-sionning €000	Onerous contracts €000	Environment Costs €000	Restructuring €000	Tax exposure €000	TOTAL €000
Balance at 31 March 2018	**3.396**	**7.170**	**301**	**250**	**7.884**	**-**	**19.001**
Additions	516	730	2.633	26	7.993	29	11.927
Unused amounts reversed	-406	-173	-	-87	-1.378	-	-2.044
Unwinding of discounts and changes in discount	-	9	-	-	-	-	9
Used during period	-95	-695	-72	-150	-4.118	-26	-5.155
Change in scope: disposal of subsidiaries	-170	-378	-	-40	-	-	-589
Translation differences	-4	-9	-	1	21	-	9
Balance at 31 March 2019	**3.238**	**6.653**	**2.862**	**-**	**10.401**	**3**	**23.158**
Analysis of total provisions							
Non-current	3.200	6.653	732	-	116	-	10.700
Current	38	-	2.131	-	10.286	3	12.458
TOTAL	**3.238**	**6.653**	**2.862**	**-**	**10.401**	**3**	**23.158**

Provisions AY 17/18	Legal claims €000	Decommis-sionning €000	Onerous contracts €000	Environment Costs €000	Restructuring €000	Tax exposure €000	TOTAL €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**

The increase in provisions of € 4,2m is mainly attributable to the increase in onerous contracts (€ 2,6m) and restructuring provisions (€ 2,5m). The addition in onerous contracts is mainly related to contracts in Fresh Germany. The increase in restructuring provisions is mainly due to new provisions in Fresh Germany (€ 4,9m), Fresh UK (€ 0,8m) and Frozen Hungary (€ 1,8m), countered by uses of provisions in Fresh Germany (€ 3,6m) and Prepared Netherlands (€ 0,6m) and reversal of provisions in Fresh Germany (€ 1,4m).

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, resulting is a total facility of € 425,0.

Per year-end a nominal amount of € 370,5m was drawn as financial debt under the Facility Agreement. € 138,0m of this facility was drawn as a term loan, the remaining part of € 232,5m as a revolving credit facility.

The Group disposes also of bilateral facilities with individual financial institutions for an amount of € 16,2m of which € 0,7m was used as a bank overdraft.

Interest-bearing loans at 31 March 2019	Due within 1 year €'000	Due between 1 and 5 years €'000	Due after 5 years €'000	TOTAL €'000
Bank loans	369.245	950	93	370.288
Bond loans	149.977	116.305	-	266.281
Bank overdrafts	694	-	-	694
Finance leases	84	190	-	274
TOTAL	520.000	117.445	93	637.538

Interest-bearing loans at 31 March 2019	Fixed €'000	Floating €'000	TOTAL €'000
Total	267.250	370.288	637.538

Interest-bearing loans at 31 March 2019	Secured €'000	Non-secured €'000	TOTAL €'000
Total	371.257	266.281	637.538

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	59.539	136.971	186	196.696
Bond loans	-	263.390	-	263.390
Finance leases	444	487	-	931
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

Bank loans

The Facilities Agreement encompasses a term loan for an original nominal amount of € 150,0m and a revolving credit facility for a nominal amount € 275,0m.

The term loan bears a margin between 1,50% and 4,50%, based on a leverage grid. The withdrawn amount on the term loan as per 31 March 2019 amounts to € 138,0m.

The revolving credit facility bears a margin between 1,25% and 4,25%, 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 2019 amounts to € 232,5m.

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

The Group disposes also of bilateral facilities with individual financial institutions for an amount of € 16,2m, of which € 0,7m was used as a bank overdraft per 31 March 2019.

All interest-bearing bank liabilities per 31 March 2019 are expressed in euro and concluded at market conditions.

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

Per 31 March 2019, the entire bank debt under the Facility Agreement is presented as a short-term liability as Greenyard was still in negotiations with its banks to waive a breach with certain conditions of the Facility Agreement. As the consent agreement related to the breach is only signed in April 2019 (see note 8.5. *Events after balance sheet date*), under the Facility Agreement the relevant bank debt is technically due per 31 March 2019. However; according to the contractual terms of the term loan € 125,0m should be presented as a long-term debt per 31 March 2019.

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 2019	Term loan €'000	Revolving credit facility €'000	Other bank loans €'000	TOTAL €'000
Nominal amount	**138.000**	**232.500**	**3.372**	**373.872**
Transaction costs at inception	-1.872	-2.807	-	-4.679
Amortisation transaction costs	849	940	-	1.790
Carrying amount	**136.978**	**230.633**	**3.372**	**370.983**

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**

Bond loans

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

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 2019 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.

Reconciliation nominal to carrying amount bond loans at 31 March 2019	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	4.988	-	4.988
Transaction costs at inception	-2.771	-429	-3.200
Amortisation transaction costs	1.146	406	1.552
Carrying amount	**116.305**	**149.977**	**266.281**

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**

7.17. Trade and other payables

Trade and other payables	31 March 2019 €'000	31 March 2018 €'000
Other payables	**4.063**	**3.118**
Non-current	**4.063**	**3.118**
Trade payables	**553.183**	**691.164**
Tax	19.693	20.436
Remuneration and social security	42.580	40.481
Accrued charges	26.503	28.126
Other	15.593	24.263
Other payables	**104.369**	**113.306**
Current	**657.552**	**804.470**

The decrease in trade and other payables is partly due the disposal of Horticulture (€ 37,0m). The accrued charges include accrued interest charges for an amount of € 9,4m in AY 18/19 (AY 17/18 € 8,2m).

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 2019 €'000	31 March 2018 €'000
GBP	35.360	45.281
USD	21.018	16.413
PLN	12.531	23.996
CZK	11.537	17.815
Other	11.519	7.692

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 2019 €'000	Effect on equity at 31 March 2019 €'000	Effect on profit before income tax at 31 March 2018 €'000	Effect on equity at 31 March 2018 €'000
GBP				
+10%	1.006	3.367	-3.587	4.021
-10%	-1.229	-4.115	4.384	-4.915
USD				
+10%	-337	-2.840	-418	-2.808
-10%	412	3.471	511	3.432

The sensitivity is based on a net receivable position per 31 March 2019 of € 11,1m for GBP (31 March 2018 € 39,5m) and € 3,7m for USD (31 March 2018 € 4,6m).

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 kept 43% 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 € 180,6m.

Financial liabilities at amortised cost	31 March 2019 €'000	31 March 2019 Average effective interest rate	31 March 2018 €'000	31 March 2018 Average effective interest rate
Floating interest rate				
EUR	370.288	3,59%	196.696	1,94%
Fixed interest rate				
EUR	267.250	4,43%	264.321	4,43%
TOTAL	**637.538**		**461.017**	

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 2019 €'000	Impact 20 base points increase of interest rate €'000	Impact 20 base points decrease of interest rate €'000	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
Bank loans	373.872	143	-143	200.646	68	-68
IRS	180.554	94	-94	215.646	430	-432

Interest rate risk: maturity of financial assets and liabilities

Remaining terms of financial assets and liabilities at 31 March 2019	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%	266.281	-	116.305	-
Finance leases	n/a	2,00%	274	84	190	-
Assets and liabilities with floating interest rates						
Cash and cash equivalents	L&R	-	67.880	67.880	-	-
Restricted cash	L&R	-	125.000	125.000	-	-
Bank loans	FLmaAC	3,59%	370.288	369.245	950	93
Bank overdrafts	FLmaAC	3,42%	694	694	-	-

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

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 2019 Due within 1 year €'000	31 March 2019 Due between 1 and 5 years €'000	31 March 2019 Due after 5 years €'000	31 March 2018 Due within 1 year €'000	31 March 2018 Due between 1 and 5 years €'000	31 March 2018 Due after 5 years €'000
Foreign exchange risk						
Forward agreements	133.126	163	-	139.223	169	-
Interest rate risk						
IRS	180.000	-	554	75.000	140.000	646
TOTAL	**313.126**	**163**	**554**	**214.223**	**140.169**	**646**

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 13 July 2020 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 2019					31 March 2018				
	Assets €'000	Liabilities €'000	Net Position €'000	Movement in income statement €'000	Movement through equity €'000	Assets €'000	Liabilities €'000	Net Position €'000	Movement in income statement €'000	Movement through equity €'000
Foreign exchange risk										
Forward agreements	1.034	1.524	-489	10	1.185	459	2.142	-1.684	-	-2.548
Interest rate risk										
IRS	-	74	-74	127	1.315	-	1.516	-1.516	133	1.403
TOTAL	**1.034**	**1.598**	**-563**	**137**	**2.500**	**459**	**3.658**	**-3.199**	**133**	**-1.145**

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 51,7% 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 2019 (and 31 March 2018).

At 31 March 2019 the Group has € 42,5m of unused available lines under its Facilities Agreement (31 March 2018 € 225,0m). The total uncommitted bilateral facilities for an amount of € 16,2m were unused for € 15,5m at 31 March 2019 (31 March 2018 € 55,3m).

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 2019	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	386.938	397	94	387.429
Bond loans	162.188	134.388	-	296.575
Trade and other payables	595.279	4.063	-	599.342
Non-derivatives	**1.144.405**	**138.847**	**94**	**1.283.346**
IRS	336	32	4	372
Forward agreements	643	6	-	649
Derivatives	**979**	**38**	**4**	**1.021**
TOTAL	1.145.384	138.885	98	1.284.367

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

As the term loan is presented as a short-term liability as per 31 March 2019, also the related undiscounted cash flows are presented as due within 1 year. In April 2019 the consent agreement related to the breach is signed (see note 8.5. *Events after balance sheet date*), so in fact the undiscounted cash flows related to the term loan for an amount of € 134,5m should be presented as due between 1 and 5 years. In this respect, reference is also made to the disclosure made under note 4. *Going concern*.

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 at 31 March 2019	Net carrying amount €'000	Fair value €'000
Retail bond	149.977	145.500
Host component of the convertible bond	116.305	81.250
Bank loans	370.288	380.541

Financial assets and liabilities by class and category at 31 March 2018	Net carrying amount €'000	Fair value €'000
Retail bond	149.898	157.371
Host component of the convertible bond	113.492	105.234
Bank loans	196.696	211.224

7.18.5. Capital structure

In order to maintain a strong capital base and sustain market confidence, the Board of Directors 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 is determined to decrease its leverage ratio below 3,0x.

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*.

In this respect, reference is made to the disclosure made under note 4. *Going concern*.

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

Assets and liabilities at fair value	31 March 2019				31 March 2018			
	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, IRS and available-for-sale financial assets	-	1.142	-	1.142	-	593	-	593
Biological assets	-	-	21.713	21.713	-	-	20.711	20.711
Total	**-**	**1.142**	**21.713**	**22.855**	**-**	**593**	**20.711**	**21.304**
Financial liabilities at fair value								
Derivatives - Forward agreements and IRS	-	1.598	-	1.598	-	3.658	-	3.658
Total	**-**	**1.598**	**-**	**1.598**	**-**	**3.658**	**-**	**3.658**

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.
  - 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.

Biological assets

Biological assets: sensitivity	31 March 2019			31 March 2018		
	Basic assumptions	Impact 1% decrease €'000	Impact 1% increase €'000	Basic assumptions	Impact 1% decrease €'000	Impact 1% increase €'000
Annual bulb yield, net from waste	22%	-227	227	22%	-135	135
Annual sales price inflation	1%	-4.194	4.272	1%	-4.210	4.288
Annual cost price inflation	2%	3.614	-3.681	2%	3.634	-3.702
Discount rate	10,7%	221	-217	10,7%	217	-214

7.19. Assets held for sale

As per end of March 2019 the property, plant and equipment of Greenyard Frozen Hungary have been presented as assets held for sale following the decision of the Board of Directors on 9 February 2019 to discontinue the activities. The assets held for sale are valued at fair value less cost to sell (€ 3,4m).

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 2019 are presented below.

Fresh

Fresh: Subsidiaries	Country of incorporation	Consolidation method	31 March 2019 % of interest	31 March 2018 % of interest
Bakker Belgium NV (5)	Belgium	Full	100%	-
Greenyard Fresh NV	Belgium	Full	100%	100%
Greenyard Fresh Belgium NV	Belgium	Full	100%	100%
Greenyard Fresh Direct Belgium NV	Belgium	Full	100%	51%
Greenyard Transport Belgium NV	Belgium	Full	100%	100%
Greenyard Logistics Belgium NV	Belgium	Full	100%	100%
Greenyard Fresh Holding NL B.V.	The Netherlands	Full	100%	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 (6)	France	Full	100%	100%
Champaris SA (6)	France	Full	-	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) (6)	Germany	Full	94%	94%
Greenyard Fresh Handelsgesellschaft GmbH (6)	Germany	Full	-	100%
Greenyard Fresh DFM Germany GmbH (6)	Germany	Full	-	100%
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%
Mor K.B. International Ltd (4)	Israel	Full	65%	-
Amore Srl (4)	Italy	Full	46%	-
Biofarm Srl	Italy	Full	100%	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 (6)	Poland	Full	-	100%
Greenyard Logistics Poland Sp. Z o.o. (6)	Poland	Full	100%	100%
Bakker Trans sro	Czech Republic	Full	100%	100%
Bakker sro	Czech Republic	Full	100%	100%
Greenyard USA Co	US	Full	100%	100%
Seald Sweet LLC	US	Full	90%	90%
Greenyard Logistics America Inc	US	Full	100%	100%
Mor U.S.A. Inc (4)	US	Full	65%	-
DFM Brazil Ltda	Brazil	Full	100%	100%
Greenyard Fresh Brazil Ltda	Brazil	Full	100%	100%
Greenyard Fresh Peru SAC	Peru	Full	99%	99%
Greenyard Fresh Chile Ltda	Chili	Full	100%	100%
Greenyard Fresh Colombia SAS	Colombia	Full	100%	100%
M.I.S.A. Int. (Pty) Ltd (4)	South Africa	Full	65%	-

Fresh: Joint ventures and associates	Country of incorporation	Consolidation method	31 March 2019 % of interest	31 March 2018 % 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 2019 % of interest	31 March 2018 % of interest
Pison Srl (2)	Italy	Not consolidated	25%	25%
Campoverde Spa Agricola	Italy	Not consolidated	2%	2%
Export Frutta Puglia ARL (3)	Italy	Not consolidated	-	9%
Carpe Naturam Soc. Consortile ARL	Italy	Not consolidated	9%	9%
Project Fruit Chile SA (3)	Chili	Not consolidated	-	5%

Long Fresh

Long Fresh: Subsidiaries	Country of incorporation	Consolidation method	31 March 2019 % of interest	31 March 2018 % 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 BE 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%
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. (6)	The Netherlands	Full	-	100%
Greenyard Prepared Netherlands B.V. (6)	The Netherlands	Full	100%	100%

Long Fresh: Investments recorded at cost	Country of incorporation	Consolidation method	31 March 2019 % of interest	31 March 2018 % of interest
Alberts NV	Belgium	Not consolidated	8%	8%

(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

During AY 18/19 the following changes to the consolidation scope occurred:

- On 24 September 2018 the Group announced that they have signed a Share Purchase Agreement for the sale of the Horticulture segment to Straco for a total consideration of € 120,9m, consisting of a € 95,6m consideration for its shares and € 25,3m for debt settlement. The disposal of the Horticulture segment is part of the Group's deleveraging actions towards a strengthened balance sheet. The disposal was completed on 18 December 2018, on which date control of the Horticulture segment passed to the acquirer. Pursuant to the agreement, all the operations and assets of both the Horticulture and Mycoculture division were transferred to Straco. Please refer to note 6.8. *Discontinued operations* for more details.
- On 3 April 2018 Greenyard reached an agreement to take over the 49% stake of Ben De Pelsmaeker in Greenyard Fresh Direct Belgium for €7,8m. Greenyard now obtains 100% of the shares in the company. This transaction was mainly settled in treasury shares (€ 7,6m).
- Greenyard has acquired a 65% stake in Mor International for an amount of € 3,1m, resulting in goodwill of € 0,2m. Mor International is a well-known Israeli fruit sourcing and exporting company strongly focused on sourcing high quality exotics (mangos, avocados, kakis, pomegranates, fresh dates and bell peppers). The company realised around € 50,0m sales in 2017. Mor International holds shares in Mor USA (100%), M.I.S.A. Int. (100%) and Amore (70%). Already today, Mor has long-term relationships with important growers, both within and outside Israel. As such, the company is ideally positioned to reinforce Greenyard's strategy to build a direct connection with the grower via programmed growing, ensuring a high quality and freshness for the consumer. Furthermore, Mor enables Greenyard to enlarge the geographical spread and sourcing capabilities.

For information regarding the business combination with Mykogen in AY 17/18 we refer to prior year's financial statement.

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 by the Supreme Court on 17 August 2017. The procedures before the courts of first instance to execute the Supreme Court's judgement and to cancel the total amount of fines imposed by the local tax authorities are pending.

Criminal lawsuit Greenyard Frozen Brazil Ltda.

Together with about thirty other companies which import via the port of Santos, Greenyard Frozen Brazil Ltda. is prosecuted by the public prosecutor's office for the alleged corruption of a public officer in order to obtain faster its import licenses for 2013-2014. An amount of $ 5,3m in total has been claimed. On 13 February 2019, the court has judged in first instance in favour of the company and the other accused parties. No appeal has been filed against the decision to date.

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. However, the likelihood of a positive outcome has changed in favour of the company because of new legislation which has recently entered into force. 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 importer 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. 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 has been paid to the tax authorities, without prejudice and with reservation of all rights. Recently the Supreme Court has decided against the company in one of the pending proceedings. This court decision increases the risk that the other complaints will be judged on the same basis to the detriment of the company. Therefore, the likelihood that the paid amount will be recovered is low.

Dispute between Greenyard Fresh Germany GmbH and large banana supplier

A large banana supplier with which Greenyard Fresh Germany GmbH (before the merger into Greenyard Fresh Germany GmbH known as 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 Germany 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.

Transport Fraud dispute Greenyard Fresh Germany GmbH

Greenyard Fresh Germany GmbH has begun formal proceedings before the criminal court following irregularities concerning transport orders, which involved three freight forwarders and one of the employees of its distribution centre in Ditzenbach. The proceedings are still pending in first instance and a court decision is expected in the course of 2019. The company is also claiming € 2,8m in total in damages from the former employee by joining the insolvency proceedings against this former employee, which amount was partly (€ 1,8m) paid out by the insurer. A settlement has been reached with the freight forwarders concerned.

Outstanding receivables towards Polish customer

Greenyard Logistics Poland is taking part as a creditor in the restructuring proceedings initiated before the Polish court by a Polish customer which owes outstanding receivables of PLN 5,7m in total to the company. Given the uncertainty about the adoption and confirmation of the arrangement which will be binding for all creditors involved, a provision equal to 50% of the outstanding amount has been recorded. The claims which originate from after the opening of the proceedings for an amount of PLN 430k in total are excluded from the arrangement and are being paid back by the debtor in weekly instalments. The restructuring process can only continue if such invoices are settled in full.

Breach of contract by supplier Greenyard Prepared Belgium NV

A dispute between Greenyard Prepared Belgium NV and a supplier of cans for contract breach by the supplier due to not honouring contract prices for the last two contract years 2017 and 2018, resulting in an outstanding claim of € 1,0m towards the supplier, has been settled during AY 18/19. The amount of € 1,0m is paid to the company by twenty monthly instalments, starting as from May 2018.

8.3. Off-balance sheet commitments

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

Per 31 March 2019 and 31 March 2018, the Group committed for the purchase of property, plant & equipment and fresh fruit and vegetables an amount of:

Purchase commitments	31 March 2019 €'000	31 March 2018 €'000
Fresh fruit and vegetables	91.247	122.493
Property, plant & equipment	2.411	5.542
Other	3.615	4.291
TOTAL	**97.273**	**132.326**

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 2019 €'000	31 March 2018 €'000
Within 1 year	46.617	47.016
Between 1 and 5 years	135.984	141.888
After 5 years	190.735	205.285
TOTAL	373.336	394.189

Rent and operating leases: expenses	31 March 2019 €'000	31 March 2018 €'000
Rent and operating leases: expenses	61.519	61.649
TOTAL	61.519	61.649

8.3.3. Factoring

In accordance with IFRS 9 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 2019, total derecognised trade receivables amount to € 418,1m.

8.3.4. Bank and bond covenants and undertakings

The Group has a convertible bond (€ 125,0m) and a Facilities Agreement (€ 375,0m) issued in December 2016 and a retail bond issued in July 2013 in Long Fresh of € 150,0m. In November 2017 the Group exercised the Accordion Option of the revolving credit facility, increasing the Facilities Agreement to € 425,0m.

Group convertible bond

In December 2016, Greenyard Fresh 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 on the maturity date when not converted or into 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 2018, the conversion price would be adjusted to € 16,8249, effective as of 4 October 2018.

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 4,50% for the term loan and 4,25% for the revolving credit facility for drawings in EUR, for other currencies the maximum margin is 4,35%. Those margins, together with the leverage grid, were increased on 20 September 2018 as a result of a leverage covenant waiver agreement with our relationship banks.

Next to customary general covenants, the Facilities Agreement includes financial covenants which are tested on a semi-annual basis (30 September and 31 March) and reported to the lenders. However, on 11 April 2019, the Group agreed with its lending banks to a consent for a waiver of its covenants for the next 15 months. More information can be found in note 4. *Going concern*. After the waiver period following financial covenants would become applicable:

- interest cover ratio: adjusted EBITDA / net finance charges[5] ≥ 3,5
- leverage: net financial debt / LTM adjusted EBITDA ≤ 3,0

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 adjusted EBITDA. The guarantor cover test is 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.

The retail bond falls due and will be repaid on July 5, 2019 and therefore, before the end of the 120 days' period in which the Company is required to publish a certificate confirming compliance with the financial covenants under the retail bond prospectus.

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 € 1.302,8m at 31 March 2019 of which € 825,0m relating to business assets, € 149,11m to property, plant & equipment, € 194,8m to inventories and receivables, € 131,4m to cash and cash equivalents and € 2,5m to shares.

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.

Following the Facilities Agreement consent letter that was signed in April 2019 (see note 8.5 *Events after balance sheet date*), agreeing on an increase of the maximal principal aggregate amount for the revolving credit facility, additional pledges were requested. The indicative value at 31 March 2019 of all original and additional pledged assets is, on a consolidated basis, still exceeding the maximum principal amount.

The convertible bond is not secured.

[5] As defined in the agreement.

The Company will issue comfort letters to certain of its subsidiaries affirming financial support until their General Shareholders' Meeting in 2020.

8.3.6. Bank and corporate guarantees

Per 31 March 2019 the Group has outstanding bank guarantees in an amount of € 13,9m and outstanding corporate guarantees in an amount of € 99,6m. 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.

8.3.7. Contingent liabilities

Subsequent to an investigation by the European Food Safety Authority in a European outbreak of a Listeria contamination, the Hungarian National Food Chain Safety Office (NEBIH) issued on 29 June 2018 an order to recall some frozen products produced by our processing plant in Baja (Hungary). The Group faced claims from some direct customers in respect of this product recall. See Listeria costs classified as 'adjustment'. At the date of our financials, we believe it is unlikely that any material further customer claims would be introduced. Furthermore, the Group did not receive formal or informal complaints in respect to any alleged related illnesses. We believe that it is unlikely that any claims in that respect would still be introduced.

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 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 2019 €'000	31 March 2018 €'000
The Fruit Farm Group		
Purchase of products, services and other goods	83.218	83.061
Sales of services and other goods	8.619	6.087
Interest and similar revenue	15	8
Interest and similar cost	47	-
Trade receivable incl advances	977	3.505
Trade payables	485	1.661
Other receivables	516	-
Orchards Invest Group		
Purchase of products, services and other goods	7.845	7.393
Sales of services and other goods	52	201
Trade receivable incl advances	1.206	2.051
De Weide Blik		
Purchase of products, services and other goods	99	125
Trade payables	-	7
Joint ventures		
Purchase of products, services and other goods	15.037	15.472
Sales of services and other goods	1.514	554
Trade receivable incl advances	628	124
Trade payables	2.171	1.851

Remuneration of the Board of Directors and Leadership Team

Remuneration	AY 18/19 €'000	AY 17/18 €'000
Board of Directors	649	1.011
Leadership Team	3.538	4.790

The decrease in the total remuneration of the Board of Directors with respect to AY 18/19 vs. AY 17/18 results from the fact that the Board of Directors' remuneration of AY 17/18 includes the remuneration 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. Mr Hein Deprez agreed to step down as Executive Chairman to take up the position of CEO, with effect as from 1 February 2018.

The Leadership Team's remuneration includes the remuneration of the CEO, which position is jointly shared by Mr Hein Deprez (as permanent representative of Deprez Invest NV) and Mr Marc Zwaaneveld (as permanent representative of MZ-B BVBA) as from 9 February 2019, and the remuneration of the other Leadership Team members. The difference in Leadership Team's remuneration with respect to AY 18/19 compared to AY 17/18 is mainly explained by the fact that there is no bonus payment for AY 18/19.

For more detailed information in this respect and with respect to disclosures relating to the Belgian Corporate Governance Code of 2009, reference is made to chapter *Corporate Governance Statement* in the report of the Board of Directors.

8.5. Events after balance sheet date

On April 11, Greenyard has entered into a waiver consent agreement with its relationship banks regarding the waiver of its covenants in its syndicated bank facility. More information regarding this waiver consent agreement can be found in note 4. *Going concern*.

In May, Greenyard has closed an agreement to increase its investment in Bardsley England and to strengthen its position in the UK. Bardsley England is a UK based and fifth generation premium apple and pear producer and packer. The expansion of the Joint Venture has also positioned the business with a significant competitive advantage in case of a hard Brexit. Given the success of the Joint Venture, Greenyard's vision to develop new and innovative business models and Bardsley's commitment to high quality fruit with local provenance and a strong pedigree, both companies anticipate that the growth over the next three to five years will see the position of both businesses further build market share and penetration. Moreover, both companies have the ambition to expand the volumes of fruit passing through the business by 50% in the next three years.

Greenyard has closed the divestment of its Baja Frozen facility in Hungary.

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 18/19, additional services for a total amount of € 0,1m 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 2019 amounted to € 1,7m.

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-month period ended 31 March 2019.

Sint-Katelijne-Waver, 3 June 2019

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-month period ended 31 March 2019 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, co-CEO and managing director

MZ-B BVBA, represented by Marc Zwaaneveld, co-CEO

Chilibri BVBA, represented by Mr Geert Peeters, CFO

STATUTORY AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Greenyard NV | 31 March 2019

Statutory auditor's report to the shareholders' meeting of Greenyard NV for the year ended 31 March 2019 - 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. This report includes our report on the consolidated financial statements and the other legal and regulatory requirements. These parts should be considered as integral to the report.

We were appointed in our capacity as statutory auditor by the shareholders' meeting of 21 September 2018, 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 2021. 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 21 consecutive periods. The current legal representative, Charlotte Vanrobaeys has performed the audit for 4 consecutive periods, including the financial year referred to in this report.

Report on 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 2019, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flow 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 1 857 354 (000) EUR and the consolidated statement of comprehensive income shows a loss for the year then ended of 237 683 (000) EUR.

In our opinion, the consolidated financial statements give a true and fair view of the group's net equity and financial position as of 31 March 2019 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), as applicable in Belgium. In addition, we have applied the International Standards on Auditing approved by the IAASB applicable to the current financial year, but not yet approved at national level. 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.

Material uncertainty relating to going concern

We draw attention to Note 4 *Going concern* in the consolidated financial statements, which states that the Company is facing ongoing operational challenges that put pressure on its financial position and triggered uncertainties related to liquidity and a breach of covenants. With respect to the latter, a conditional bank waiver was obtained. In preparing the consolidated financial statements, the board considered the transformation measures and business plan developed by management and assumes that the conditions to the bank waiver will be respected. Hence the board of directors conclude to be confident that the Company will have sufficient liquidity during a period of at least 12 months from the authorization date of the annual report, as stated in Note 4 *Going concern*. The measures and conditions, along with other matters as set forth in Note 4 indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The assumption of going concern applied by the board of directors when preparing the consolidated financial statements appears however appropriate and our opinion is not modified in respect of this matter.

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. In addition to the matter described in the paragraph 'Material uncertainty relating to going concern', we have determined the matters described below to be the Key audit matters to be communicated in our report.

Key audit matters	How our audit addressed the key audit matters
Goodwill impairment assessment	
The group's goodwill is recognized in 2 Cash Generating Units (CGUs): Long Fresh (amounting to 79 Million EUR, but fully impaired in the current period) and Fresh (477 Million EUR). We focused on this area due to the size of the goodwill balance (477 Million EUR as at 31 March 2019) and because the group's assessment of the 'value in use' of the 2 CGUs involves significant judgement in making estimates of cash flow projections, growth rates, EBITDA 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 ensure accuracy of the goodwill impairment assessment. Our substantive 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 EBITDA 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 and related available information. 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 (17 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 57 Million EUR (gross) at 31 March 2019. 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 preparation of 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 consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a statutory 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 consolidated financial statements.

During the performance of our audit, we comply with the legal, regulatory and normative framework as applicable to the audit of consolidated financial statements in Belgium.

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 statutory 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 statutory 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 those charged 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 those charged with 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 on our independence, and where applicable, related safeguards.

From the matters communicated to those charged with 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 report unless law or regulation precludes any public disclosure about the matter.

Other legal and regulatory 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 information disclosed in the annual report on the consolidated financial statements

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 that same year and 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 group during the performance of our mandate.
- The fees for the additional non-audit services compatible with the statutory audit, 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, 3 June 2019

The statutory auditor

Vanrobaeys

Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises CVBA/SCRL
Represented by 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 2019 €'000	31 March 2018 €'000
NON-CURRENT ASSETS	**20/28**	**232.663**	**424.147**
Formation expenses	**20**	**908**	**1.565**
Intangible assets	**21**	**2.079**	**67**
Tangible assets	**22/27**	**10.765**	**9.960**
Land and buildings	22	8.883	9.182
Plant, machinery and equipment	23	51	7
Furniture and vehicles	24	39	-
Leasing and other similar rights	25	40	78
Other tangible assets	26	-	-
Assets under construction and advance payments	27	1.751	693
Financial assets	**28**	**218.911**	**412.556**
Affiliated enterprises	280/1	218.711	398.897
Participating interests	280	218.711	398.897
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	200	3.919
Shares	284	200	3.919
Amounts receivable and cash guarantees	285/8	-	-
CURRENT ASSETS	**29/58**	**523.334**	**379.067**
Amounts receivable after more than one year	**29**	**353.345**	**352.871**
Trade receivables	290	-	-
Other amounts receivable	291	353.345	352.871
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**	**14.141**	**3.142**
Trade receivables	40	13.601	1.657
Other amounts receivable	41	540	1.485
Investments	**50/53**	**-**	**-**
Own shares	50	-	-
Other investments and deposits	51/53	-	-
Cash at bank and in hand	**54/58**	**125.882**	**199**
Deferred charges and accrued income	**490/1**	**29.967**	**22.855**
TOTAL ASSETS	**20/58**	**755.997**	**803.214**

LIABILITIES	Codes	31 March 2019 €'000	31 March 2018 €'000
EQUITY	**10/15**	**336.909**	**442.733**
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**	**46.241**
Legal reserve	130	9.474	9.474
Reserves not available for distribution	131	23.930	30.064
In respect of own shares held	1310	23.905	30.039
Other	1311	25	25
Untaxed reserves	132	1.477	1.477
Reserves available for distribution	133	11.360	5.226
Profit/ loss (-) carried forward	**14**	**-3.184**	**102.640**
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**	**419.088**	**360.481**
Amounts payable after more than one year	**17**	**206.658**	**330.536**
Financial debts	170/4	205.800	330.536
Subordinated loans	170	-	-
Unsubordinated bonds	171	-	150.000
Leasing and other similar obligations	172	-	36
Credit institutions	173	-	-
Other loans	174	205.800	180.500
Trade debts	175	858	-
Suppliers	1750	858	-
Bills of exchange payable	1751	-	-
Advances received on contracts in progress	176	-	-
Other amounts payable	178/9	-	-
Amounts payable within one year	**42/48**	**205.244**	**23.765**
Current portion of amounts payable after more than one year	42	150.036	39
Financial debts	43	-	-
Credit institutions	430/8	-	-
Other loans	439	-	-
Trade debts	44	6.137	7.040
Suppliers	440/4	6.137	7.040
Bills of exchange payable	441	-	-
Advances received on contracts in progress	46	-	-
Taxes, remuneration and social security	45	665	676
Taxes	450/3	94	205
Remuneration and social security	454/9	571	471
Other payables	47/48	48.408	16.010
Accrued charges and deferred income	**492/3**	**7.186**	**6.181**
TOTAL EQUITY AND LIABILITIES	**10/49**	**755.997**	**803.214**

INCOME STATEMENT	Codes	AY 18/19 €'000	AY 17/18 €'000
Operating income	**70/76A**	**18.205**	**17.428**
Turnover	70	16.168	13.923
Increase (+) ; Decrease (-) in stocks of finished goods and work and contracts in progress	71	-	-
Own construction capitalised	72	-	-
Other operating income	74	2.037	3.501
Non-recurring operating profit	76A	-	4
Operating charges	**60/66A**	**21.734**	**24.241**
Raw materials. consumables and goods for resale	60	-	-
Purchases	600/8	-	-
Increase (-) ; Decrease (+) in stocks	609	-	-
Services and other goods	61	13.289	18.260
Remuneration, social security costs and pensions	62	3.203	2.916
Depreciation of and other amounts written off formation expenses, intangible and tangible assets	630	1.695	1.174
Increase (+) ; Decrease (-) in amounts written off stocks, contracts in progress and trade receivables	631/4	-	-
Increase (+) ; Decrease (-) in provisions for liabilities and charges	635/8	-	-
Other operating charges	640/8	3.547	1.889
Operating charges capitalised as reorganisation	649	-	-
Non-recurring operating charges	66A	-	2
Operating profit/loss (-)	**9901**	**-3.530**	**-6.812**
Financial income	**75/76B**	**12.401**	**12.290**
Recurring financial income	75	12.401	11.732
Income from financial assets	750	-	0
Income from current assets	751	11.130	11.710
Other financial income	752/9	1.271	21
Non-recurring financial income	76B	-	558
Financial charges	**65/66B**	**114.690**	**12.004**
Recurring financial charges	65	16.508	11.446
Interest and other debts charges	650	15.411	10.317
Increase (+) ; Decrease (-) in amounts written off current assets other than stocks, contracts in progress and trade receivables	651	-	-
Other financial charges	652/9	1.098	1.129
Non-recurring financial charges	66B	98.181	558
Profit/loss (-) for the period before taxes	**9903**	**-105.819**	**-6.527**
Transfer from deferred taxation	**780**	**-**	**-**
Transfer to deferred taxation	**680**	**-**	**-**
Income taxes	**67/77**	**5**	**145**
Income taxes	670/3	5	145
Adjustment of income taxes and write-back of tax provisions	77	-	-
Profit/loss (-) of the period	**9904**	**-105.824**	**-6.672**
Transfer from untaxed reserves	**789**	**-**	**-**
Transfer to untaxed reserves	**689**	**-**	**-**
Profit/loss (-) for the period available for appropriation	**9905**	**-105.824**	**-6.672**

APPROPRIATION ACCOUNT	Codes	AY 18/19 €'000	AY 17/18 €'000
Profit/loss (-) to be appropriated	**9906**	**-3.184**	**125.118**
Profit/loss (-) for the period available for appropriation	(9905)	-105.824	-6.672
Profit/loss (-) brought forward	14P	102.640	131.790
Transfers from equity	**791/2**	**-**	**-**
From capital and share premiums	791	-	-
From reserves	792	-	-
Transfers to equity	**691/2**	**-**	**13.603**
To capital and share premiums	691	-	-
To legal reserve	6920	-	-
To other reserves	6921	-	13.603
Profit/loss (-) to be carried forward	**(14)**	**-3.184**	**102.640**
Shareholders' contribution in respect of losses	**794**	**-**	**-**
Distribution of profit	**694/7**	**-**	**8.875**
Dividends	694	-	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/LTM adjusted EBITDA
Net financial debt (NFD)	Interest-bearing debt (at nominal value) less derivatives, bank deposits, cash and cash equivalents and restricted cash
Net result	Profit/loss (-) for the period
Adjusting items	Adjusting items are one-off expenses and income that in management's judgement need to be disclosed by virtue of their size or incidence. Such items are included in the consolidated income statement in their relevant cost category, but separately disclosed in the chapter *Key financial information* reconciling EBIT to adjusted EBITDA. Transactions which may give rise to adjusting 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.
Adjusted EBITDA	EBIT corrected for depreciation, amortisation and impairments excluding adjusting items and EBIT corrected for depreciation, amortisation and impairments from minor divested operations
LTM adjusted EBITDA	Last twelve months adjusted EBITDA, corrected 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 18/19	Accounting year ended 31 March 2019
AY 17/18	Accounting year ended 31 March 2018

ABOUT GREENYARD

Greenyard (Euronext Brussels: GREEN) is a global market leader of fresh, frozen and prepared fruit & vegetables, flowers and plants. Counting Europe's leading retailers amongst its customer base, Greenyard 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 9,000 employees operating in 25 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 ca. € 4 billion per annum.

Greenyard NV / Strijbroek 10 / 2860 Sint-Katelijne-Waver / Belgium
www.greenyard.group

for a healthier future