ELECTRONIC TRANSMISSION DISCLAIMER

STRICTLY NOT TO BE FORWARDED TO ANY OTHER PERSONS

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the prospectus (the "**document**") relating to B&S Group S.A. (the "**Company**") dated 9 March 2018, whether received via e-mail, accessed from an internet page or otherwise received as a result of electronic communication. You are therefore advised to read this carefully before reading, accessing or making any other use of the document. In accessing the document, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access. You acknowledge that this electronic transmission and the delivery of the attached document is confidential and intended only for you and you agree you will not forward, reproduce, copy, download or publish this electronic transmission or the attached document (electronically or otherwise) to any other person.

The document and the offer (the "**Offer**") of the ordinary shares of the Company (the "**Securities**") when made are only addressed to and are only directed at persons in member states of the European Economic Area ("**EEA**") other than the Netherlands who are "qualified investors" within the meaning of Article 2(1)(e) of the Prospectus Directive (Directive 2003/71/EC and amendments thereto, including Directive 2010/73/EU, to the extent implemented in the relevant Member State of the European Economic Area) and any implementing measure in each relevant Member State of the EEA (the "Prospectus Directive") ("**Qualified Investors**"). In addition, in the United Kingdom ("UK"), this document is being distributed only to, and is directed only at, Qualified Investors (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") and Qualified Investors falling within Article 49(2)(a) to (d) of the Order, and (ii) to whom it may otherwise lawfully be communicated (all such persons together being referred to as "relevant persons"). This document must not be acted on or relied on (i) in the UK, by persons who are not relevant persons, and (ii) in any member state of the EEA other than the UK, by persons who are not Qualified Investors. Any investment or investment activity to which this document relates is available only to (i) in the UK, relevant persons, and (ii) in any member state of the EEA other than the UK or the Netherlands, Qualified Investors, and will be engaged in only with such persons.

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STATES EXCEPT (1) IN ACCORDANCE WITH RULE 144A TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QIB OR (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

CANADIAN INVESTORS ARE ADVISED THAT THIS EMAIL AND THE DOCUMENT ATTACHED HERETO MAY ONLY BE TRANSMITTED IN THOSE JURISDICTIONS IN CANADA AND TO THOSE PERSONS WHERE AND TO WHOM THEY MAY BE LAWFULLY OFFERED FOR SALE, AND THEREIN ONLY BY PERSONS PERMITTED TO SELL SUCH SECURITIES. THE DOCUMENT ATTACHED HERETO IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN ADVERTISEMENT OR A PUBLIC OFFERING IN CANADA. NO SECURITIES COMMISSION OR SIMILAR AUTHORITY IN CANADA HAS REVIEWED OR IN ANY WAY PASSED UPON THE DOCUMENT ATTACHED HERETO OR THE MERITS OF THE SECURITIES DESCRIBED THEREIN AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE. THE DISTRIBUTION OF THE SECURITIES CONTAINED IN THE DOCUMENT ATTACHED HERETO IS BEING MADE ON A PRIVATE PLACEMENT BASIS ONLY AND IS EXEMPT FROM THE REQUIREMENT THAT THE COMPANY PREPARE AND FILE A PROSPECTUS WITH THE RELEVANT CANADIAN SECURITIES REGULATORY AUTHORITIES.

ANY FORWARDING, REDISTRIBUTION OR REPRODUCTION OF THE DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Confirmation of your representation: By accepting electronic delivery of the document, you are deemed to have represented to ABN AMRO Bank N.V. ("**ABN AMRO**"), ING Bank N.V. ("**ING**"), Morgan Stanley & Co. International plc ("**Morgan Stanley**" and, together with ABN AMRO and ING, the "**Joint Global Coordinators**"), Coöperatieve Rabobank U.A. ("**Rabobank**"), Deutsche Bank AG, London Branch ("**Deutsche Bank**" and, together with Rabobank and the Joint Global Coordinators, the "**Underwriters**"), the Company, Sarabel Invest S.à r.l., Lebaras Belgium BVBA and B&S Participations B.V. (the "Selling Shareholders") that (i) you are acting on behalf of, or you are either (a) an institutional investor outside the United States (as defined in Regulation S under the Securities Act), or (b) in the United States and a QIB that is acquiring securities for your own account or for the account of another QIB; (ii) if you are in the UK, you are a relevant person; (iii) if you are in any member state of the EEA other than the UK or the Netherlands, you are a Qualified Investor; (iv) the securities acquired by you in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, any person in circumstances which may give rise to an offer of any securities to the public other than their offer or resale in any member state of the EEA which has implemented the Prospectus Directive to Qualified Investors (as defined in the Prospectus Directive); and (v) if you are outside the US, UK and EEA (and the electronic mail addresses that you gave us and to which the document has been delivered are not located in such jurisdictions) you are a person into whose possession the document may lawfully be delivered in accordance with the laws of the jurisdiction in which you are located.

For investors resident in British Columbia, Alberta, Ontario and Quebec (the "Relevant Provinces"):
You acknowledge and agree that: (a) the securities described in the attached document are only being distributed to investors resident in the Relevant Provinces; (b) you are (i) an "accredited investor" as such term is defined in National Instrument 45-106 – Prospectus and Registration Exemptions and are receiving this email from a registered Canadian dealer, or (ii) an "accredited investor" who is a

"permitted client", as such term is defined in National Instrument 31-103 – Registration Requirements, Exemptions and Ongoing Registrant Obligations, of a dealer relying on the "international dealer exemption", which dealer has sent this email; and (c) where required by law, you are participating in the offering as principal for your own account and not as agent.

The document has been made available to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Company, Selling Shareholder, the Underwriters, or any of their respective affiliates, directors, officers, employees or agents accepts any liability or responsibility whatsoever in respect of any difference between the document distributed to you in electronic format and any hard copy version. By accessing the linked document, you consent to receiving it in electronic form.

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None of the Underwriters, or any of their respective affiliates, or any of their respective directors, officers, employees or agents accepts any responsibility whatsoever for the contents of this document or for any statement made or purported to be made by it, or on its behalf, in connection with the Company or the Offer. The Underwriters and any of their respective affiliates accordingly disclaim all and any liability whether arising in tort, contract, or otherwise which they might otherwise have in respect of such document or any such statement. No representation or warranty express or implied, is made by any of the Underwriters or any of their respective affiliates as to the accuracy, completeness, reasonableness, verification or sufficiency of the information set out in this document.

The Underwriters are acting exclusively for the Company, the Selling Shareholder and no one else in connection with the offer. They will not regard any other person (whether or not a recipient of this document) as their client in relation to the offer and will not be responsible to anyone other than the Company and the Selling Shareholder for providing the protections afforded to their clients nor for giving advice in relation to the offer or any transaction or arrangement referred to herein.

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Prospectus

March 2018

WE SOURCE | WE SERVE | WE SUPPLY

value adding distribution partner

B&S GROUP S.A.

(*a public limited liability company (société anonyme/Aktiengesellschaft), incorporated and existing under the laws of the Grand Duchy of Luxembourg*)

Offering of up to 24,692,015 ordinary shares in the capital of B&S Group S.A. (the "Company")

Sarabel Invest S.à r.l. ("**Sarabel**"), Lebaras Belgium BVBA ("**Lebaras**") and B&S Participations B.V. (the "**Managers' Vehicle**") together, the "**Selling Shareholders**") are offering up to 24,692,015 ordinary shares in the share capital of the Company with a nominal value of €0.06 each (the "**Offer Shares**"), constituting 29.3% of the issued and outstanding ordinary shares in the capital of the Company (the "**Ordinary Shares**"), each assuming no exercise of the Over-Allotment Option (as defined below). Assuming the Over-Allotment Option is exercised in full, the Offer Shares will constitute 33.0% of the Ordinary Shares. See "*The Offering*". The Offer Shares include, unless the context indicates otherwise, the Additional Shares (as defined below).

The offering of the Offer Shares (the "**Offering**") consists of: (i) a public offering to institutional and retail investors in the Netherlands; and (ii) a private placement to certain institutional investors in various other jurisdictions. The Offer Shares are being offered and sold: (i) within the United States of America (the "**United States**" or "**US**"), to persons reasonably believed to be "qualified institutional buyers" ("**QIBs**") as defined in Rule 144A ("**Rule 144A**") under the US Securities Act of 1933, as amended (the "**US Securities Act**"), pursuant to Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable US state securities laws; and (ii) outside the United States, in accordance with Regulation S under the US Securities Act ("**Regulation S**").

Prior to the Offering, there has been no public market for the Ordinary Shares. Application has been made to list and admit the Ordinary Shares to trading on the Regulated Market (as defined below) operated by Euronext Amsterdam N.V. ("**Euronext Amsterdam**") under the symbol "BSGR". Subject to acceleration or extension of the timetable for the Offering, trading, on an 'as-if-and-when-delivered' basis, in the Ordinary Shares on Euronext Amsterdam is expected to commence on or about 23 March 2018 (the "**First Trading Date**").

Investing in the Offer Shares involves certain risks. See "Risk Factors" for a description of the risk factors that should be carefully considered before investing in the Offer Shares.

The price of the Offer Shares (the "Offer Price") is expected to be in the range of €14.50 and €17.75 (inclusive) per Offer Share (the "Offer Price Range").

The Offer Price Range is an indicative price range. The Offer Price and the exact number of Offer Shares offered in the Offering will be determined by the Company, Sarabel and Lebaras, in consultation with the Joint Global Coordinators (as defined below), after the end of the offer period for the Offering (the "**Offer Period**") on the basis of the bookbuilding process and taking into account the conditions and factors described under "*The Offering*". The Offer Period is commencing on 13 March 2018 at 9.00 Central European Time ("**CET**") and is expected to end on 22 March 2018 at 14.00 CET, subject to acceleration or extension of the timetable for the Offering. The Company, Sarabel and Lebaras, in consultation with the Joint Global Coordinators, reserve the right to increase or decrease the maximum number of Offer Shares and/or to change the Offer Price Range prior to allocation of the Offer Shares ("**Allocation**"). If the number of Offer Shares changes, the Company will publish a supplement to this Prospectus, which will be filed with the Luxembourg Commission de Surveillance du Secteur Financier (the "**CSSF**") for approval. In addition, any change in the number of Offer Shares and/or the Offer Price Range will be announced through a press release on the Company's website and will be filed with the CSSF. In case of an increase of the top end of the Offer Price Range, investors will have the right to withdraw their subscriptions within two business days after the announcement of such increase. The Joint Global Coordinators (on behalf of the Underwriters (as defined below)) may, after having obtained the approval of the Company and the Selling Shareholders, decide to extend the Offer Period. If the Offer Period is extended, the Company will publish a supplement to this Prospectus, which will be filed with the CSSF for approval. The Offer Price and the exact number of Offer Shares offered in the Offering will be set out in a pricing statement (the "**Pricing Statement**") that will be filed with the CSSF and published through a press release on the Company's website. Printed copies of the Pricing Statement will be made available at the registered office of the Company.

There will be a preferential allocation of Offer Shares to eligible retail investors in the Netherlands (the "**Preferential Retail Allocation**"). Eligible retail investors in the Netherlands (the "**Dutch Retail Investors**", and each a "**Dutch Retail Investor**") will be allocated the first 500 (or fewer) Offer Shares for which such investor subscribes, provided that if the total number of Offer Shares subscribed for by Dutch Retail Investors under the Preferential Retail Allocation would exceed 10% of the total number of Offer Shares, assuming no exercise of the Over-Allotment Option, the preferential allocation to each Dutch Retail Investor may be reduced *pro rata* in respect of the first 500 (or fewer) Offer Shares for which such investor subscribes. As a result, Dutch Retail Investors may not be allocated all of the first 500 (or fewer) Offer Shares that they subscribe for. The exact number of Offer Shares allocated to Dutch Retail Investors will be determined after the Offer Period has ended. To be eligible for the Preferential Retail Allocation, Dutch Retail Investors must place their subscriptions during the period commencing on 13 March 2018 at 9.00 CET and expected to end on 21 March 2018 at 17.30 CET through financial intermediaries.

ABN AMRO Bank N.V. ("**ABN AMRO**"), ING Bank N.V. ("**ING**") and Morgan Stanley & Co. International plc ("**Morgan Stanley**") are acting as joint global coordinators for the Offering (the "**Joint Global Coordinators**"), and, together with Coöperatieve Rabobank U.A. ("**Rabobank**") and Deutsche Bank AG, London Branch ("**Deutsche Bank**"), as joint bookrunners for the Offering (the "**Joint Bookrunners**"). The Joint Bookrunners, in their respective capacities, are together also referred to herein as the "**Underwriters**".

Sarabel and Lebaras are expected to grant the Joint Global Coordinators, on behalf of the Underwriters, an option (the "**Over-Allotment Option**"), which will be exercisable within 30 calendar days after the First Trading Date, pursuant to which the Joint Global Coordinators, on behalf of the Underwriters, may require Sarabel and Lebaras to sell at the Offer Price up to 3,086,502 additional Ordinary Shares held by them, equalling up to 12.5% of the total number of Offer Shares sold in the Offering (the "**Additional Shares**"), to cover short positions resulting from any over-allotments in connection with the Offering.

All of the Offer Shares will be delivered through the book-entry systems of the Netherlands Central Institute for Giro Securities Transactions (*Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.*) trading as Euroclear Nederland ("**Euroclear Nederland**").

Subject to acceleration or extension of the timetable for the Offering, payment in Euros for, and delivery of, the Offer Shares ("**Settlement**") is expected to take place on 27 March 2018 (the "**Settlement Date**"). If Settlement does not take place on the Settlement Date as planned or at all, the Offering may be withdrawn, in which case all subscriptions for Offer Shares will be disregarded, any allotments made will be deemed not to have been made, any payments made will be returned without interest or other compensation and transactions in the Offer Shares on Euronext Amsterdam will be annulled. Any dealings in Offer Shares prior to Settlement are at the sole risk of the parties concerned. The Company, the Selling Shareholders, ABN AMRO in its capacity of listing and paying agent (the "**Listing and Paying Agent**"), the Underwriters and Euronext Amsterdam N.V. do not accept any responsibility or liability towards any person as a result of the withdrawal of the Offering or the (related) annulment of any transactions in Offer Shares.

The Offering is only made in those jurisdictions in which, and only to those persons to whom, offers and sales of the Offer Shares may lawfully be made. The distribution of this document and the offer and sale of the Offer Shares in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves and observe any restrictions. Prospective investors in the Offer Shares should carefully read the restrictions described under "*Important Information – Notice to Investors*" and "*Selling and Transfer Restrictions*". The Company is not taking any action to permit a public offering of the Offer Shares in any jurisdiction outside the Netherlands.

The Offer Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state of the US, and may not be offered or sold within the US unless the Offer Shares are registered under the US Securities Act or an exemption from the registration requirements of the US Securities Act is available. The Offer Shares are being offered and sold in the US only to persons reasonably believed to be QIBs as defined in Rule 144A, pursuant to Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act, and outside the US in reliance on Regulation S under the US Securities Act. There will be no public offer of the Offer Shares in the US. Prospective purchasers are hereby notified that the Company and other sellers of the Offer Shares may be relying on an exemption from the registration requirements of Section 5 of the US Securities Act, which may include Rule 144A or Regulation S thereunder.

This document (the "**Prospectus**") constitutes a prospectus for purposes of Article 3 of the Directive 2003/71/EC of the European Parliament and of the Council of the European Union as amended, including by Directive 2010/73/EU (the "**Prospectus Directive**"), and has been prepared in accordance with the Luxembourg law of 10 July 2005 implementing the Prospectus Directive in Luxembourg relating to prospectuses for securities (as amended) and the rules promulgated thereunder (the "**Luxembourg Prospectus Law**"). This Prospectus has been filed with and approved by the CSSF for the purposes of admission to trading of the Ordinary Shares on Euronext Amsterdam. In accordance with article 7.7 of the Luxembourg Prospectus Law, the CSSF assumes no responsibility as to the economic and financial soundness of the transaction and the quality or solvency of the Company. The CSSF will provide a notification of the approval, together with a copy of this approved Prospectus, to the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) (the "**AFM**") in accordance with article 18 of the Prospectus Directive and the European Securities and Markets Authority.

Joint Global Coordinators and Joint Bookrunners

ABN AMRO **ING** **Morgan Stanley**

Joint Bookrunners

Deutsche Bank **Rabobank**

This Prospectus is dated 9 March 2018

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SUMMARY

Summaries are made up of disclosure requirements known as elements. The elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the elements required to be included in a summary for this type of security and issuer. Because some elements are not required to be addressed, there may be gaps in the numbering sequence of the elements.

Even though such elements may be required to be inserted in the summary because of the type of security and issuer, it is possible that no relevant information can be given regarding such elements. In this case a short description of such elements is included in the summary with the mention of 'not applicable'.

Section A – Introduction and Warnings		
A.1	**General disclaimer regarding the summary**	This summary should be read as an introduction to the prospectus (the "**Prospectus**"). Any decision to invest in any Offer Shares (as defined below) should be based on a consideration of the Prospectus as a whole by the investor. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the member states of the European Economic Area, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Offer Shares.
A.2	**Consent of the Company**	Not applicable, the Company does not consent to the use of the Prospectus for the subsequent resale or final placements of Offer Shares by financial intermediaries.

Section B – Issuer		
B.1	**Legal and commercial name**	B&S Group S.A. (the "**Company**"), a public limited liability company (*société anonyme/Aktiengesellschaft).* In this summary, references to "**we**", "**us**" and "**our**" are to the Company and unless otherwise indicated, its consolidated subsidiaries. The Company and its consolidated subsidiaries are collectively referred to as the "**Group**".
B.2	**Domicile, legal form, legislation and country of incorporation**	The Company is a public limited liability company (*société anonyme/Aktiengesellschaft*). The Company is incorporated and existing under the laws of the Grand Duchy of Luxembourg ("**Luxembourg**") and is domiciled in Larochette, Luxembourg. The Company was incorporated in Luxembourg on 13 December 2007. The Company's registered office is at Place Bleech 18, Larochette, Luxembourg. The Company is registered with the Luxembourg Register of Commerce and Companies under number B 135.944.
B.3	**Current operations and principal activities**	We are a global distribution partner providing comprehensive, tailor-made distribution and logistical solutions throughout the supply chain, linking suppliers and customers that would otherwise find it difficult to connect. We have valuable expertise in resolving supply chain complexities in the consumer goods sector and hold leading positions in a number of attractive channels and specialty markets. We strive to be able to provide our customers with a wide range of products at any time, at any location and at competitive prices. Our operations have a global reach, serving customers in over

		100 countries and combining our activities in developed markets with strong positions in emerging markets. We supply a wide range of consumer goods, including health and beauty products, food and beverages, liquors, and electronics to: • retailers, such as value-for-money retailers, secondary channel retailers, retailers in underserved markets and e-commerce platforms; • the maritime sector, such as cruise ships and ship suppliers; • remote channels, such as government and defence operations and remote industrial sites; and • travel retail consumers.
B.4a	**Significant recent trends affecting the Company and industries in which it operates**	We believe that the growth of the Company as a whole will be benefited by a number of long-term, structural macro-economic and market and channel related trends: *Outsourcing* – there is a continued trend towards outsourcing by suppliers and manufacturers, mostly driven by cost considerations. Additionally, outsourcing enables suppliers to increase their market reach and enter new markets; *Rationalisation of operations* – suppliers seek to reduce distribution complexity and their number of business partners; *Compliance* – there is an increasing supplier and customer demand for compliance, reliability and authenticity; *A-brands and luxury* – there is a growing demand for A-branded products and luxury goods, driven by growing middle classes in developing countries, GDP growth and consumer confidence; *Travel* – strong growth of global airline passenger traffic (with an expected compound annual growth rate of 5.1% for the 2017-2021 period, source: Euromonitor) driven by demographic trends and GDP growth; and *Online* – online retail (e-commerce) is continuing its rapid increase in share of sales globally.
B.5	**Group**	The Company is the parent company of a group of operating companies and has therefore no material direct business operations. The principal assets of the Company are the equity interests it directly or indirectly holds in its subsidiaries.
B.6	**Shareholders of the Company**	Immediately prior to Settlement (as defined below), Sarabel Invest S.à r.l. ("**Sarabel**"), Lebaras Belgium BVBA ("**Lebaras**") and B&S Participations B.V. (the "**Managers' Vehicle**") (together, the "**Selling Shareholders**") shall hold all of the issued and outstanding ordinary shares, with a nominal value of €0.06 each, in the Company (the "**Ordinary Shares**"). Immediately prior to Settlement, Sarabel, which is indirectly controlled by Mr Blijdorp, shall hold 69.5% of the Ordinary Shares, Lebaras, which is indirectly controlled by Mr Meulman, shall hold 25.3% of the Ordinary Shares and the Managers' Vehicle, which is indirectly owned by certain managers of JTG Holding B.V., Topbrands Europe B.V., and a managing director of the B&S Holland Trading Group segment, shall hold 5.2% of the Ordinary Shares. The Managers' Vehicle's shareholding includes an approximate 0.3% shareholding in the Company held for the benefit of Sarabel and Lebaras, *pro rata* to their respective shareholdings in the Company, in connection with a pre-IPO restructuring. Following the Offering (as defined below), Sarabel and Lebaras are expected to continue to be the largest holders of Ordinary Shares and are expected to hold 50.8% and 15.9%, respectively, of the Ordinary Shares (after giving

<table>
<tr><td></td><td></td><td>effect to a share and cash incentive, assuming an Offer Price at the mid-point of the Offer Price Range (each as defined below), and assuming full placement of the Offer Shares and full exercise of the Over-Allotment Option (as defined below)). Consequently, Sarabel and Lebaras will continue to be in a position to exert substantial influence in the general meeting of shareholders of the Company (the "General Meeting") and, consequently, on matters decided by the General Meeting. Sarabel and Lebaras may be able to make certain key decisions without the support of any other holder of Ordinary Shares (any holder of Ordinary Shares, a "Shareholder" and together, the "Shareholders") and will be in a position to significantly influence our operations, proposals for, nominations and appointments of members of the executive board of the Company (the "Executive Board") and the supervisory board of the Company (the "Supervisory Board") and changes to our articles of association.</td></tr>
<tr><td>B.7</td><td>Selected key historical financial information</td><td>This section contains selected consolidated financial information of the Company as at and for the years ended 31 December 2017 ("FY 2017"), 31 December 2016 ("FY 2016") and 31 December 2015 ("FY 2015").

The consolidated special purpose financial statements with respect to FY 2017, FY 2016 and FY 2015 have been prepared in accordance with the International Financial Reporting Standards as adopted by the EU ("IFRS") and have been audited by Deloitte Audit S.à r.l.

Selected Consolidated Key Income Statement Data

<table>
<tr><th></th><th>FY 2017</th><th>FY 2016</th><th>FY 2015</th></tr>
<tr><td></td><td colspan="3">(in € thousands)</td></tr>
<tr><td>Turnover</td><td>1,507,254</td><td>1,339,489</td><td>1,338,293</td></tr>
<tr><td>Gross profit</td><td>216,015</td><td>188,858</td><td>187,041</td></tr>
<tr><td>Operating result</td><td>97,503</td><td>81,409</td><td>77,293</td></tr>
<tr><td>Result before taxation</td><td>93,031</td><td>77,169</td><td>73,551</td></tr>
<tr><td>Profit for the year from continuing operations</td><td>82,860</td><td>69,392</td><td>66,409</td></tr>
</table>

Significant changes in the issuer's financial condition and operating results

Financial years ended 31 December 2017, 2016 and 2015

Turnover

Turnover for FY 2017 increased by €167.8 million, or 12.5%, to €1,507.3 million, from €1,339.5 million for FY 2016. The B&S Holland Trading Group segment (the "HTG Segment") contributed the largest part of the increase in turnover, largely driven by the full-year consolidation of Topbrands Europe B.V. ("Topbrands"), acquired in August 2016, into our financial statements. Furthermore, the increase in turnover was driven by organic growth in the HTG Segment and in our other segments: the B&S segment (the "B&S Segment") and the retail segment (the "Retail Segment").

Turnover for FY 2016 increased by €1.2 million, or 0.1%, to €1,339.5 million for FY 2016, from €1,338.3 million for FY 2015. Turnover growth was materially and negatively impacted by an effort to improve our margins and profitability rather than focussing predominantly on turnover growth. These negative impacts on turnover were partly offset by the consolidation of Topbrands into our consolidated results as of 1 August 2016 following completion of the Topbrands acquisition and partly by organic growth in other segments of our business.</td></tr>
</table>

Operating Result

Our operating result for FY 2017 increased by €16.1 million, or 19.8%, to €97.5 million, from €81.4 million for FY 2016. As a percentage of turnover, operating result increased to 6.5% in FY 2017 from 6.1% in FY 2016. The increase in our operating result in FY 2017 was mainly driven by an increase in turnover and gross profit and an increase in other gains (consisting of exchange rate gains), partly offset by an increase in personnel expenses and other operating expenses. The increase in personnel expenses was primarily due to the full-year consolidation of Topbrands into our financial statements, increased workforce demands due to the overutilisation of the warehouse of the B&S Segment in Dordrecht, the Netherlands and an increase in the number of employees due to the opening of new shops in the Retail Segment.

Our operating result for FY 2016 increased by €4.1 million, or 5.3%, to €81.4 million, from €77.3 million for FY 2015. As a percentage of turnover, operating result increased to 6.1% in FY 2016 from 5.8% in FY 2015. The increase in our operating result in FY 2016 was mainly driven by an increase in turnover and gross profit and a decrease in other losses (consisting of exchange rate losses) partly offset by an increase in personnel expenses. The increase in personnel expenses was primarily due to the Topbrands acquisition in August 2016, increased workforce demands due to the overutilisation of the warehouse of the B&S Segment in Dordrecht, the Netherlands and an increase in the number of employees due to the opening of new shops in the Retail Segment.

Result before Taxation

Our result before taxation for FY 2017 increased by €15.9 million, or 20.6%, to €93.0 million, from €77.2 million for FY 2016. As a percentage of turnover, result before taxation increased to 6.2% in FY 2017 from 5.8% in FY 2016. The increase in our result before taxation in FY 2017 was mainly driven by an increase in our operating result, partly offset by an increase in our financial expenses, primarily due to the full-year consolidation of Topbrands into our financial statements.

Our result before taxation for FY 2016 increased by €3.6 million, or 4.9%, to €77.2 million, from €73.6 million for FY 2015. As a percentage of turnover, result before taxation increased to 5.8% in FY 2016 from 5.5% in FY 2015. The increase in our result before taxation in FY 2016 was mainly driven by an increase in our operating result, partly offset by an increase in our financial expenses, predominantly resulting from the loan facility for the acquisition of Topbrands and the payment of interest under the facilities of Topbrands as from 1 August 2016 due to the consolidation of Topbrands into our consolidated financial statements.

Selected Consolidated Key Balance Sheet Data

	As at 31 December 2017	**As at 31 December 2016**	**As at 31 December 2015**
		(in € thousands)	
Total non-current assets	65,549	68,164	48,201
Total current assets	498,296	481,194	418,755
Total assets	**563,845**	**549,358**	**466,956**
Equity attributable to			
Owners of the Company	201,528	197,508	180,335
Non-controlling interest	40,442	32,532	15,578
Total equity	**241,970**	**230,040**	**195,913**
Total non-current liabilities	28,389	30,488	12,800
Total current liabilities	293,486	288,830	258,243

Total equity and liabilities	**563,845**	**549,358**	**466,956**

Selected Consolidated Statements of Cash Flows Data

	FY 2017	FY 2016	FY 2015
		(in € thousands)	
Net cash (used in)/generated by operating activities	89,666	78,677	5,234
Net cash (used in)/generated by investing activities	(4,626)	(34,659)	(2,417)
Net cash (used in)/generated by financing activities	(83,734)	(39,270)	2,828
Net cash flow	**1,306**	**4,748**	**(11)**
Cash and cash equivalents:			
Balance as at 1 January	13,214	8,166	7,878
Balance from acquisition through business combinations	–	–	299
Balance from acquired companies	2,865	300	–
Movement	1,306	4,748	(11)
Net cash and cash equivalents at end of year	**17,385**	**13,214**	**8,166**

Non-IFRS Financial Measures (unaudited)

The table below presents certain financial measures on a consolidated basis, for FY 2017, FY 2016 and FY 2015. These non-IFRS financial measures have not been audited or reviewed and are not recognised measures of financial performance, financial condition or liquidity under IFRS. Such measures are used by management to monitor the underlying performance of our business and operations. These non-IFRS financial measures may not be indicative of our historical operating results, nor are such measures meant to be predictive of our future results. We present these non-IFRS financial measures because we consider them an important supplemental measure of our performance and believe that they and similar measures are widely used in the industry in which we operate as a means of evaluating a company's operating performance, financial condition and liquidity. However, not all companies calculate non-IFRS financial measures in the same manner or on a consistent basis. As a result, these measures may not be comparable to measures used by other companies under the same or similar names. Accordingly, undue reliance should not be placed on the non-IFRS financial measures presented below and they should not be considered as a substitute for operating profit, profit for the year, cash flow, expenses or other financial measures computed in accordance with IFRS.

	FY 2017	FY 2016	FY 2015
		(in € millions, unless indicated otherwise)	
EBITDA(1)	105.9	88.9	83.7
EBITDA Margin(2)	7.0%	6.6%	6.3%
Capital Expenditure(3)	7.5	5.4	5.1
Free Cash Flow(4)	83.4	71.2	67.5
Cash Conversion Ratio(5)	92.9%	93.9%	93.9%
ROCE(6)	36.1%	31.2%	37.0%
Solvency Ratio(7)	42.9%	41.9%	42.0%
Earnings Efficiency(8)	78.3%	78.1%	79.4%
Net Debt(9)	195.1	204.5	149.2

(1) EBITDA is defined as earnings before interest, taxes, depreciation and amortisation.

		(2) EBITDA Margin is defined as EBITDA as a percentage of turnover. (3) Capital Expenditure is defined as investments in tangible and intangible fixed assets. (4) Free Cash Flow is defined as EBITDA minus Capital Expenditure minus financial expenses minus taxation on the result. (5) Cash Conversion Ratio is defined as EBITDA minus Capital Expenditure as a percentage of EBITDA. (6) ROCE is defined as operating result as a percentage of the result of total assets minus current liabilities. (7) Solvency Ratio is defined as group equity as a percentage of total assets. (8) Earnings Efficiency is defined as profit for the year from continuing operations as a percentage of EBITDA. (9) Net Debt is defined as interest bearing liabilities minus cash and cash equivalents.
B.8	**Pro forma financial information**	Not applicable, no *pro forma* financial information is included in the Prospectus.
B.9	**Profit forecast**	Not applicable, the Company has not issued a profit forecast.
B.10	**Qualifications in the auditor's report**	Not applicable, there are no qualifications in the independent auditor's reports on the financial information contained in the Prospectus.
B.11	**Insufficient working capital**	Not applicable, we believe that our working capital is sufficient for our present requirements, that is for at least the next 12 months following the date of the Prospectus.

Section C – Securities		
C.1	**Type of security and security code**	Ordinary Shares in registered form. ISIN: LU1789205884 Common Code: 178920588 Symbol: BSGR
C.2	**Currency**	The Ordinary Shares are denominated in and will trade in Euro.
C.3	**Number of shares issued, nominal value per share**	Immediately prior to Settlement, the Company's issued and outstanding share capital shall consist of 84,177,321 Ordinary Shares. All of the issued and outstanding Ordinary Shares are fully paid up. The nominal value per Ordinary Share is €0.06. On the date of the Prospectus, no Ordinary Shares are held by the Company. All issued Ordinary Shares are subject to, and have been created under, the laws of Luxembourg.
C.4	**Rights attached to the securities**	The Ordinary Shares rank equally for voting purposes. Each Shareholder has one vote per Ordinary Share held. Each Ordinary Share ranks equally for any dividend declared. Each Ordinary Share ranks equally for any distributions made on a winding up of the Company. A General Meeting may resolve to issue Ordinary Shares and to increase our share capital. Each Ordinary Share has a proportional preferential right to subscribe to new Ordinary Shares, unless the General Meeting would withdraw or limit such preferential subscription rights. The decision by the General Meeting to withdraw or limit the preferential subscription rights of the Shareholders must be taken subject to compliance with the applicable rules for the amendment of the articles of association, being a resolution taken by a two-thirds majority of the votes cast at an extraordinary General Meeting with a quorum of at least 50% of the issued share capital. Pursuant to the articles of association as they shall read as of the Settlement Date (the "**Articles of Association**"), the Executive Board is authorised for a period of five years from the date of the amendment of the Articles of Association creating the authorised share capital (scheduled on or about the date of the determination of the Offer Price ("**Pricing**"), which is expected

		to occur on 22 March 2018), to resolve to increase the then existing share capital on one or more occasions by up to an aggregate amount of €2,525,319.60, by issuing up to 42,088,660 new Ordinary Shares in registered form with a nominal value of €0.06 and with the same rights as the existing Ordinary Shares against payment in cash or in kind, or by capitalisation of distributable profits and reserves (the "**Ordinary Shares Authorised Capital**"). Under the Ordinary Shares Authorised Capital, the Executive Board is authorised to, subject to approval of the Supervisory Board, issue Ordinary Shares or to grant rights (including warrants or options) to subscribe for Ordinary Shares and issue any other instruments convertible into Ordinary Shares (the "**Ordinary Instruments**") up to a maximum of 10% of the issued Ordinary Shares per year, calculated over the number of Ordinary Shares outstanding (i) for any Ordinary Instruments to be issued in 2018, immediately after the notarial deed of amendment in which the Articles of Association are adopted (scheduled on or about the date of Pricing); or (ii) for Ordinary Instruments to be issued in any other financial year, on 1 January of the relevant year. The Executive Board is also authorised to withdraw or limit the preferential subscription rights of the Shareholders in respect of the issuance of such new Ordinary Instruments, subject to approval of the Supervisory Board.
C.5	**Restrictions on free transferability of the securities**	Not applicable, there are no restrictions on the free transferability of the Ordinary Shares. However, the offer and sale of Offer Shares to persons located or resident in, or who are citizens of, or who have a registered address in countries other than the Netherlands and the transfer of Offer Shares into jurisdictions other than the Netherlands, may be subject to specific regulations and restrictions.
C.6	**Listing and admission to trading**	Prior to the Offering, there has been no public market for the Ordinary Shares. Application has been made to list and admit all Ordinary Shares to trading on the regulated market operated by Euronext Amsterdam N.V. ("**Euronext Amsterdam**"). Subject to acceleration or extension of the timetable for the Offering, trading, on an 'as-if-and-when-delivered' basis, in the Offer Shares on Euronext Amsterdam is expected to commence on or about 23 March 2018 (the "**First Trading Date**"). No application has been made or is currently intended to be made for the Ordinary Shares to be admitted to listing or trading on any other exchange.
C.7	**Dividend policy**	Barring exceptional circumstances, we envisage to increase dividends-per-share over time with the aim of having an initial ordinary dividend pay-out ratio at the lower end of our target range between 40-60% of annual Group results attributable to the owners of the Company. We intend to pay dividends in cash in two semi-annual instalments. The first payment for each year is expected to be made in the fourth quarter of that year and the remainder in the second quarter of the following year following approval of the General Meeting of the full year accounts.

Section D – Risks		
D.1	**Risks relating to the Company's business and industry**	**Risks Relating to our Business and Industry** • We may be affected by general developments in the broader economy and by specific demand fluctuations, both globally and in the regions where we operate, and we are particularly exposed to unfavourable developments in the markets of the European Union. • The international nature of our business exposes us to additional risks.

- The integrity, reliability and efficiency of our information technology systems and of the information technology systems of parties that we rely on may not be guaranteed.
- We are organised on a decentralised basis and we therefore rely on the proper functioning of management information and internal control and risk management systems. Any failure in these systems may adversely affect our ability to monitor our business or adequately respond to unfavourable developments.
- Increased pressure from existing or new competitors could erode our gross margin.
- Loss of any of our authorisations or certifications could impact our ability to operate our business, fulfil our obligations towards customers or attract new customers.
- We may fail to achieve any or all of the financial objectives included in the Prospectus.
- We are subject to various laws and regulations in the jurisdictions in which we operate.
- We may be unable to effectively manage our growth.
- We may fail to acquire other businesses as contemplated by our growth strategy or to realise the expected benefits from such acquisitions and we may inadvertently acquire actual or potential liabilities.
- We are subject to currency exchange rate risk in the conduct of our business.
- We rely significantly on the skills and experience of our managerial staff, technical, sourcing and sales personnel, and a loss of any key individuals or the failure to recruit suitable managers and other key personnel, both for expanding our operations and for replacing people who leave us, could result in an inability to meet customer demand.
- We may be unable to manage our inventory successfully.
- Our reputation and our relationship with our suppliers and customers could be harmed by performance failures by us or other parties in the supply chain.
- Loss of major suppliers or customers and disintermediation in the supply chain of the products that we distribute could adversely affect our business.
- Our business and operating results may be adversely affected by disruption to our warehouse facilities.
- We may be subject to claims and fines related to customs declarations.
- Our business is subject to anti-money laundering, sanctions and anti-bribery regulation and related compliance costs and third-party risks.
- Litigation or investigations involving us, including related to the infringement of intellectual property rights of third parties, could result in material settlements, fines or penalties.
- Taxation of goods policies in the countries in which we operate may change.
- We rely on third-party service providers for several important functions, such as transport logistics and IT, and the failure to find qualified service providers or the failure of service providers to

		perform their obligations could have a material adverse effect on our business, financial condition and results of operations. • Inconsistent quality or contamination of the products we distribute or sell could harm the integrity of, or customer demand for, these products, adversely affect our reputation and the sales of those products and expose us to potential product liability claims. • Part of our turnover is dependent on concession and procurement agreements and our business would be adversely affected by the termination or increased cost of such concessions or procurements. • We are exposed to a variety of social and political risks due to our operations in areas with high security risks. • We may not be able to maintain the required level of insurance coverage on acceptable terms or at an acceptable cost. • Delayed payment or failure to pay by our customers could have an adverse effect on our business. • Parts of our business are subject to seasonal fluctuations. **Risks Relating to Financial Matters and our Capital and Corporate Structure** • Any inability to raise capital or to continue our existing finance arrangements could have a material effect on our business, financial condition and results of operations. • Following the Offering, our largest Shareholders, Sarabel and Lebaras, will continue to be in a position to exert substantial influence over us. The interests pursued by Sarabel or Lebaras could differ from the interests of our other Shareholders. • Provisions in the Articles of Association may delay, deter or prevent takeover attempts that may be favourable to Shareholders. • We are exposed to interest rate risks. • We rely on our operating subsidiaries to provide us with funds necessary to meet our financial obligations and our ability to pay dividends may be constrained. **Risks Relating to our Tax Position** • Changes in tax law could have a material adverse effect on our business, results of operation and financial condition. • A successful challenge of our transfer pricing policies could have a material adverse effect on our business, results of operation and financial condition. • Our interpretation of tax laws and regulations and the tax advice that we rely on, may be questioned or challenged by the authorities.
D.3	**Risks relating to the Offering and the Ordinary Shares**	**Risks Relating to the Offering and the Ordinary Shares** • There has been no public market for the Ordinary Shares prior to the Offering and we cannot assure that an active market in the Ordinary Shares will develop. • Shareholders may be subject to multiple notification obligations. • We will face additional administrative requirements as a result of the listing. • The price of the Ordinary Shares may be volatile and affected by a number of factors, some of which are beyond our control.

		• Shareholders outside Luxembourg and the Netherlands may not have, or be entitled to exercise, preferential subscription rights in future equity offerings. • Future sales or the possibility of future sales of a substantial number of the Ordinary Shares could have an adverse effect on the price of the Ordinary Shares and dilute the interests of Shareholders. • The ability of Shareholders to bring actions or enforce judgments against us or members of the Executive Board and Supervisory Board may be limited. • If securities or industry analysts do not publish or cease to publish research reports on our business, or adversely change or make negative recommendations regarding the Ordinary Shares, the market price and trading volume of the Ordinary Shares could decline. • If Settlement does not take place, purchases of the Offer Shares will be disregarded and transactions effected in the Ordinary Shares will be annulled.

Section E – the Offering		
E.1	**Net proceeds**	The Company will not receive any proceeds from the Offering, the net proceeds of which will be received by the Selling Shareholders. The total costs related to the Offering are borne by the Selling Shareholders and are estimated at approximately €8.5 million. The costs include underwriting commissions of up to €6.0 million and estimated other costs of approximately €2.5 million, consisting of, among other items, the fees due to the Luxembourg Commission de Surveillance du Secteur Financier (the "**CSSF**") and Euronext Amsterdam N.V., legal and administrative expenses, as well as publication costs and applicable taxes, if any.
E.2a	**Reasons for the Offering and use of proceeds**	We believe that the Offering and the listing of Ordinary Shares on Euronext Amsterdam will enhance our public profile with our business partners as well as our employees, thereby further strengthening our ability to continue to execute our strategy to recruit, retain and incentivise key management and employees. Furthermore, being a listed company will provide us with financial flexibility and diversity through access to a wider range of capital-raising options to continue to realise our growth ambition, which access may be considered as a source to finance future acquisitions. In addition, the Offering will create a market in the Ordinary Shares for existing and future Shareholders, will enable the Selling Shareholders to diversify their assets and create continuity in the shareholder base going forward. Following the closing of the Offering, Sarabel intends to remain a majority shareholder in the Company. Over time, both Sarabel and Lebaras intend to remain significant long-term Shareholders. The Company will not receive any proceeds from the Offering, the net proceeds of which will be received by the Selling Shareholders. After deducting the estimated expenses, commissions and taxes related to the Offering payable by the Selling Shareholders of approximately €8.5 million, the Selling Shareholders expect to receive approximately €389.7 million in aggregate net proceeds from the Offering (based on an Offer Price (as defined below) at the mid-point of the Offer Price Range (as defined below) and assuming the sale of the maximum number of Offer Shares by the Selling Shareholders and no exercise of the Over-Allotment Option).

E.3	Terms and conditions of the Offering	**Offer Shares** The Selling Shareholders are offering up to 24,692,015 Ordinary Shares (the "**Offer Shares**"), assuming no exercise of the Over-Allotment Option (as defined below). The Offer Shares include, unless the context indicates otherwise, the Additional Shares (as defined below). The Offer Shares will constitute 29.3% of the Ordinary Shares, excluding up to 3,086,502 existing Ordinary Shares that are the subject of an option (the "**Over-Allotment Option**") that is expected to be granted to the Underwriters (as defined below) (such Ordinary Shares, the "**Additional Shares**"). Assuming the Over-Allotment Option is exercised in full, the Offer Shares will constitute 33.0% of the Ordinary Shares. The offering of the Offer Shares (the "**Offering**") consists of (i) a public offering to institutional and retail investors in the Netherlands and (ii) a private placement to certain institutional investors in various other jurisdictions. The Offer Shares are being offered and sold: (i) within the United States of America (the "**United States**" or "**US**") to persons reasonably believed to be qualified institutional buyers as defined in Rule 144A ("**Rule 144A**") under the US Securities Act of 1933, as amended (the "**US Securities Act**"), pursuant to Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable US state securities laws; and (ii) outside the US, in accordance with Regulation S under the US Securities Act. The Offering is made only in those jurisdictions in which, and only to those persons to whom, the Offering may be lawfully made. **Offer Period** Subject to acceleration or extension of the timetable for the Offering, prospective investors may subscribe for Offer Shares during the period commencing on 13 March 2018 at 9.00 Central European Time ("**CET**") and expected to end on 22 March 2018 at 14.00 CET (the "**Offer Period**"). In the event of an acceleration or extension of the Offer Period, pricing, allocation, admission and first trading of the Offer Shares, as well as payment (in Euros) for and delivery of the Offer Shares, may be accelerated or extended accordingly. **Offer Price Range and Number of Offer Shares** The price of the Offer Shares (the "**Offer Price**") is expected to be in the range of €14.50 and €17.75 (inclusive) per Offer Share (the "**Offer Price Range**"). The Offer Price Range is an indicative price range and the Offer Price can be set outside the Offer Price Range. The Offer Price and the exact number of Offer Shares offered in the Offering will be determined by the Company, Sarabel and Lebaras, in consultation with the Joint Global Coordinators (as defined below), after the end of the Offer Period on the basis of the bookbuilding process and taking into account economic and market conditions, a qualitative and quantitative assessment of demand for the Offer Shares and other factors deemed appropriate. The Offer Price may be set within, above or below the Offer Price Range. The Company, Sarabel and Lebaras, in consultation with the Joint Global Coordinators (as defined below), reserve the right to increase or decrease the maximum number of Offer Shares and/or to change the Offer Price Range prior to allocation of the Offer Shares. If the number of Offer Shares changes, the Company will publish a supplement to this Prospectus, which will be filed with the CSSF for approval. In addition, any change in the number of Offer Shares and/or the Offer Price Range will be announced through a press release on the Company's website and will be filed with the CSSF. In case of

		an increase of the top end of the Offer Price Range, investors will have the right to withdraw their subscriptions within two business days after the announcement of such increase. The Offer Price and the exact number of Offer Shares will be set out in a pricing statement (the "**Pricing Statement**") that will be filed with the CSSF and published through a press release on the Company's website. Printed copies of the Pricing Statement will be made available at the registered office of the Company. **Allocation** Allocation is expected to take place after the end of the Offer Period, expected to be on or about 22 March 2018 after 14:00 CET, subject to acceleration or extension of the timetable for the Offering. Allocations to investors who subscribed for Offer Shares will be made by the Company, Sarabel and Lebaras, in consultation with the Joint Global Coordinators and full discretion will be exercised as to whether or not and how to allocate the Offer Shares subscribed for. There is no maximum or minimum number of Offer Shares for which prospective investors may subscribe and multiple subscriptions are permitted. In the event that the Offering is over-subscribed, investors may receive fewer Offer Shares than they subscribed for. The Company, Sarabel and Lebaras may, in consultation with the Joint Global Coordinators, at their own discretion and without stating the grounds therefor, reject any subscriptions wholly or partly. **Preferential Retail Allocation** There will be a preferential allocation of Offer Shares to eligible retail investors in the Netherlands (the "**Preferential Retail Allocation**"). Eligible retail investors in the Netherlands (the "**Dutch Retail Investors**", and each a "**Dutch Retail Investor**") will be allocated the first 500 (or fewer) Offer Shares for which such investor subscribes, provided that if the total number of Offer Shares subscribed for by Dutch Retail Investors under the Preferential Retail Allocation would exceed 10% of the total number of Offer Shares, assuming no exercise of the Over-Allotment Option, the preferential allocation to each Dutch Retail Investor may take place *pro rata* in respect of the first 500 (or fewer) Offer Shares for which such investor subscribes. As a result, Dutch Retail Investors may not be allocated all of the first 500 (or fewer) Offer Shares that they subscribe for. The exact number of Offer Shares allocated to Dutch Retail Investors will be determined after the Offer Period has ended. Dutch Retail Investors can only subscribe for Offer Shares on a market order (*bestens*) basis. To be eligible for the Preferential Retail Allocation, Dutch Retail Investors must place their subscriptions during the period commencing on 13 March 2018 at 9.00 CET and expected to end on 21 March 2018 at 17.30 CET through financial intermediaries. Financial intermediaries may, however, apply their own deadlines which may expire before the closing time of the Offer Period. ING Bank N.V. as the retail coordinator will consolidate all subscriptions submitted by Dutch Retail Investors to financial intermediaries and inform the Joint Bookrunners (as defined below). For the purpose of the Preferential Retail Allocation, a Dutch Retail Investor is either: (i) a natural person resident in the Netherlands; or (ii) a special investment vehicle having its seat in the Netherlands which is a legal entity established for the express and sole purpose of providing asset management and/or retirement planning services for a natural person.

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Underwriters
ABN AMRO Bank N.V. (“ABN AMRO”), ING Bank N.V. (“ING”) and Morgan Stanley & Co. International plc (“Morgan Stanley”) are acting as joint global coordinators for the Offering (the “Joint Global Coordinators”) and Coöperatieve Rabobank U.A. (“Rabobank”) and Deutsche Bank AG, London Branch (“Deutsche Bank”) are acting as joint bookrunners for the Offering (the “Joint Bookrunners”). They are together also referred to herein as the “Underwriters”.
The Company, the Selling Shareholders and the Underwriters are expected to enter into an underwriting agreement on or about 22 March 2018 with respect to the offer and sale of the Offer Shares in connection with the Offering (the “Underwriting Agreement”). The Underwriting Agreement will contain certain conditions precedent and can be terminated upon the occurrence of certain specified events.
Stabilisation Agent
Morgan Stanley, acting as stabilisation agent in the name and on behalf of the Underwriters (the “Stabilisation Agent”), may, but is not obligated to, in its entire discretion, carry out transactions at any time during the period commencing on the First Trading Date and ending no later than 30 calendar days thereafter aimed at stabilising or supporting the market price of the Offer Shares on Euronext Amsterdam.
Timetable
<table>
<tr><th>Event</th><th>Time and Date</th></tr>
<tr><td>Start of Offer Period</td><td>9.00 CET on 13 March 2018</td></tr>
<tr><td>Deadline for eligibility for Preferential Retail Allocation</td><td>17.30 CET on 21 March 2018</td></tr>
<tr><td>End of Offer Period</td><td>14.00 CET on 22 March 2018</td></tr>
<tr><td>Pricing and allocation</td><td>After 14.00 CET on 22 March 2018</td></tr>
<tr><td>Publication of results of the Offering</td><td>23 March 2018</td></tr>
<tr><td>First Trading Date (trading on an “as-if-and-when-delivered” basis)</td><td>23 March 2018</td></tr>
<tr><td>Settlement Date (payment and delivery)</td><td>27 March 2018</td></tr>
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<td>E.4</td>
<td>Interests material to the Offering (including conflicts of interests)</td>
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Certain of the Underwriters and/or their respective affiliates have in the past engaged and may in the future, from time to time, engage in commercial banking, investment banking and financial advisory and ancillary activities in the ordinary course of their business with the Company and/or the Selling Shareholders or any parties related to any of them, in respect of which they have received and may in the future receive customary fees and commissions. ABN AMRO, ING, Deutsche Bank and Rabobank (in each case, directly or through an affiliate) have entered into arrangements to act as lenders to companies within the Group, in respect of which they may in the future receive fees and commissions.
In connection with the Offering, each of the Underwriters and any of their respective affiliates, acting as an investor for its own account, may take up Offer Shares in the Offering and in that capacity may retain, purchase or sell for its own account such securities and any Offer Shares or related
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		investments and may offer or sell such Offer Shares or other investments otherwise than in connection with the Offering. In addition, certain of the Underwriters or their affiliates may enter into financing arrangements (including swaps or contracts for difference) with investors in connection with which such Underwriters (or their affiliates) may from time to time acquire, hold or dispose of Ordinary Shares. None of the Underwriters intends to disclose the extent of any such investment or transactions otherwise than pursuant to any legal or regulatory obligation to do so. As a result of acting in the capacities described above, these parties may have interests that may not be aligned, or could possibly conflict with, the interests of investors or of the Company.
E.5	**Lock-up arrangements**	The Joint Global Coordinators (acting on behalf of the Underwriters) may, at any time without prior public notice, in their full discretion decide to waive the restrictions, including those on sales, issue or transfers of Ordinary Shares, described below, which waiver shall not be unreasonably withheld or delayed. **Company Lock-Up** Pursuant to the Underwriting Agreement, the Company will agree to a lock-up from the date thereof until 360 days from the Settlement Date, during which time the Company may not issue, sell or encumber or enter into other transactions relating to any Ordinary Shares or other shares of the Company. The foregoing does not apply to the issue of Ordinary Shares to the Managers' Vehicle as part of a pre-IPO restructuring. **Selling Shareholders Lock-Up** Pursuant to the Underwriting Agreement, Sarabel and Lebaras will agree to a lock-up from the date thereof until 360 days from the Settlement Date, during which time Sarabel and Lebaras may not sell or encumber or enter into other transactions relating to any Ordinary Shares or other shares of the Company. The foregoing does not apply to (i) the sale of the Offer Shares in the Offering; (ii) the lending of Ordinary Shares to the Stabilisation Agent pursuant to a share lending agreement relating to the Over-Allotment Option; (iii) the transfer of Ordinary Shares by Sarabel and Lebaras to Stichting Administratiekantoor B&S Participations (the "**STAK**") as part of a share and cash incentive; (iv) granting of security over any Ordinary Shares held by Sarabel or Lebaras; (v) any transfer of Ordinary Shares held by Sarabel or Lebaras to an affiliate or entity controlled by or under common control with it, as applicable; (vi) the sale or transfer of Ordinary Shares as a result of the acceptance of a full or partial takeover offer made in accordance with the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) and applicable Luxembourg laws on public takeovers or the provision of an irrevocable undertaking to accept such an offer, provided that the Joint Global Coordinators shall be notified in writing two Business Days prior to such acceptance or undertaking; or (vii) the transfer of all issued Ordinary Shares pursuant to a legal merger or demerger or similar business combination with a third party, provided that in case of (iv), in the event of enforcement of such security, and in the case of (v), prior to any such transfer, the transferee is or becomes bound by the same lock-up as the transferor for the remainder of the lock-up period. **Certain Managers Lock-up** Immediately following Settlement, the STAK will hold such number of existing Ordinary Shares as represents a total amount of €4.5 million based on the Offer Price for the benefit of certain managers of segments of the Group and issue depositary receipts for these Ordinary Shares to such

		managers, as part of a share and cash incentive. Pursuant to certain lock-up arrangements, such managers will be subject to a lock-up period in respect of such depositary receipts for a period of five years from the date of the transfer of the Ordinary Shares to the STAK, which lock-up can be waived by the Company. Pursuant to the Underwriting Agreement, the Company will agree not to waive such lock-up for the period from the date thereof until 360 days from the Settlement Date.
E.6	**Dilution**	Not applicable. As only existing Ordinary Shares will be offered, the Offering will not have a dilutive effect.
E.7	**Estimated expenses charged to the investor by the Company**	Not applicable, we will not charge any expenses to investors in relation to the Offering.

Before investing in the Offer Shares, prospective investors should consider carefully all of the information that is included or incorporated by reference in this Prospectus and should form their own view before making an investment decision with respect to any Offer Shares. In particular, investors should evaluate the uncertainties and risks referred to or described below, which may materially and adversely affect our business, results of operations, financial condition and prospects. Furthermore, before making an investment decision with respect to any Offer Shares prospective investors should consult their financial, legal and tax advisers, and consider such an investment decision in light of their personal circumstances. Should any of the following events or circumstances occur, the market price of the Offer Shares could fall and an investor might lose part or all of its investment. Although we believe that the risks and uncertainties described below are the material risks and uncertainties concerning our business and the Offer Shares, they are not the only ones we face. Additional risks and uncertainties that are not presently known to us or that we currently deem immaterial may also materially and adversely affect our business, results of operations, financial condition and prospects and may cause the market price of the Offer Shares to fall. The order in which risks are presented is not necessarily an indication of the likelihood of the risks actually materialising, of the potential significance of the risks or of the scope of any potential negative impact to our business, results of operations, financial condition and prospects.

Risks Relating to our Business and Industry

We may be affected by general developments in the broader economy and by specific demand fluctuations, both globally and in the regions where we operate, and we are particularly exposed to unfavourable developments in the markets of the European Union.

Demand for the products we distribute is affected by general economic conditions, particularly those which underpin consumer spending. Economic recession and other economic indicators which may negatively impact spending patterns, such as levels of employment, levels of disposable income, inflation, consumer confidence, consumer credit availability and interest rates, can affect our business. Any deterioration in market conditions may also slow down or reverse the growth of the middle class in emerging markets, such as Asia where we intend to grow our business significantly in the coming years, which could in turn reduce demand for our products in those markets. Challenging economic market conditions and significant demand fluctuations in the markets in which we operate could have an adverse effect on demand for the products that we distribute. For example, the international community's sanctions on Russia and the devaluation of the Ruble in 2014 resulted in a significant decline in demand for our products in the Russian market. Furthermore, in 2013 and 2014 we experienced a decrease in turnover as a result of reduced demand in China due to the Chinese anti-graft campaign aimed at reducing corruption and discouraging a culture of giving gifts to business relations and political patrons. As a result of this campaign, demand for brandy and other liquors in China decreased significantly, resulting in a decrease in turnover from liquor sales. Specific major events affecting the markets in which we operate, including but not limited to natural disasters and major national or international political developments could also have an adverse impact on our regional businesses.

Economic recession, airline strikes, natural disasters, international hostilities, terrorist activities, contagious disease outbreaks or other similar events could also reduce international travel, upon which the business of the airports shops we operate within our retail segment (the "**Retail Segment**") and certain parts of the business of the B&S segment (the "**B&S Segment**") are highly dependent. For example, terrorist attacks in 2015, 2016 and 2017 in France, Belgium, Germany, Turkey and England have contributed to depressed levels of tourism growth in Europe. Passenger volumes and international travel may also be affected by travel restrictions. More stringent immigration laws and difficulties in obtaining visas may deter international travellers and reduce their numbers in countries in which we operate, thereby reducing visitors in our airport shops.

In addition, the principal geographic source of our turnover is the European Union, from which we generated 58.5% of our turnover in FY 2017. As such, we are particularly dependent upon economic conditions in the European Union and unfavourable developments, for example as a result of the United Kingdom's decision to leave the EU (Brexit), or increased competition in the markets of the European Union could result in our business and results of operations being more adversely affected than those of companies that are less dependent on the markets of the European Union. Any such major events, globally or in the European Union, could materially and adversely affect our business, results of operations and financial condition.

The international nature of our business exposes us to additional risks.

We currently serve suppliers and customers in over 100 countries around the world. The international scope of our operations, particularly through our operations in certain developing countries and emerging markets, exposes us to certain risks. These risks include, but are not limited to, the following:

- the risk that we will fail to comply with applicable regulations or that we will be negatively affected by changes in regulation;
- the risk that we will be negatively affected by import/export licensing requirements, quotas or wage and price controls;
- the risk that we will be negatively affected by trade protection measures;
- the risk that we will be unable to repatriate income or capital;
- the risk that we will be negatively affected by changes to taxation policies;
- the risk that our assets will be subject to seizure;
- the risk of nationalisation or expropriation of our property, inventory or other assets; and
- the risk of terrorist acts, war and civil disturbances.

It is not possible for us to foresee all regulations applicable to our operations that may be enacted in the future or changes in political regimes or other political, social and economic instability that may occur. See "– *We are subject to various laws and regulations in the jurisdictions in which we operate.*". The materialisation of any of the risks described above could have a material adverse effect on our business, results of operations and financial condition.

The integrity, reliability and efficiency of our information technology systems and of the information technology systems of parties that we rely on may not be guaranteed.

We depend on our information technology infrastructure and on the information technology systems of certain third parties. Specifically, we maintain and rely upon certain critical information systems for the effective operation of our business and for the coordination and management of our business segments. Our information technology infrastructure includes systems for online ordering by customers, automatic customs and tax reporting, compliance and financial consolidation and reporting. Third-party systems that we rely on include the information technology systems of the Dutch customs authority, the payment systems of financial institutions and the system we use for our sanctions checks. For example, in 2017, there was a failure in the information technology system of the Dutch customs authority as a result of which we were not able to process customs declarations, which in certain instances led to delays in the delivery of products. Both our own systems and those of third parties are subject to damage or interruption from a number of potential sources including software viruses, malware, ransomware, electronic break-ins, theft or corruption of confidential data, power failures, cyber-attacks, natural disasters and other unanticipated problems. In addition, we may be the subject of phishing attacks, which involve sending authentic looking emails designed to trick the recipient into sharing sensitive data or clicking on a malicious link leading to a malware infection.

Furthermore, there could be a failure in the necessary data reconciliation or other conversion controls when implementing and transitioning to new software systems or implementing modifications to existing systems. The B&S Segment is currently in the process of transitioning to a new B&S International Technology ERP platform. See "*Our Business – Information Technology Systems*". This transition may result in interruptions to our IT infrastructure. Any compromise of our data security or our inability to use or access our IT systems at critical points in time could unfavourably impact the timely and efficient operation of our business and subject us to additional costs and liabilities. Any of the risks described above, if materialised, could have a material adverse effect on our business, results of operations and financial condition.

We are organised on a decentralised basis and we therefore rely on the proper functioning of management information and internal control and risk management systems. Any failure in these systems may adversely affect our ability to monitor our business or adequately respond to unfavourable developments.

We are organised on a decentralised basis, leaving a significant number of management decisions to the discretion of the management teams of our business segments and sub-segments. The management teams of our segments and sub-segments are responsible for preparing and executing the business plans of their respective segments and sub-segments and for making various important operational decisions, including with respect to

product portfolio, pricing and other purchasing or sales related decisions. We have implemented management information and internal control and risk management systems aimed at monitoring the operational results and risks of our business segments and sub-segments and at responding to unfavourable developments detected by the information systems within our business segments and sub-segments. There can be no assurance, however, that our management information and internal control and risk management systems will at all times be adequate and fully effective under all circumstances, particularly if we are confronted with risks or situations that we have not fully or adequately identified or anticipated. In addition, any internal control and risk management system is exposed to inadequate, fraudulent, negligent or unauthorised dealings or acts by employees or third-parties as well as to IT failures. We also rely on the ability and integrity of our management and employees to properly implement and effectively apply these controls and procedures. If we fail to train and manage our employees properly, our internal controls and procedures may be ineffective. Any failures of our management information and internal control and risk management systems could have a material adverse effect on our business, results of operations and financial condition.

Increased pressure from existing or new competitors could erode our gross margin.

We face competition from local and regional competitors that may have strong relationships with suppliers and customers in specific markets or regions. Some of our competitors are active in, and are therefore more focussed on and specialised in, only one particular market segment. In addition, in certain markets, such as the international fast-moving consumer goods market, customer-distributor relationships are often non-exclusive, which potentially enables competitors to attract customers away from us. Our competitors may be able to maintain lower costs, be more attractive to customers, have stronger negotiating positions vis-à-vis suppliers or attract and retain more skilled employees. Our ability to compete effectively is dependent on our ability to meet our suppliers' and customers' demands in relation to, amongst other things, reliability and quality as well as on our ability to innovate, make investments, attract and retain skilled employees and implement our efficiency programs and IT solutions. Increased competition from existing or new competitors could depress our gross margins and have a material adverse effect on our business, results of operations and financial condition.

Loss of any of our authorisations or certifications could impact our ability to operate our business, fulfil our obligations towards customers or attract new customers.

We have various authorisations and certifications that are required to operate our business or that allow us to operate our business more efficiently. For example, we are certified as an Authorised Economic Operator by the Dutch customs authorities, which enables us to clear customs in an expedited manner. Furthermore, we hold a certification under ISO 22000, an international food safety management standard. Our ISO 22000 certification allows us to demonstrate to existing and potential customers across the world that our food safety management system meets internationally accepted food safety standards. Furthermore, we are approved by the U.S. Army Public Health Command and an officially registered supplier of the United Nations Global Marketplace, the common procurement portal of the United Nations system of organisations, which allows the B&S Segment to supply products to U.S. Army caterers and the United Nations, respectively. The approval of the U.S. Army Public Health Command is reviewed annually and we are required to update our registration with the United Nations when additional or amended requirements for the registration are implemented. See "*Our Business – Compliance and Risk Management*". The loss of any of these authorisations or certifications could cause existing customers to cease doing business with us, negatively impact our ability to attract new customers and have a material adverse effect on our business, results of operations and financial condition.

We may fail to achieve any or all of the financial objectives included in this Prospectus.

We have set ourselves a number of financial objectives, which are described elsewhere in this Prospectus. Our ability to achieve these financial objectives depends on our ability to successfully execute our strategy and on the accuracy of a number of assumptions upon which they are based. These assumptions involve factors that are substantially or entirely beyond our control and are subject to known and unknown risks, including the risks described in this section "*Risk Factors*", uncertainties and other factors that may result in our inability to achieve our financial objectives. See "*Our Business – Financial Objectives*". In particular, our ability to successfully implement our strategy and achieve our financial objectives may be impacted by factors such as general economic and business conditions, developments with respect to the regulatory and tax framework applicable to our industry and our business and competition in our industry, all of which are outside of our control. If one or more of the assumptions that we have made in setting our financial objectives is inaccurate, or if one or more of the risks described in this section were to occur, we may be unable to achieve one or more of our financial objectives.

We are subject to various laws and regulations in the jurisdictions in which we operate.

We operate globally, including in developing countries and emerging markets. This means that we are confronted with complex legislation and regulatory demands, particularly in developing countries and emerging markets where legal systems are in varying stages of development. In addition to regulations set by national and local governmental authorities, we must also comply with customs regulations, food safety regulations and other related regulations, as well as with the principles of the United Nation ("**UN**") Global Compact, if we are to continue to be eligible for contracts of the UN. See "*Our Business – Compliance and Risk Management*". These international, national and local rules and regulations are continuously subject to change, which may be material. If we fail to comply with any such regulations or changes thereto, we could be subjected to fines or other penalties or be restricted in operating our business, the effects of which could be material. In addition, amendments to rules and regulations could have an impact on demand for certain products. See "*We may be affected by general developments in the broader economy and by specific demand fluctuations, both globally and in the regions where we operate, and we are particularly exposed to unfavourable developments in the markets of the European Union*". Even if we do comply with amended rules and regulations, the costs of operating our business could increase materially and this could have a material adverse effect on our business, results of operations and financial condition.

We may be unable to effectively manage our growth.

Since our incorporation, we have experienced significant organic growth and growth through acquisitions and we aim to continue to grow in both of these ways. See "*Our Business – Our Strategy*". Our growth has placed and is expected to continue to place significant demands on our management and our administrative, financial and operational infrastructure, such as warehousing, storage and IT. To manage our growth effectively, we may be required to continue to expand and improve our management, administrative, financial and operational infrastructure by, among other things:

- expanding and updating our warehousing and storage facilities;
- further improving our key business applications, processes and IT infrastructure;
- recruiting and training qualified senior managers and other key personnel to manage expanded operations; and
- ensuring that our internal control, risk management policies and procedures are effective in mitigating the increased risk exposure of an enlarged business.

We have in the past experienced a shortage of warehouse space due to our growth outpacing our ability to expand our warehousing facilities, as a result of which we were not able to operate as efficiently as we would ordinarily expect to. If we fail to strengthen our management, administrative, financial and operational infrastructure to meet the additional requirements placed on them as a result of the further growth of our business, the quality of the services we offer to suppliers and customers could decline and the efficiency of our operations could be materially adversely affected. Any of these developments could have a material adverse effect on our business, results of operations and financial condition.

We may fail to acquire other businesses as contemplated by our growth strategy or to realise the expected benefits from such acquisitions and we may inadvertently acquire actual or potential liabilities.

Pursuing selected acquisitions has been an important means to expand our business and continuing to grow our business through selected acquisitions is an important part of our strategy. The success of this part of our strategy depends on our ability to identify suitable acquisition candidates and investment opportunities. We cannot guarantee that we will be able to identify and acquire suitable acquisition candidates or investment opportunities on reasonable terms, or at all, or that we will be able to obtain the necessary funding to finance any of them. To the extent we are successful in making acquisitions, we may have to commit significant management resources, expend substantial amounts of cash, incur debt, assume lossmaking divisions and incur other types of expenses. In particular, we may not achieve the cost savings, synergies or other benefits that we hope to achieve from acquisitions. We cannot guarantee that the integration of any future acquisitions will yield benefits to us that are sufficient to justify the expenses we incur in completing such acquisitions. We could also incur extraordinary or unexpected legal, regulatory, contractual, labour or other costs as a consequence of acquisitions. As such, our broader growth strategy could be unsuccessful and may fail to achieve anticipated benefits for our future earnings and profitability.

Through acquisitions we may inadvertently acquire actual or potential liabilities despite the due diligence we perform. These liabilities may include, but are not limited to, exposure to legal claims such as third-party liability and other tort claims, claims or penalties as a result of breach of applicable laws or regulations, claims for breach of contract, employment-related claims, environmental liabilities or tax liabilities. Although acquisition agreements may include indemnities in our favour, these indemnities may not always be enforceable, may expire or be limited in amount and we may have disputes with the sellers regarding their enforceability or scope. If we acquire any of these or other liabilities, and such liabilities are not adequately covered by an applicable and enforceable indemnity, keep-well, guarantee or similar agreement from a creditworthy counterparty, we will be exposed to these liabilities. Such liabilities, if they materialise, could have a material adverse effect on our business, results of operations and financial condition.

We are subject to currency exchange rate risk in the conduct of our business.

Most of our turnover is in Euros, which is our reporting currency. However, due to the international nature of our business, substantial portions of our turnover and expenses are denominated in currencies other than the Euro. In 2017, 39.4% of our turnover was generated in currencies other than the Euro. Significant fluctuations in exchange rates between the Euro and the other currencies in which we do business could materially and adversely affect our reported results from time to time. Furthermore, in some of our businesses, we incur costs in currencies other than those in which turnover is earned. The relative fluctuations between the exchange rates in the currencies in which costs are incurred and the currencies in which turnover is generated can materially and adversely affect the profits of those businesses. See "*Operating and Financial Review – Key Factors Affecting Our Business and Results of Operations – Foreign Currency Exchange Rates*".

We are also exposed to commercial risks due to changes in foreign exchange rates between the currencies in which we purchase our products and the currencies of the jurisdictions to which we distribute our products. A decrease in the value of the currency of a jurisdiction to which we distribute our products relative to the value of the currencies in which we purchase our products reduces the purchasing capacity of the end-consumers in such jurisdiction which may lead to reduced demand for our products in that jurisdiction. We are also exposed to translation risk as fluctuations in foreign exchange rates between the Euro and other currencies in which we do business impact the consolidation into euro of our foreign currency denominated assets, liabilities and earnings. Foreign exchange translation effects arise mainly when selling or purchasing in the US Dollar and, to some extent, when selling in the British Pound or the Japanese Yen or vice versa.

We rely significantly on the skills and experience of our managerial staff, technical, sourcing and sales personnel, and a loss of any key individuals or the failure to recruit suitable managers and other key personnel, both for expanding our operations and for replacing people who leave us, could result in an inability to meet customer demand.

We believe that our performance, success and ability to fulfil our strategic objectives are substantially dependent on retaining our current executives and members of our managerial staff who are experienced in the markets and businesses in which we operate. In particular, we are dependent on the skills and experience of our current CEO and CFO, and those of the managers of our business segments and sub-segments. See "*Our Business – The Group*". In addition, our business results depend largely upon the experience, knowledge of local market dynamics and technical and sourcing know-how of our sourcing and sales personnel and upon long-standing relationships with our suppliers and customers, respectively. There can be no assurance that we will be able to retain our executives, members of managerial staff or other key personnel. The loss of the services of any of them could have a material adverse effect on our business, results of operations and financial condition.

In addition, there can be no assurance that we will be able to recruit suitable executives, managers and other key personnel in the future, either for expanding our operations or for replacing persons who leave us. The market for qualified employees with the required technical, sourcing and sales expertise to succeed in the businesses in which we operate is highly competitive, particularly in the Netherlands and the United Arab Emirates. Recruiting suitable directors, managers and other key personnel may entail substantial costs both in terms of salaries and other compensation if we are able to attract persons with comparable skills and experience. Any failure to attract experienced staff in sufficient numbers could have a material adverse effect on our strategic goals, as well as on our business, results of operations and financial condition.

We may be unable to manage our inventory successfully.

In order to successfully manage the inventories of the fast-moving consumer goods and other goods that we carry, we must anticipate customer demand and purchase supplies that substantially correspond to such demand. We may get this wrong. Within the wholesale segment of our business especially, we regularly buy products in bulk. If we overestimate demand for a particular product or if we can purchase the product only in volumes that exceed actual demand, we face a risk that the price of that product will fall, leaving us with inventory that we cannot sell profitably or at all. Certain products cannot be kept for long periods and may have to be destroyed if not sold before a certain date. Other products, such as consumer electronic products, are subject to short product life-cycles due to on-going technological developments and we may have to adjust price levels downward if products become dated. If these situations occur on a large-scale or systemic basis, this could have a material adverse effect on our business, results of operations and financial condition.

Our reputation and our relationship with our suppliers and customers could be harmed by performance failures by us or other parties in the supply chain.

Our business depends to a significant extent on our reputation for reliability, delivery of high quality products and timely delivery of our distribution services and products. From time to time, we or another party in the supply chain may be unable to deliver products on time due to circumstances beyond our control such as natural disasters, extreme weather, industrial accidents, scheduled production outages, strikes, maintenance works, higher demand than available supply, border control or customs disruptions, port closures, lack of transport capacity or other transportation disruptions. This is particularly relevant for our cruise supply and government and defence supply operations within the B&S Segment, where we have at times been unable to make timely deliveries due to difficulties at border controls. In addition, we regularly purchase products from parties other than the manufacturers and official suppliers of the product, in particular within the wholesale part of our business. This exposes us to the risk that we inadvertently distribute counterfeit products to a customer. Any actual or alleged improper or late delivery of a product to a customer could result in loss of business from customers or suppliers or in legal claims against us and could damage our reputation in the market. Any of these developments could have a material adverse effect on our business, results of operations and financial condition.

Loss of major suppliers or customers and disintermediation in the supply chain of the products that we distribute could adversely affect our business.

There can be no assurance that we will be able to retain our customers or that our customers will maintain or increase their current level of business with us. Approximately 25% of the FY 2017 annual turnover generated by the B&S Holland Trading Group segment (the "**HTG Segment**") was derived from its top ten customers. For the B&S Segment, approximately 33% of the FY 2017 annual turnover was derived from its top ten customers. Our business, results of operations and financial condition, in particular those of the HTG Segment and the B&S Segment, could be adversely affected if one or more of our major customers materially reduces their level of business with us or ceases buying products from us altogether.

We depend on our suppliers to develop and supply the product portfolio that we market, sell and distribute. In 2017, the ten largest suppliers of the HTG Segment represented approximately 24% of the total purchase value of the HTG Segment. The ten largest suppliers of the B&S Segment represented approximately 33% of the total purchase value of the B&S Segment in FY 2017. The loss of one or more of our large suppliers could have a material adverse effect on our product portfolio, sales volumes, turnover and profit margins, which could have a material adverse effect on our business, results of operations and financial condition, in particular those of the HTG Segment and the B&S Segment.

In addition, digitisation could allow suppliers to distribute products directly to customers removing the need for such suppliers to rely on us for sales and distribution. Accordingly, our business, results of operations and financial condition could be materially adversely affected if our suppliers or customers reduce the amounts of, or cease doing, business with us and instead distribute their products directly to customers.

Our business and operating results may be adversely affected by disruption to our warehouse facilities.

Our operations and the inventory at our warehouse facilities could be adversely affected by extraordinary events, including fire, explosion, structural collapse, mechanical failure, extended or extraordinary maintenance, road construction or closures of primary access routes, flood, windstorm or other severe weather conditions, directives from government agencies or power interruptions. Any prolonged interruption at any of our main warehouse facilities, including the AutoStore system in our warehouse in Delfzijl, the Netherlands, could reduce storage and distribution capacity and have a material adverse effect on our business, results of operations and

financial condition. The measures which we have in place to mitigate such risks may prove to be insufficient or ineffective. Disaster recovery plans may not prevent business disruption and reconstruction of any damaged facilities could require a significant amount of time and money. In addition, inventory could be damaged or lost. Although we carry insurance to cover losses at our warehouses and distribution centres and losses due to interruptions in the business, such policies are subject to limitations such as deductibles and maximum liability amounts. They therefore may not cover all losses, including loss of the business that customers may place with competitors as a result of such interruptions. We may also incur losses that are outside the scope of coverage of our insurance policies. As a result, significant losses could occur if any of our warehouse facilities were damaged or ceased operating.

We may be subject to claims and fines related to customs declarations.

The nature of our business requires us to report imported and exported goods to local customs authorities, to pay the relevant duties and to prepare customs declarations. Furthermore, we have our own warehouses for storing bonded goods, i.e. goods that are stored in a warehouse until import tax and excise is paid on them. If goods that were stored in our bonded warehouses are inadvertently brought into circulation in the EU, we are liable to pay the import tax and the excise on these goods. If the logistics providers that we use for the transport of goods do not clear customs documentation with respect to the goods, the customs authority assumes that the goods have been brought into circulation in the EU, which makes us liable for the import tax and the excise, which we would otherwise not have to pay. In 2014, for instance, we received a customs re-assessment from the Dutch tax authorities for an amount of €10.4 million with respect to goods transported from the Netherlands to Turkmenistan, Kirgizstan and Tadzhikistan in 2008 and 2009. We filed an appeal against the re-assessment. There is no assurance that the Dutch tax authorities will agree with our position and the outcome of our appeal, therefore, remains uncertain. See "*Our Business – Legal and Arbitration Proceedings – Customs Matters*". Furthermore, material irregularities in our customs documentation, whether the result of our own dealings or from those of third parties, may result in the deterioration of our relationship with the tax or customs authorities. This in turn could impact the quantity and quality of inspections we receive and the level of financial deposits we are required to make, which would cause our business to operate less efficiently. In, addition, any breach of the requirements to pay import tax and excise exposes us to claims or fines which could have a material adverse effect on our business, results of operations and financial condition.

Our business is subject to anti-money laundering, sanctions and anti-bribery regulation and related compliance costs and third-party risks.

Our business is subject to anti-money laundering ("**AML**") and anti-bribery laws and regulations in the jurisdictions in which we operate. In addition, we are subject to sanctions laws and regulations which prohibit us from transmitting money to specified countries or to or on behalf of prohibited individuals, particularly, the laws and regulations of the Office of Foreign Assets Control ("**OFAC**") of the Department of the Treasury in the United States, HMRC in the United Kingdom and regulations enacted by the EU's Common Foreign & Security Policy and the United Nations Security Council.

Equivalent or similar legislation exists in other countries where we conduct business. Although procedures are in place to ensure conformity with all relevant legislation, we cannot ensure that the risk of non-compliance is completely mitigated. Fines and penalties, which may include the shutting down of operations or central banks limiting our ability to source currency, could be imposed in the various countries in which we operate, and more stringent AML, sanctions or anti-bribery legislation could create increased reporting obligations and the need for increased resources devoted to AML or other compliance functions. Any failure, or suspected failure, by us to comply with our obligations relating to AML, sanctions or anti-bribery, could not only have a material adverse effect on our business, results of operations and financial condition but could also have a material adverse effect on our reputation and goodwill in general.

Litigation or investigations involving us, including related to the infringement of intellectual property rights of third parties, could result in material settlements, fines or penalties.

From time to time, we may be the subject of litigation, which may result in fines, penalties, judgments, settlements and litigation expenses. Manufacturers generally set rules with respect to the distribution channels through which their products are sold in specific regions and these rules are subject to change from time to time. Within the wholesale segment of our business we regularly purchase products from parties other than the manufacturers and official suppliers of the product. As a result, we may purchase products and subsequently inadvertently sell them in regions or through channels where, under the rules set by the manufacturer, the products are not intended or allowed to be sold. This exposes us to the risk that third parties, such as the manufacturer or

official supplier of a product, may assert claims for infringement of their intellectual property rights. See "*Our Business – Legal and Arbitration Proceedings*". The outcome of any allegations, complaints, claims and litigation cannot be predicted. There may also be adverse publicity associated with lawsuits and investigations that could decrease customer demand for our services. Plaintiffs, actions or investigations may seek recovery of very large or indeterminate amounts, and the magnitude of these actions may remain unknown for substantial periods of time. The cost to defend or settle future lawsuits or investigations may be significant and could materially and adversely affect our business, results of operations and financial condition.

Taxation of goods policies in the countries in which we operate may change.

A significant part of our turnover is derived from the distribution of luxury products, such as perfumes and liquors, to duty-free retail outlets. Governmental authorities in various countries in which we operate may alter or eliminate the duty-free status of certain products or otherwise change importation or tax laws. For example, in 1999 the structure of the duty-free market in the EU was significantly altered and the sale of duty-free products to passengers traveling between member states of the EU was no longer permitted, except for certain exempt zones. Further, sales taxes and excise on products sold at traditional retail locations situated outside airports and passenger terminals could be lowered in the future, partly removing our competitive advantage with respect to duty-free product pricing. If we lose the ability to distribute duty-free products generally or in any of our major duty-free markets or if we lose market share as a result of a reduction in sales and excise taxes, our turnover may decrease significantly and this may have a material adverse effect on our business, results of operations and financial condition.

A decrease in VAT rates in our current or potential new markets, or the decision by authorities in any such markets to change VAT tax policy, could have a negative impact on our turnover. Legal and regulatory changes may also eliminate the possibility for the Retail Segment to reclaim VAT on products sold in its airport shops to certain international travelers. This would have an adverse effect on the profit margins of the Retail Segment and may require it to increase its prices and adjust its business model.

We rely on third-party service providers for several important functions, such as transport logistics and IT, and the failure to find qualified service providers or the failure of service providers to perform their obligations could have a material adverse effect on our business, financial condition and results of operations.

We rely on third-party service providers to provide certain important services, such as transport logistics and IT. While we seek to monitor such third-party service providers, we do not have direct control over the quality of the services that they provide. Most of our warehouses are in the Netherlands and we ship large volumes from Europe to over 100 countries globally. An increase in freight rates would lead to an increase in our costs. In certain regions, where few skilled third-party transport logistics providers are available, securing these services at commercially acceptable terms may be difficult and cannot be guaranteed. Poor performance, defaults, the failure to perform services effectively or in a timely manner, or other failures by a third-party logistics provider may lead to delays, unanticipated additional costs and, possibly, penalties and liabilities incurred by, and claims against, us, and may harm our reputation. Disputes with logistics providers that fail to perform services properly or otherwise fail to meet their obligations may result in extended and time-consuming litigation. In addition, we rely heavily on the services of our IT suppliers, especially Codeless, which develops and maintains certain key IT systems for us. If any key IT supplier were to fail in its delivery of IT services to us, this could have a material adverse effect on our ability to run our business and serve our customers. If any of these circumstances were to occur, or if we are unable to find qualified transport logistics or IT service providers in the future, our business may be disrupted, our reputation or relationships with our customers may be harmed, or we may incur significant additional costs or be forced to make significant investments to provide such services in-house, any of which could have a material adverse effect on our business, results of operations and financial condition.

Inconsistent quality or contamination of the products we distribute or sell could harm the integrity of, or customer demand for, these products, adversely affect our reputation and the sales of those products and expose us to potential product liability claims.

The sale and distribution of fast-moving consumer goods involves an inherent risk of exposure to product recalls, product liability claims and related adverse publicity. If any of those events occur, whether accidentally or through deliberate third party action, or if there is a perceived issue with the quality of the products or brands we sell, this could harm the integrity of, or customer demand for, those products or brands and could adversely affect our sales. This applies in particular to the foods and beverages that we distribute and sell. If any of the foods or beverages we sell or distribute are spoiled, contaminated or cause illness or death, this could harm the integrity of, and customer demand for, those products and we might be subject to liability. Although we have procedures

in place aimed at ensuring compliance with food safety requirements, there is a risk that these procedures are not complied with or prove to be ineffective. As a result of any compliance failure or due to other reasons, we may have to recall products, which may result in substantial costs and possibly claims and reputational damage. For example, in 2016 we had two product recalls, one with respect to chocolate bars that potentially contained plastic and one with respect to meat that potentially contained sodium sulphite. Additionally, in 2017, we had to recall batches of chicken eggs that potentially contained Fipronil, a pesticide. Any non-compliance with applicable food safety requirements, whether or not resulting in a product recall, may negatively affect our business, results of operations and financial condition.

In addition, we are exposed to product liability claims, particularly for our private label products, Goodburry and MiTone, products that we import into the EU and products that we are required to relabel in order to export them into other regions. A product liability claim or judgment against us could result in substantial and unexpected expenditures and divert management's attention from other responsibilities. Although we maintain product liability insurance there can be no assurance that the type or the level of coverage will be adequate to cover all claims and related costs. Even if a product liability claim is unsuccessful or without merit, the negative publicity surrounding such assertions regarding our products could adversely affect our reputation and therefore demand for our products. Any product recall or product liability claim against us could have a material adverse effect on our business, results of operations and financial condition.

Part of our turnover is dependent on concession and procurement agreements and our business would be adversely affected by the termination or increased cost of such concessions or procurements.

The Retail Segment operates retail locations at airports based on concession agreements. These concession agreements typically provide for five to fifteen year concessions which are subject to early termination by either party upon varying notice periods. Our concessions at Frankfurt Airport, Stockholm Arlanda Airport and Göteburg Landvetter Airport are scheduled to terminate in 2018. Our concession at Cape Town Airport has terminated in 2016, but the concession is being continued on a month by month basis, pending issuance of tender for a new concession. Our most significant concession agreement, for our airside shops at Schiphol airport in the Netherlands, will be up for renewal in 2027. Upon termination or expiration of any airport concession agreement, we may not be able to renew the agreement on favourable economic terms, or at all, and tenders may be granted to a competitor. Moreover, as part of the tendering process for concession arrangements, airport authorities can require a range of terms, including pricing terms, capital expenditure on store locations, provision of rental guarantees or ongoing provision of information on transaction volumes. Our in-airport stores cannot move to a nearby location should airport authorities impose less favourable terms on us during any tender or renewal process.

In addition, the B&S Segment supplies food, beverages and non-food products to catering services for providers of defence and peacekeeping forces and humanitarian emergency relief missions. These activities are performed under a limited number of procurement agreements. In FY 2017, approximately €104 million in turnover was generated under these agreements. These agreements are typically entered into for three to five year periods and two of these agreements are up for renewal within the next two years.

The loss of or failure to renew any of these concession or procurement agreements on favourable economic terms could have a material adverse effect our business, results of operations and financial condition.

We are exposed to a variety of social and political risks due to our operations in areas with high security risks.

The B&S Segment supplies food, beverages and non-food products to catering services for providers of defence and peacekeeping forces and humanitarian emergency relief missions in certain critical regions such as Afghanistan, Iraq and Sudan. We have facilities in some of these regions to support our operations, including a warehouse in Central Asia in an area with high security risks. These regions have histories of social and political instability and are often inhospitable or embroiled in conflict. Operating in these regions exposes us, our personnel, our operations and our facilities to increased risks including from terrorist or other attacks. Furthermore, this part of the business of the B&S Segment is dependent on continued government spending and availability of adequate funding for military and peacekeeping missions. In recent years, nationalist and populist movements have gained momentum worldwide. These movements generally favour discontinuing these kinds of military and peacekeeping missions or reducing their country's involvement in them. Such discontinuation or reduction could have an adverse effect on demand for the supply and distribution services of the B&S Segment. The materialisation of any of the risks described above could have a material adverse effect on our business, results of operations and financial condition.

We may not be able to maintain the required level of insurance coverage on acceptable terms or at an acceptable cost.

We may not be able to maintain transport, credit, stock, property, product liability or general liability insurance on acceptable terms in the future or to maintain a level of insurance that would provide adequate coverage against potential third party liability, health and safety and other claims. An increase in the number of claims generally or against us in particular may cause the cost of insurance for the industry as a whole or us in particular to rise and comprehensive insurance coverage may become more difficult to attain. Any increase in the cost of insurance in the market may depress our profit margins and have a material adverse effect on our business, results of operations and financial condition. See "*Our Business – Insurance*".

Delayed payment or failure to pay by our customers could have an adverse effect on our business.

We are exposed to a risk of delayed payment or failure to pay by our customers. We seek to secure trade transactions by demanding payment upfront or by secured payment instrument, by monitoring outstanding payments on a daily basis, by checking the creditworthiness of new customers and by entering into credit insurance with respect to new customers before doing business with them. However, we cannot guarantee that our credit procedures and policies are adequate to fully eliminate credit risks. In addition, there can be no assurance that the type or level of our credit insurance coverage is adequate or that we will be able to maintain our existing insurance or obtain comparable insurance at a reasonable cost, if at all. Any failure to manage credit risk could have a material adverse effect on our business, results of operations and financial condition.

Parts of our business are subject to seasonal fluctuations.

Our quarterly results of operations are affected by seasonality, which affects our segments in different ways. The HTG Segment is active in the luxury products market for liquors, perfumes and cosmetics and health and beauty products. Demand for these products tends to peak during the end-of-year holiday season which runs from the end of November through the end of December. The HTG Segment's sales are generally stronger during the months of September through November, since retailers need to receive merchandise before the holiday season starts. Consequently, a majority of the HTG Segment's turnover and EBITDA is generated in the third and fourth quarter of the year. The Retail Segment and certain sub-segments of the B&S Segment serve, among other things, the leisure segment of the travel industry, including our cruise supply operations and our retail businesses at airports and on cruise vessels. These parts of our business experience a peak in sales in the second and third quarters of the year due to increased travel activity during the summer holiday period in the Northern Hemisphere. Accordingly, turnover and EBITDA generated by these divisions are generally lower in the first and fourth quarters of the year. As a result of these seasonal fluctuations, we typically experience a peak in sales in the third and fourth quarters of the year. Consequently, we generate a majority of our turnover in the second half of the year. Therefore, the results of any quarter are generally not a reliable proxy for full year results.

Furthermore, any events or circumstances that adversely affect the luxury products market or the travel industry during the second half of a year would have a disproportionately adverse effect on our results of operations for the full year.

Risks Relating to Financial Matters and our Capital and Corporate Structure

Any inability to raise capital or to continue our existing finance arrangements could have a material effect on our business, financial condition and results of operations.

We are dependent on banks to provide us with credit facilities, the majority of which are short-term in nature. See "*Operating and Financial Review – Indebtedness – Banking Facilities*". We arrange financing from a number of financial institutions and maintain relationships with our financiers in order to mitigate dependency on any single financial institution. The availability of debt financing to finance our working capital requirements and expenditures and the acceptability of terms offered to us depends on prevailing market conditions. No assurance can be given that financing will continue to be available to us on acceptable terms, or at all, or that we will be able to refinance any existing or future credit facility as and when it falls due. Furthermore, if there is an event of default under our existing financing agreements that is not cured or waived in accordance with its terms, the lenders could terminate commitments to lend and cause all amounts outstanding with respect to loans granted under the financing agreements to become due and payable immediately. Upon an acceleration of any of the outstanding loans under our financing agreements or upon their final maturity date there can be no assurance that we will be able to refinance such loans or that our available assets will be sufficient to repay the indebtedness in full and allow us to continue to meet other payment obligations. Limitations on our access to capital could result from events or causes beyond our control and could include, among other factors, decreases in our

creditworthiness or profitability, significant increases in interest rates, increases in risk premium, decreases in the availability of credit to businesses generally or to our business in particular, or the tightening of terms required by lenders. Any limitations on our ability to continue our existing finance arrangements, refinance existing obligations or raise additional capital could limit our liquidity, our financial flexibility or our cash flows and affect our ability to execute our strategic plans, which could have a material adverse effect on our business, results of operations and financial condition.

Following the Offering, our largest Shareholders, Sarabel and Lebaras, will continue to be in a position to exert substantial influence over us. The interests pursued by Sarabel or Lebaras could differ from the interests of our other Shareholders.

Following the Offering, Sarabel and Lebaras are expected to continue to be the largest holders of Ordinary Shares and are expected to hold 50.8% and 15.9%, respectively, of the Ordinary Shares (after giving effect to the Share and Cash Incentive (as defined in "*Operating and Financial Review – Current Trading and Recent Developments – Share and Cash Incentive*"), assuming an Offer Price at the mid-point of the Offer Price Range, and assuming full placement of the Offer Shares and full exercise of the Over-Allotment Option). Consequently, Sarabel and Lebaras will continue to be in a position to exert substantial influence in the general meeting of shareholders of the Company (the "**General Meeting**") and, consequently, on matters decided by the General Meeting. Sarabel and Lebaras may be able to make certain key decisions without the support of any other holder of Ordinary Shares (any holder of Ordinary Shares, a "**Shareholder**" and together, the "**Shareholders**") and will be in a position to significantly influence our operations, proposals for, nominations and appointments of members of the executive board of the Company (the "**Executive Board**") and the supervisory board of the Company (the "**Supervisory Board**") and changes to our articles of association. More generally, Sarabel and Lebaras may be able to significantly influence our strategy and growth, particularly with respect to acquisitions, mergers, capital increases, sales of significant assets, purchases of assets and business combinations. Sarabel and Lebaras may delay, postpone or prevent transactions that might be advantageous for other Shareholders. See "*Selling Shareholders and Related Party Transactions – Related Party Transactions – Relationship Agreement*" for a description of certain arrangements regarding the relationship between us, Sarabel and Lebaras.

On the date of this Prospectus, the ultimate beneficial owner of Sarabel is Mr Blijdorp, a member of the Supervisory Board, and the ultimate beneficial owner of Lebaras is Mr Meulman, our CEO and a member of the Executive Board. Sarabel and Lebaras and their ultimate beneficial owners may have interests that are different than, or conflict with, those of other Shareholders. This concentration of ownership could adversely affect the trading volume and market price of the Ordinary Shares. In addition, Sarabel and Lebaras and/or their respective affiliates may, in the future, own businesses that directly compete with the Company.

Furthermore, we are party to certain lease agreements which may be considered related party transactions with Mr Blijdorp and Mr Meulman as we lease part of our real estate, including several of our most important warehouses, from companies controlled by Mr Blijdorp and Mr Meulman. See "*Selling Shareholders and Related Party Transactions – Related Party Transactions*". This implies that Mr Blijdorp and Mr Meulman may act in multiple capacities, such as where companies controlled by Mr Blijdorp or Mr Meulman act as landlords of certain properties that we lease, which could potentially create conflicts of interest. Conflicts may arise in connection with negotiations or re-negotiation of these leases, in which case companies controlled by Mr Blijdorp or Mr Meulman, as landlords, may have an incentive to require higher lease payments.

Provisions in the Articles of Association may delay, deter or prevent takeover attempts that may be favourable to Shareholders.

The Company has been authorised by the General Meeting to implement a hostile takeover protection measure within five years after the notarial deed of amendment in which the Preference Shares Authorised Capital (as defined below) is created (expected to be prior to or on the Settlement Date) consisting of the possibility to issue preference shares in the capital of the Company with a nominal value of €0.06 each (the "**Preference Shares**") to Stichting Continuïteit B&S Group, an independent foundation to be incorporated under the laws of the Netherlands (the "**Foundation**") in accordance with Dutch law practice. To this end, we may set up the Foundation which will have as its purpose, as will be set out in the corporate objects clause in its articles of association, to protect the interests of the Company, the Group and the businesses operated by the Group and to protect the continuity, identity and independence of the Group. Following its incorporation, the Foundation may be granted a call option by the Company to subscribe for Preference Shares (or another subscription right or instrument convertible into Preference Shares). As long as Sarabel holds at least 30% of the Ordinary Shares, such option may only be granted to the Foundation with the prior written consent of Sarabel. Following the granting of

the call option, the Foundation may only exercise the call option if Sarabel holds less than 30% of the Ordinary Shares at the time of issuance of such Preference Shares.

The call option will provide that on each exercise of the call option, the Foundation is entitled to acquire from the Company such number of Preference Shares allowing it to exercise voting rights corresponding to up to (but less than) 33⅓% of the total number of voting rights attached to the Shares outstanding immediately after each exercise of the call option. Any Preference Shares already held by the Foundation at the time of the exercise of the call option will be deducted from this maximum. The Foundation may exercise its option right repeatedly, each time up to the aforementioned maximum and subject to any restrictions under the Preference Shares Authorised Capital (as defined in *Description of Share Capital and Corporate Governance – Issuance of Ordinary Shares and Preference Shares and Preferential Subscription Rights*), if applicable. See "*Description of Share Capital and Corporate Governance – Anti-Hostile Takeover Protection Measures and Preference Shares*". The issuance of Preference Shares in this manner would cause substantial dilution to the voting power of any Shareholder, including a Shareholder attempting to obtain control over the General Meeting, and may therefore have the effect of preventing, discouraging or delaying a change of control over the Company that might otherwise be in the interest of certain Shareholders, or that might have otherwise resulted in an opportunity for Shareholders to sell the Ordinary Shares at a premium to the then prevailing market price. This hostile takeover protection measure may have an adverse effect on the market price of the Ordinary Shares.

We are exposed to interest rate risks.

Part of our existing and future debt and borrowings carry, or may carry, floating interest rates. As of 31 December 2017 97.9% (€208 million) of the aggregate principal amount of our interest bearing loans carried floating interest rates. In order to reduce the volatility of our interest expense, the variable interest on short term bank loans in an amount of €50 million has been hedged for the period up to August 2019. The remaining portion of our outstanding loans with variable interest are not covered by interest rate swaps or other hedging instruments and our interest costs are therefore subject to fluctuations in interest rates. In addition, because a significant part of our borrowings is short term, we are exposed to the risks of higher interest rates, when the time comes to refinance them upon maturity. Adverse fluctuations and increases in interest rates, to the extent that they are not hedged, could have a material adverse effect on our business, results of operations and financial condition.

We rely on our operating subsidiaries to provide us with funds necessary to meet our financial obligations and our ability to pay dividends may be constrained.

The Company is a holding company with no material, direct business operations. The Company's principal assets are its direct and indirect equity interests in our operating subsidiaries. As a result, the Company will be dependent on these sources to generate the funds necessary to meet our financial obligations, including the payment of dividends. The ability of our subsidiaries to make such distributions and other payments depends on their earnings and may be subject to contractual or statutory limitations, such as limitations potentially imposed by the financing facilities of our subsidiaries or the legal requirement to have distributable profit or distributable reserves.

The payment of future dividends on Ordinary Shares, if any, and the amounts thereof, depends on a number of factors, including, among others, the amount of distributable profits and reserves, capital expenditure and investment plans, turnover, financial covenants, ratio of debt to equity, any credit ratings, applicable restrictions on the payment of dividends under applicable laws as well as contractual restrictions, the level of dividends paid by other comparable listed companies, general economic and market conditions and such other factors as the Executive Board and Supervisory Board may deem relevant from time to time. See "*Dividends and Dividend Policy*". There can be no assurance that the abovementioned factors will allow adherence to our dividend policy, or any payment of dividends. In particular, our ability to pay dividends may be impaired if any of the risks described in this section "*Risk Factors*" were to occur. As a result, our ability to pay dividends in the future may be limited and our dividend policy may change.

Risks Relating to our Tax Position

Changes in tax law could have a material adverse effect on our business, results of operation and financial condition.

The tax law currently in force in the member states of the European Union, including Luxembourg and the Netherlands, is subject to swift changes due to, *inter alia*, the upcoming implementation of the Council Directive (EU) 2016/1164 of 12 July 2016, as amended by the Council Directive (EU) 2017/952 of 29 May 2017 and the introduction of other measures pursuant to the OECD plan to tackle Base Erosion and Profit Shifting (the

“**BEPS**”). The application of double tax treaties in force in a significant number of countries, among which, Luxembourg and the Netherlands, will be amended pursuant to the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS, recently signed by several countries, including Luxembourg and the Netherlands. These changes may negatively impact the current tax consequences of our cross-border investments and transactions, which could have a material adverse effect on our business, results of operations and financial condition.

A successful challenge of our transfer pricing policies could have a material adverse effect on our business, results of operation and financial condition.

We operate in various jurisdictions and within the Group various intra-group transactions take place. Based on domestic tax laws and international guidance, arm’s length prices have to be established for these intra-group transactions. Such prices are determined with regard to complex rules and regulations which may deviate between the jurisdictions involved in a single intercompany transaction. Furthermore, among others, the BEPS project and local and international case law have resulted in and will continue to generate new viewpoints, regulations and new transfer pricing documentation requirements, included but not limited to country-by-country reporting obligations, master file/local file requirements, increased information exchange, in depth audits and significant penalties. We closely monitor developments related to transfer pricing requirements, including related to local transfer pricing and documentation requirements, country-by-country reporting or notification obligations and master file/local file requirements. Furthermore, we advocate and endeavour to operate transparently vis-à-vis the tax authorities for those taxes to which we are subject. However, if our transfer pricing policies would be successfully challenged by tax authorities in any jurisdiction where we perform transactions, such challenge could have a material adverse effect on our business, results of operations and financial condition.

Our interpretation of tax laws and regulations and the tax advice that we rely on, may be questioned or challenged by the authorities.

We have structured our commercial and financial activities in light of diverse legal and regulatory requirements and our commercial and financial objectives. Given that tax laws and regulations are subject to change and may not provide clear-cut or definitive doctrines, the tax regime applied to our operations and intra-group transactions or reorganisations is sometimes based on our interpretations of regulations. We cannot guarantee that such interpretations will not be questioned by the relevant governmental authorities such as tax authorities or supranational authorities. In case a dispute were to arise between a Group company and a governmental or supranational authority, the dissenting view of such governmental or supranational authority may prevail in court. More generally, any failure to comply with the tax laws or regulations applicable to us may result in reassessments, late payment interest, fines and penalties and may have an adverse effect on our business, results of operations and financial condition as well as on our reputation.

Our tax strategy is also affected by the laws and regulation of the jurisdictions in which we operate and their interpretation by governmental authorities such as tax authorities as well as supranational authorities. Such authorities may not agree with the tax advice that we rely on in the jurisdictions in which we operate. A material change in applicable laws and regulations, or in their interpretation or enforcement, could force us to alter our tax strategy, leading to additional costs or loss of turnover, which could materially adversely affect our business, results of operations and financial condition. Furthermore, these authorities may have a different position in respect of the past periods, which may result in additional costs or adjustments with retro-active effect to historically realised turnover, which could materially adversely affect our business, results of operations and financial condition.

Risks Relating to the Offering and the Ordinary Shares

There has been no public market for the Ordinary Shares prior to the Offering and we cannot assure that an active market in the Ordinary Shares will develop.

Prior to the Offering, there has not been a public market for the Ordinary Shares. Application has been made for admission of the Ordinary Shares to listing and trading on Euronext Amsterdam. We cannot predict the extent to which an active market for the Ordinary Shares will develop or be sustained after the completion of the Offering or how the development of such a market might affect the market price for the Ordinary Shares. The Offer Price will be agreed between us, Sarabel and Lebaras, in consultation with the Joint Global Coordinators, based on a number of factors, including market conditions in effect at the time of the Offering, and may not be indicative of the price at which the Ordinary Shares will trade following completion of the Offering. As a result, the market price of the Ordinary Shares could be subject to significant fluctuation. An illiquid market for the Ordinary Shares may result in lower trading prices and increased volatility, which could adversely affect the value of an investment

in the Ordinary Shares, may cause the Ordinary Shares to trade at a discount to the Offer Price and may make it difficult for investors to sell any Ordinary Shares held by them at or above the price paid for such Ordinary Shares or at all.

Shareholders may be subject to multiple notification obligations.

Shareholders may be subject to notification obligations under the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) and the rules promulgated thereunder (the "**Dutch Financial Supervision Act**"). Pursuant to chapter 5.3 of the Dutch Financial Supervision Act, any person who, directly or indirectly, acquires or disposes of an actual or potential capital interest and/or voting rights in the Company must immediately give notice to the AFM of such acquisition or disposal if, as a result of such acquisition or disposal, the percentage of capital interest and/or voting rights held by such person reaches, exceeds or falls below one of the following thresholds: 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%. In addition, Shareholders may be subject to notification obligations pursuant to the Luxembourg law dated 11 January 2008 on transparency requirements regarding information about issuers whose securities are admitted to trading on a regulated market, as amended, (the "**Luxembourg Transparency Law**"). If a person acquires or disposes of a shareholding in the Company, and if following the acquisition or disposal the proportion of voting rights held by the person reaches, exceeds or falls below one of the thresholds of 5%, 10%, 15%, 20%, 25%, 33⅓%, 50% and 66⅔% of the total voting rights existing when the situation giving rise to a declaration occurs, such person must simultaneously notify the Company and the CSSF of the proportion of voting rights held by it further to such event. Shareholders are advised to consult with their own legal advisers to determine whether any notification obligations with respect to their shareholdings in the Company apply to them. See "*Description of Share Capital and Corporate Governance – Obligations of Shareholders and Members of the Executive Board and Supervisory Board to Disclose Holdings – General*".

We will face additional administrative requirements as a result of the listing.

Following the listing, we will for the first time be subject to the legal requirements for public companies admitted to trading on Euronext Amsterdam. These requirements include the production and publication of annual and periodic financial reports and other public disclosures, regular calls with securities and industry analysts and other required disclosures. Our accounting, controlling, legal or other corporate administrative functions may not be capable of responding to these additional requirements without difficulties and inefficiencies, and we may incur significant additional expenditures to improve our central functions and internal controls and/or be exposed to legal, regulatory or civil costs or penalties. Furthermore, the preparation, convening and conduct of General Meetings and our regular communications with Shareholders and potential investors will entail greater expenses. Management will need to devote time to these additional requirements that it could otherwise devote to other aspects of managing our operations, and these additional requirements could also substantially increase time commitments and costs for the accounting, controlling and legal departments and our other administrative functions. Any inability to manage the additional demands placed on us as a result of the listing, as well as the costs resulting therefrom, may harm our business, results of operations and financial condition.

The price of the Ordinary Shares may be volatile and affected by a number of factors, some of which are beyond our control.

The stock markets in general have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. Any one of the following factors, among others, may cause a substantial decline in the markets in which we operate: general economic conditions, geopolitical conditions, including war, acts of terrorism and other man-made or natural disasters, financial regulatory reforms, political or regulatory developments in the European Union, the US and other jurisdictions, changes in earnings estimates by stock market analysts and other events and factors beyond our control. These factors, and the factors described elsewhere in this section, could adversely affect the trading price of the Ordinary Shares.

Shareholders outside Luxembourg and the Netherlands may not have, or be entitled to exercise, preferential subscription rights in future equity offerings.

We may undertake future equity offerings with or without preferential subscription rights. In case of equity offerings with preferential subscription rights, Shareholders in certain jurisdictions may not be entitled to exercise such rights unless the rights and the related shares are registered or qualified for sale under the relevant legislation or regulatory framework in such jurisdictions. Shareholders outside Luxembourg or the Netherlands may not be able to exercise preferential subscription rights unless local securities laws have been complied with. In addition, we may restrict or exclude preferential subscription rights by a resolution of the General Meeting or, if the Executive Board is authorised to resolve upon such increase and the Articles of Association (as defined below) so

permit, by a resolution of the Executive Board. See "*Description of Share Capital and Corporate Governance – Issuance of Ordinary Shares and Preference Shares and Preferential Subscription Rights*". Shareholders may suffer dilution of their shareholding should they not be permitted to participate in future equity offerings with preferential subscription rights.

Future sales or the possibility of future sales of a substantial number of the Ordinary Shares could have an adverse effect on the price of the Ordinary Shares and dilute the interests of Shareholders.

We cannot predict whether substantial numbers of the Ordinary Shares will be sold in the open market. Following the completion of the Offering, Sarabel and Lebaras will continue to be the largest Shareholders and will hold 50.8% and 15.9%, respectively, of the Ordinary Shares (after giving effect to the Share and Cash Incentive, assuming an Offer Price at the mid-point of the Offer Price Range, and assuming full placement of the Offer Shares and full exercise of the Over-Allotment Option). Sarabel and Lebaras, as well as other Shareholders, may reduce their holding of Ordinary Shares and sell a substantial number of Ordinary Shares in the public market, including during the lock-up period for the Selling Shareholders (See "*Plan of Distribution – Lock-up Arrangements*") in the event the Joint Global Coordinators waive the disposal restrictions applicable to their Ordinary Shares. See "*Plan of Distribution – Lock-up Arrangements*". In addition, future sales of the Ordinary Shares could be made by other Shareholders or through a capital increase undertaken by us to obtain additional working capital, to fund capital expenditures, acquisitions or for other purposes. A sale of a substantial number of Ordinary Shares, or the perception that such sale could occur, could adversely affect the market price of the Ordinary Shares, as well as impede our ability to raise capital through an issuance of equity securities in the future. In addition, future sales of Ordinary Shares undertaken by us could dilute the shareholding interests of our Shareholders.

The ability of Shareholders to bring actions or enforce judgments against us or members of the Executive Board and Supervisory Board may be limited.

The Company is a public company with limited liability incorporated under the laws of Luxembourg. The members of the Executive Board and Supervisory Board are residents of the Netherlands, Belgium, Luxembourg and Switzerland. Consequently, it may be difficult or impossible for a Shareholder to enforce a judgment issued outside Luxembourg against the Company or against members of the Executive Board and Supervisory Board. This applies, to the greatest extent, to Shareholders located in the US. Even if such Shareholder was successful in bringing an action of this kind, the laws of Luxembourg may render the Shareholder unable to enforce a judgment against the Company. The recognition and enforcement of any judgments issued outside Luxembourg against the Company will be recognised and enforced specifically on the terms determined by private internal law applicable in Luxembourg. See "*Important Information – Enforceability of US Judgments*".

Under the laws of Luxembourg, actions by investors against the directors of a company for management fault may only be taken by a decision of the company's shareholders acting at a general shareholders' meeting. However, if a shareholder has suffered harm as a result of a director's violation of the law or the company's articles of association, or as a result of the negligence or fault of a director, such shareholder may bring an action against such director if the shareholder can demonstrate that three conditions necessary to enforce a civil liability claim have been fulfilled: (i) fault of the director; (ii) special (i.e. direct and personal) damage suffered by the shareholder; and (iii) a causal link between the fault of the director and the damage suffered by the shareholder. Class actions and derivative actions are generally not available to shareholders under Luxembourg law. Minority shareholders holding securities entitled to vote at a general meeting that resolved on the granting of discharge to the directors, and holding at least ten per cent of the voting rights of a company may bring an action against the directors on behalf of a company.

If securities or industry analysts do not publish or cease to publish research reports on our business, or adversely change or make negative recommendations regarding the Ordinary Shares, the market price and trading volume of the Ordinary Shares could decline.

Whether there is an active trading market for the Ordinary Shares will be influenced by, among other things, the availability and recommendations of research reports covering our business. Directive 2014/65/EU of the European Union on markets in financial instruments ("**MiFID II**"), which entered into force on 1 January 2018 requires research to be priced and charged separately from execution. As a result of MiFID II, it is possible that research coverage will be reduced in general, and that remaining coverage will be more focused on certain companies, industries or geographic markets. This may negatively affect the coverage by research analysts of our business. If one or more research analysts ceases to cover our business or fails to regularly publish reports on our business, we could lose visibility in the financial markets, which could cause the market price or trading volume

of the Ordinary Shares to decline. In addition, if research analysts do not make positive recommendations regarding the Ordinary Shares, or if negative research is published on the industry or geographic markets we serve, the price and trading volume of the Ordinary Shares could decline.

If Settlement does not take place, purchases of the Offer Shares will be disregarded and transactions effected in the Ordinary Shares will be annulled.

Application has been made to list the Ordinary Shares on Euronext Amsterdam under the symbol "BSGR". We expect that the Ordinary Shares will be admitted to listing and that trading in the Ordinary Shares will commence prior to the Settlement Date on the First Trading Date on an 'as-if-and-when-delivered' basis. Settlement may not take place on the Settlement Date or at all, if certain conditions or events referred to in the underwriting agreement with respect to the offer and sale of the Offer Shares to be dated on or about 22 March 2018, among the Company, the Selling Shareholders and the Underwriters (the "**Underwriting Agreement**"), are not satisfied or waived or occur on or prior to such date. See "*Plan of Distribution*". Trading in the Offer Shares prior to Settlement will take place subject to the condition that, if Settlement does not take place, the Offering will be withdrawn, in which case all applications for the Offer Shares will be disregarded, any allotments made will be deemed not to have been made, any application payments made will be returned without interest or other compensation and transactions in the Offer Shares on Euronext Amsterdam will be annulled. All dealings in the Offer Shares prior to Settlement are at the sole risk of the parties concerned. We, the Selling Shareholders, the Underwriters, the Listing and Paying Agent and Euronext Amsterdam N.V. do not accept any responsibility or liability for any loss incurred by any person as a result of a withdrawal of the Offering or the related annulment of any transaction on Euronext Amsterdam.

IMPORTANT INFORMATION

General

Prospective investors are expressly advised that an investment in the Offer Shares entails certain risks and that they should therefore carefully review the entire contents of this Prospectus. Prospective investors should ensure that they read the whole of this Prospectus and not just rely on key information or information summarised within it. Furthermore, before making an investment decision with respect to the Offer Shares, prospective investors should consult their stock broker, bank manager, lawyer, auditor or other financial, legal and tax adviser and carefully review the risks associated with an investment in the Offer Shares. The contents of this Prospectus should not be construed as legal, business or tax advice. In making an investment decision, prospective investors must rely on their own examination, analysis and enquiry of the Group and the terms of the Offering, including the merits and risks involved, in light of their personal circumstances.

Prospective investors should only rely on the information contained in this Prospectus, the Pricing Statement and any supplement to this Prospectus within the meaning of article 13 of the Luxembourg Prospectus Law. Prospective investors should not assume that the information in this Prospectus is accurate as of any date other than the date of this Prospectus. No person is or has been authorised to give any information or to make any representation in connection with the Offering, other than as contained in this Prospectus. If any information or representation not contained in this Prospectus is given or made, the information or representation must not be relied upon as having been authorised by the Company, the members of the Executive Board and the Supervisory Board, the Selling Shareholders or the Underwriters, or any of their respective affiliates or representatives.

Pursuant to article 13 of the Luxembourg Prospectus Law, we are obliged to publish a supplement to this Prospectus in the event of a significant new development, material mistake or inaccuracy with respect to the information contained in this Prospectus which is capable of affecting the assessment of the Offer Shares and which arises or is noticed between the date of this Prospectus and the later of the end of the Offer Period and the start of trading of the Offer Shares on Euronext Amsterdam. If a supplement to this Prospectus is published, investors shall have the right to withdraw their subscriptions for Offer Shares made prior to the publication of the supplement. Such withdrawal must be made within the time limits and in the manner set out in such supplement, which time limits shall not be shorter than two business days after publication of the supplement. For the avoidance of doubt, references in this paragraph to any supplement being published by the Company do not include the Pricing Statement.

Without prejudice to any obligation of the Company to publish a supplement to this Prospectus pursuant to the Luxembourg Prospectus Law, neither the delivery of this Prospectus nor any subscription or sale of the Offer Shares pursuant to the Offering shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Company and its subsidiaries since the date of this Prospectus or that the information contained herein is correct as at any time subsequent to its date. We do not undertake to update this Prospectus unless pursuant to article 13 of the Luxembourg Prospectus Law and the delivery of this Prospectus at any time after the date hereof will not, under any circumstances, create any implication that there has been no change in our affairs since the date hereof or that the information set forth in this Prospectus is correct as of any time since its date. Prospective investors should therefore not assume that the information in this Prospectus is accurate as of any other date than the date of this Prospectus.

This Prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Company, the members of the Executive Board or the Supervisory Board, the Selling Shareholders or any of the Underwriters or any of their respective affiliates or representatives that any recipient of this Prospectus should subscribe for or purchase the Offer Shares.

No representation or warranty, express or implied, is made or given by, or on behalf of, the Underwriters, the Listing and Paying Agent or any of their respective affiliates or representatives, or their respective management board or supervisory board members, directors, officers or employees or any other person, as to the accuracy, fairness, verification or completeness of information or opinions contained in this Prospectus, or incorporated by reference herein, and nothing in this Prospectus, or incorporated by reference herein, is, or shall be relied upon as, a promise or representation by the Underwriters, the Listing and Paying Agent or any of their respective affiliates or representatives, or their respective directors, officers or employees or any other person, as to the past or future. None of the Underwriters, the Listing and Paying Agent nor any of their respective affiliates or representatives, or their respective management board or supervisory board members, directors, officers or employees or any other person, in any of their respective capacities in connection with the Offering, accepts any responsibility whatsoever for the contents of this Prospectus or for any other statements made or purported to be made by either itself or on its behalf in connection with the Company, the Group, the Selling Shareholders, the Offering or the Offer Shares.

Accordingly, the Underwriters and the Listing and Paying Agent and each of their respective affiliates or representatives, or their respective management or supervisory board members, directors, officers or employees or any other person disclaim, to the fullest extent permitted by applicable law, all and any liability, whether arising in tort or contract or which they might otherwise be found to have in respect of this Prospectus and/or any such statement. Although the Underwriters are party to various agreements pertaining to the Offering and each of the Underwriters has or might enter into a financing arrangement with the Company, this should not be considered as a recommendation by any of them to invest in the Offer Shares. See also "– *Information to Distributors*" below.

The Underwriters are acting exclusively for the Company and the Selling Shareholders and no one else in connection with the Offering. They will not regard any other person (whether or not a recipient of this Prospectus) as their respective clients in relation to the Offering and will not be responsible to anyone other than the Company and the Selling Shareholders for providing the protections afforded to their respective clients or for giving advice in relation to, respectively, the Offering and the listing of the Ordinary Shares or any transaction or arrangement referred to herein.

In relation to the listing and admission of the Ordinary Shares to trading on Euronext Amsterdam, we have engaged ABN AMRO as Listing and Paying Agent for the Offer Shares. The Listing and Paying Agent's activities consist essentially of filing the application for listing and admission to trading with Euronext Amsterdam N.V. and paying sums due on the Offer Shares. The Listing and Paying Agent is acting exclusively for the Company and will not regard any other person as its client in relation to the Offering and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for giving advice in relation to the Offering and the listing of the Ordinary Shares or any transaction or arrangement referred to herein.

Restrictions on the Offering

The Offering and the distribution of this Prospectus and any related materials is in certain jurisdictions restricted by law. Persons in possession of this Prospectus are required to inform themselves about and to observe any such restrictions. Other than in the Netherlands, no action has been or will be taken in any jurisdiction by us or the Underwriters that would permit a public offering of the Offer Shares or possession or distribution of this Prospectus in any jurisdiction where action for that purpose would be required. This Prospectus may not be used for, or in connection with, and does not constitute, any offer to sell, or an invitation to purchase, any of the Offer Shares offered hereby in any jurisdiction in which such offer or invitation would be unlawful. Neither the Company nor the members of the Executive Board and the Supervisory Board, the Selling Shareholders, any of the Underwriters or the Listing and Paying Agent accept any responsibility for any violation by any person, whether or not such person is a prospective purchaser of the Offer Shares, of any of these restrictions. See "*Selling and Transfer Restrictions*".

The Company, the Selling Shareholders and the Underwriters reserve the right in their own absolute discretion to reject any offer to purchase Offer Shares that the Company, the Selling Shareholders, the Underwriters and/or their affiliates believe may give rise to a breach or a violation of any laws, rules or regulations.

Each person receiving this Prospectus acknowledges that (i) such person has not relied on the Underwriters or any person affiliated with the Underwriters in connection with any investigation of the accuracy of any information contained in this Prospectus or its investment decision; and (ii) it has relied only on the information contained in this Prospectus, and no person has been authorised to give any information or to make any representation concerning us or the Offer Shares (other than as contained herein and information given by our duly authorised officers and employees in connection with investors' examination of the Company and the terms of the Offering) and, if given or made, any such other information or representation should not be relied upon as having been authorised by us or the Underwriters.

Responsibility Statement

This Prospectus is made available by the Company. The Company accepts responsibility for the information contained in this Prospectus. The Company declares that it has taken all reasonable care to ensure that, to the best of its knowledge, the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import.

Information to Distributors

Solely for the purposes of the product governance requirements contained within: (a) MiFID II; (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability,

whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Offer Shares have been subject to a product approval process, which has determined that the Offer Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, "distributors" (for the purposes of the MiFID II Product Governance Requirements) should note that: the price of the Offer Shares may decline and investors could lose all or part of their investment; the Offer Shares offer no guaranteed income and no capital protection; and an investment in the Offer Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Offer Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Offer Shares and determining appropriate distribution channels.

Presentation of Financial and Other Information

This Prospectus contains audited consolidated financial information of the Company as at and for the years ended 31 December 2017 ("**FY 2017**"), 31 December 2016 ("**FY 2016**") and 31 December 2015 ("**FY 2015**").

The audited consolidated special purpose financial statements of the Company for FY 2017, FY 2016 and FY 2015, and the accompanying notes thereto, are included in this Prospectus beginning on page F-1. Unless otherwise indicated, financial information contained in this Prospectus has been prepared in accordance with International Financial Reporting Standards as adopted by the EU ("**IFRS**"). The consolidated special purpose financial statements with respect to FY 2017, FY 2016 and FY 2015 have been audited by Deloitte Audit S.à r.l. ("**Deloitte**") and should be read in conjunction with the accompanying notes thereto and Deloitte's auditor's report thereon.

The financial statements for FY 2017, FY 2016 and FY 2015 are special purpose statements prepared for the purposes of the Offering and present the historical consolidated financial information of the Company in the format that it intends to report its financial results in the future beginning with the publication of the Company's statutory consolidated financial statements for the year ended 31 December 2017.

This Prospectus contains certain compound annual growth rates in respect of our turnover, EBITDA and net profit attributable to the owners of the Company, comprising consolidated financial information of the Company for the years ended 31 December 2009 through 2014, which has been prepared in accordance with Dutch Generally Accepted Accounting Principles ("**Dutch GAAP**"), and consolidated financial information of the Company for FY 2017, FY 2016 and FY 2015, which has been prepared in accordance with IFRS. Certain differences exist between IFRS and Dutch GAAP. For example, under Dutch GAAP goodwill is amortised on a straight line basis, whereas under IFRS goodwill is not amortised, unless in case of an impairment. This results in a difference between net profit attributable to the owners of the Company under IFRS and under Dutch GAAP. There are no material differences between IFRS and Dutch GAAP in respect of our turnover and EBITDA.

Non-IFRS Financial Measures

This Prospectus contains certain non-IFRS financial measures including EBITDA, EBITDA Margin, Capital Expenditure, Free Cash Flow, Cash Conversion Ratio, Return on Capital Employed ("**ROCE**"), Solvency Ratio, Earnings Efficiency and Net Debt on a consolidated basis. These non-IFRS financial measures, which have not been audited or reviewed, are not recognised measures of financial performance, financial condition or liquidity under IFRS, but are measures used by management to monitor the underlying performance of our business and operations. These non-IFRS financial measures may not be indicative of our historical operating results, nor are such measures meant to be predictive of our future results. We present these non-IFRS financial measures because we consider them an important supplemental measure of our performance and believe that they and similar measures are widely used in the industry in which we operate as a means of evaluating a company's operating performance, financial condition and liquidity. However, not all companies calculate non-IFRS financial measures in the same manner or on a consistent basis. As a result, these measures may not be comparable to measures used by other companies under the same or similar names. Accordingly, undue reliance should not be placed on the

non-IFRS financial measures contained in this Prospectus and they should not be considered as a substitute for operating profit, profit for the year, cash flow, expenses or other financial measures computed in accordance with IFRS. Each of the non-IFRS financial measures is described below.

We define EBITDA as earnings before interest, taxes, depreciation and amortisation.

We define EBITDA Margin as EBITDA as a percentage of turnover.

We define Capital Expenditure as investments in tangible and intangible fixed assets.

We define Free Cash Flow as EBITDA minus Capital Expenditure minus financial expenses minus taxation on the result.

We define Cash Conversion Ratio as EBITDA minus Capital Expenditure as a percentage of EBITDA.

We define ROCE as operating result as a percentage of the result of total assets minus current liabilities.

We define Solvency Ratio as group equity as a percentage of total assets.

We define Earnings Efficiency as profit for the year from continuing operations as a percentage of EBITDA.

We define Net Debt as interest bearing liabilities minus cash and cash equivalents.

Rounding

Certain figures in this Prospectus, including financial data, have been rounded. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an exact arithmetic aggregation of the figures which precede them. In tables, negative amounts are shown between parentheses. Otherwise, negative amounts are shown by "-" or "negative" before the amount.

Currency

In this Prospectus, unless otherwise indicated: all references to the "EU" are to the European Union; all references to "Euro", "EUR" or "€" are to the single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty on the functioning of the European Community, as amended from time to time; all references to the "United States" or the "US" are to the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia; all references to "USD" or "US dollars" are to the lawful currency of the United States.

Exchange Rates

We publish our consolidated financial statements in Euros. The exchange rates below are provided solely for information and convenience. The tables below show, for the periods indicated, the period end, average, high and low European Central Bank exchange rate expressed as US dollar per €1.00. The European Central Bank exchange rate is a 'best market' calculation, in which, at any point in time, the bid rate is equal to the highest bid rate of all contributing bank indications and the ask rate is set to the lowest ask rate offered by these banks. The average rate for a year means the average of the European Central Bank exchange rates on the last day of each month during a year. The average rate for a month, or for any shorter period, means the average of the daily European Central Bank exchange rates during that month, or shorter period, as the case may be. No representation is made that Euros could have been, or could be, converted into US dollars at any particular rate indicated or any other rate.

	Period end	Average rate	High	Low
	USD per €1.00			
Year				
2014	1.2141	1.3211	1.3850	1.2141
2015	1.0887	1.1046	1.1305	1.0579
2016	1.0541	1.1032	1.1403	1.0541
2017	1.1993	1.1370	1.1993	1.0597
2018 (through 7 March 2018)	1.2417	1.2363	1.2457	1.2214

	Period end	Average rate	High	Low
	USD per €1.00			
Month				
October 2017	1.1638	1.1756	1.1856	1.1605
November 2017	1.1849	1.1738	1.1952	1.1562
December 2017	1.1993	1.1836	1.1993	1.1736
January 2018	1.2457	1.2200	1.2457	1.1932
February 2018	1.2214	1.2348	1.2493	1.2214
March 2018 (through 7 March 2018)	1.2417	1.2324	1.2417	1.2171

Market and Industry Data

All references to market share, market data, industry statistics and industry forecasts in this Prospectus consist of estimates compiled by industry professionals, competitors, organisations or analysts, of publicly available information or of our own assessment of our sales and markets.

This Prospectus contains statistics, data and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to our business and markets. Unless otherwise indicated, such information is based on our analysis of multiple sources, including a market study we commissioned from EY-Parthenon B.V. in 2017 (the "**EY-Parthenon Market Report**"). Such information has been accurately reproduced, and, as far as we are aware and are able to ascertain from the information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. The EY-Parthenon Market Report covers 10 specific markets which are the most relevant to us: perfume and cosmetics in Europe; perfume, cosmetics and skin care in Asia; value retail in selected European countries; liquor in Europe; liquor in Asia; international fast-moving consumer goods; defence food supply; cruise supply in Europe; ship supply in Europe; and travellers electronics via airport retail in Europe and the Middle East. The market size and historical market growth in these markets have been based on available third party sources including, but not limited to, Euromonitor, the International Wines and Spirits Record (IWSR), the Institute of Grocery Distribution (IGD), the Cruise Lines International Association (CLIA) and Eurostat. Figures of growth of the Company have been provided by us. The Company weighted market growth is indicative and has been based on a channel allocation of a limited subset of the total sales of the Company in the relevant market (typically the larger accounts). The total sales of the Company and the channel allocation for the subset of sales have been provided by us. Market projections have been based on available third party sources and/or are the result of a model calculation of assumed market drivers, in which the forecasts of these market drivers have been provided by third party sources. Industry publications and market studies generally state that their information is obtained from sources believed to be reliable but that the accuracy and completeness of such information is not guaranteed and that the projections they contain are based on a number of significant assumptions. Where third-party information has been sourced in this Prospectus, the source of such information has been identified.

In this Prospectus, we make certain statements regarding our competitive and market position. We believe these statements to be true, based on market data and industry statistics, but we have not independently verified the information. We cannot guarantee that a third party using different methods to assemble, analyse or compute market data or public disclosure from competitors would obtain or generate the same results. In addition, our competitors may define their markets and their own relative positions in these markets differently than we do and may also define various components of their business and operating results in a manner which makes such figures non-comparable with our figures.

NOTICE TO INVESTORS

EXCEPT AS OTHERWISE SET OUT IN THIS PROSPECTUS, THE OFFERING DESCRIBED IN THIS PROSPECTUS IS NOT BEING MADE TO INVESTORS IN THE UNITED STATES, CANADA, AUSTRALIA OR JAPAN, AND THIS PROSPECTUS SHOULD NOT BE FORWARDED OR TRANSMITTED IN OR INTO THE UNITED STATES, CANADA, AUSTRALIA OR JAPAN.

Because of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the shares.

This Prospectus does not constitute or form part of any offer or invitation to sell, or any solicitation of any offer to acquire Offer Shares in any jurisdiction in which such an offer or solicitation is unlawful or would result in the Company becoming subject to public company reporting obligations outside the Netherlands.

The distribution of this Prospectus, and the offer or sale of Offer Shares, is restricted by law in certain jurisdictions. This Prospectus may only be used where it is legal to offer, solicit offers to purchase or sell Offer Shares. Persons who obtain this Prospectus must inform themselves about and observe all such restrictions.

No action has been or will be taken to permit a public offer or sale of Offer Shares, or the possession or distribution of this Prospectus or any other material in relation to the Offering in any jurisdiction outside the Netherlands where action may be required for such purpose. Accordingly, neither this Prospectus nor any advertisement or any other related material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations.

Shareholders who have a registered address in, or who are resident or located in, jurisdictions other than the Netherlands and any person (including, without limitation, agents, custodians, nominees and trustees) who has a contractual or other legal obligation to forward this Prospectus to a jurisdiction outside the Netherlands should read "*Selling and Transfer Restrictions*" in this Prospectus.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES

The Offer Shares have not been, and will not be, registered under the US Securities Act or with any securities regulatory authority of any state of the United States, and may not be offered, sold, pledged or otherwise transferred within the United States unless the Offer Shares are registered under the US Securities Act or an exemption from the registration requirements of the US Securities Act is available. The Offer Shares will only be offered and sold in the United States to persons reasonably believed to be QIBs as defined in Rule 144A, pursuant to Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. All offers and sales of the Offer Shares outside the United States will be made in compliance with Regulation S under the US Securities Act. Transfers of the Offer Shares will be restricted and each purchaser of the Offer Shares will be deemed to have made acknowledgments, representations and agreements, as described under "*Selling and Transfer Restrictions*".

In addition, until the end of the 40th calendar day after the commencement of the Offering, an offer or sale of the Offer Shares within the United States by a dealer (whether or not participating in the Offering) may violate the registration requirements of the US Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or another exemption from registration under the US Securities Act.

None of the Company, the Selling Shareholders or the Underwriters accepts any legal responsibility for any violation by any person, whether or not a prospective investor in the Offer Shares, of any of the foregoing restrictions.

THE OFFER SHARES OFFERED HEREBY HAVE NOT BEEN RECOMMENDED BY ANY US FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF THE RIGHTS OR THE OFFER SHARES OR CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

In the United States, this Prospectus is being furnished on a confidential basis solely for the purpose of enabling a prospective purchaser to consider purchasing the particular securities described herein.

The information contained in this Prospectus has been provided by us and the other sources identified herein. Distribution of this Prospectus to any person other than the offeree specified by us and those persons, if any, retained to advise such offeree with respect thereto, is unauthorised, and any disclosure of its contents, without our prior written consent, is prohibited.

This Prospectus is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire the securities described herein. Investors agree to the foregoing by accepting delivery of this Prospectus.

For so long as any Ordinary Shares are 'restricted securities' within the meaning of Rule 144(a)(3) under the US Securities Act, we will during any period in which we are neither subject to section 13 or 15(d) of the Securities Exchange Act of 1934, as amended (the "**US Exchange Act**"), nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner, upon the request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the US Securities Act. The Company is not currently subject to the periodic reporting requirements of the US Exchange Act.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM

This Prospectus is being distributed in the United Kingdom only to, and is directed only at, 'qualified investors' within the meaning of Section 86 of the Financial Services and Markets Act 2000 (the "**FSMA**") who are: (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"); or (ii) high net worth entities, and other persons to whom it may be lawfully communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "**relevant persons**"). In the United Kingdom, this Prospectus is directed only at relevant persons. Any person who is not a relevant person should not act or rely on this Prospectus or any of its contents. Any investment or investment activity to which this Prospectus relates is available only to relevant persons and will be engaged in only with relevant persons.

NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA

This Prospectus has been prepared on the basis that all offers of Offer Shares in any member state of the European Economic Area which has implemented the Prospectus Directive (each a "**Relevant EEA Member State**"), other than the Netherlands, will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant EEA Member State, from the requirement to publish a prospectus for offers of Offer Shares. Accordingly, any person making or intending to make an offer in a Relevant EEA Member State, other than the Netherlands, of Offer Shares which are the subject of the Offering contemplated in this Prospectus may only do so in circumstances in which no obligation arises for the Company or the Underwriters to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither the Company nor any Underwriter has authorised, nor do they authorise, the making of any offer of Offer Shares in circumstances in which an obligation arises for the Company or any Underwriter to publish a prospectus for such offer.

Enforceability of US Judgments

The Company is a public limited liability company (*société anonyme/Aktiengesellschaft*), incorporated under the laws of the Grand Duchy of Luxembourg. None of the members of the Executive Board and the Supervisory Board named herein are residents of the United States. All or a substantial proportion of the assets of these individuals are located outside of the United States. Our assets are located outside of the United States. As a result, it may be impossible or difficult for investors to effect service of process in the United States upon such persons or the Company or to enforce against them a judgment obtained in United States courts. Although there is no treaty between Luxembourg and the United States regarding the reciprocal enforcement of judgments, a valid final and conclusive judgment against an issuer of Luxembourg nationality obtained from a court of competent jurisdiction in the United States, which judgment remains in full force and effect after all appeals as may be taken in the relevant state or federal jurisdiction with respect thereto have been taken, may be recognised and enforced through enforcement proceedings (*exequatur*) initiated before a court of competent jurisdiction of Luxembourg subject to compliance with the enforcement procedures set out in articles 678 et seq. of the Luxembourg *Nouveau Code de Procédure Civile* and applicable Luxembourg case law being:

- the US court awarding the judgment has jurisdiction to adjudicate the respective matter under its applicable laws, and such jurisdiction is recognised by Luxembourg international private law conflict of jurisdiction rules;
- the judgment is enforceable (*exécutoire*) in the jurisdiction where the decision is rendered;
- the US court has applied the substantive law as designated by the Luxembourg conflict of laws rules or, at least, the relevant judgment must not contravene the principles underlying such rules (based on Luxembourg case law and legal doctrine, it is not certain whether this condition would still be required for an exequatur to be granted by a Luxembourg court);
- the US court has acted in accordance with its own procedural laws;
- the judgment was granted following proceedings where the counterparty had the opportunity to appear, and if appeared, to present a defence; and
- the decisions and the considerations of the foreign court must not be contrary to Luxembourg international public policy rules or have been given in proceedings of a tax, penal or criminal nature (which would include awards of damages made under civil liabilities provisions of the US federal securities laws, or other laws, to the extent that the same would be classified by Luxembourg courts as being of a penal or punitive nature (for example, fines or punitive damages)) or rendered subsequent to an evasion of Luxembourg law (*fraude à la loi*). Typically an award of monetary damages would not be

considered as a penalty, but if the monetary damages include punitive damages such punitive damages may be considered as a penalty

If an original action is brought in Luxembourg, without prejudice to specific conflict of law rules, Luxembourg courts may refuse to apply the designated law if the choice of such foreign law was not made *bona fide* or if (i) the foreign law was not pleaded and proved or (ii) if pleaded and proved, such foreign law was contrary to mandatory Luxembourg laws or incompatible with Luxembourg public policy rules. In an action brought in Luxembourg on the basis of US federal or state securities laws, Luxembourg courts may not have the requisite power to grant the remedies sought.

There are similar uncertainties and limitations in relation to the enforcement of judgments obtained from US federal or state courts in the courts of other relevant jurisdictions, including the Netherlands, and no assurance can be given that such judgements are enforceable.

Information Regarding Forward-Looking Statements

Certain statements in this Prospectus other than statements of historical fact are forward-looking statements. In particular, this Prospectus contains forward-looking statements under the following headings: "*Risk Factors*", "*Dividends and Dividend Policy*", "*Operating and Financial Overview*", "*Our Industry*" and "*Our Business*", which are based on our current beliefs and projections and on information currently available to us. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond our control and all of which are based on our current beliefs and expectations about future events. Forward-looking statements are typically identified by the use of forward-looking terminology such as "believe", "expect", "may", "will", "seek", "would", "could", "should", "intend", "estimate", "plan", "assume", "predict", "anticipate", "annualised", "goal", "target", "potential" or "aim" or the negative thereof or other variations thereof or comparable terminology, or by discussions of our strategy, medium-term objectives and future plans that involve risks and uncertainties.

Forward-looking statements involve inherent risks and uncertainties and speak only as of the date they are made. Except as required by applicable law, we do not undertake and we expressly disclaim any duty to update or revise publicly any forward-looking statement in this Prospectus, whether as a result of new information, future events or otherwise. Such forward-looking statements are based on current beliefs, assumptions, expectations, estimates and projections of the members of the Executive Board and our management of, public statements made by us, present and future business strategies and the environment in which we will operate in the future. By their nature, they are subject to known and unknown risks and uncertainties, which could cause our actual results and future events to differ materially from those implied or expressed by forward-looking statements. Risks and uncertainties that could cause actual results to vary materially from those anticipated in the forward-looking statements included in this Prospectus include those described under "*Risk Factors*".

Prospective investors are advised to read "*Risk Factors*", "*Dividends and Dividend Policy*", "*Selected Consolidated Financial Information*", "*Operating and Financial Review*", "*Our Industry*" and "*Our Business*" for a more complete discussion of the factors that could affect our future performance and the industry in which we operate. Should one or more of these risks or uncertainties materialise, or should any of the assumptions underlying the above or other factors prove to be incorrect, our actual results of operations or future financial condition could differ materially from those described herein as currently anticipated, believed, estimated or expected. In light of the risks, uncertainties and assumptions underlying the above factors, the forward-looking events described in this Prospectus may not occur or be realised. Additional risks not known to us or that we do not currently consider material could also cause the forward-looking events discussed in this Prospectus not to occur.

Definitions

In this Prospectus, the "Company" refers to B&S Group S.A., a public limited liability company (*société anonyme/Aktiengesellschaft*), incorporated and existing under the laws of the Grand Duchy of Luxembourg and, where appropriate, its subsidiaries. "B&S Group", "we", "our", "us" and "Group" refer to the Company and its subsidiaries. " Executive Board", "Supervisory Board" and "General Meeting" refer to, respectively, the executive board (*directoire/Vorstand*), the supervisory board (*conseil de surveillance/Aufsichtsrat*) and the general meeting of Shareholders of the Company (*l'assemblée générale des actionnaires/Hauptversammlung*).

Certain other terms used in this Prospectus are defined in "*Defined Terms*".

Documents Incorporated by Reference

Our articles of association as they shall read as of Settlement Date (the "**Articles of Association**") are incorporated by reference into this Prospectus and can be obtained free of charge on our website at www.bs-group-sa.com.

No other documents or information, including the content of our website (www.bs-group-sa.com), websites accessible from hyperlinks on our website or any websites of any of our individual segments or sub-segments, form part of, or are incorporated by reference into, this Prospectus.

REASONS FOR THE OFFERING AND USE OF PROCEEDS

Background and Reasons for the Offering

We believe that the Offering and the listing of Ordinary Shares on Euronext Amsterdam will enhance our public profile with our existing and future business partners as well as with our existing and future employees, thereby further strengthening our ability to continue to recruit, retain and incentivise key management and employees.

Furthermore, being a listed company will provide us with financial flexibility and diversity through access to a wider range of capital-raising options to continue to realise our growth ambition, which access may be considered as a source to finance future acquisitions.

In addition, the Offering will create a market in the Ordinary Shares for existing and future Shareholders, will enable the Selling Shareholders to diversify their assets and create continuity in the shareholder base going forward. Following the closing of the Offering, Sarabel intends to remain a majority Shareholder in the Company. Over time, both Sarabel and Lebaras intend to remain significant long-term Shareholders.

Use of Proceeds

We will not receive any proceeds from the Offering, the net proceeds of which will be received by the Selling Shareholders.

After deducting the estimated expenses, commissions and taxes related to the Offering payable by the Selling Shareholders of approximately €8.5 million, the Selling Shareholders expect to receive approximately €389.7 million in aggregate net proceeds from the Offering (based on an Offer Price at the mid-point of the Offer Price Range and assuming the sale of the maximum number of Offer Shares by the Selling Shareholders and no exercise of the Over-Allotment Option).

DIVIDENDS AND DIVIDEND POLICY

General

We may only make distributions on the Ordinary Shares upon the approval of the Company's annual accounts, subject to the preferential dividend rights attached to the Preference Shares, if and when issued, and subject to the mandatory allocation to the Legal Reserve (as defined in "*Description of Share Capital and Corporate Governance – Share Capital – Dividends and Other Distributions*"). The amount of a dividend declared by the General Meeting upon approval of the Company's annual accounts may not exceed the amount of the profits at the end of the last financial year plus any profits carried forward and any amounts drawn from reserves available for that purpose, minus any losses carried forward and sums to be placed in reserve in accordance with the law or the Articles of Association. See "*Description of Share Capital and Corporate Governance – Share Capital – Dividends and Other Distributions*".

Interim dividends may be declared and paid by the Executive Board out of available net profits or other available reserves, provided that certain conditions are met. See "*Description of Share Capital and Corporate Governance – Share Capital – Dividends and Other Distributions*".

The payment of dividends, if any, and the amounts and timing thereof, will depend on a number of factors, including future profits, financial conditions, general economic and business conditions, and future prospects and such other factors as the Executive Board may deem relevant, as well as other legal and regulatory requirements. Our intentions in relation to dividends are subject to numerous assumptions, risks and uncertainties, many of which may be beyond our control. See also "*Risk Factors*" and "*Important Information – Information Regarding Forward-Looking Statements*".

Dividend Policy

Given our strong return profile, the primary use of cash for the medium term will be investment in growing the business in line with our strategy and medium-term financial objectives. Capital will be invested with strict financial discipline and any dividend proposals will be carefully assessed against other uses of cash. We also aim to retain our solvency around historical levels which is expected to help maintain our attractive position towards suppliers and customers.

Barring exceptional circumstances, we envisage to increase dividends-per-share over time with the aim of having an initial ordinary dividend pay-out ratio at the lower end of our target range between 40-60% of annual Group results attributable to the owners of the Company.

Due to the accounting treatment under IFRS 2 (Share-based Payment) of certain elements of the Share and Cash Incentive (as defined in "*Operating and Financial Review – Current Trading and Recent Developments – Share and Cash Incentive*"), annual reported Group results attributable to the owners of the Company in 2018 will be lower than they would be without taking into account the income statement effects of the IFRS 2 treatment of such elements of the Share and Cash Incentive. In determining the dividend to be paid out by the Company in relation to the year ending 31 December 2018, we intend to apply the pay-out ratio to the annual reported Group results attributable to the owners of the Company calculated whilst disregarding the income statement effects of the accounting treatment under IFRS 2 of the relevant elements of the Share and Cash Incentive. See "*Operating and Financial Review – Current Trading and Recent Developments – Pre-IPO Restructuring*" for more information on the Share and Cash Incentive and the accounting treatment thereof.

Dividend History

Over 2017, 2016 and 2015, the Company declared and paid out dividends in the amount of €64.4 million, €43.5 million and €23.5 million, respectively. The dividend in respect of 2017 was distributed as interim dividend during the year. In connection with the Pre-IPO Restructuring, which is discussed elsewhere in this Prospectus, an affiliate of Lebaras will ultimately receive a dividend payment of an amount corresponding to 2% of the total value of the Company at the Offer Price. The dividend payment will be treated as a dividend funded from the freely distributable reserves of the Company, resulting in a cash outflow but with no impact expected on our income statement. Assuming an Offer Price at the bottom, mid-point or top of the Offer Price Range, the dividend payment will amount to €24.4 million, €27.1 million or €29.9 million, respectively. See "*Operating and Financial Review – Current Trading and Recent Developments – Pre-IPO Restructuring*" for a description of the Pre-IPO Restructuring. Other than as described above, no dividends in respect of 2017 will be distributed.

Dividend Ranking of the Ordinary Shares

All of the Ordinary Shares issued and outstanding on the day following the Settlement Date, including the Offer Shares, will rank equally and will be eligible for any dividend payment that may be declared on the Ordinary Shares in the future.

Manner and Time of Dividend Payments

Payment of any dividend in cash will be made in Euro. Any dividends that are paid to Shareholders through Euroclear Nederland will be automatically credited to the relevant Shareholders' accounts without the need for Shareholders to present documentation proving their ownership of the Ordinary Shares.

We intend to pay dividends in cash in two semi-annual instalments. The first payment for each year is expected to be made in the fourth quarter of that year and the remainder in the second quarter of the following year following Shareholder approval of the full year accounts.

Taxation of Dividends

See "*Taxation*" for a discussion of certain aspects of taxation of dividends on the Ordinary Shares.

CAPITALISATION AND INDEBTEDNESS

The information below should be read together with our consolidated special purpose financial statements and the related notes thereto as included in this Prospectus beginning on page F-1, as well as the information under "*Operating and Financial Review*".

The following tables set out (i) our capitalisation and indebtedness as at 31 December 2017 on an actual basis, (ii) adjustments for certain elements of the Pre-IPO Restructuring (as defined in "*Operating and Financial Review – Current Trading and Recent Developments – Pre-IPO Restructuring*") and (iii) our capitalisation and indebtedness as at 31 December 2017, as adjusted to reflect the adjustment described under (ii). The adjustment for certain elements of the Pre-IPO Restructuring and the 'as adjusted' column assume an Offer Price at the mid-point of the Offer Price Range.

Capitalisation

	Actual	Adjustments	As adjusted
	As at 31 December 2017	Pre-IPO Restruc-turing[1]	As at 31 December 2017
		(in € millions)	
Total current debt[2]	**200.4**	**–**	**200.4**
Guaranteed	–	–	–
Secured[3]	200.4	–	200.4
Unguaranteed/Unsecured	–	–	–
Total non-current debt	**22.8**	**–**	**22.8**
Guaranteed	–	–	–
Secured[3]	20.3	–	20.3
Unguaranteed/Unsecured	2.5	–	2.5
Shareholders' equity	**201.5**	**(27.1)**	**174.4**
Share capital	5.2	0	5.2
Legal reserves	(0.1)	–	(0.1)
Other reserves	196.4	**(27.1)**	169.3
Total capitalisation	**424.7**	**(27.1)**	**397.6**

(1) Immediately following Pricing and before the First Trading Date, the Company will issue 4,177,321 new Ordinary Shares to the Managers' Vehicle as part of the Pre-IPO Restructuring, resulting in an increase in the shareholders' equity of approximately €0.2 million. These Ordinary Shares will be offered in the Offering. See "*Operating and Financial Review – Current Trading and Recent Developments – Pre-IPO Restructuring*" for a description of the Pre-IPO Restructuring. Furthermore, immediately following Pricing and before the First Trading Date, 3,806,000 P shares with an nominal value of €0.06, currently outstanding with an affiliate of Sarabel and with Lebaras, will be redeemed and cancelled by the Company against payment of a redemption price equal to their nominal value increased with any accrued preferential dividend. This will be treated as a reduction in share capital and result in a cash outflow of approximately €0.2 million, assuming a redemption and cancellation on the date of Pricing. See "*Operating and Financial Review – Current Trading and Recent Developments – P Shares*". In addition, immediately following Pricing and before the First Trading Date, the Company will make a dividend payment, ultimately to be received by Lebaras, of an amount corresponding to 2% of the total value of the Company at the Offer Price, as part of the Pre-IPO Restructuring. See "*Operating and Financial Review – Current Trading and Recent Developments – Pre-IPO Restructuring*" for a description of the Pre-IPO Restructuring. The dividend payment will be funded out of the freely distributable reserves of the Company, resulting in a cash outflow of €24.4 million, €27.1 million or €29.9 million, assuming an Offer Price at the bottom, mid-point or top of the Offer Price Range, respectively.

(2) Total current debt includes supplier finance arrangements.

(3) The secured current and non-current debt is secured through a pledge on certain assets of the Group and a mortgage on certain real estate assets. See Notes 31 and 36 of the consolidated special purpose financial statements included in this Prospectus beginning on page F-1.

Indebtedness

	Actual	Adjustments	As adjusted
	As at 31 December 2017	Pre-IPO Restruc-turing[(1)]	As at 31 December 2017
		(in € millions)	
Cash	17.4	(0.2)	17.2
Cash equivalents	–	–	–
Trading securities	–	–	–
Liquidity	**17.4**	**(0.2)**	**17.2**
Current financial receivable	**17.4**	**(0.2)**	**17.2**
Current bank debt	184.5	27.1	211.6
Current portion of non-current debt	5.3	–	5.3
Other current financial debt	10.7	–	10.7
Current financial debt	**200.4**	**27.1**	**227.5**
Net current financial indebtedness	**183.0**	**26.9**	**210.3**
Non-current bank loans	19.4	–	19.4
Bonds issued	–	–	–
Other non-current loans	3.4	–	3.4
Non-current financial indebtedness	**22.8**	**–**	**22.8**
Net financial indebtedness	**205.8**	**26.9**	**233.1**

(1) Immediately following Pricing and before the First Trading Date, the Company will make a dividend payment, ultimately to be received by Lebaras, of an amount corresponding to 2% of the total value of the Company at the Offer Price, as part of the Pre-IPO Restructuring. See "*Operating and Financial Review – Current Trading and Recent Developments – Pre-IPO Restructuring*" for a description of the Pre-IPO Restructuring. The dividend payment will be funded out of the freely distributable reserves of the Company, resulting in a cash outflow of €24.4 million, €27.1 million or €29.9 million, assuming an Offer Price at the bottom, mid-point or top of the Offer Price Range, respectively. Furthermore, immediately following Pricing and before the First Trading Date, 3,806,000 P shares with an nominal value of €0.06, currently outstanding with an affiliate of Sarabel and with Lebaras, will be redeemed and cancelled by the Company against payment of a redemption price equal to their nominal value increased with any accrued preferential dividend. This will result in a cash outflow of approximately €0.2 million, assuming a redemption and cancellation on the date of Pricing. See "*Operating and Financial Review – Current Trading and Recent Developments – P Shares*".

SELECTED CONSOLIDATED FINANCIAL INFORMATION

This section contains selected consolidated financial information of the Company as at and for FY 2017, FY 2016 and FY 2015, which has been derived from the consolidated special purpose financial statements included in this Prospectus beginning on page F-1 (together, the "**Selected Consolidated Financial Information**").

The Selected Consolidated Financial Information should be read in conjunction with (i) the information contained in "*Important Information – Presentation of Financial and Other Information*", "*Capitalisation and Indebtedness*", "*Operating and Financial Review*" and (ii) the consolidated special purpose financial statements with respect to FY 2017, FY 2016 and FY 2015, the accompanying notes thereto and the auditor's report thereon. The financial statements with respect to FY 2017, FY 2016 and FY 2015 have been prepared in accordance with IFRS and have been audited by Deloitte.

Selected Consolidated Income Statement Data

	FY 2017	FY 2016	FY 2015
		(in € thousands)	
Turnover	**1,507,254**	**1,339,489**	**1,338,293**
Purchase value	1,291,239	1,150,631	1,151,252
Gross profit	**216,015**	**188,858**	**187,041**
Investment income	**364**	**733**	**901**
Other gains and losses[1]	**3,261**	**(2,625)**	**(6,707)**
Personnel costs	71,596	61,592	57,099
Depreciation and amortisation	8,366	7,490	6,369
Other operating expenses	42,175	36,475	40,474
Total operating expenses	**122,137**	**105,557**	**103,942**
Operating result	**97,503**	**81,409**	**77,293**
Financial expenses	(4,835)	(4,438)	(3,975)
Share of profit of associates	363	198	233
Result before taxation	**93,031**	**77,169**	**73,551**
Taxation on the result	(10,171)	(7,777)	(7,142)
Profit for the year from continuing operations	**82,860**	**69,392**	**66,409**
Attributable to:			
Owners of the Company	68,796	60,907	60,211
Non-controlling interests	14,064	8,485	6,198
Total	**82,860**	**69,392**	**66,409**

(1) See "*Operating and Financial Review – Key Factors Affecting Our Business and Results of Operations – Foreign Currency Exchange Rates*".

Selected Consolidated Balance Sheet Data

	As at 31 December 2017	As at 31 December 2016	As at 31 December 2015
		(in € thousands)	
Total non-current assets	65,549	68,164	48,201
Total current assets	498,296	481,194	418,755
Total assets	**563,845**	**549,358**	**466,956**
Equity attributable to			
Owners of the Company	201,528	197,508	180,335
Non-controlling interest	40,442	32,532	15,578
Total equity	**241,970**	**230,040**	**195,913**
Total non-current liabilities	28,389	30,488	12,800
Total current liabilities	293,486	288,830	258,243
Total equity and liabilities	**563,845**	**549,358**	**466,956**

Selected Consolidated Statements of Cash Flows Data

	FY 2017	FY 2016	FY 2015
		(in € thousands)	
Net cash (used in)/generated by operating activities	89,666	78,677	5,234
Net cash (used in)/generated by investing activities	(4,626)	(34,659)	(2,417)
Net cash (used in)/generated by financing activities	(83,734)	(39,270)	(2,828)
Net cash flow	**1,306**	**4,748**	**(11)**
Cash and cash equivalents:			
Balance as at 1 January	13,214	8,166	7,878
Balance from acquisition through business combinations	–	–	299
Balance from acquired companies	2,865	300	–
Movement	1,306	4,748	(11)
Net cash and cash equivalents at end of year	**17,385**	**13,214**	**8,166**

Non-IFRS Financial Measures (unaudited)

The table below presents certain financial measures on a consolidated basis, for FY 2017, FY 2016 and FY 2015. These non-IFRS financial measures have not been audited or reviewed and are not recognised measures of financial performance, financial condition or liquidity under IFRS. Such measures are used by management to monitor the underlying performance of our business and operations. These non-IFRS financial measures may not be indicative of our historical operating results, nor are such measures meant to be predictive of our future results. We present these non-IFRS financial measures because we consider them an important supplemental measure of our performance and believe that they and similar measures are widely used in the industry in which we operate as a means of evaluating a company's operating performance, financial condition and liquidity. However, not all companies calculate non-IFRS financial measures in the same manner or on a consistent basis. As a result, these measures may not be comparable to measures used by other companies under the same or similar names. Accordingly, undue reliance should not be placed on the non-IFRS financial measures contained in this Prospectus and they should not be considered as a substitute for operating profit, profit for the year, cash flow, expenses or other financial measures computed in accordance with IFRS. See "*Important Information – Presentation of Financial and Other Information – Non-IFRS Financial Measures*".

	FY 2017	FY 2016	FY 2015
	(in € millions, unless indicated otherwise)		
EBITDA(1)	105.9	88.9	83.7
EBITDA Margin(2)	7.0%	6.6%	6.3%
Capital Expenditure(3)	7.5	5.4	5.1
Free Cash Flow(4)	83.4	71.2	67.5
Cash Conversion Ratio(5)	92.9%	93.9%	93.9%
ROCE(6)	36.1%	31.2%	37.0%
Solvency Ratio(7)	42.9%	41.9%	42.0%
Earnings Efficiency(8)	78.3%	78.1%	79.4%
Net Debt(9)	195.1	204.5	149.2

(1) EBITDA is defined as earnings before interest, taxes, depreciation and amortisation.

(2) EBITDA Margin is defined as EBITDA as a percentage of turnover.

(3) Capital Expenditure is defined as investments in tangible and intangible fixed assets.

(4) Free Cash Flow is defined as EBITDA minus Capital Expenditure minus financial expenses minus taxation on the result.

(5) Cash Conversion Ratio is defined as EBITDA minus Capital Expenditure as a percentage of EBITDA.

(6) ROCE is defined as operating result as a percentage of the result of total assets minus current liabilities.

(7) Solvency Ratio is defined as group equity as a percentage of total assets.

(8) Earnings Efficiency is defined as profit for the year from continuing operations as a percentage of EBITDA.

(9) Net Debt is defined as interest bearing liabilities minus cash and cash equivalents.

The following table sets forth the reconciliation of Profit for the year from continuing operations to EBITDA, Free Cash Flow and Cash Conversion Ratio for each of FY 2017, FY 2016 and FY 2015.

	FY 2017	FY 2016	FY 2015
	(in € millions, unless indicated otherwise)		
Profit for the year from continuing operations	**82.9**	**69.4**	**66.4**
Taxation on the result	10.2	7.8	7.1
Result before taxation	**93.0**	**77.2**	**73.6**
Share of profit of associates	(0.4)	(0.2)	(0.2)
Financial expenses	4.8	4.4	4.0
Operating result	**97.5**	**81.4**	**77.3**
Depreciation and amortisation	8.4	7.5	6.4
EBITDA	**105.9**	**88.9**	**83.7**
Investments in tangible fixed assets	(4.2)	(3.2)	(5.0)
Investments in intangible fixed assets	(3.3)	(2.3)	(0.1)
Financial expenses	(4.8)	(4.4)	(4.0)
Taxation on the result	(10.2)	(7.8)	(7.1)
Free Cash Flow	**83.4**	**71.2**	**67.5**
Cash Conversion Ratio	**92.9%**	**93.9%**	**93.9%**

Certain Segmental Information

	FY 2017	FY 2016	FY 2015
	(in € millions, unless indicated otherwise)		
HTG Segment			
Turnover	985.2	821.5	836.9
Gross profit	119.1	89.6	89.9
Gross margin	12.1%	10.9%	10.7%
EBITDA	65.7	45.5	37.6
EBITDA Margin	6.7%	5.5%	4.5%
B&S Segment			
Turnover	426.2	424.5	414.4
Gross profit	63.8	66.0	67.6
Gross margin	15.0%	15.5%	16.3%
EBITDA	29.7	30.2	34.1
EBITDA Margin	7.0%	7.1%	8.2%
Retail Segment			
Turnover	130.2	122.5	115.3
Gross profit	33.2	33.2	29.6
Gross margin	25.5%	27.1%	25.7%
EBITDA	10.4	12.7	10.9
EBITDA Margin	8.0%	10.3%	9.4%
Holding and eliminations			
Turnover	(34.3)	(29.0)	(28.4)
Gross profit	(0.1)	0.1	(0.0)
Gross margin	–	–	–
EBITDA	0.1	0.5	1.0
EBITDA Margin	–	–	–

OPERATING AND FINANCIAL REVIEW

The following is a discussion of our results of operations and financial condition as at and for FY 2017, FY 2016 and FY 2015. This discussion should be read in conjunction with the rest of this Prospectus, including the selected historical financial information included in "Selected Consolidated Financial Information" and the special purpose financial statements with respect to FY 2017, FY 2016 and FY 2015 included elsewhere in this Prospectus which have been audited by Deloitte. Prospective investors should read the entire Prospectus and not just rely on the information set out below.

The following discussion of our financial condition, results of operations and cash flows contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those that we discuss in these forward-looking statements. Investors should read "Important Information – Information Regarding Forward-Looking Statements" for a discussion of the risks and uncertainties related to those statements. Investors should also read "Risk Factors" for a discussion of certain factors that may affect our business, financial condition, results of operations and cash flows.

Overview

We are a global distribution partner providing comprehensive, tailor-made distribution and logistical solutions throughout the supply chain, linking suppliers and customers that would otherwise find it difficult to connect. We have valuable expertise in resolving supply chain complexities in the consumer goods sector and hold leading positions in a number of attractive channels and specialised markets. We strive to be able to provide our customers with a wide range of products at any time, at any location and at competitive prices. Our operations have a global reach, serving customers in over 100 countries and combining our activities in developed markets with strong positions in emerging markets. We supply a wide range of consumer goods, including health and beauty products, food and beverages, liquors, and electronics to:

- retailers, such as value-for-money retailers, secondary channel retailers, retailers in underserved markets and e-commerce platforms;
- the maritime sector, such as cruise ships and ship suppliers;
- remote channels, such as government and defence operations and remote industrial sites; and
- travel retail consumers.

As at 31 December 2017, we employed 1,460 full time employee equivalents ("**FTEs**") in 14 countries across Europe, Asia and Africa. In FY 2017, we generated €1,507.3 million in turnover, €105.9 million of EBITDA and €82.9 million in profit for the year from continuing operations, of which €68.8 million was profit attributable to the owners of the Company, compared to €1,339.5 million in turnover, €88.9 million of EBITDA and €69.4 million in profit for the year from continuing operations, of which €60.9 million was profit attributable to the owners of the Company, in FY 2016.

Segmentation

Our business is organised and managed on a segment basis and operates through the following three segments, each of which forms a reportable segment: the HTG Segment, the B&S Segment and the Retail Segment. The segments are based on the structure of the internal management reporting as provided to the Executive Board in order to facilitate strategic decision-making and resource allocation and to assess the performance of our operations.

The Company is the holding company of the Group and performs finance and administration, IT, human resources, legal and tax activities for the Group. To the extent possible, costs incurred for or on behalf of our segments are allocated to the segments concerned. The results of these holding activities that are not attributed to our business segments are reported separately and are presented as 'Holding and eliminations', also comprising the consolidation effects of intra-group transactions by eliminating any double recognition of turnover generated by such intra-group transactions. Holding and eliminations figures for turnover and EBITDA for FY 2017, FY 2016 and FY 2015 reflect the effects of such costs and eliminations.

The following tables present the contribution of the HTG Segment, the B&S Segment, the Retail Segment and the Holding and eliminations segment to our turnover and EBITDA for FY 2017, FY 2016 and FY 2015.

FY 2017	Turnover		EBITDA	
	in € millions	% of total[(1)]	in € millions	% of total[(1)]
Group	**1,507.3**	**100.0%**	**105.9**	**100.0%**
HTG Segment	**985.2**	**63.9%**	**65.7**	**62.1%**
B&S Segment	426.2	27.6%	29.7	28.1%
Retail Segment	130.2	8.5%	10.4	9.8%
Holding and eliminations	(34.3)	n/a	0.1	n/a

FY 2016	Turnover		EBITDA	
	in € millions	% of total[(1)]	in € millions	% of total[(1)]
Group	**1,339.5**	**100.0%**	**88.9**	**100.0%**
HTG Segment	821.5	60.0%	45.5	51.5%
B&S Segment	424.5	31.0%	30.2	34.2%
Retail Segment	122.5	9.0%	12.7	14.4%
Holding and eliminations	(29.0)	n/a	0.5	n/a

FY 2015	Turnover		EBITDA	
	in € millions	% of total[(1)]	in € millions	% of total[(1)]
Group	**1,338.3**	**100.0%**	**83.7**	**100.0%**
HTG Segment	836.9	61.2%	37.6	45.5%
B&S Segment	414.4	30.3%	34.1	41.3%
Retail Segment	115.3	8.4%	10.9	13.2%
Holding and eliminations	(28.4)	n/a	1.0	n/a

(1) Percentages for segments exclude 'Holding and eliminations'.

Key Factors Affecting Our Business and Results of Operations

The following factors have contributed significantly to the development of our business and results of operations during the periods under review and are reasonably likely to have a significant effect on our business and results of operations in the future.

Organic Growth

Our results of operations are impacted by the organic growth of our business. We estimate that, over the period from 1 January 2013 to 31 December 2017, 66% of our total turnover growth of €604.0 million was attributable to organic growth.

The key drivers of organic growth are the expansion of our business by increasing our presence in our current markets, tapping into new products and markets, cross-selling our products to existing customers, and utilising the growth of our customers by meeting their increased demand for our products.

We are always on the lookout for opportunities to increase our market share in the markets where we are already active, with the goal of attracting new customers in these markets or increasing volumes with existing customers, to become their supplier of choice. Certain markets where we are active, such as the online retail market, are characterised by an ongoing inflow of new potential customers. In addition, in certain markets, such as the international fast-moving consumer goods market, customer-distributor relationships are often non-exclusive, which creates an opportunity for us to attract customers away from our competitors based on our reputation, our business contacts and our thorough knowledge of these markets.

Expanding our business by tapping into new markets is a continuous process. Over the past few years, we have increased our presence in the online retail segment and now serve over 100 e-commerce platforms across more than 20 countries. The ongoing growth of e-commerce drives the demand of online retailers and platforms for our global wholesale and distribution activities. For example, a substantial part of the turnover of the Health & Beauty sub-segment of the HTG Segment is generated by sales to online retail platforms. In 2016, the HTG Segment completed the implementation of a fully automated storage system in its warehouse in Delfzijl, the Netherlands. This warehouse enables us to increase sales volumes while maintaining quality and service

standards, and we believe it will further increase our added value to online retail sellers such as Amazon, Bol.com and Wehkamp.

Our organic growth is also driven by our ability to cross-sell new products to our existing customers. We believe that customer satisfaction is the main driver for our cross-selling activities and we continuously monitor developments in the markets where our customers operate and changes in their product requirements, to match their changing needs.

The growth of our customers drives our own organic growth as well. As our customers expand their own businesses, we find that they tend to increase their demand for our products. Our growth is impacted by our ability to immediately match any increase in demand from our customers with an increase in our supply and as such minimise the risk of our customers turning to our competitors due to an untimely response on our end. Our longstanding relationships with many of our suppliers and customers, our ongoing customer satisfaction and our thorough knowledge of the markets in which we are active enables us to continue to satisfy our customers' needs and retain their business.

For more information on our organic growth, see "*Our Business – Our Strategy*".

Growth Through Acquisitions

We have historically supplemented our organic growth through selective and value accretive acquisitions. We define growth from acquisitions as growth in our turnover attributable to acquired businesses in the first 12 months following their date of acquisition. Over the long-term we target that the contribution from acquisitions to the growth of our turnover will be approximately 25%. In particular due to the significance of the acquisition of Topbrands Europe B.V. ("**Topbrands**"), as discussed below, we estimate that over the period from 1 January 2013 to 31 December 2017 34% of our total turnover growth of €604.0 million was attributable to growth from acquisitions.

We aim to continue to strengthen our market position, increase our market share and expand and complement our product offerings by pursuing selective and value accretive acquisitions. Our objective is to excel in the markets in which we operate while continuously looking out for suitable acquisition opportunities that we believe will complement our core business and fit with our business culture. If suitable opportunities arise, we may expand our operations through acquisitions that meet our investment criteria, which may have a significant impact on our results of operations.

In August 2016, we completed the acquisition of a controlling interest in Topbrands for a purchase price of €30.4 million. Topbrands is a Dutch company which is active in the sale and distribution of cosmetics, toiletries and household cleaning products, specifically to value-for-money retailers and other secondary channels. Following the acquisition, Topbrands became part of the HTG Segment. The addition of Topbrands contributed significantly to the growth and profitability of the HTG Segment, has strengthened our position in the wholesale and distribution of health and beauty products such as shampoos and deodorants and is expected to enable us to further grow our business in these product markets.

As part of our effort to promote the success of newly acquired businesses we endeavour to retain existing management following the acquisition. When acquiring a new business where existing management holds a significant equity stake, for example JTG Holding B.V. ("**JTG**"), acquired in 2007, and Topbrands, acquired in 2016, we generally start with the acquisition of a majority stake, usually 51%, providing the existing management of the company with a substantial minority stake, usually 49%. As a result thereof, the profits of certain newly acquired companies are generally not fully attributable to the Group. See "*Our Business – Our Strategy – Strategic Acquisitions*". As part of the Pre-IPO Restructuring (as defined below), the managers of JTG and Topbrands will transfer approximately 33.0% of their respective shareholdings in these group companies, representing 16.2% of the share capital of each of JTG, JTG WWL S.à r.l. and Topbrands, to a subsidiary of the Company, resulting in the Company indirectly holding 67.2% of the share capital of JTG, JTG WWL S.à r.l. and Topbrands immediately following the determination of the Offer Price, expected to occur on the date of Pricing (as defined elsewhere in this Prospectus). See "*– Current Trading and Recent Developments – Pre-IPO Restructuring*".

For more information on our recent acquisitions and strategy, see "*Our Business – Our Strategy*".

Seasonality

Our quarterly results of operations are affected by seasonality, with our segments experiencing different seasonal fluctuations.

The HTG Segment is active in the premium branded products market for liquors, perfume and cosmetics and health and beauty products. Demand for these products tends to peak during the end-of-year holiday season which runs from the end of November through the end of December. The HTG Segment's sales are generally stronger during the months of September through November, as retailers need to receive merchandise prior to the beginning of the holiday season. Consequently, a majority of the HTG Segment's turnover and EBITDA is generated during the third and fourth quarters of the year.

The Retail Segment and certain sub-segments of the B&S Segment serve, among other things, the leisure segment of the travel industry, including our cruise supply operations and our retail businesses at airports and on cruise vessels. These parts of our business experience a peak in sales in the second and third quarters of the year due to increased travel activity during the summer holiday period in the Northern Hemisphere. Accordingly, turnover and EBITDA generated by these segments are generally lower in the first and fourth quarters of the year.

As a result of these seasonal fluctuations, we typically experience a peak in sales in the third and fourth quarters of the year. Consequently, we generate a majority of our turnover in the second half of the year. Therefore, the results of any quarter are generally not a reliable proxy for full year results.

In FY 2015, FY 2016 and FY 2017 we generated on average 21.5% of our annual turnover in the first quarter, 24.7% in the second quarter, 24.1% in the third quarter and 29.7% in the fourth quarter. See "– *Liquidity and Capital Resources – Working Capital*" below for a description of the seasonality effects on our working capital position and requirements.

Foreign Currency Exchange Rates

Most of our turnover is in Euros, which is our functional currency. Due to the international nature of our business, significant portions of our turnover and expenses are denominated in currencies other than the Euro. Other currencies used for trading are mainly the US Dollar (USD) and, to a lesser extent, the British Pound (GBP) and the Japanese Yen (JPY). Consequently, our results of operations are affected by translational foreign exchange risk and currency translation can affect the comparability of our consolidated financial results.

A significant portion of our purchase orders are made in US Dollars. The majority of our purchases in US Dollars are sold in US Dollar based sales transactions, which eliminates transactional foreign currency exchange risk in respect of those transactions. However, if the Euro were to strengthen against the US Dollar, the amount of any profit we record in respect of such USD-USD transactions would be less when reported in Euro. If the US Dollar were to strengthen against the Euro, any products that we purchase in US Dollars and sell in Euros would become more expensive for our customers, which could negatively impact demand for these products. Either of these factors could impact our sales and our results of operations. In 2017, our transactional exposure to non-Euro currencies was 39.4% of our turnover; comprising mainly transactional exposure to the US Dollar, which accounted for 33.9% of our turnover. Assuming the Euro had strengthened (weakened) 3% against the US Dollar compared to the actual 2017 rate with all other variables held constant, the hypothetical result on income before taxes would have been an increase (decrease) of €1,620,000. A 3% increase or decrease of the other currencies we are trading in would not have a significant impact on our result before taxation or our group equity.

For any purchase order that we make, we register the currency in which the relevant goods will be sold in our internal system. If the sale currency is not the same as the purchase currency, our treasury department economically hedges the currency risk on the first day following the day on which the purchase order is made. All of our on-balance and off-balance positions in foreign currencies, such as debts, amounts due from creditors and inventory, are centrally hedged by our treasury department on a daily basis.

Although we seek to economically hedge against transactional currency risks, we do not apply hedge accounting. Our income statement therefore from time to time reflects temporary timing differences, because certain items that are not revalued either due to their off-balance nature (such as purchase orders and sales orders) or because they are valued at historical cost (such as inventory), are being economically hedged by counter items that are revalued (such as credit facilities in foreign currencies). These temporary timing differences are reversed in the accounting period in which the inventory is sold or the purchase and sales orders are effectuated. Furthermore, for the vast majority of our transactional exposure to non-Euro currencies of approximately 39.4% in FY 2017, we generally see a translation impact from changes in exchange rates being offset by an opposing

change in volume within the same year, as demand rises when prices drop due to exchange rates changes, and vice versa.

A small part of our transactional exposure to non-Euro currencies, representing approximately 5% of our turnover in FY 2017, related to our office in Dubai, where we do not experience the same translation impact as described above, because all activities at our Dubai office are carried out in US Dollars. However, because the sourcing activities, supply activities and costs related to the turnover generated by our office in Dubai are also in US Dollars, we believe the transactional exposure to the US Dollar in our Dubai office is in practice also economically hedged to a certain degree.

For more information on exchange rate risks, including transactional currency risks, see "*Risk Factors – We are subject to currency exchange rate risk in the conduct of our business*".

Global and Regional Economic Conditions

Our business is dependent on our customers' demand for our products. These demand levels can depend on macroeconomic conditions on a global level and in the regional economies where we or our customers are active. An improvement or deterioration in levels of economic activity and consumer demand tends to be reflected in the overall level of our sales. Certain customer sectors such as the luxury goods segment of the fast-moving consumer goods market tend to experience more stable levels of demand through macroeconomic cycles. Other sectors in which our customers operate are characterised by relative cyclicality in their demand, such as the shipping industry and the oil & gas industry.

We believe that the broad diversity of our business in terms of product portfolio, geographies and customers can lessen the impact of global and regional economic changes. However, if these changes are widespread, pronounced or long-lasting, they can have a significant impact on our business and results of operations. For more information on risks related to economic conditions, see "*Risk Factors – We may be affected by general developments in the broader economy and by specific demand fluctuations, both globally and in the regions where we operate, and we are particularly exposed to unfavourable developments in the markets of the European Union*".

International Travel

Demand for the products of the Retail Segment and certain sub-segments of the B&S Segment that serve the leisure segment of the travel industry are driven by international travel. While international travel has tended to increase over the past decade, international travel from time to time experiences disruptions as a result of natural disasters, contagious disease outbreaks, international hostilities, the threat of terrorism and other incidents. During the period between 2013 and 2016, international travel as measured by key metrics such as the number of trips and passenger numbers was affected by a number of significant disasters and events. For example, terrorist attacks in 2015, 2016 and 2017 in France, Belgium, Germany, Turkey, England and Spain have contributed to depressed levels of tourism growth in Europe.

We believe that the impact of particular incidents affecting international travel can be partially offset by further geographic diversification of our activities in the international travel industry, examples of which include the Retail Segment successfully tendering for airport concessions in Abu Dhabi. See "*Our Business – Retail Segment – Concessions*". While natural disasters or other incidents in a specific region of the world may inevitably have a material impact on our results of operations in that region, the disruption can be mitigated by the results of operations in other parts of the world not affected by such disasters.

Tax/Effective Tax Rate

We operate a global business and each jurisdiction has its own corporate income tax rates, which vary between jurisdictions. Our effective tax rate for FY 2017 was 10.9%. Our relatively low historical effective tax rate resulted in part from a transfer pricing agreement with the Dutch tax authorities which expired on 31 December 2017. On 31 January 2018, we entered into a new transfer pricing agreement with the Dutch tax authorities. Based on the current proportions of our segments relative to our total business and our new transfer pricing agreement with the Dutch tax authorities, our expected effective tax rate for the year ending 31 December 2018 is estimated to be approximately 19%. We expect our effective tax rate to decrease from this level by approximately 2% in the medium term, as a result of the changes to the corporate tax rate in the Netherlands from 25% to 21% in the period from 2019 through 2021. However, our estimate with respect to our effective tax rate is inherently subject to significant uncertainties, many of which are beyond our control. As a result, our actual effective tax rate going forward may vary from our estimate, and those variations may be material. For more information on risks related to taxation, see "*Risk Factors – Risks Relating to our Tax Position*".

Description of Key Line Items

Turnover

Turnover includes income from goods supplied to our customers during the financial year excluding VAT but including attributable excise taxes. Our primary source of turnover is the sale of products to our customers. These sales mainly occur on an individual order basis (where customers request to purchase a selection of products on an ad-hoc basis), through long-term contracts (where customers regularly purchase a more or less fixed selection of products) and by operating retail shops (where customers can choose from a fixed selection of goods in the shop and pay directly upon purchase).

Turnover is measured at the fair value of the consideration received or receivable. Turnover is reduced for estimated customer returns, rebates and other similar allowances. Turnover from the sale of goods is recognised when the goods are delivered and titles have passed, at which time, among other things, the amount of turnover and the costs incurred or to be incurred can be measured reliably.

Purchase Value

Purchase value represents the purchase price of goods sold. The purchase price includes discounts and supplier bonuses and additional costs such as incoming freight, handling and other charges directly attributable to the purchase or sales of the goods and write-downs of inventories.

We purchase goods directly from producers and suppliers of fast-moving consumer goods. In addition, we continuously seek out other purchase opportunities. For example, we purchase overstock and assist manufacturers and distributors in disposing of their end-of-line stock range and we often purchase products from regional offices of leading manufacturers at the end of reporting periods to help reach targets or otherwise clear products.

Other Gains and Losses

Other gains and losses for the period under review represents the exchange rate differences attributable to the purchase value and exchange rate differences between the moment of invoicing and payment. The line item other gains and losses may in the future also include other items which were not applicable in the period under review.

Personnel Costs

Personnel costs comprise the costs of personnel employed by the Group including wages and salaries, social charges, pension costs and other costs directly attributable to these employees. This also includes the cost of temporary personnel. We use temporary staff to create a flexible workforce that is able to work additional early morning and late night shifts, among other things to cover increased workforce demands due to seasonal peaks in our warehouses and retail outlets. Occasionally we also hire temporary staff for administrative work or for IT support.

See "*Management and Employees – Pension Schemes*" for a description of our pension schemes.

Depreciation and Amortisation

Depreciation and amortisation includes depreciation of property, plant and equipment, including assets under financial leases, and amortisation of intangible fixed assets. Intangible fixed assets includes supplier portfolios and non-compete contracts, brand names, concession agreements and other intangible assets, each including those obtained through the Topbrands acquisition for the period under review, if applicable.

Other Operating Expenses

Other operating expenses comprises personnel related costs, office and warehouse costs, marketing costs, ICT expenses, insurance costs, external advice and other, which includes, among other things, banking fees, management fees and communication costs. Personnel related costs comprise vehicle, travel and communication costs such as lease cars and company phones. Office and warehouse costs consist of rental costs for our office buildings and warehouses and expenses relating to utilities, maintenance and service providers. External costs comprises audit assignments for the audit of our financial statements, other audit assignment and other advisory.

Financial Expenses

Financial expenses represent the interest owed on debts. These expenses are recognised using the effective interest method and the interest portion of the financial lease payments. The interest owed on debts mainly

includes interest on borrowing from banks and borrowings from shareholders, and to a lesser extent the interest portion of financial leases.

Taxation on the Result

Taxation on the result comprises current and deferred income tax expenses. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Current income tax is based on the taxable profit for the year. Our current income tax is calculated on the basis of tax rates that have been (substantively) enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Current Trading and Recent Developments

Overall trading to date since 31 December 2017 is in line with our expectations and in line with the seasonal patterns of recent years. See "– *Key Factors Affecting Our Business and Results of Operations – Seasonality*". Growth in turnover and EBITDA is in line with our expectations.

Alcodis Acquisition

On 29 December 2017, an indirect subsidiary of the Company, B&S Holland Trading Group B.V., exercised an option to acquire 51% of the share capital of STG Holding Import-Export SL, the parent company of, among other things, Alcodis Bebidas y Liquores SLU, a liquor distribution company based in Valencia, Spain. STG Holding Import-Export SL generated turnover of €31.2 million (excluding turnover of €14.5 million in eliminations due to intercompany transactions between STG Holding Import-Export SL and the Group) and EBITDA of €0.8 million over 2017 and had a consolidated balance sheet total of €14.8 million as at 31 December 2017. STG Holding Import-Export SL has been consolidated into our consolidated financial statements per 29 December 2017. As a result thereof, the balance sheet of STG Holding Import-Export SL has been consolidated into our consolidated balance sheet as at 31 December 2017. The income statement of STG Holding Import-Export SL has been consolidated into our consolidated income statement from 1 January 2018, because the last two days of 2017 were not business days.

Concession Abu Dhabi Airport

In January 2018, Royal Capi-Lux, operating in our Retail Segment, was granted the concession to operate five electronics stores at the airport in Abu Dhabi, United Arab Emirates. See "*Our Business – Retail Segment – Concessions*".

Pre-IPO Restructuring

In connection with the Offering we intend to restructure certain arrangements with a number of managers of certain group companies and with our CEO and CFO, as described below, prior to the Settlement Date (the "**Pre-IPO Restructuring**"). The interests in the issued share capital of the Company mentioned below are approximate numbers on a fully diluted basis and after cancellation of the P shares (see "*P Shares*" below).

Managers' Vehicle

As part of our effort to promote the success of newly acquired businesses and foster entrepreneurship, we place importance on retaining management following acquisitions by providing them with a continued equity stake in the acquired business. See "*Our Business – Our Strategy – Strategic Acquisitions*". As a result thereof, certain managers of JTG, acquired in 2007, currently hold a stake of 49% in JTG and in JTG WWL S.à r.l. and certain managers of Topbrands, acquired in 2016, currently hold a stake of 49% in Topbrands (together, the "**JTG and Topbrands Managers**"). Furthermore, one of the managing directors of the HTG Segment (the "**HTG Managing Director**") currently holds a profit sharing certificate entitling him to 10% of the net profit of the HTG Segment.

The JTG and Topbrands Managers will transfer 33.0% of their respective shareholdings in these group companies, representing 16.17% of the share capital of each of JTG, JTG WWL S.à r.l. and Topbrands, to the Group immediately following Pricing and before the First Trading Date, resulting in the Company (in)directly

holding 67.17% of the share capital of JTG, JTG WWL S.à r.l. and Topbrands. The transfer will be made against the issuance of 3,156,521 new Ordinary Shares in the capital of the Company, representing 3.75% of the issued share capital, to the Managers' Vehicle for the benefit of the JTG and Topbrands Managers.

The profit sharing certificate of the HTG Managing Director will be redeemed in exchange for (i) the issuance of 1,020,800 new Ordinary Shares in the capital of the Company, representing 1.21% of the issued share capital of the Company, to the Managers' Vehicle for the benefit of the HTG Managing Director, (ii) a non-voting 5% stake in B&S Holland Trading Group B.V. (the holding company of the HTG Segment) and (iii) an entitlement to 6.7% of the net profit of certain group companies within the HTG Segment that are not direct or indirect subsidiaries of B&S Holland Trading Group B.V.

The Managers' Vehicle is a special purpose vehicle directly held by Stichting Administratiekantoor B&S Participations (the "**STAK**"), a Dutch foundation controlled by two members of the Executive Board of the Company. The STAK will issue depositary receipts for the shares it holds in the Managers' Vehicle to the JTG and Topbrands Managers and the HTG Managing Director (together, the "**Managers**") *pro rata* to their respective entitlements to the Ordinary Shares to be issued to and subsequently held by the Managers' Vehicle.

In aggregate, 4,177,321 new Ordinary Shares, representing 4.96% of the then-issued share capital of the Company, will be issued to the Managers' Vehicle immediately following Pricing and before the First Trading Date, and such Ordinary Shares will be offered in the Offering as part of the Offer Shares. In addition, 221,846 existing Ordinary Shares, representing 0.26% of the then-issued share capital of the Company, will be transferred to the Managers' Vehicle by Lebaras and Sarabel *pro rata* to their respective shareholdings in the Company immediately following Pricing and before the First Trading Date, and such Ordinary Shares will be offered in the Offering as part of the Offer Shares by the Managers' Vehicle for the benefit of Sarabel and Lebaras.

The Managers' Vehicle is expected to be unwound shortly following the Settlement Date. In connection with the unwinding of the Managers' Vehicle, the cash proceeds from the contemplated sale by the Managers' Vehicle in the Offering of the 4,177,321 Offer Shares and the 221,846 Offer Shares will be transferred to the Managers and to Sarabel and Lebaras, respectively and each *pro rata* to their respective entitlements.

CEO

At the date of this Prospectus, Mr Meulman, our CEO, indirectly through Lebaras Holding S.à r.l., is contractually entitled to 3.0% of our consolidated net result before taxation. This contractual entitlement will be cancelled immediately following Pricing and before the First Trading Date and with effect from 1 January 2018, in exchange for an affiliate of Lebaras ultimately receiving a dividend payment of an amount corresponding to 2% of the total value of the Company at the Offer Price. The dividend payment will be treated as a dividend funded from the freely distributable reserves of the Company, resulting in a cash outflow but with no impact expected on our income statement. Assuming an Offer Price at the bottom, mid-point or top of the Offer Price Range, the dividend payment will amount to €24.4 million, €27.1 million or €29.9 million, respectively.

Furthermore, the annual fixed compensation of our CEO will be increased and an annual cash bonus plan linked to our result before taxation will be introduced. The amount of the annual cash bonus of our CEO will be capped at 0.6% of our consolidated profit for the year from continuing operations in any year. See "*Management and Employees – Executive Board Remuneration – Remuneration of the Executive Board*".

CFO

At the date of this Prospectus, Mr Van Laar, our CFO, is contractually entitled to 1.5% of our consolidated net profit after taxation. This contractual entitlement will be cancelled immediately following Pricing and before the First Trading Date. The annual fixed compensation of our CFO will be increased and an annual cash bonus plan linked to our result before taxation will be introduced. The amount of the annual cash bonus of our CFO will be capped at 0.2% of our consolidated profit for the year from continuing operations in any year. See "*Management and Employees – Executive Board Remuneration – Remuneration of the Executive Board*".

Effects of the Pre-IPO Restructuring on our profit for the year from continuing operations

The net effect of the Pre-IPO Restructuring on our consolidated profit for the year from continuing operations for the year ending 31 December 2018 and the years thereafter is expected to be positive. The share of profit attributable to the owners of the Company relative to the non-controlling interest will increase, as a result of the transfer of approximately 16.17% of the share capital of each of JTG and Topbrands to the Group. Furthermore, the redemption and cancellation of the profit sharing certificate of the HTG Managing Director and the contractual profit entitlements of our CEO and CFO are expected to have a positive effect on our consolidated profit for the

year from continuing operations from the year ending 31 December 2018 onwards compared to previous years. Based on our FY 2017 financials, the net effect of the Pre-IPO Restructuring on our profit for the year from continuing operations attributable to the owners of the Company would be €7.1 million and the net effect on our EBITDA would be €2.7 million.

See "*Capitalisation and Indebtedness*" for an overview of the effect of (i) the issuance of 4,177,321 new Ordinary Shares, representing 4.96% of the issued capital of the Company, to the Managers' Vehicle and (ii) the dividend payment, assuming an Offer Price at the mid-point of the Offer Price Range, on our capitalisation and indebtedness.

Share and Cash Incentive

On or about the Settlement Date, a group of managers, other than the Managers, (the "**Other Managers**") will receive from Sarabel and Lebaras, *pro rata* to Sarabel's and Lebaras' respective shareholdings in the Company, (i) such number of existing Ordinary Shares as represents a total amount of €4.5 million based on the Offer Price; and (ii) a one-off total cash amount of €4.5 million, in part to cover tax liabilities arising from such transfer of Ordinary Shares (together, the "**Share and Cash Incentive**"). The Ordinary Shares referred to under (i) above will be held by the STAK and depositary receipts for such Ordinary Shares will be issued to the Other Managers *pro rata* to their respective entitlements. Five years following the Settlement Date, the Other Managers will be entitled to acquire the underlying Ordinary Shares from the STAK for no consideration. In the event any Other Manager ceases to be employed by the Group prior to the period of five years following the Settlement Date having been lapsed, the Ordinary Shares held by the STAK for his benefit will be transferred back to Sarabel and Lebaras without any compensation.

Furthermore, at the date of this Prospectus, one of the managing directors of the HTG Segment, not being the HTG Managing Director, indirectly through his holding company is contractually entitled, under certain conditions, to a percentage of the annual net profit of certain group companies within the HTG Segment, and one of the managing directors of the B&S Segment indirectly through his holding company is contractually entitled, under certain conditions, to a percentage of the annual net profit of certain group companies within the B&S Segment. Before the Settlement Date, these managers will each receive a one-off payment of €0.5 million from the Group under their respective contractual entitlements in respect of the year 2017, which will be treated as personnel expenses in our income statement for the year ending 31 December 2018. These contractual entitlements will remain in place following the Offering, in amended but substantially similar form.

Effects of the Share and Cash Incentive on our profit for the year from continuing operations

The IFRS treatment of certain elements of the Share and Cash Incentive is expected to have a negative effect on our profit for the year from continuing operations for the year ending 31 December 2018. Under IFRS 2 (Share-based Payment) any benefit due to the members of the Executive Board or any of the relevant key managers will need to be reflected in our consolidated income statement as personnel expenses, irrespective of the fact whether the costs are borne by the Company or not. Therefore, the transfer of Ordinary Shares from Sarabel and Lebaras to the STAK for the benefit of the Other Managers, representing a total amount of €4.5 million, will be reflected as personnel expenses in our consolidated income statement over the year ending 31 December 2018. As a result, profit for the year from continuing operations in the year ending 31 December 2018 will be lower than it would have been without the Share and Cash Incentive. See "*Dividends and Dividend Policy – Dividend Policy*" for an explanation of how we intend to deal with the expected impact of the Share and Cash Incentive on the payment of dividends in respect of the year ending 31 December 2018. The cash flow effects related to the Share and Cash Incentive will be borne in full by Sarabel and Lebaras and consequently, the cash flow effects to the Company will be nil. Any net profit effect resulting from these personnel expenses will be offset in equity of the Company.

P Shares

At the date of this Prospectus, 3,806,000 P shares in the capital of the Company with a nominal value of €0.06 each are outstanding with an affiliate of Sarabel and with Lebaras, *pro rata* to their respective shareholdings in the Company. The P shares entitle their holders to a preferential dividend of 5.0% on their nominal value as from 1 January 2018, accruing on a daily basis. Immediately following Pricing and before the First Trading Date, the 3,806,000 P shares will be redeemed and cancelled by the Company against payment of a redemption price equal to their nominal value increased with any accrued preferential dividend. This will be treated as a reduction in share capital and result in a cash outflow of approximately €0.2 million, assuming a redemption and cancellation on the date of Pricing, but with no impact expected on our income statement. See "*Capitalisation and Indebtedness*" for an overview of the effect of the redemption and cancellation of the P shares on our capitalisation and indebtedness.

Results of Operations

The following table sets out our financial performance and certain operating results on the basis of our audited consolidated financial information for each of FY 2017, FY 2016 and FY 2015.

	FY 2017	FY 2016	FY 2015
	(in € millions, unless indicated otherwise)		
Turnover	**1,507.3**	**1,339.5**	**1,338.3**
Purchase value	1,291.2	1,150.6	1,151.3
Gross profit	**216.0**	**188.9**	**187.0**
Gross margin	14.3%	14.1%	14.0%
Investment income	**0.4**	**0.7**	**0.9**
Other gains and losses	**3.3**	**(2.6)**	**(6.7)**
Personnel costs	71.6	61.6	57.1
Depreciation and amortisation	8.4	7.5	6.4
Other operating expenses	42.2	36.5	40.5
Total operating expenses	**122.1**	**105.6**	**103.9**
Operating result	**97.5**	**81.4**	**77.3**
Financial expenses	(4.8)	(4.4)	(4.0)
Share of profit of associates	0.4	0.2	0.2
Result before taxation	**93.0**	**77.2**	**73.6**
Taxation on the result	(10.2)	(7.8)	(7.1)
Profit for the year from continuing operations	**82.9**	**69.4**	**66.4**

EBITDA

The following table sets forth the reconciliation of Profit for the year from continuing operations to EBITDA for each of FY 2017, FY 2016 and FY 2015.

	FY 2017	FY 2016	FY 2015
	(in € millions, unless indicated otherwise)		
Profit for the year from continuing operations	**82.9**	**69.4**	**66.4**
Taxation on the result	10.2	7.8	7.1
Result before taxation	**93.0**	**77.2**	**73.6**
Share of profit of associates	(0.4)	(0.2)	(0.2)
Financial expenses	4.8	4.4	4.0
Operating result	**97.5**	**81.4**	**77.3**
Depreciation and amortisation	8.4	7.5	6.4
EBITDA	**105.9**	**88.9**	**83.7**

Segments

The following table sets forth certain key metrics per segment and for Holding and eliminations for FY 2017, FY 2016 and FY 2015.

	FY 2017	FY 2016	FY 2015
	(in € millions, unless indicated otherwise)		
Turnover			
HTG Segment	985.2	821.5	836.9
B&S Segment	426.2	424.5	414.4
Retail Segment	130.2	122.5	115.3
Holding and eliminations	(34.3)	(29.0)	(28.4)
EBITDA			
HTG Segment	65.7	45.5	37.6
B&S Segment	29.7	30.2	34.1
Retail Segment	10.4	12.7	10.9
Holding and eliminations	0.1	0.5	1.0
EBITDA Margin			
HTG Segment	6.7%	5.5%	4.5%
B&S Segment	7.0%	7.1%	8.2%
Retail Segment	8.0%	10.3%	9.4%
Holding and eliminations	–	–	–

Comparison of Results of Operations for FY 2017 and FY 2016

The following discussion sets out our financial performance and certain operating results on the basis of our audited consolidated financial information for each of FY 2017 and FY 2016.

Turnover

Turnover increased by €167.8 million, or 12.5%, to €1,507.3 million for FY 2017, from €1,339.5 million for FY 2016. This increase was driven largely by organic growth in the three segments, with the HTG Segment contributing the largest part of the increase in turnover. We benefited from the full-year consolidation of Topbrands into our financial statements. Topbrands contributed €179.8 million in turnover over FY 2017, of which €102.6 million over the first seven months of FY 2017; compared to full year 2016 turnover of €158.5 million, of which €64.7 million contributed to our turnover over the last five months of FY 2016.

Turnover per segment

HTG Segment

Turnover from the HTG Segment increased by €163.7 million, or 19.9% to €985.2 million for FY 2017, from €821.5 million for FY 2016. This increase was primarily the result of organic growth in HTG Liquors and HTG Health & Beauty. In addition, turnover growth was driven by a shift of liquor distribution activities from the B&S Segment to the HTG Segment, leaving these activities to the HTG Segment.

Furthermore, HTG benefited from the full-year consolidation of Topbrands with a turnover of €102.6 million over the first seven months of FY 2017 compared to €64.7 million over the last five months of FY 2016. The increase in turnover from Topbrands was mainly driven by cross-selling opportunities between Topbrands and the rest of the HTG Segment and the B&S Segment.

B&S Segment

Turnover from the B&S Segment increased by €1.6 million, or 0.4% to €426.2 million for FY 2017, from €424.5 million for FY 2016.

Turnover from the B&S Segment increased as a result of cross-selling opportunities between Topbrands and the B&S Segment and the further development of our activities in the fast-moving consumer goods sector in Dubai.

Turnover growth from the B&S Segment was largely offset by a shift of liquor wholesale distribution activities from the B&S Segment to the HTG Segment; leaving these activities to the HTG Segment and allowing the B&S Segment to retain and increase its focus on further growth in the food and beverages market. In addition, turnover growth was negatively impacted by a decrease in US defence spending in the Middle East, resulting in a

decrease in turnover from the government & defence sector. Furthermore, the B&S Segment's customer base in the maritime sector decreased, as a result of an increase in the number of bankruptcies in the sector, which led to insurance companies being more reluctant to provide insurance coverage, without which we do not enter into contracts with customers.

Retail Segment

Turnover from the Retail Segment increased by €7.7 million, or 6.3% to €130.2 million for FY 2017, from €122.5 million for FY 2016. This increase was primarily the result of the inclusion of the full-year operational results of our duty-free shops at Bremen Airport in Germany, which opened in December 2016. In addition, turnover from the Retail Segment was driven by organic growth from our duty-free shops at Eindhoven Airport in the Netherlands and at UN compounds in Africa and by the opening of new stores at Helsinki Airport in Finland in May 2017 and Vienna International Airport in Austria in December 2017, partly offset by the expiration of the concession agreement with Oslo Airport in Norway in December 2016, resulting in the closing of our shops at Oslo Airport.

Holding and eliminations

Intercompany eliminations increased by €5.3 million, or 18.2% to €34.3 million for FY 2017, from €29.0 million for FY 2016. This increase was primarily due to an increase in intra-group transactions, resulting in an increase in eliminations, in line with turnover growth.

Purchase value

Purchase value increased by €140.6 million, or 12.2%, to €1,291.2 million for FY 2017, from €1,150.6 million for FY 2016. This increase was in line with turnover growth.

Gross profit

As a result of the foregoing, gross profit increased by €27.2 million, or 14.4% to €216.0 million for FY 2017, from €188.9 million for FY 2016. As a percentage of turnover, gross profit increased to 14.3% in FY 2017 from 14.1% in FY 2016. This increase was driven by the full-year consolidation of Topbrands into our financial statements, which benefits from relatively high margins, and by our continued focus on the improvement of our margins and profitability rather than focussing predominantly on turnover growth.

Other gains and losses

Other gains increased by €5.9 million to a gain of €3.3 million for FY 2017, from a loss of €2.6 million for FY 2016. This was the result of an increase in exchange rate gains, due to the Euro strengthening against the US Dollar over the course of FY 2017.

Personnel costs

Personnel costs increased by €10.0 million, or 16.2%, to €71.6 million for FY 2017, from €61.6 million for FY 2016. This increase was primarily due to the full-year consolidation of Topbrands into our financial statements. We also hired additional temporary staff in FY 2017 to facilitate operating additional early morning and late night shifts in order to cover increased workforce demands due to the overutilisation of the warehouse of the B&S Segment in Dordrecht, the Netherlands. In addition, the number of employees increased due to the opening of shops at Helsinki Airport in Finland and at Vienna Airport in Austria. Furthermore, we increased our expenditure on our Group IT and finance staff. As a percentage of turnover, personnel costs increased to 4.8% in FY 2017 from 4.6% in FY 2016. This increase was primarily driven by turnover growth in the Retail Segment, as retail sales are more labour intensive than the sales in the HTG and B&S Segments, resulting in higher average personnel costs as a percentage of turnover, and by the overutilisation of the warehouse of the B&S Segment in Dordrecht, the Netherlands, resulting in increased workforce demand not linked to turnover growth.

Depreciation and amortisation

Depreciation and amortisation increased by €0.9 million, or 11.7%, to €8.4 million for FY 2017, from €7.5 million for FY 2016. This increase was due to higher amortisation costs for intangible fixed assets (FY 2017: €2.4 million; FY 2016: €1.5 million), mainly resulting from the full-year consolidation of Topbrands into our financial statements. Depreciation costs for tangible assets remained stable (FY 2017: €6.0 million; FY 2016: €6.0 million).

Other operating expenses

Other operating expenses increased by €5.7 million, or 15.6%, to €42.2 million for FY 2017, from €36.5 million for FY 2016. This increase was in line with turnover growth, which was in part driven by the full-year consolidation of Topbrands into our financial statements.

Total operating expenses

As a result of the increase in personnel costs, depreciation and amortisation and other operating expenses, total operating expenses increased by €16.6 million, or 15.7%, to €122.1 million for FY 2017, from €105.6 million for FY 2016. As a percentage of turnover, operating expenses increased to 8.1% in FY 2017 from 7.9% in FY 2016, mainly due to the increase in personnel expenses due to the overutilisation of the warehouse of the B&S Segment in Dordrecht, the Netherlands.

Operating result

As a result of the foregoing factors, the operating result increased by €16.1 million, or 19.8%, to €97.5 million for FY 2017, from €81.4 million for FY 2016. As a percentage of turnover, operating result increased to 6.5% in FY 2017 from 6.1% in FY 2016.

Financial expenses

Financial expenses increased by €0.4 million, or 8.9%, to €4.8 million for FY 2017, from €4.4 million for FY 2016. This increase was primarily due to the full-year consolidation of Topbrands into our financial statements.

Result before taxation

As a result of the increase in our operating result and the share of profit of associates, partly offset by an increase in financial expenses, our result before taxation increased by €15.9 million, or 20.6%, to €93.0 million for FY 2017, from €77.2 million for FY 2016. As a percentage of turnover, result before taxation increased to 6.2% in FY 2017 from 5.8% in FY 2016.

Taxation on the result

Taxation on the result increased by €2.4 million, or 30.8%, to €10.2 million for FY 2017, from €7.8 million for FY 2016. Our effective tax rate in FY 2017 was 10.9%, compared to 10.1% in FY 2016. This increase was primarily driven by an increase of our tax base in the Netherlands as a result of the Topbrands acquisition, and a decrease of our tax base in Dubai.

Profit for the year from continuing operations

As a result of the foregoing factors, profit for the year from continuing operations increased by €13.5 million, or 19.4%, to €82.9 million for FY 2017, from €69.4 million for FY 2016. As a percentage of turnover, profit for the year from continuing operations increased to 5.5% in FY 2017 from 5.2% in FY 2016.

EBITDA

EBITDA increased by €17.0 million, or 19.1%, to €105.9 million for FY 2017, from €88.9 million for FY 2016. This increase was driven largely by an increase in turnover and gross profit (as described above) and an increase in exchange rate gains, compared to exchange rate losses in FY 2016. EBITDA Margin increased to 7.0% in FY 2017 from 6.6% in FY 2016.

EBITDA per segment

HTG Segment

EBITDA from the HTG Segment increased by €20.2 million, or 44.5% to €65.7 million for FY 2017, from €45.5 million for FY 2016. This increase was driven partly by the full-year consolidation of Topbrands and partly by organic growth of the other businesses of the HTG Segment, which contributed to an increase in gross profit. Furthermore, the increase in operating expenses of the HTG Segment was lower than its turnover and gross margin growth in FY 2017, as a result of the operational leverage of the stability of the fixed part of the operating expenses compared to an increase in turnover and gross margin.

The HTG Segment's EBITDA Margin increased to 6.7% in FY 2017 from 5.5% in FY 2016. This increase was primarily the result of our continued focus on the improvement of our margins and profitability and the effects of the full-year consolidation of Topbrands, which benefits from higher margins than the HTG Segment's other businesses. Furthermore, the HTG Segment experienced a decrease in operating expenses as a percentage of turnover as a result of operational leverage.

B&S Segment

EBITDA from the B&S Segment remained relatively stable with a decrease of €0.6 million, or 1.8% to €29.7 million for FY 2017, from €30.2 million for FY 2016. This decrease was primarily the result of an increase in the operating expenses of the B&S Segment, due to the overutilisation of its warehouse in Dordrecht, the Netherlands which required the hiring of additional temporary staff to facilitate additional early morning and late night shifts, partly offset by a slight increase in turnover.

EBITDA Margin decreased to 7.0% in FY 2017 from 7.1% in FY 2016. This decrease was primarily the result of a decrease in turnover from the government & defence sector, which generally benefits from relatively high margins. This decrease in turnover from the government & defence sector was partially offset by an increase in turnover from the other sectors that the B&S Segment is active in, which generally generate lower margins than the government & defence sector.

Retail Segment

EBITDA from the Retail Segment decreased by €2.3 million, or 18.2% to €10.4 million for FY 2017, from €12.7 million for FY 2016. This decrease was primarily the result of loss-making contracts in connection with our duty-free shops on board of cruise lines, which we terminated in December 2017. Furthermore, EBITDA from the Retail Segment was impacted by an increase of the concession fees due to the ten-year renewal of the Schiphol concession agreement. As a result of the foregoing, EBITDA Margin decreased to 8.0% in FY 2017 from 10.3% in FY 2016.

Comparison of Results of Operations for FY 2016 and FY 2015

The following discussion sets out our financial performance and certain operating results on the basis of our audited consolidated financial information for each of FY 2016 and FY 2015.

Turnover

Turnover increased by €1.2 million, or 0.1%, to €1,339.5 million for FY 2016, from €1,338.3 million for FY 2015.

Turnover growth was materially and negatively impacted by an effort to improve our margins and profitability rather than focussing predominantly on turnover growth. In light thereof, we discontinued a non-premium-brand perfumes sale and distribution business over the course of 2016. The decision to discontinue this business was driven by the low margins of the business relative to our other business lines and by the limited added value that this business line had to our overall business. The discontinued non-premium-brand perfumes business generated a substantial portion of turnover in FY 2015. In addition, we discontinued our relationships with certain customers that generated relatively low margins, or that were not willing or able to comply with our increasingly stringent know your customer procedures. This resulted in a decrease in turnover, mainly turnover generated in Asia.

These negative impacts on turnover were partly offset by the consolidation of Topbrands into our consolidated results as of 1 August 2016 following completion of the Topbrands acquisition, contributing €64.7 million in turnover over the last five months of FY 2016, and partly by organic growth in other segments of our business.

Turnover per segment

HTG Segment

Turnover from the HTG Segment decreased by €15.4 million, or 1.8% to €821.5 million for FY 2016, from €836.9 million for FY 2015. This decrease was primarily the result of the discontinuation of the non-premium-brand perfumes sale and distribution business. Furthermore, we discontinued relationships with certain customers resulting in a decrease in turnover, mainly turnover generated in Asia, which predominantly affected the HTG Segment. This effect was partly offset by the addition of Topbrands to the HTG Health & Beauty sub-segment as of 1 August 2016.

B&S Segment

Turnover from the B&S Segment increased by €10.1 million, or 2.4% to €424.5 million for FY 2016, from €414.4 million for FY 2015. This increase was primarily the result of organic growth of the B&S World Supply sub-segment due to its expansion into the food & beverage segment of the fast-moving consumer goods market in the Middle-East in cooperation with certain large brand owners. In addition, turnover generated by the Global Cruise Supply sub-segment increased, driven by the strengthening of partnerships with certain cruise line operators, partially offset by lower turnover in certain sub-segments due to deteriorating market conditions mainly outside of Europe.

Retail Segment

Turnover from the Retail Segment increased by €7.2 million, or 6.2% to €122.5 million for FY 2016, from €115.3 million for FY 2015. This increase was primarily the result of organic growth from the opening of new airport shops and concepts, such as the opening of new shops at Copenhagen Airport in Denmark and the opening of the first Beats by Dr. Dre pop-up store at Schiphol Airport in Amsterdam, the Netherlands. Furthermore, the increase in turnover was due to certain shops on UN compounds that we opened in the second half of FY 2015 becoming fully operational in the first half of FY 2016.

Holding and eliminations

Intercompany eliminations increased by €0.7 million, or 2.3% to €29.0 million for FY 2016, from €28.4 million for FY 2015. This increase was primarily due to an increase in intra-group transactions, resulting in an increase in eliminations.

Purchase value

Purchase value decreased by €0.6 million, or 0.1%, to €1,150.6 million for FY 2016, from €1,151.3 million for FY 2015. This development was in line with the development of turnover.

Gross profit

As a result of the foregoing, gross profit increased by €1.8 million, or 1.0% to €188.9 million for FY 2016, from €187.0 million for FY 2015. As a percentage of turnover, gross profit increased to 14.1% in FY 2016 from 14.0% in FY 2015.

Other gains and losses

Other losses decreased by €4.1 million, or 60.9%, to a loss of €2.6 million for FY 2016, from a loss of €6.7 million for FY 2015. This decrease in losses was caused by a decrease in exchange rate losses, due to the fact that the Euro weakened less against the US Dollar over the course of FY 2016 than the Euro had weakened against the US Dollar over the course of FY 2015.

Personnel costs

Personnel costs increased by €4.5 million, or 7.9%, to €61.6 million for FY 2016, from €57.1 million for FY 2015, mainly driven by an increase in our number of employees. This increase was primarily the result of the Topbrands acquisition, resulting in an increase in the number of employees within the HTG Segment from 241 FTEs in FY 2015 to 357 FTEs in FY 2016. We also hired additional temporary staff in FY 2016 to facilitate operating additional early morning and late night shifts in order to cover increased workforce demands due to the overutilisation of the warehouse of the B&S Segment in Dordrecht, the Netherlands. In addition, the number of employees increased due to the opening of additional duty free shops on cruise ships and regional post-exchange stores in Mali within the Retail Segment. Furthermore, we expanded our Group IT workforce in order to support our ongoing IT projects, such as the implementation of BiT ERP as defined and described in "*Our Business – Information Technology Systems*". As a percentage of turnover, personnel costs increased to 4.6% in FY 2016 from 4.3% in FY 2015. This increase was primarily driven by turnover growth in the Retail Segment, as retail sales are more labour intensive than the sales in the HTG and B&S Segments, resulting in higher average personnel costs as a percentage of turnover, and by the overutilisation of the warehouse of the B&S Segment in Dordrecht, the Netherlands, resulting in increased workforce demand not linked to turnover growth.

Depreciation and amortisation

Depreciation and amortisation increased by €1.1 million, or 17.6%, to €7.5 million for FY 2016, from €6.4 million for FY 2015. This increase was due to higher amortisation costs for intangible fixed assets (FY 2016:

€1.5 million; FY 2015: €0.9 million) and higher depreciation costs for tangible assets (FY 2016: €6.0 million; FY 2015: €5.5 million), mainly resulting from the Topbrands acquisition.

Other operating expenses

Other operating expenses decreased by €4.0 million, or 9.9%, to €36.5 million for FY 2016, from €40.5 million for FY 2015. This decrease was primarily the result of a one-off operating expense in FY 2015 for the payment of a guarantee we had issued for a business partner in the maritime sector, which became due and payable as a result of such business partner going into bankruptcy. In addition, the decrease in other operation expenses was due to lower overhead expenses and lower other operating expenses, partly offset by an increase in ICT expenses due to costs relating to the implementation of our BiT ERP system. See "*Our Business – Information Technology Systems*".

Total operating expenses

As a result of the increases in personnel costs and in depreciation and amortisation, partly offset by the decrease of other operating expenses, our total operating expenses increased by €1.6 million, or 1.6%, to €105.6 million for FY 2016, from €103.9 million for FY 2015. As a percentage of turnover, operating expenses increased to 7.9% in FY 2016 from 7.8% in FY 2015.

Operating result

As a result of the increase in gross profit and the decrease in other losses, partly offset by the increase in operating costs, our operating result increased by €4.1 million, or 5.3%, to €81.4 million for FY 2016, from €77.3 million for FY 2015. As a percentage of turnover, operating result increased to 6.1% in FY 2016 from 5.8% in FY 2015.

Financial expenses

Financial expenses increased by €0.5 million, or 11.7%, to €4.4 million for FY 2016, from €4.0 million for FY 2015. This increase was due to an increase in the aggregate interest payments relating to bank facilities and lease obligations, predominantly resulting from the loan facility for the acquisition of Topbrands and the payment of interest under the facilities of Topbrands as from 1 August 2016 due to the consolidation of Topbrands into our consolidated financial statements. The total amount available under the Topbrands acquisition facility was €20.0 million and the interest payments under this facility amounted to €0.1 million in FY 2016. The aggregate maximum amount available under the facilities of Topbrands is €34.2 million and the interest payments under these facilities in FY 2016 as from 1 August 2016 amounted to €0.3 million.

Result before taxation

As a result of the increase in operating result and the limited changes in our financial expenses and the share of profit of associates, our result before taxation increased by €3.6 million, or 4.9%, to €77.2 million for FY 2016, from €73.6 million for FY 2015. As a percentage of turnover, result before taxation increased to 5.8% in FY 2016 from 5.5% in FY 2015.

Taxation on the result

Taxation on the result increased by €0.6 million, or 8.9%, to €7.8 million for FY 2016, from €7.1 million for FY 2015. This increase was mainly due to the Topbrands acquisition, which increased our tax base in the Netherlands. Our effective tax rate in FY 2016 was 10.1%, compared to 9.7% in FY 2015.

Profit for the year from continuing operations

As a result of the foregoing factors, profit for the year from continuing operations increased by €3.0 million, or 4.5%, to €69.4 million for FY 2016, from €66.4 million for FY 2015. As a percentage of turnover, profit for the year from continuing operations increased to 5.2% in FY 2016 from 5.0% in FY 2015.

EBITDA

EBITDA increased by €5.2 million, or 6.3%, to €88.9 million for FY 2016, from €83.7 million for FY 2015. This increase was driven largely by an increase in gross profit. In addition, we improved the control over our operating expenses, excluding the operating expenses of Topbrands of €4.8 million, which we consolidated into our financial statements as from 1 August 2016. EBITDA Margin increased to 6.6% in FY 2016 from 6.3% in FY 2015.

EBITDA per segment

HTG Segment

EBITDA for the HTG Segment increased by €7.9 million, or 21.0% to €45.5 million for FY 2016, from €37.6 million for FY 2015. This increase was primarily the result of the addition of Topbrands to the HTG Health & Beauty sub-segment as of 1 August 2016. The HTG Segment operating expenses increased due to the Topbrands acquisition, partly offset by the implementation of certain operational cost efficiency improvements.

The HTG Segment's EBITDA Margin increased to 5.5% in FY 2016 from 4.5% in FY 2015. This increase was primarily driven by an effort to improve our margins and profitability rather than focussing predominantly on turnover growth, resulting in, among other things, the discontinuation of a non-premium-brand perfumes sale and distribution business with relatively low margins over the course of 2016. Furthermore, the EBITDA Margin of the HTG Segment increased as a result of the acquisition of the Topbrands business, which benefits from relatively high margins.

B&S Segment

EBITDA from the B&S Segment decreased by €3.9 million, or 11.5% to €30.2 million for FY 2016, from €34.1 million for FY 2015. This decrease was primarily the result of an increase in purchase value and an increase in operating expenses. The increase in operating expenses was primarily attributable to increased personnel costs as a result of a staff increase in the IT and finance departments of the B&S Segment, and to an increase in IT expenses, driven by preparatory work for the implementation of our BiT ERP system. See "*Our Business – Information Technology Systems*".

The B&S Segment's EBITDA Margin decreased to 7.1% in FY 2016 from 8.2% in FY 2015. This decrease was primarily the result of an increase in turnover generated from certain liquor wholesale activities in mainly Asia, because wholesale activities tend to generate lower margins. Furthermore, the B&S Segment experienced an increase in personnel costs, primarily due to the hiring of additional staff for the IT and finance departments and the hiring of additional temporary staff to cover increased workforce demands due to the overutilisation of its warehouse in Dordrecht, the Netherlands.

Retail Segment

EBITDA from the Retail Segment increased by €1.8 million, or 16.4%, to €12.7 million for FY 2016, from €10.9 million for FY 2015. This increase was primarily the result of an increase in turnover, primarily due to organic growth, partly offset by an increase in operating expenses as a result of the opening of new shops.

The Retail Segment's EBITDA Margin increased to 10.3% in FY 2016 from 9.4% in FY 2015. This increase was primarily the result of adjustments to the product portfolio of the Royal Capi-Lux shops by substituting products with relatively low margins with products with higher margins. In addition, Royal Capi-Lux improved the relationship with certain of its suppliers, enabling it to negotiate better terms.

Liquidity and Capital Resources

Our principal sources of liquidity have been cash flow from operating activities and proceeds from loans and borrowings, which are mainly short-term in nature. Our primary liquidity and capital resource needs are to finance working capital and capital expenditures.

Cash Flow

The table below summarises our consolidated cash flow for FY 2017, FY 2016 and FY 2015. This table should be read in conjunction with the accompanying notes in the respective consolidated special purpose financial statements included elsewhere in this Prospectus.

	FY 2017	FY 2016	FY 2015
		(in € millions)	
Net cash (used in)/generated by operating activities	89.7	78.7	5.2
Net cash (used in)/generated by investing activities	(4.6)	(34.7)	(2.4)
Net cash (used in)/generated by financing activities	(83.7)	(39.3)	2.8
Net cash flow	**1.3**	**4.7**	**(0.01)**
Cash and cash equivalents at 1 January	13.2	8.2	7.9
Balance from acquisitions through business combinations	–	–	0.3
Balance from acquired companies	2.9	0.3	–
Movement	1.3	4.7	(0.01)
Net cash and cash equivalents at end of year	17.4	13.2	8.2

Cash Flow generated by Operating Activities

Net cash from operating activities consists of cash received from debtors offset by cash paid to creditors and employees, which is the cash flow from business activities, adjusted for interest paid and corporate income taxes paid.

We generated net cash from operating activities of €89.7 million in FY 2017, compared with €78.7 million in FY 2016 and €5.2 million in FY 2015. This increase was primarily due to an increase in inventory turnaround, as a result of our effort to improve our margins and profitability rather than focussing predominantly on turnover growth. For example, in 2015 we had a relatively large amount of cash tied up in our perfume business in the HTG Segment. Part of this perfume business consisted of a non-premium brand perfumes sale and distribution business. Because this business operated with relatively low margins, we decided to discontinue this business over the course of 2016 as part of our efforts to further improve our margins.

Cash Flow used in Investing Activities

Net cash used in investing activities consists of net cash outflow on acquisitions of subsidiaries, payments for property, plant and equipment and payments for intangible fixed assets offset by dividends received from associated companies, repayments on loans issued to associated companies and any proceeds from disposals.

Net cash used in investing activities amounted to €4.6 million cash outflow in FY 2017, as compared to €34.7 million cash outflow in FY 2016 and €2.4 million cash outflow in FY 2015. The increase in cash outflow in FY 2016 was primarily due to the Topbrands acquisition in August 2016, which resulted in a net cash outflow of €30.4 million. The increase in cash outflow in FY 2017 compared to FY 2015 was mainly driven by an increase in payments for intangible fixed assets, which was mainly attributable to investments in the implementation of our BiT ERP system. See “*Our Business – Information Technology Systems*”.

Cash Flow used in Financing Activities

Net cash used in financing activities mainly consists of dividends paid to the owners of the Company, repayments on loans from banks and related parties, new loans received from banks and related parties, changes in the supplier finance arrangement with BNP Paribas (see “*– Indebtedness*”) and changes in short-term financing received from banks. Because we are mainly financed by short-term working capital facilities, we do not hold the cash we generate as cash and cash equivalents, but use such cash to repay these short-term working capital facilities.

Net cash used in financing activities amounted to €83.7 million cash outflow in FY 2017, as compared to €39.3 million cash outflow in FY 2016 and €2.8 million cash inflow in FY 2015. This increase in cash outflow was primarily due to the financing of the Topbrands acquisition in FY 2016 and the pay out of dividends to the owners of the Company of €43.5 million in FY 2016 and €64.4 million in 2017. Furthermore, as a result of the relatively high cash inflow from operating activities and the relatively low cash outflow used in investing activities in FY 2017, we used €6.9 million in cash to repay short-term financing received from banks.

Working Capital

At 31 December 2017, 2016 and 2015, our net working capital amounted to €407.8 million, €389.9 million and €332.9 million, respectively, representing 27.1%, 29.1% and 24.9% of our turnover, for the respective year then ended. We calculate working capital as inventories plus trade receivables minus trade payables. Although our working capital requirements are subject to seasonal fluctuations, such fluctuations have not been material during the periods under the review. In FY 2017, the maximum amount of our net working capital was approximately 6% above the year-end amount and the minimum position was approximately 8% below the year-end amount. To finance our working capital requirements, we have access to various banking facilities. See "– *Indebtedness – Banking Facilities*". Managing our working capital position is a priority on a consolidated level and within the segments. Specific working capital requirements vary across our segments.

The majority of the HTG Segment's distribution activities are characterised by significant working capital requirements due to high levels of trade receivables from customers and the fact that the HTG Segment's inventory is financed with debt in order to pay suppliers in advance. The HTG Segment's wholesale activities have lower working capital requirements because the advance payment of suppliers for inventory is partially offset by a relatively low amount of trade receivables from customers. The HTG Segment's working capital requirements tend to increase from the start of the summer onwards, when we start building up inventory for the increase in sales during the holiday season, and to decrease again after the holiday season.

The B&S Segment's working capital requirements are generally lower than those of the HTG Segment. The majority of the inventory for the B&S Segment is financed by its suppliers, with the remainder being financed with debt in order to pay suppliers in advance. In addition, the B&S Segment has a significant number of trade receivables from customers. The working capital requirements of the B&S Segment tend to increase from May onwards, which is mainly driven by the Global Cruise Supply sub-segment which starts to build inventory for the peak of the cruise season in June through September, and to decrease after the peak of the cruise season in September.

The Retail Segment has relatively low working capital requirements, because it generates most of its turnover by operating retail shops at airports, where customers pay directly upon purchase, while most of the suppliers of the Retail Segment apply a thirty-day payment term and the majority of the corresponding inventory is sold within this time period. The Retail Segment does not experience material seasonality effects in its working capital position.

We believe that the working capital available to us is sufficient for our present requirements, that is for at least the next 12 months following the date of this Prospectus.

Indebtedness

The following table provides an overview of our non-current and current borrowings as at the end of the periods indicated.

	FY 2017	FY 2016	FY 2015
		(in € millions)	
Non-current borrowings			
Borrowings from banks	19.4	20.6	5.3
Borrowings from related parties	2.5	2.6	4.1
Financial lease	0.9	1.5	1.0
Current borrowings			
Credit facilities	184.5	186.9	142.0
Borrowings due within one year	5.3	6.0	4.9
Supplier finance arrangements	10.7	10.5	34.4

We rely mainly on short-term credit facilities from banks for external capital. Our current borrowings from financing banks are mainly used for the financing of our working capital. While the short-term nature of these arrangements exposes us to the risk of having to refinance, we believe that the cash-generative nature of our business mitigates this risk. In addition, we have a supplier finance arrangement with BNP Paribas, pursuant to which a BNP Paribas subsidiary acts as our purchasing entity by purchasing inventory from certain suppliers and selling it to us with a payment term of 180 days. Borrowings due within one year represent the repayment obligations for our non-current borrowings from banks.

Our non-current borrowings are used for the financing of non-current assets such as property, plant and equipment and acquisitions. These borrowings comprise borrowings from financing banks, from related parties and certain financial leases.

The increase in our non-current borrowings from banks in FY 2016 was mainly due to the acquisition facility for the Topbrands acquisition, which was completed on 1 August 2016. The total amount drawn under the Topbrands acquisition facility was €20.0 million. The increase in our current borrowings in FY 2016 was mainly due to the consolidation of the facilities of Topbrands into our consolidated financial statements as from 1 August 2016. As at 31 December 2016, the aggregate amount drawn under these existing Topbrands facilities was €25.6 million.

Banking Facilities

We have access to a number of committed and uncommitted credit facilities to finance our business (the "**Facilities**"). Although we are financed on a decentralised level, all credit facilities are negotiated on a centralised level by the Executive Board and senior management.

We have longstanding relationships with various banks, including ABN AMRO Bank, BNP Paribas, Deutsche Bank, ING Bank and Rabobank. Each segment has access to a number of credit lines with one or more of these banks to finance the working capital needs of its operating companies, for general corporate purposes and for cash management purposes. In addition, we have access to certain credit lines that are not allocated to one segments, and which are used for the financing of acquisitions and other non-current assets such as property, plant and equipment.

The following overview shows the aggregate maximum amount available and the aggregate principal amount outstanding under the Facilities per segments as at 31 December 2017.

	Maximum amount available	**Principal amount outstanding**
	(in € millions)	
HTG Segment	242.2	144.8
B&S Segment	97.8	42.8
Retail Segment	2.5	4.2[1]
Total	**342.5**	**191.8**

(1) In FY 2017, the Retail Segment has drawn under certain facilities that are formally part of the B&S Segment; resulting in a higher principal amount outstanding with the Retail Segment than the maximum amount available under the Facilities for the Retail Segment.

The maximum available amount under the Facilities at the end of FY 2017 was €342.5 million (FY 2016: €332.4 million; FY 2015: €270.5 million). As at the date of this Prospectus, €212.1 million of the maximum amount available under the Facilities was committed.

All Facilities are secured, primarily with pledges on fixed assets, inventory, trade receivables and/or insurance receivables. On 31 December 2017, approximately 87% of our assets were encumbered with security rights under the Facilities. The interest rates under the Facilities are based on EURIBOR for loans in Euros and LIBOR for loans in other currencies, plus a margin. Our weighted average interest rates for FY 2017, FY 2016 and FY 2015 were 2.3%, 2.0% and 2.0%, respectively.

Under our Facilities we are required to comply with certain financial and other covenants. The majority of our Facilities require us to comply with the following financial covenants:

- our Solvency must be at least 25% at all times. In this instance, Solvency means our Adjusted Guaranteed Capital as a percentage of our Adjusted Balance Sheet Total. Adjusted Guaranteed Capital means the total of our group equity, subordinated loans and hidden reserves of real estate deducted intangible assets and amounts owed by directors, shareholders or related entities that are not at arm's length. Adjusted Balance Sheet Total means the balance sheet total increased by off-balance sheet commitments from operational lease contracts and decreased by intangible assets, deferred tax assets, participating and non-controlling interests and amounts owed by directors, shareholders, related entities or participating, non-controlling interests that are not at arm's length;

- our Interest Coverage Ratio, being the ratio of EBITDA to the sum of net interest paid in cash and capitalised interest, must be at least 3.0 at all times. In this instance, EBITDA means earnings before taxes, interest and other financial income and expenses, extraordinary income and expenses, depreciation and amortisation;
- our Current Ratio, being the ratio of the sum of the amount of total inventory and trade receivables to the sum of the total amount owed to the suppliers of the inventory and the outstanding amounts owed to our financiers, must be at least 1.2 at all times.

The maximum amount available under the Facilities for the HTG Segment amounted to €242.2 million at the end of FY 2017 (FY 2016: €222.7 million; FY 2015: €166.0 million). On 31 December 2017, €144.8 million of the Facilities was outstanding with companies in the HTG Segment (FY 2016: €134.9 million; FY 2015: €99.9 million).

The maximum amount available under the Facilities for the B&S Segment amounted to €97.8 million at the end of FY 2017 (FY 2016: €107.0 million; FY 2015: €101.7 million). On 31 December 2017, €42.8 million of the Facilities was outstanding with companies in the B&S Segment (FY 2016: €52.1 million; FY 2015: €60.0 million).

The maximum amount available under the Facilities for the Retail Segment amounted to €2.5 million at the end of FY 2017 (FY 2016: €2.7 million; FY 2015: €2.9 million). On 31 December 2017, €4.2 million of the Facilities was outstanding with companies in the Retail Segment (FY 2016: €2.3 million; FY 2015: €0 million).

Related Party Loans

As at 31 December 2017, we had one related party loan outstanding for an aggregate amount of €2.5 million, pursuant to a loan agreement dated 30 September 2016 between Topbrands Europe B.V. as borrower and Topbrands Onroerend Goed B.V. as lender. As at 31 December 2017, Topbrands Onroerend Goed B.V. holds 49% of the shares in the capital of Topbrands Europe B.V., whereas Topbrands Investments B.V., an indirect subsidiary of the Company, holds 51% of the shares in Topbrands Europe B.V. The applicable interest rate on the loan is 5% annually. The current outstanding amount is equal to the original amount and the final maturity date of the loan is 31 December 2018. The loan is unsecured.

Financial Leases

We have a financial lease with respect to the AutoStore system in our warehouse in Delfzijl, the Netherlands, for an aggregate amount of €1.5 million as at 31 December 2017. The interest rate on the financial lease is 3.2% annually. See "*Our Business – HTG Segment – Warehouses*" for more information on our AutoStore system.

Contractual Obligations and Commitments

We have certain contractual obligations and commitments relating to outstanding guarantees, operational leases and long-term rental agreements.

Outstanding guarantees relate to import duties, rental agreements and other guarantees. The following table summarises our outstanding guarantees as at the end of the periods indicated:

	FY 2017	FY 2016	FY 2015
		(in € millions)	
Total maximum level of guarantee facility granted to the Group	26.0	26.0	26.0
Issued guarantees in relation to import duties	11.0	9.1	8.7
Issued guarantees in relation to rental agreements	1.2	1.1	1.7
Other issued guarantees	2.9	2.3	10.3
Total	15.0	12.5	20.6

Operational leases concern leases on vehicles with leasing companies. The following table summarises the maturity and related value of outstanding operational leases as at the end of the periods indicated:

	FY 2017	FY 2016	FY 2015
		(in € millions)	
Less than 1 year	0.7	0.6	0.6
1 – 5 years	0.7	0.6	0.8
More than 5 years	–	–	–
Total	1.4	1.1	1.3

We have entered into certain long-term rental agreements. The annual rental charges in connection with our long-term rental agreements are indexed each year, save for the rental agreement for our office in Luxembourg. The following table summarises the maturity and related value of outstanding rental agreements as at the end of the periods indicated:

	FY 2017	FY 2016	FY 2015
		(in € millions)	
Less than 1 year	7.6	7.0	5.0
1 – 5 years	24.3	24.2	18.8
More than 5 years	20.2	1.8	7.6
Total	52.1	33.0	31.4

See "*– Anticipated Future Developments – IFRS 16 – Leases*" for information on anticipated changes to IFRS that are expected to have a significant impact on how we account for our obligations under operating leases and rental agreements.

Capital Expenditure

We define capital expenditure as investments in property, plant, equipment and software. Our capital expenditure includes costs relating to plant and machinery, shop inventory, vehicles, IT hardware, IT software, real estate and general inventory. Our capital expenditures for FY 2017, FY 2016 and FY 2015 amounted to €7.5 million, €5.4 million and €5.1 million respectively, representing 0.5%, 0.4% and 0.4% of our total turnover for FY 2017, FY 2016 and FY 2015, respectively. Investments in FY 2017 related predominantly to IT software, plant and machinery, shop inventory, and to a lesser extent to IT hardware. Investments in FY 2016 related predominantly to shop inventory, and to a lesser extent to general inventory, vehicles and IT hardware. Investments in FY 2015 related predominantly to an investment of €1.3 million in the AutoStore system in our Delfzijl warehouse, €1.0 million in new warehouse equipment and a €1.2 million investment mainly for the opening of new shops in the Retail Segment at Copenhagen Airport in Denmark.

We expect to spend approximately €10-12 million in capital expenditure in 2018, comprising an investment of approximately €5 million in the semi-automated system in our new warehouse in Dordrecht, the Netherlands, approximately €2.5 million in general yearly replacement investments, approximately €2.5 million in our IT systems and approximately €1.5 million for the expansion of the capacity of the AutoStore system in our warehouse in Delfzijl. See "*Our Business – B&S Segment – Warehouses*" for more information about the semi-automated system in Dordrecht. We expect to finance these capital expenditures mainly from our cash flows. in 2019, we expect to incur capital expenditure for the opening of new shops at Abu Dhabi airport in the United Arab Emirates.

Contingent and other Off-Balance Sheet Liabilities

We are not a party to any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future material effect on our financial condition, results of operations, liquidity, capital expenditure or capital resources, except for outstanding guarantees, operational leases, concession agreements and rental agreements (see "*– Contractual Obligations and Commitments*").

Critical Accounting Policies

Unless otherwise indicated, the financial information included in this Prospectus has been prepared and presented in accordance with IFRS. See "*Important Information – Presentation of Financial and Other*

Information" and the notes to our consolidated special purpose financial statements included elsewhere in this Prospectus.

The preparation of financial statements requires management to make a number of estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities, of turnover and expenses and the disclosure of contingent assets and liabilities. All assumptions, expectations and forecasts used as a basis for certain estimates within the financial statements represent good faith assessments of our future performance for which management believes there is a reasonable basis. These estimates and assumptions represent our view at the times they are made, and only then. They involve risks, uncertainties and other factors that could cause our actual future results, performance and achievements to differ materially from those forecasted.

The estimates and assumptions that may have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below.

Impairment of Goodwill

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units that is expected to benefit from the synergies of a combination. Impairment of goodwill is calculated based on an estimation of the value of the cash-generating units to which goodwill has been allocated, on the basis of an estimation of the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. The realisable value of goodwill is influenced by factors such as projections of future economic conditions and expectations regarding market developments and operations. If the actual future cash flows are lower than estimated, this may lead to a material impairment of goodwill.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods. On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

It is inherent in the method of computation used that a change in assumptions may lead to a different conclusion on the impairment required. The following aspects provide an indication of the sensitivity of the impairment tests to changes in key assumptions used:

- If the discount rate is assumed to be 1% higher than used in the separate impairment tests, no impairments would have been required.
- If future annual sales growth rate is set 1% lower than used in the separate impairment tests, whilst maintaining cost levels on the original assumptions, no impairments would have been required.
- If gross margins were to show a cumulative decrease of 1.5% over the coming years, while maintaining the other assumptions used in the separate impairment tests, no impairments would have been required.

Useful Lives of Tangible Fixed Assets and other Intangible Fixed Assets

The estimated useful lives of property, plant and equipment are reviewed at the end of each reporting period.

Other intangible fixed assets consist of brand names, concessions, software and other contracts. Intangible fixed assets are amortised over their useful economic life, which is defined at the moment of acquisition. The value of these assets is based on an estimation of the future cash flows at a suitable discount rate. If the actual future cash flows are lower than estimated, this may lead to a material impairment of other intangible fixed assets. The estimated useful lives of other intangible fixed assets are reviewed at the end of each reporting period.

Allowance for Doubtful Debts

Doubtful debts are trade receivables that are past the contractually agreed due date for payment or otherwise have a higher risk of remaining unpaid. The determination of the size of the allowance for doubtful debts is based on certain estimations and assumptions. If the actual future cash flows are lower than expected based on these estimations and assumptions, this may have a material effect on the allowance for doubtful debts.

Provision for Obsolescence of Inventory

The provision for obsolescence of inventory is based on estimates taking into account market conditions and expectations of market conditions. Significant changes to market conditions in the upcoming years may have a material effect on the provision for obsolescence of inventory.

Financial Risk Management

Overview

As a result of our activities, we are exposed to various financial risks. The Company applies a Group-wide treasury policy for the adequate management of cash flows and financing flows combined with management of the related financial risks, such as currency risks and interest rate risks.

A summary of the main financial risks that we are exposed to is provided below, together with a description of how the Company manages these risks. These risks are categorised as liquidity risks, currency risks, interest rate risks and credit risks.

Liquidity Risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations at the required time. Liquidity management is based on the principle that sufficient liquidity is maintained in the form of available credit facilities or cash and cash equivalents to meet the obligations in normal and in exceptional circumstances. Cash flows are forecasted within our Group on a regular basis and we monitor where we have sufficient liquidity for the operating activities while maintaining sufficient credit facilities.

The extent of the risk that covenants agreed with financial institutions will be breached is regularly determined. Our solvency ratio (42.9% in FY 2017) and interest coverage ratio (21.9 points in FY 2017), are well within the limits of the covenants agreed with the various financial institutions of a minimum solvency ratio of 25% and a minimum interest cover ratio of 3.0 points. These agreed covenants are similar for all of our main financial institutions.

The solvency ratio covenant of 25% would only be breached if our net result in FY 2017 decreased by more than €100 million. The interest coverage ratio covenant would only be breached if our operating result in FY 2017 decreased by more than €91 million.

Currency Risk

Most of our turnover is in Euros, which is our functional currency. Other currencies used for trading are mainly the US Dollar and, to a lesser extent, the British Pound and the Japanese Yen. The main currency risks arise when selling and purchasing in the US Dollar and, to some extent, when selling in the British Pound and Japanese Yen or vice versa. We manage the risks from trading in non-Euro currencies by matching incoming and outgoing cash flows as closely as possible in the same currency.

Extraordinary currency positions and risks are dealt with by the Company's treasury department that monitors the cash flows of each segment on a daily basis. To mitigate the risk from currency transactions we use hedging instruments, such as spot and forward contracts and currency swaps, when appropriate and on a case-by-case basis. Because most of the entities in our Group are based in the Eurozone, the balance sheets and profit and loss accounts are in Euros. See "*– Key Factors Affecting our Business and Results of Operations – Foreign Currency Exchange Rates*".

Interest Rate Risk

We are exposed to interest rate risks because our Group entities are financed by both fixed and variable rate interest borrowings. In order to reduce the volatility of the interest expenses the variable interest on short term bank loans for an aggregate amount of €50 million has been hedged for the period up until August 2019.

For more information regarding interest rate risk, see Note 42 (Risk management and financial instruments) to our special purpose consolidated financial statements included elsewhere in this Prospectus.

Credit Risk

Credit risk is the risk of financial loss if a customer or counterparty in a financial instrument fails to meet its contractual obligations. Our credit risk arises mainly from trade receivables, with limited credit concentration. The activities of the Retail Segment are mainly carried out in exchange for direct payment in cash. The HTG and B&S

Segments have a large number of customers, with a correspondingly low to no material concentration of credit risk.

We do business with a large number of customers around the world. We have established strict internal policies and guidelines with respect to business agreements with new customers, payment terms and credit risk management. Our policies and guidelines require trade transactions to be secured, either by payment upfront, by way of insurance or by a secured payment instrument, such as a guarantee or letter of credit. Our internal credit risk department analyses each new customer individually for creditworthiness before we enter into business with them. This department also monitors outstanding payments on a daily basis by means of our credit risk monitoring system, in accordance with the requirements of our insurance providers. Due to our strict policy for new customer acceptance and our payment control systems, our debtor risk is fairly limited and we consider this risk to be under control. The average outstanding debt period is less than 60 days, which is within the limits set by management and acceptable for global trading. As a result of our internal credit risk policies, debtor write-offs are limited. In FY 2017, FY 2016 and FY 2015 our debtor write-offs were €0.1 million, €0.9 million and €1.2 million, respectively.

Anticipated Future Developments

The International Accounting Standards Board ("**IASB**") has published certain new standards and interpretations that were not yet mandatorily applicable or otherwise adopted by us with respect to our current consolidated financial statements. Some of these standards are expected to have a significant impact on our consolidated financial statements for future periods. Standards IFRS 9 (financial instruments) and IFRS 15 (turnover from contracts with customers) have already been endorsed by the European Union and are effective for accounting periods beginning on or after 1 January 2018. Standard IFRS 16 (leases) has already been endorsed by the European Union and is effective for accounting periods beginning on or after 1 January 2019.

IFRS 9 – Financial Instruments

IFRS 9 replaces IAS 39 and introduces new requirements for the classification and measurement of financial assets, including requirements for the classification and measurement of financial liabilities and for de-recognition of financial assets, new requirements for general hedge accounting, and a new model for the calculation of impairments. IFRS 9 applies the concept of business models to determine the classification of a financial instrument. The assumptions are based on expected credit losses. The standard is effective for accounting periods beginning on or after 1 January 2018.

Based on an analysis of our financial assets and financial liabilities as at 31 December 2017, the effect of IFRS 9 in the profit and loss account is to a large extent dependent on future exchange rate development. Therefore we cannot provide a reasonable estimate of the effect. We expect to apply a simplified approach to recognise lifetime expected credit losses for our trade receivables as required or permitted by IFRS 9. In general, we anticipate that the application of the expected credit loss model of IFRS 9 will result in earlier recognition of credit losses for this item and will increase the amount of loss allowance recognised for this item. As the new hedge accounting requirements will align more closely with our risk management policies, with generally more qualifying hedging instruments and hedged items, an assessment of our current hedging relationships indicates that these will qualify as continuing hedging relationships upon application of IFRS 9.

IFRS 15 – Revenue from Contracts with Customers

IFRS 15 establishes a single comprehensive model for entities to use in accounting for turnover arising from contracts with customers. IFRS 15 will supersede the current turnover recognition guidance including IAS 18 (Revenue), IAS 11 (Construction Contracts) and the related interpretations. The new standard is effective for accounting periods beginning on or after 1 January 2018. Under IFRS 15, an entity recognises turnover when a performance obligation is satisfied, being when control of the goods or services underlying the particular performance obligation is transferred to the customer. More prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

We have identified areas where policies will change, but none are expected to have a significant effect on the consolidated statements. IFRS 15 might impact the turnover recognition for some sales with specific delivery terms eventually together with specific agreements regarding the handover of legal documents such as bills of lading.

IFRS 16 – Leases

IFRS 16 eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. IFRS 16 introduces a single on-balance sheet accounting model for all leases, similar to the current model for finance lease accounting. The standard is effective for accounting periods beginning on or after 1 January 2019.

We are currently conducting an analysis of the impact of IFRS 16 on our consolidated financial statements. At the date of this Prospectus we have not yet finalised this analysis. Based on the preliminary results of our analysis, IFRS 16 is expected to have a significant effect on our reported assets and liabilities. IFRS 16 will significantly impact the accounting of our rental agreements and operating lease contracts, whereas the impact on our concession agreements is expected to be relatively limited. We expect to finalise our analysis with respect to the impact of IFRS 16 on our financial statements before the end of 2018, pursuant to which we will decide on the approach for the transition to IFRS 16. See Note 2.2 of the consolidated special purpose financial statements included in this Prospectus beginning on page F-1 for additional information on the application of IFRS 16.

Based on the preliminary results of our analysis, we estimate that the total nominal undiscounted effect of IFRS 16 on our consolidated balance sheet will be an increase of the balance sheet totals for tangible fixed assets and non-current and current liabilities of approximately €60-70 million due to the capitalisation of the leased assets and liabilities. Furthermore, IFRS 16 is expected to have a positive effect on our EBITDA as our rental and operating lease expenses, which are currently included in operating expenses, will be split into depreciation and interest expenses, which are reported below EBITDA. For FY 2017, our rental and operating lease expenses amounted to €7.1 million. IFRS 16 is not expected to have an effect on our profit for the year from continuing operations.

OUR INDUSTRY

This section describes the characteristics, trends and growth drivers of the main markets that we serve. This section also describes the competitive landscape for each of our business segments.

Unless otherwise indicated, the market information in this section is based on our analysis of multiple sources, including the EY-Parthenon Market Report. The EY-Parthenon Market Report covers 10 specific markets which are the most relevant to us: perfume and cosmetics in Europe; perfume, cosmetics and skin care in Asia; value retail in selected European countries; liquor in Europe; liquor in Asia; international fast-moving consumer goods; defence food supply; cruise supply in Europe; ship supply in Europe; and travellers electronics via airport retail in Europe and the Middle East. The market size and historical market growth in these markets have been based on available third party sources including, but not limited to, Euromonitor, the International Wines and Spirits Record (IWSR), the Institute of Grocery Distribution (IGD), the Cruise Lines International Association (CLIA) and Eurostat. Figures of growth of the Company have been provided by us. The Company weighted market growth is indicative and has been based on a channel allocation of a limited subset of the total sales of the Company in the relevant market (typically the larger accounts). The total sales of the Company and the channel allocation for the subset of sales have been provided by us. Market projections have been based on available third party sources and/or are the result of a model calculation of assumed market drivers, in which the forecasts of these market drivers have been provided by third party sources.

In addition, certain statements in this section are based on our own proprietary information, insights, opinions or estimates, and not on any third-party or independent source. These statements contain words such as ‘we believe’, ‘we expect’, ‘we see’, and as such do not purport to cite, refer to or summarise any third-party or independent source and should not be read as such.

Our Main Market Segments

We have leading positions in a number of attractive channels and specialised markets. See “*Our Business*”.

The market segments discussed in this section are perfume and cosmetics in Europe; perfume, cosmetics and skin care in Asia; value retail in selected European countries; liquor in Europe; liquor in Asia; international fast-moving consumer goods; defence food supply; cruise supply in Europe; ship supply in Europe; and travellers electronics via airport retail in Europe and the Middle East. We believe that these market segments combined accounted for approximately 92% of our turnover in 2017.

The following table summarises the historical growth, estimated size, projected growth and estimated contribution to our turnover generated in FY 2017 for each of the market segments discussed below.

	Historical growth (CAGR[1] 2012-2016) *(unless indicated otherwise)*		**Estimated size (€ billion) in 2016** *(unless indicated otherwise)*	**Projected growth overall market (CAGR 2016-2021)** *(unless indicated otherwise)*	**Contribution to our turnover in 2017 (estimate)**
Market Segment	Overall market	Weighted market growth in our exposed channels			
1. Perfume and Cosmetics Europe	2.2%	3.7%	24.9	3.8-4.0%[2]	38.6%
2. Perfume, Cosmetics and Skin Care Asia	5.9%	n/a[3]	69.6[4]	6.4-7.4%[5]	
3. Value Retail Europe	10.1%[6]	n/a	18.1[7]	7.0[8]-14%[9]	
4. Liquor Europe	(0.4%)[10]	0.5%[11]	89.5[12]	1.8[13] -2.8%	30.4%
5. Liquor Asia	0.1%[14]	(0.8%)[15]	168.0[16]	6.9-11.3%[17]	
6. International Fast-moving Consumer Goods	7.5%	n/a	205[18]	5.0-8.7%[19]	1.6%
7. Defence Food Supply	n/a	n/a	n/a	n/a	6.9%
8. Cruise Supply Europe	6.2%[20]	n/a	0.7[21]	5.6-9.4%[22]	8.2%
9. Ship Supply Europe	5.0%[23]	n/a	1.7	3.8%[24]	
10. Travellers Electronics – Airport Retail Europe and Middle East	2.2-8.9%[25]	n/a	0.33-0.56[26]	0.0-4.5%	6.0%

1 “**CAGR**” is defined as compounded annual growth rate that provides a constant rate of growth over the indicated time period.

2 Forecasts over the 2016-2021 and 2016-2020 periods, respectively.

3 Overall market growth in China in this market segment is 7.9% (CAGR 2012-2016) whereas our exposed market growth in China over this same period is estimated to be 10.4%-11.8%.

4 An average USD /EUR exchange rate over 2016 of 1.10 is applied to present this market size in Euros.

5 Forecasts over the period 2016–2021 and 2015-2019 respectively.

6 Based on bottom-up model calculation of 33 fascias, typically the most visible part of a retail brand, across five north western European countries, counted on a per-country basis using fixed exchange rates in 2016 (€1.17 per British pound and €0.10 per Swedish Krona).

7 Based on bottom-up model calculation of 33 fascias across five north western European countries, counted on a per-country basis using fixed exchange rates in 2016 (€1.17 per British pound and €0.10 per Swedish Krona).

8 Forecast based on a subset of nine value retail fascias across the Netherlands, Germany, France and the UK, counted on a per-country basis.

9 Model calculation assuming North West Europe excluding the UK, based on the historical per capita spend trajectory of the UK.

10 Estimate, excluding the duty free channel, based on volume.

11 Our exposed market growth is calculated per country for home countries the Netherlands, Germany, France and Spain and in bulk for total Europe.

12 Estimate, excluding the duty free channel.

13 Forecast for the period 2016-2019.

14 Overall market growth of imported liquors in Asia.

15 Our exposed channels in imported liquor markets in Asia. Almost all of our liquor sales in Singapore are designated for the Chinese market and therefore added to the turnover in China.

16 Estimate for the total liquor market in Asia, excluding the duty free channel. Asia comprises: China, Hong Kong, Indonesia, Japan, Malaysia, Philippines, Singapore, South Korea, Taiwan, Thailand and Vietnam.

17 Forecast of 11.3% is for the period 2015-2020.

18 Total market in selected under-served countries: China, Hong Kong, Taiwan, Singapore, Vietnam, Malaysia, Pakistan, Saudi Arabia, United Arab Emirates.

19 The individual product categories Beer, Non-alcoholic beverages, Toiletries and Confectionery are estimated to grow at approximately 8.7%, 6.4%, 5.4% and 5.0% per year, respectively.

20 Reference period 2009-2015.

21 Represents estimated market size in 2015.

22 Forecasts over the 2016-2022 period.

23 Annual growth rate for the 2007-2016 period, representing European food and beverages supply from chandlers to vessels, airlines and offshore.

24 Forecast over the 2016-2020 period.

25 Reference period 2013-2016.

26 Extrapolation based on Capi sales.

Perfume and Cosmetics in Europe

In 2016, the value of total sales in the European[27] market for perfume and cosmetics was estimated at approximately €24.9 billion, almost equally split over the perfume market and cosmetics market (with sales volumes in 2016 of €12.8 billion and €12.1 billion, respectively).

The European market for perfume and cosmetics has grown approximately 2.2% per year over the 2012-2016 period, most of which is driven by cosmetics. Within the European perfume and cosmetics market segment, the beauty specialist retailers are the largest channel with ‘Internet Retailing’ or online retail, rapidly gaining market share. Our key channels within perfume and cosmetics in Europe are ‘Drugstores & Pharmacies’ and ‘Internet Retailing’ (each of which represented approximately 25% of our turnover generated from European perfume and cosmetic sales in FY 2016), which have outgrown the broader market with annual growth rates of 3.5% and 9.3%, respectively, over the 2014-2016 period.

A key trend in the European perfume and cosmetics market is that the online channel is rapidly increasing its share across all European countries. This trend, which is expected to continue, is most notable in the UK (which is one of our top eight countries in sales from perfume and cosmetics in Europe) where the share of ‘online’ perfume and cosmetics sales volumes over the years has grown from approximately 6% in 2008 to over 15% in 2016.

27 Europe is taken as EU-28 excluding Malta, Cyprus and Croatia and including Switzerland and Norway.

In the coming years, the European perfume and cosmetics market growth is expected to accelerate to 3.8%-4.0% per year for the 2016-2021[28] period. Increasing consumer spending as a result of further expected growth of Gross Domestic Product ("**GDP**") is assumed to be the key growth driver.

Perfume, Cosmetics and Skin Care in Asia

In 2016, the value of total sales in the Asian[29] market for perfume and fragrances, colour cosmetics and skin care (together referred to as the 'beauty' market) was estimated at approximately USD 76.6 billion (approximately €69.6 billion) and consists mostly of skin care products. A key characteristic of the Asian beauty market is that consumers in mature Asian economies vastly outspend consumers in Western European markets with respect to beauty products.

The Asian beauty market has grown approximately 5.9% per year over the 2012-2016 period, with all three segments (skin care, colour cosmetics and perfumes and fragrances) showing rapid growth with annual growth rates of 5.7%, 6.4% and 6.2%, respectively, over this period. The beauty market in China and other Asian emerging countries[30] are growing at faster rates than the beauty market in mature economies in Asia (with annual growth rates of 7.9% and 11.2%, respectively, over the 2012-2016 period). Our key channels within the Asian beauty market are 'beauty specialist retailers' and 'online', each of which are growing faster than the market as a whole (including China, other emerging markets and mature markets) in Asia.

China is a key market for us. Of our total turnover generated in the market segment beauty in Asia in FY 2016, approximately 80% was generated in China, which is a fast growing market. The Chinese beauty market is dominated by skin care products, which represented approximately USD 25 billion, or over 80%, of the USD 31 billion Chinese beauty market in 2016. Similar to the trend in other Asian countries, internet retailing is gaining market share across the beauty product segments in China. The online beauty products channel in China has shown strong growth over the 2012-2016, period with a CAGR of 23.1%.

In addition to the 'online' trend, another key trend is that the premium beauty products segment is growing faster than the mass segment in China and other emerging economies.

In the 2016-2021 period the Asian beauty market is expected to grow further with a CAGR of 6.4-7.4%[31]. China is expected to outpace this Asian growth with a forecast annual growth rate of 8.6% over this same period. Drivers of this growth are estimated to be increasing consumer spending as a result of ongoing growth of GDP per capita and population growth.

Value Retail in Europe

In 2016, the European value retail channel was estimated at approximately €18.1 billion[32]. Value retail stores can be described as non-food retailers with products priced at the low-end of the spectrum, often named 'variety discounters', 'variety stores', or 'dollar' or 'pound stores'.

The European value retail channel has been growing, with an estimated CAGR of approximately 10.1% over the 2012-2016 period. This growth was mainly driven by new store openings, resulting in an estimated 6% increase in number of stores per year over the 2012-2016 period. In particular Action, a key client of ours, grew its number of stores by approximately 440 in the Netherlands, France and Germany in this period. In addition, average sales per store increased on average by 3% per year over the same period[33]. Within the European value retail channel the share of sales of personal and home care products, which are key categories for HTG's sub-segment Health & Beauty, is estimated to be between 10-14%[34].

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28 Forecasts over the 2016-2021 and 2016-2020 periods, respectively.

29 Comprises: China, India, Indonesia, Japan, South Korea, Malaysia, Pakistan, Philippines, Singapore, Taiwan, Thailand and Vietnam.

30 Other emerging countries in Asia are India, Indonesia, Malaysia, Philippines, Pakistan, Thailand and Vietnam.

31 Based on estimates over 2016-2021 and 2014-2019, respectively.

32 Based on bottom-up model calculation of 33 fascias (typically the most visible part of a retail brand) across 5 NW European countries (counted on a per country basis). Fixed 2016 exchange rates used (€1.17 per British pound and €0.10 per Swedish Krona).

33 Based on bottom-up model calculation of 33 fascias across 5 NW European countries (counted on a per country basis). Fixed 2016 exchange rates used (€1.17 per British pound and €0.10 per Swedish Krona).

34 Based on share of sales of personal and home care products at listed European Value Retailers Jawoll (in 2016), Poundland (in 2013) and Europris (in 2016).

Growth in the European value retail channel is estimated to continue over the 2016-2021 period within the range of 7-14% per year, with the highest growth expected in France and Germany. The UK and Sweden have the highest spend per capita in the value retail channel, with an estimated €140 per year in 2016, and many European countries are moving in the same direction. As a comparison, the per capita spend in France and Germany in value retail is estimated at approximately €45 and €33 per year in 2016, respectively, indicating significant upside potential.

Liquor in Europe

In 2016, the value of the total European liquor market, excluding the duty free channel, was estimated at approximately €89.5 billion and accounted for an estimated 22% of the global market value.

Over the 2012-2016 period the European liquor market, excluding the duty free channel, has grown moderately in value and slightly decreased in volume, with CAGRs of 0.7% and (0.4)%, respectively.

In most European countries[35], liquor is sold through the grocery retail channels (mostly super- and hypermarkets). The online and duty free channels (both key channels for us), however, are the fastest growing segments of the European liquor market (with CAGRs of 10.2% and 2.8%, respectively, over the 2012-2016 period[36]). Growth in the duty free segment is mostly driven by increasing liquor sales at airports. Due to our position in online and duty free channels, our channel weighted market volume growth over the 2012-2016 period is estimated to be 0.5%[37], which is approximately 0.9% point higher than the overall European liquor market growth (0.4%)[38] over that same period.

The European liquor market, excluding the duty free channel, is expected to grow with a CAGR of 1.8-2.8% over the 2016-2022 period[39], which is expected to be driven by increasing GDP and growth in consumer spending.

Liquor in Asia

The Asian market is the largest market for liquors globally. In 2016, the value of the Asian liquor market, excluding duty free, was estimated at approximately €168 billion[40]. In 2013 and 2014 the market declined (CAGR of (5.4)% for the 2012-2014 period), especially for imported liquors, as a result of policies in China targeting government spending on luxury goods, but has grown in 2015 and 2016 (CAGR of 5.1% for the 2014-2016 period). The consumption in the Asian market is characterised by its large share in consumption of national liquors, accounting for approximately 81% of total value in 2016. Of the non-national liquors, whisky and brandy are the most popular, with 7% and 6% of total consumption, respectively.

The Chinese government policies in relation to luxury goods led to a decline in liquor consumption in the premium segment in China (including Hong Kong), which nearly halved in value over the 2012-2014 period. However, growth of this segment, which is the largest segment for us in the Asia liquor market segment, has restored and has shown a CAGR of 12.7% over the 2014-2016 period.

The market share of imported liquors in the overall Asian liquor market is relatively stable with a growth of 10.9% in 2012 to 11.8% in 2016. Imported whiskies and brandies, both important products for us, are the most popular imported liquor types in Asia (with CAGRs of 2.7% and 5.1%, respectively, over the 2014-2016 period measured by consumption value, whereas the consumption value of other imported spirits declined over the same period). The imported liquor market in China returned to a 4.8% growth in terms of value in 2016.

Due to our exposure to the Chinese market (where an estimated 65% of our Asian liquor turnover was generated in FY 2016[41]) and reflecting the negative regional growth of liquor consumption in 2013 and 2014, our channel weighted market growth over the 2012-2016 period is estimated to be (0.8)%, relative to a 0.1% growth of the overall liquor market in Asia in the same period.

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35 Measured by consumption. Europe excludes Albania, Kosovo, Moldova, Montenegro, Andorra, Cyprus, Gibraltar, Iceland, Liechtenstein, Luxembourg, Malta and Monaco.

36 Estimates based on volume growth.

37 B&S exposed market growth is calculated per country for home countries Netherlands, Germany, France and Spain and in bulk for total Europe.

38 Market volume growth in EU28 and excluding duty free.

39 Forecasts over the 2016-2019 and 2016-2021 periods, respectively.

40 Asian market comprises: China, Hong Kong, Indonesia, Japan, Malaysia, Philippines, Singapore, South Korea, Taiwan, Thailand and Vietnam, i.e. excludes India and includes the off-trade and on-trade drinks (drinks consumed at bars & restaurants, etcetera).

41 Almost all liquor sales by B&S in Singapore are designated for the Chinese market and therefore added to the turnover in China.

The overall Asian liquor market is forecast to grow between 6.9-11.3% per year over the 2016-2021 period. Over the same years, the Chinese imported liquor market growth is expected to grow with a CAGR of 3.3%-6.3%, driven by ongoing economic development and rising consumer spending.

International Fast-moving Consumer Goods

The international fast-moving consumer goods market in selected underserved countries[42] was estimated at €205 billion in 2016 with a CAGR of 7.5% over the 2012-2016 period. The international fast-moving consumer goods market comprises the following product categories: beer, non-alcoholic beverages[43], toiletries[44] and confectionery, which represented approximately €87 billion, €79 billion, €20 billion and €19 billion of the international fast-moving consumer goods market, respectively, in 2016. Over the past few years, beer has consistently remained the largest product category in the international fast-moving consumer goods market, with China being the largest market.

We have a small presence in the international fast-moving consumer goods market, which we believe provides us ample opportunities for growth.

In the 2016-2021 period the overall international fast-moving consumer goods market segment is expected to grow in line with GDP forecasts that are relevant for the particular market. The individual product categories beer, non-alcoholic beverages, toiletries and confectionery are estimated to grow with CAGRs of approximately 8.7%, 6.4%, 5.4% and 5.0%, respectively, in the 2016-2021 period.

Defence Food Supply

The value of the defence food supply market is determined by the global military expenditure and peacekeeping budgets. Global military expenditure in 2016 was estimated at USD 1,682 billion, and the United Nations peacekeeping budget was estimated at USD 7.9 billion in 2016.

The United States is the largest contributor to the global military expenditure, with an estimated 2016 expenditure of USD 606 billion (representing 36.0% of the total military expenditure). US defence food and beverages supply accounts for a minor part of the US's total military expenditure, with only USD 35 billion (5.8%) allocated to the US Defence Logistics Agency, which sources and provides, among other things[45], consumable items, in 2016.

Global military expenditure has been stable, with a small decline of 0.2% per year between 2011-2016. In addition, the deployment rate of US military personnel has been stable since 1995, with approximately 220,000 US overseas deployed military personnel in 2017 (similar number as in 2015), which number had surged to approximately 350,000 in 2009.

As an illustration of the size of a market that is important to us, we estimate the combined food expenditure for US and contracted troops in Afghanistan at approximately USD 40 to USD 45[46] per soldier per day, indicating an annual market size in this region of USD 520 million to USD 580 million.

The UN peacekeeping budget has been relatively stable with a CAGR of 0.6% between 2011-2017. Food and beverage expenditure on UN troops is estimated at USD 6 per capita per day, indicating an annual addressable market size of USD 150 million to USD 200 million[47] for food supply to UN troops.

The outlook for military personnel stationed overseas by the US is expected to at least remain stable. The US military budget is forecast to increase by between 0.7% and 2.4% per year over the period 2016-2022.[48] The UN peacekeeping forces are likely to grow going forward, with many UN peacekeeping missions having relatively long durations compared to previous peacekeeping missions. This indicates that personnel deployment is likely to grow going forward. Overall, the outlook for the defence food supply market is stable with presumably a low single digit growth.

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42 Selected countries comprise of: China, Hong Kong, Taiwan, Singapore, Vietnam, Malaysia, Pakistan, Saudi Arabia, United Arab Emirates.

43 Included product (sub)categories for non-alcoholic beverages are bottled water, carbonates, RTD tea, sports and energy drinks.

44 Included product (sub)categories for toiletries are bath and shower, deodorants, hair care and oral care.

45 The Defense Logistics Agency manages approximately 5 million product types including land and maritime parts for weapon systems, fuel, and critical troop support items involving food, clothing and hardware, and construction equipment and materiel.

46 Indicated by company management (source: Defense Manpower Data Center).

47 Source: UN Tender; Company.

48 Forecasts over the periods 2016-2021 and 2016-2022.

European Cruise Supply

The food and beverage market for European cruise supply was estimated at €0.7 billion in 2015. Global cruise capacity, in terms of number of bed nights, reached 147 million in 2015, of which European destinations (cruises that embarked from Europe) accounted for 49 million.

In the 2009-2015 period, the food and beverage market for European cruise supply recorded a CAGR of 6.2%. This growth was driven by the following three factors: (i) cruise passengers, (ii) average cruise duration and (iii) food and beverage expenditures. Between 2009 and 2015 the number of cruise passengers that embarked from Europe grew with a CAGR of 4.0%. The average cruise duration declined slightly by 0.7% per year and food and beverage expenditures per day grew annually by 2.8% from €11.6 to €13.6. In addition, global cruise capacity increased by 5.0% per year in the 2009-2015 period.

The three largest cruise liners globally reported utilisation rates of over 105% for their vessels in 2016. For the largest cruise line operator, Carnival Corporation Plc, one of our customers, the food and beverage spend represented 6.1% of total costs per passenger in 2016.

Going forward, the food and beverage market for European cruise supply is expected to grow with a CAGR of between 5.6% and 9.4% for the 2015-2022 period and exceed a total turnover value of €1 billion in 2022. The global cruise capacity is expected to grow by approximately 6.3% per year for the 2015-2022 period and reach 670,000 berths by 2022. Despite this capacity increase, cruise operators are likely to maintain their high occupancy rates, supported by an expected significant incremental income per passenger. Looking forward, the spending per passenger on food and beverage is expected to grow at least in line with projected inflation, with upside potential if historical global spend growth on food and beverage continues.

European Ship Supply

We operate in the distribution segment of the ship supply value chain. We source and bundle food, beverages and non-food products and deliver these goods to ship chandlers who organise the last mile to shipping and offshore companies. In 2016, the value of the European food and beverage ship supply market was estimated at approximately €1.7 billion and has shown a CAGR of 5% driven by the number of seafarers and the per capita spend on supplies over the period 2007-2016.

The global number of seafarers increased with a CAGR of 3.8% over the period 2005-2015, driven by the growth of the global merchant fleet capacity of 6% per year. In 2015, the share of European controlled seafarers was 33% of the global market[49]. The per capita food and beverage spend based on 2015 data was estimated to be approximately €15 per day in Europe, including liquor and tobacco, and is expected to grow with inflation.

In the coming years, the European ship supply market is expected to grow with a CAGR of 3.8% for the 2016-2020 period driven by, among others, growing global number of seafarers (2.2% annual growth for the 2015-2020 period), a stable European share of seafarers and an expected rise in per capita spend (CAGR of 1.6% for the 2016-2020 period).

Travellers Electronics – Airport Retail Europe and Middle East

Our addressable travellers electronics market is part of the total airport retail market in Europe and the Middle East.

The airport retail market is largely concession based, with airports owning the infrastructure and periodically granting concessions to store operators for at least three years. Store operators pay rent and a concession fee, which is charged as a percentage of their turnover. The total airport retail market in Europe and the Middle East had estimated revenues of €15.1 billion in 2016, of which Europe represented €11.5 billion, distributed across 1.84 billion passengers arriving and departing from 452 airports.

In Europe, the largest 11% of international airports carried 1.26 billion passengers in 2016, about 70% of total European passenger traffic, and tend to have a more extensive and developed retail offering than the other international airports in Europe. Between 2012 and 2016, the total number of passengers at European airports grew with a CAGR of approximately 4.5%, with the CAGR of passenger traffic at larger airports (with more than 10 million passengers per year) being slightly higher at 4.7%. In the same period, spending per passenger at European airports remained relatively stable (CAGR of -1.2% over 2012-2016). In the Middle East, passenger traffic at airports with more than 10 million passengers per year grew at a CAGR of approximately 9.0% in the 2012 to 2016 period.

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49 The ‘controlled’ fleet includes ships whose ultimate ownership or control lies in an EU country, but which may be flagged in a different country.

The travellers electronics segment in Europe and the Middle East represents a relatively small share of airport retail spending and is estimated at approximately €330 million and €560 million in turnover per year in 2016. In the 2013-2016 period the CAGR for Europe and the Middle East was estimated at approximately 3.4%. In Europe, the CAGR has been stable at 2.2%, affected by favourable exchange rate developments, while the Middle East recorded a CAGR of 8.9% over this period.

The European and Middle East travellers electronics airport retail market is expected to remain at least stable, and could grow with a CAGR up to 4.5% until 2021. This is driven by a favourable passenger traffic outlook, ranging from approximately 3% to 4% growth per year in Europe and approximately 5% to 8% annual growth in the Middle East for the 2015-2035 period. This growth is largely supported by investments in airport infrastructure, including new airports in Berlin, Istanbul and Dubai.

Long Term and Structural Growth Trends across the Company's Businesses

In addition to the trends and growth drivers discussed per each of the market segments above, we believe that the growth of the Company as a whole will be benefited by a number of long-term, structural macro-economic and market and channel related trends:

- *Outsourcing* – there is a continued trend towards outsourcing by suppliers and manufacturers, mostly driven by cost considerations. Additionally, outsourcing enables suppliers to increase their market reach and enter new markets;
- *Rationalisation of operations* – suppliers increasingly seek to reduce distribution complexity and their number of business partners;
- *Compliance* – there is an increasing supplier and customer demand for compliance, reliability and authenticity;
- *A-brands and luxury* – there is a growing demand for A-branded products and luxury goods, driven by growing middle classes in developing countries, GDP growth and consumer confidence;
- *Travel* – strong growth of global airline passenger traffic (with an expected CAGR of 5.1% for the 2017-2021 period[50]) driven by demographic trends and GDP growth; and
- *Online* – online retail (e-commerce) is continuing its rapid increase in share of sales globally.

Competition

Competition in the global distribution and wholesale industry is highly fragmented, and competition varies per market segment in which we are active. We face competition from local and regional competitors that may have strong relationships with suppliers and customers in specific markets or regions. The number, size and strength of our competitors vary per market segment, with some competitors being active in only one particular market segment.

The discussion below describes the competitive landscape for each of our business segments: HTG, B&S and Retail.

HTG Segment

HTG Liquors is a distributor of premium brand liquors. Through its distribution companies, Hellwege, EK Kritzky, Union Commerciales des Vins de France, Kamstra Liquor, Anker Amsterdam Spirits and Square Dranken, HTG Liquors supplies liquors, beers and wines from its warehouses to small, independent retailers in Europe. We believe that the sub-segment HTG Liquors is the largest player in the European liquor market, based on turnover generated in 2016 in beer, wine and liquor sales, followed by Van Caem Klerks Group (an international trading house and based in the Netherlands) and Mack & Schühle (a German wine and spirits importer and distributor). Other competitors, most of whom are also exporters like HTG Liquors, include Bremer Spirituosen Contor (Germany), Tafanel (France), Hansen Dranken (Netherlands) and Horst Lehmann (Germany).

HTG Liquors is also active in the Middle East and eastern Asia and its main customers in those regions are major retailers, internet retailers and wholesalers in China, Vietnam and the United Arab Emirates. Competition in these markets is highly fragmented.

50 Source: Euromonitor

HTG Health & Beauty is a global distribution business specialised in premium brand perfumes, cosmetics, toiletries and personal care products. HTG Health & Beauty supplies perfumes and cosmetic products to independent retailers, fulfils orders for a large number of European and international e-commerce platforms and supplies and distributes large volumes of health and beauty products to wholesalers globally and to major European retail chains and value-for-money retailers. We believe that the sub-segment HTG Health & Beauty is the largest distributor and wholesaler of premium perfume, premium cosmetics, skin care and personal care products in Europe, based on turnover generated in FY 2016. In addition to HTG Health & Beauty, also Perfume Center of America is active on a global scale, whereas other competitors in the perfume and cosmetics market segments are active in only one region (such as the Van Caem Klerks Group, which has its primary markets outside Europe or Simex Trading (Switzerland), which primary market is Europe) or in one country. The competitors with primary activities in one country only include Per-Scent (UK), Kersten Trading Netherlands (Netherlands), Capital Hair and Beauty (UK), Rainbow Cosmetics (UK) and Orbico Beauty (Germany).

We believe the sub-segment HTG Health & Beauty is also the largest player in the European value retail market based on turnover generated in FY 2016 for the product categories perfume, cosmetics, personal care, home care and health products supplied to value-for-money retailers. Competitors that serve the value retail market on a European or global basis (like HTG Health & Beauty) include Van Caem Klerks Group (Europe), Rowan (Europe), Price Check (Global) and Actua (Global). Other, more local competitors, in this area include BrandTrading (Germany), Nield On Demand (UK) and Bazar 5000 (France).

B&S Segment

The B&S Segment distributes a wide range of food products, beverages, liquors and other fast-moving consumer goods to catering service providers for industrial sites, government and defence operations and peacekeeping missions, cruise lines, ship supply and airlines caterers, duty-free retailers and regional distributors and retailers. We believe that the B&S Segment is the largest player in these niche markets combined, based on turnover generated in FY 2016 and that there is no competitor that serves all niche markets that are served by the B&S Segment.

The main competitors in terms of number of niche markets served are Ver-Mar (an Italian supplier to cruise companies, offshore rigs and military forces), Ocean Fair International (a Dubai based logistics company active in food service, ship supply, third party logistics and government contracts) and H. Ferwerda (a Dutch supplier of meat products to international operating companies). Other competitors that only serve a small number of niche markets include Belardi Food Trading (Monaco), ACCL International (Afghanistan), 4Corners (Dubai) and Rastelli (Dubai).

Retail Segment

Within our retail operations, we primarily operate airport shops offering electronic consumer lifestyle products and accessories under the Royal Capi-Lux brand. Royal Capi-Lux operates 29 retail shops at nine airports across Europe and two in South Africa.

The largest competitor in the Retail Segment is Dixons travel, an airport electronics retailer which is mainly active in the UK and Ireland with 29 stores at 16 airports in 2016. Dixons travel is a division of Dixons Carphone. Other competitors are Crystal Media Shops (Spanish company with 12 stores at six airports in 2016), Fnac (French company with 22 airport stores in 2016) and Unieuro (Italian company with eight stores at three airports in 2016).

OUR BUSINESS

Overview

We are a global distribution partner providing comprehensive, tailor-made distribution and logistical solutions throughout the supply chain, linking suppliers and customers that would otherwise find it difficult to connect. We have valuable expertise in resolving supply chain complexities in the consumer goods sector and hold leading positions in a number of attractive channels and specialty markets. We strive to be able to provide our customers with a wide range of products at any time, at any location and at competitive prices. Our operations have a global reach, serving customers in over 100 countries and combining our activities in developed markets with strong positions in emerging markets. We supply a wide range of consumer goods, including health and beauty products, food and beverages, liquors, and electronics to:

- retailers, such as value-for-money retailers, secondary channel retailers, retailers in underserved markets and e-commerce platforms;
- the maritime sector, such as cruise ships and ship suppliers;
- remote channels, such as government and defence operations and remote industrial sites; and
- travel retail consumers.

We offer a clear value proposition to both suppliers and customers. With our expertise in international supply chain logistics and customs regulations, we can remove logistics and customs complexities for suppliers, simultaneously simplifying their distribution processes and providing them the benefit of our high compliance standards. We also offer suppliers access to certain channels and markets that they would otherwise find difficult to reach due to their geographic location or specific characteristics and requirements. At the other end of the supply chain, we offer our customers a wide range of products and direct access to more than 40,000, mostly branded, products, providing them with a single source solution. We believe that we distinguish ourselves through our differentiated sourcing proposition, using our scale, in terms of the geographic reach and the density of our sourcing network and infrastructure, and our in-depth knowledge of product markets, to source products globally and on terms that we believe are generally favourable. Our global reach, scale, sourcing acumen and experience in customs, logistics and compliance are the key aspects of the value that we can add to the distribution chain, which is the reason that we are a distribution partner that we believe many of our suppliers and customers would find difficult to replace.

The figure below illustrates the value proposition provided by us to our suppliers and customers.

We operate a cost-efficient and asset-light distribution platform. Our bonded warehouses enable us to distribute internationally without having to pay import duties, VAT or excises, other than in the end-market. A number of our warehouses are automated. We believe automation provides us with significant operational efficiencies, allows us to grow our operations without the need to increase commensurately the number of staff at these warehouses and will be a platform for future growth of our operations.

Through our distribution operations we gain extensive knowledge of the supply chain and the demands of consumers. In certain selected end-markets, such as the duty-free retail and travel electronics segments, we leverage that knowledge and operate our own shops, selling directly to the consumer.

As at 31 December 2017, we employed 1,460 FTEs in 14 countries across Europe, Asia and Africa. We believe that our workforce is a key asset of our business and is critical to maintaining and developing our relationships with suppliers and customers and in providing them with high-quality distribution services. We therefore believe that our employees are instrumental to the success of our business, and we continuously invest in developing and retaining our employees and attracting new talent.

Our business operates through the following three business segments:

HTG. The HTG Segment provides a key connection to A-brand products for customers in certain specialty markets and channels, through its differentiated sourcing proposition and its ability to overcome obstacles in the supply chain and take advantage of supply chain inefficiencies. The HTG Segment focusses on two product groups: (i) liquors; and (ii) health and beauty. It mainly distributes and sells its products to major retailers, including value-for-money retailers. Furthermore, the HTG Segment fulfils orders for e-commerce platforms, to which its wide range of product offerings provide an opportunity to offer a much larger selection of products than would otherwise be feasible. In addition, the HTG Segment distributes and sells products to local distributors and local wholesalers. The differentiated sourcing proposition of the HTG Segment also includes providing manufacturers, wholesalers, distributors and retailers with an opportunity to efficiently dispose of stock lots, close-out products, excess inventory and non-standard product sizes and matches these sources of supply with opportunities to sell to its customers across a variety of end-markets.

B&S. The B&S Segment provides capillary distribution services in certain complex end-markets. The B&S Segment delivers added-value to the supply chains in these markets through its ability to efficiently distribute a wide range of food and beverages, liquors, health and beauty products and other fast-moving consumer goods to customers which have no or limited access to ordinary distribution channels or are difficult to serve. The B&S Segment supplies food and beverages and non-food products to catering service providers for cruise lines, airlines, peacekeeping missions and government and defence operations. In addition, the B&S Segment supplies food and non-food products to duty-free retailers, retailers in underserved markets and ship suppliers.

Retail. The Retail Segment primarily operates an electronics retail chain at airports under the Royal Capi-Lux brand. Royal Capi-Lux shops offer electronic consumer lifestyle products and accessories to international travellers. In addition, the Retail Segment operates general duty-free shops at airports, on board cruise vessels and at military bases which offer an assortment of confectionary items, liquors, cosmetics and travel electronics.

The segments are supported by centralised back-office services at Group level with respect to finance and administration, IT, human resources, legal, internal audit and tax.

In FY 2017, we generated €1,507.3 million in turnover, €105.9 million of EBITDA and €68.8 million in profit attributable to the owners of the Company, compared to €1,339.5 million in turnover, €88.9 million of EBITDA and €60.9 million in profit attributable to the owners of the Company in FY 2016. The following table sets out information relating to turnover, EBITDA and FTEs per segment for FY 2017:

	Turnover		EBITDA		FTEs*	
	in € millions	% of total**	in € millions	% of total		% of total
Group	**1,507.3**	**100%**	**105.9**	**100%**	**1,460**	**100%**
HTG Segment	985.2	63.9%	65.7	62.1%	604	41.4%
B&S Segment	426.2	27.6%	29.7	28.1%	519	35.5%
Retail Segment	130.2	8.5%	10.4	9.8%	333	22.8%
Holding and eliminations	(34.2)	–	0.1	–	4	0.3%

* Including temporary employees. See " – *Employees*" below.

** Percentages for segments exclude 'Holding and eliminations'.

History

The Group in its current form represents the consolidation and integration of a number of distribution and wholesale businesses, developed through organic growth and selected acquisitions. Part of our business can be traced back to 1872, when Köpcke set up its ship supply business, which became part of the B&S Segment in 2001.

In 1974, our founder and member of the Supervisory Board, Willem Blijdorp, started a business supplying duty-free products to mini-cruises and ships. Over the years this business evolved into what is currently known as HTG. In 2007, we acquired a controlling interest in JTG, a perfume wholesale business, which became part of HTG and enabled us to expand our position in the perfume and cosmetics segment. In 2016, we acquired a controlling interest in Topbrands, which strengthened our position in the wholesale and distribution of health and beauty products such as shampoos and deodorants, specifically in the value-for-money retail channel. Following the acquisition, Topbrands became part of the HTG Segment.

In 1998, we acquired Bosman, a distribution business, followed by Paul, a retail and a distribution business, and Köpcke in 2001. The businesses of Bosman, Paul and Köpcke now form the core of the B&S Segment.

In 2012, we acquired Koninklijke Capi-Lux Holding B.V. which became the core of the Retail Segment of the Group and allowed us to expand into the electronic consumer lifestyle retail segment.

Our Key Strengths

We have leading positions in attractive channels and specialty markets.

Our operations span a wide range of distinct channels and specialty markets addressing a vast number of different products, customers, physical locations and sources of supply. Although our various markets differ widely in terms of products, suppliers and customers, they all share the characteristic that they are in some sense difficult to serve, whether due to geography, remoteness, geopolitical situation, extensive regulation or fast-changing market conditions. These difficulties present attractive opportunities for us, as we can meet the specific needs of the often-demanding customers operating within these markets.

We see significant potential for further growth of the markets in which we operate, for example due to the continued growth of the middle classes in Asia, in which the HTG Segment and the B&S Segment have strong positions. Additionally, anticipated growth of the online retail and the value-for-money retail segment is expected to provide us with opportunities to expand the HTG Segment. Furthermore, we believe that the increased importance of compliance, reliability and integrated distribution solutions will support further growth of the B&S Segment due to its specialised knowledge and extensive experience with customs regulation and food safety requirements. Finally, we see a significant opportunity for growth of the Retail Segment, by increasing the market share of Retail through successfully tendering for additional concessions for shops at, among others, airports in Europe and the Middle East.

We are a trusted and reliable partner with a clear value proposition.

We believe that we benefit from having a reputation as a reliable business partner that provides high-quality and high-value services. We do not merely serve as a link between our suppliers and customers, but offer a clear value proposition to both. We not only provide our suppliers with a distribution channel, but we also provide them with market intelligence, customer expertise and marketing support. Additionally, we arrange customs handling and transportation to locations that are often difficult to reach, while adhering to strict compliance standards. At the other end of the supply chain, we offer our customers a product portfolio of more than 40,000 items, often enabling them to use us as a one-stop-shop. By offering a comprehensive solution for both our suppliers and customers we are able to simplify their supply chains and operations. This facilitates the building of longstanding relationships with both our suppliers and customers. For example, we have been the preferred strategic partner for the duty-free segment for AB InBev for over 30 years and we have been partners with Unilever for more than ten years, facilitating direct customer access and capillary distribution for them in certain difficult markets. In addition, we have been a supplier to the United Nations since 1988 and supplied approximately 90% of their peacekeeping missions by number in 2017.

We operate a highly efficient sourcing and distribution platform with a tailored IT backbone.

We have developed a highly efficient trading and distribution platform. Over the years we have made various investments with a view to operating more efficiently. We have invested more than €27 million on IT in the last five years. To facilitate further growth, we are currently building a new, semi-automated

warehouse in Dordrecht, the Netherlands, which is expected to be fully operational in the second half of 2018. After the completion of this new warehouse, we will have thirteen warehouses at our disposal with a total storage capacity of more than 147,000 square meters, one of which is fully automated and one of which will be semi-automated. These automated and semi-automated warehouses allow for faster order picking and delivery compared to conventional warehouses. We do not foresee a need to add further warehousing capacity to our operations to accommodate our anticipated growth in the next five years. Additionally, we have a tailored IT platform aimed at optimising our operational and financial controls. Our IT systems are designed to enable us to operate our business effectively and to monitor data on customer orders, inventory, orders with suppliers and operational performance on a segment and sub-segment level. These capabilities are instrumental in monitoring our business on a day-to-day basis, and of critical importance to our efforts to continuously optimise our performance. Furthermore, we operate bonded warehouses, which allows us to distribute internationally, without having to pay import duties, VAT or excise anywhere, other than in the end-market. Our IT system is integrated into the IT system of the Dutch customs authority. Finally, we are highly efficient in sourcing products. Our international scale provides us access to a vast range of suppliers. We have knowledge of specialised end-markets, and we have a deep understanding of regional cost imbalances. We have the right skills and the right systems in place which allows us to act quickly on, and to benefit from, sourcing opportunities whenever they arise.

We have highly skilled people thriving in our entrepreneurial culture.

Our well-trained and experienced workforce is a key component of our business. The quality and expertise of our employees is critical to building long-term relationships with our suppliers and customers and in providing them with high-quality distribution services. Our employees have the capabilities to identify unique sourcing opportunities and help structure tailor-made solutions to service our customers within the complex environment in which we operate. Owing to our deep traditions as a distribution and wholesale business and the respective backgrounds and experience of our CEO, Mr Meulman, and our founder, Mr Blijdorp, our firm culture places a high degree of importance on the identification and pursuit of new commercial opportunities. We have developed an entrepreneurial and highly motivating management culture throughout our organisation. Employees at all levels are trained, encouraged and incentivised to identify new markets, new products, new sources of supply and new customers in pursuit of the profitable expansion of our business. We have an internal training academy, where new recruits are trained to become experts in their field and there is a path to management positions for employees with high potential. We put effort into building our next generation leaders and we often lock-in employees with high potential by offering them attractive remuneration schemes. Over 50% of our employees have been with us for more than five years and the average tenure of our workforce is nine years.

We have a strong track record of profitability and cash generation, underpinned by a strong balance sheet.

We believe that our entrepreneurial culture, our excellence in sourcing and our positions in attractive markets have enabled us to deliver strong operating results over an extended period of time. We have experienced consistent earnings growth over the past years, as evidenced by a compound annual EBITDA growth rate of 18.9% from 2009 to 2017, a compound annual growth rate of our profit attributable to the owners of the Company of 21.6% and an increase in our EBITDA Margin from 4.6% to 7.0% from 2009 to 2017. We have historically benefitted from a strong Cash Conversion Ratio, which was 92.9% as at 31 December 2017 and 93.9% as at 31 December 2016 and a high ROCE, which was 36.1% as at 31 December 2017 and 31.2% as at 31 December 2016. We have a strong focus on profitable growth and maintaining our gross margins. Under the leadership of our CFO, Mr Van Laar, we operate in a culture of keen cost-consciousness, with significant new commitments and expenditures subject to review and approval with a view to minimising costs and improving profitability. We believe that we have a solid capital structure in place with a Solvency Ratio of 42.9% as at 31 December 2017 (41.9% as at 31 December 2016), which instils confidence in our suppliers, customers and financing banks. Our resilient financial profile is underpinned by a defensive business model and global focus and by the diversified nature of our businesses and supplier and customer bases.

We have a committed and incentivised leadership team.

Our workforce is led by a committed and incentivised leadership team, consisting of Mr Meulman, who has over 25 years of sector experience, and has been with the Company since 1992 and Mr Van Laar, who has close to 40 years of experience in the finance and audit fields and has been our CFO since 2009. Mr Meulman and Mr Van Laar are supported by our segment managers, who report directly to them and who are highly involved in day-to day management. These segment managers in turn are supported by

sub-segmental managers reporting to them. Over 80% of the managers of our segments and sub-segments started their careers with us, with an average tenure of management of 19 years for both the HTG Segment and the B&S Segment and ten years for the Retail Segment. Part of our senior management team joined us when we acquired their businesses. All key managers of the businesses we acquired in the last ten years, i.e. JTG, Royal Capi-Lux and Topbrands, are currently still employed by us. When we acquire a business, we generally offer the selling managers an equity stake in the acquired business, which incentivises them to stay committed to increasing the value of the business.

We are well positioned to capture growth opportunities organically and through strategic acquisitions.

We have a history of continued turnover growth, as evidenced by a compound annual turnover growth rate of 12.8% from 2009 to 2017. The compound annual turnover growth rate from 2015 to 2017 was 8.5% for the HTG Segment, 1.4% for the B&S Segment and 6.3% for the Retail Segment. We have historically grown by increasing our presence in our current markets, by tapping into new products and into new markets, by cross-selling our products to existing customers, and by utilising the growth of our customers by meeting their increased demand for our products. We believe we are well positioned to capture further opportunities for organic growth, to leverage long-term market trends and structural developments and to continue to expand our business.

Since our incorporation we have demonstrated an ability to identify, execute and integrate acquisitions in the various markets in which we operate. We estimate that, over the period from 1 January 2013 to 31 December 2017, 34% of our total turnover growth of €604.0 million was attributable to growth from acquisitions, including the acquisitions of Royal Capi-Lux in 2012 and Topbrands in 2016. These acquisitions have allowed us to realise synergies, particularly by strengthening our category buying power through increasing our scale and adding complementary sourcing routes. We believe that there are opportunities for further consolidation in the markets in which we are active and that our track record of successfully executing and integrating acquisitions, puts us in a strong position to participate in and benefit from such further consolidation and integration.

Our Strategy

Our strategy is to continue our profitable growth and to increase returns to Shareholders by: (i) continuing to grow in our existing markets and into new markets; (ii) continuing to focus on digitisation; (iii) leveraging our scale; and (iv) undertaking strategic acquisitions.

Continue to grow in our existing markets and into new markets.

We actively manage our existing supplier and customer relationships and aim to strengthen these. We aim to increase the number and range of products that we sell to existing customers. We particularly seek to expand and optimise our exposure to Asia, in particular China, and to expand our operations in the Middle East. In 2013, we opened our office in Dubai to serve the Middle Eastern market more efficiently and in 2016 we opened an office in Hong Kong. The fast-moving consumer goods market in the Middle East and Asia is expected to grow, and the demand for the A-brand products that we deliver is expected to increase. We believe that we are well positioned to capture the growth opportunities in those regions. Furthermore, we aim to tap into new product groups and markets and to further penetrate markets where we are currently underrepresented through expanding existing supplier relationships and forming new ones across geographies and products. We expect that there will be an increased demand for tailor-made distribution solutions in the supply chain, which is becoming more complex and more demanding in terms of delivery time and reliability. We believe we are able to deal with the increased supply chain complexities and demands, as evidenced by our track-record and reputation for being a reliable distribution partner. We see significant opportunities in cross-selling our products across our segments to our existing customers. Finally, we expect substantial growth in some of the market channels in which we currently operate, such as the online market and the air travel market. For example, the e-commerce platforms that we serve, such as Amazon and bol.com, have experienced significant growth over the past years which is expected to continue. We believe that we can benefit from the growth of our customers by meeting their increased demand.

Continue to focus on digitisation.

We have invested significantly in our corporate digitisation program, B&S International Technology ("**BiT**"), and we intend to continue to do so. We believe that by further investing in digital innovation, we will be better able to anticipate future business requirements and trends. We see significant opportunities to drive our business further through additional digitisation of our operations, which is expected to enable us to

operate more efficiently, save costs and become an even more attractive business partner for our suppliers and customers. In 2016, we completed implementation of the AutoStore system in our warehouse in Delfzijl, the Netherlands, which allows automated processing of cosmetics and beauty products in the HTG Segment, and we intend to deploy similar systems in more of our warehouses. We believe this will allow us to grow our sales while maintaining our employee costs. Additionally, we believe that we will be able to attract new suppliers and customers if we continue to invest in integration and interaction technology. Particularly for the e-commerce platforms that we serve, further sharing of information and interconnectivity of distribution systems is expected to be a key requirement. See "– *Information Technology Systems*". Finally, we see significant potential in datamining. We believe that collecting data on customer behaviour will enable us to improve our inventory management and that collecting data on supplier behaviour will enable us to improve our sourcing.

Continue to leverage our scale.

We believe that our entrepreneurial culture and excellence in execution, combined with a strong focus on profitability, will contribute to our ability to increase gross profits, EBITDA, cash flows and ROCE. Our focus on profitable business is evidenced by our EBITDA/gross profit ratio which was 49.0% in FY 2017 and 47.1% in FY 2016. We have been able to leverage price positions to improve margins, which is shown by the gross profit/turnover ratio of 14.3% in FY 2017 and 14.1% in FY 2016. This is further supported by the strength of our decentralised operating model and our centralised risk management and control processes, which enable strict control over costs. We consider that growing our profitability and cash returns rather than focussing predominantly on turnover growth will be a key factor in creating value for our Shareholders. Our strategic initiatives are aimed at improving our profitability by leveraging our scale and scope both organically and through acquisitions.

Strategic Acquisitions.

We have historically supplemented our organic growth by acquisitions and over the long-term we target contribution from acquisitions to the growth of our turnover of approximately 25%. In recent years, we have made several acquisitions, including the acquisitions of Royal Capi-Lux in 2012 and Topbrands in 2016. We aim to continue to strengthen our market positions, increase our market shares and expand and complement our product offering and sourcing capabilities by pursuing selective and value accretive acquisitions. We maintain a regular dialogue with various market participants to ensure that we are ready to execute on the right opportunities when they occur. We apply strict selection criteria when evaluating potential acquisition candidates, and we are disciplined and selective in the targets that we identify as suitable acquisition candidates. Any acquisition should fit in with our business model, our entrepreneurial culture and our focus on profitable growth and maintaining a strong balance sheet. If at any stage of an acquisition process we are not satisfied that a target meets our criteria we do not proceed with the acquisition. Once we have completed an acquisition, we seek to integrate the acquired business in a way that fosters organic growth. We integrate the back-office and sourcing systems, but we seek to maintain the management and the entrepreneurial front-end of the acquired business. We place importance on retaining management following the acquisition and providing them with a continued equity stake in the acquired business. We believe that this approach fosters the entrepreneurship and co-ownership that characterises our business. We intend to continue to focus on those acquisition opportunities that foster entrepreneurship within our business and that we believe have the potential to further expand and strengthen our position for example by means of strengthening our buying power in a product category through scale or complementary sourcing routes, by gaining or strengthening our position in certain distribution channels or by strengthening our position in certain geographical areas.

Key performance indicators

We use several key performance indicators (turnover, EBITDA, EBITDA Margin, Capital Expenditure, Free Cash Flow, Cash Conversion Ratio, ROCE, Solvency Ratio, Net Debt, Earnings Efficiency) to track the performance of our business. Except for turnover, none of these key performance indicators is a measure of financial performance or cash flow under IFRS. Management nonetheless believes that these measures provide an important indication of trends in our financial performance that is useful to investors.

In analysing our future performance, investors should consider these non-IFRS key performance indicators together with the presentation of our financial condition, results of operations and cash flow under IFRS, rather than as an alternative to IFRS financial measures. See "*Important Information – Presentation of Financial and Other Information – Non-IFRS Financial Measures*" and "*Selected Consolidated Financial Information – Non-IFRS Financial Measures*".

Except for turnover and EBITDA, the key performance indicators presented below have not been audited or reviewed by any auditor or other expert. The information used to calculate these measures is partly derived from management information systems and our consolidated financial statements. As these terms are defined by our management, they may not be comparable to similar terms used by other companies.

The following tables present our key performance indicators for each of FY 2017, FY 2016 and FY 2015.

	FY 2017	FY 2016	FY 2015
	in € millions, unless indicated otherwise		
Turnover	1,507.3	1,339.5	1,338.3
EBITDA	105.9	88.9	83.7
EBITDA Margin	7.0%	6.6%	6.3%
Capital Expenditure	7.5	5.4	5.1
Free Cash Flow	83.4	71.2	67.5
Cash Conversion Ratio	92.9%	93.9%	93.9%
ROCE.	36.1%	31.2%	37.0%
Solvency Ratio	42.9%	41.9%	42.0%
Earnings Efficiency	78.3%	78.1%	79.4%
Net Debt	195.1	204.5	149.2

See "*Operating and Financial Review – Results of operations*".

Financial Objectives

Assuming normal macro-economic conditions and market circumstances and no material changes to the current regulatory and tax framework of our business or the markets in which we are active, we aim to achieve the following aspirational objectives over the medium to long-term: (i) an average annual turnover growth including small-scale acquisitions in the low teens; (ii) an EBITDA/gross profit ratio exceeding 50% and continued improvement of our gross profit, EBITDA and EBIT margins through scale effects, efficiency improvements and integrating acquired businesses; (iii) an average annual growth of profit attributable to the owners of the Company in the low to mid teens; (iv) a continued efficient use of capital with a ROCE of more than 30% annually; (v) a resilient balance sheet with long-term Net Debt/EBITDA below 2.0x and a Solvency Ratio of more than 40%; and (vi) improved net working capital and continued investment in line with current depreciation levels. The objective under (ii) should be considered whilst taking into account a positive effect of €2.7 million which the Pre-IPO Restructuring would have had on EBITDA in FY 2017 as discussed in "*Operating and Financial Review – Current Trading and Recent Developments – Pre-IPO Restructuring – Effects of the Pre-IPO Restructuring on our profit for the year from continuing operations*").

We have not defined, and do not intend to define by reference to specific periods the term "medium to long-term", and the financial objectives should not be read as indicating that we represent or otherwise commit to achieve any of these metrics or objectives for any particular fiscal year or reporting period. These objectives should not be regarded as forecasts or expected results or otherwise as a representation by us or any other person that we will achieve these objectives in any financial year or reporting period. Our ability to meet our objectives is based upon the assumption that we will be successful in executing our strategy and, furthermore, depends on the accuracy of a number of assumptions involving factors that are significantly or entirely beyond our control and are subject to known and unknown risks, uncertainties and other factors that may result in us being unable to achieve these objectives. See "*Risk Factors – We may fail to achieve any or all of the financial objectives included in this Prospectus*" as well as the other matters discussed in "*Risk Factors*." We do not undertake to publish revised financial objectives to reflect events or circumstances existing or arising after the date of this Prospectus or to reflect the occurrence of unanticipated events or circumstances.

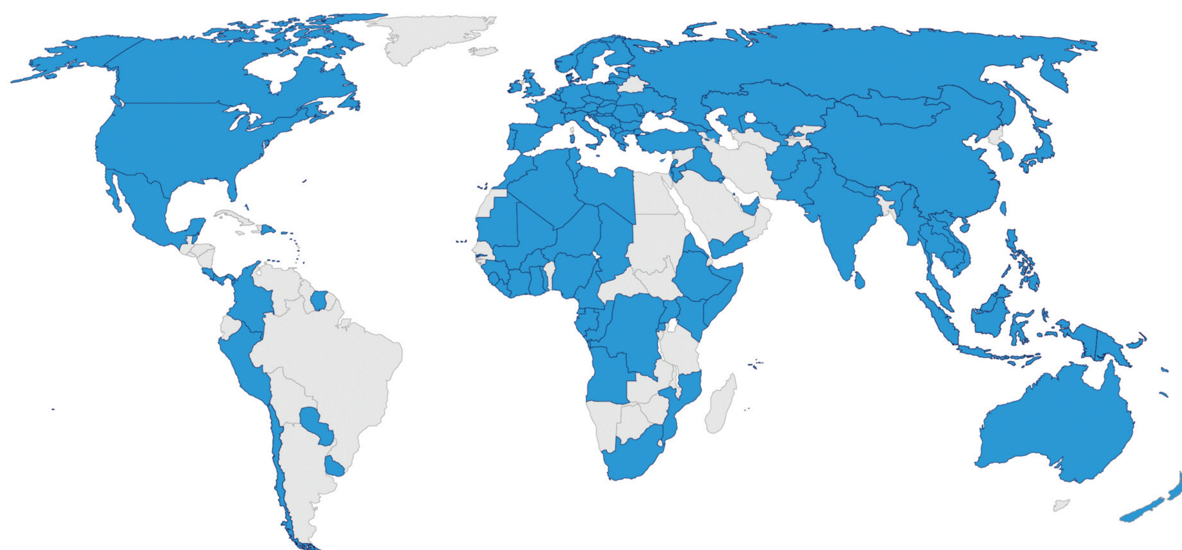
The Group

We are a global distribution partner providing comprehensive, tailor-made distribution and logistical solutions throughout the supply chain, linking suppliers and customers that would otherwise find it difficult to connect. We have valuable expertise in resolving supply chain complexities in the consumer goods sector and hold leading positions in a number of attractive channels and specialty markets. We strive to be able to provide our customers with a wide range of products at any time, at any location and at competitive prices, and we offer manufacturers and distributors access to certain target markets that they would otherwise find difficult to reach.

Our operations have a global reach, serving customers in over 100 countries and combining our activities in developed markets with strong positions in emerging markets. The table below shows the breakdown of turnover according to the geographical regions in which we are active.

	FY 2017	FY 2016	FY 2015
		(in € thousands)	
Europe	882.1	764.3	704.4
America	108.0	113.6	104.1
Asia	264.5	228.7	339.6
Africa	41.4	40.1	37.6
Middle East	193.5	161.3	137.9
Oceania	17.8	31.5	14.6
Total	**1,507.3**	**1,339.5**	**1,338,3**

The following map provides an overview of the countries in which we were active as at 31 December 2017.



Our business operates through the following three business segments: the HTG Segment, the B&S Segment and the Retail Segment. Each segment is responsible for developing and executing its strategy and business plan, driving and managing sales and managing its customer relationships. The segments are supported by centralised back-office services at Group level with respect to finance and administration, IT, human resources, legal, internal audit and tax. Our compliance function is organised both on Group level and on segment level and is divided into separate departments that focus on supplier and customer acceptance procedures, export controls, customs, tax and data protection. See " – *Compliance and Risk Management – Overview*."

HTG Segment

Overview

The HTG Segment provides a key connection to A-brand products for customers in certain specialty markets and channels, through its differentiated sourcing proposition, its ability to overcome obstacles in the supply chain and by taking advantage of supply chain inefficiencies. The HTG Segment is active as a distributor with a focus on two product groups: liquors; and health and beauty. The HTG Segment distributes and sells its products to retailers, such as value-for-money retailers and e-commerce platforms, and to local distributors and local wholesalers. Customers of the HTG Segment include Action, bol.com, Amazon, Etos, DollarStore and Wehkamp. The HTG Segment has a diversified customer and supplier base and, as a result, its exposure to concentration risk is limited. Most of the products that the HTG Segment sells and distributes are branded products with a long shelf life and can be delivered directly from available stock in its warehouses, enabling the HTG Segment to deliver a wide range of products with short delivery times.

As part of its business, the HTG Segment sells a fixed range of goods that it buys from manufacturers or their authorised distributors, usually in small quantities, to smaller local distributors and wholesalers. This part of the distribution operations of the HTG Segment is mostly focussed on customers in Europe. Additionally, the HTG Segment buys products in bulk on an ad hoc basis. It seeks out product opportunities such as purchasing stock-lots, close out products, excess inventory and non-standard product sizes from manufacturers, other wholesalers, distributors and retail chains. It subsequently sells those products in large quantities to local wholesalers, major European retail chains, internet retailers and value-for-money retailers. Within this part of its operations, the HTG Segment sources and sells products across the globe, with a particular focus on the Middle East and eastern Asia.

The HTG Segment has its headquarters in Delfzijl, the Netherlands.

Products, Brands and Markets

The HTG Segment focusses on branded consumer products and selected private label products. The HTG Segment distributes liquors and health and beauty products. Some examples of the brands that The HTG Segment distributes are Absolut Vodka, Smirnoff, Glenfiddich, Davidoff, Lancôme, Hugo Boss, Dolce & Gabbana, Dove, Gillette, Pampers and Axe.

The HTG Segment is organised in two sub-segments, each of which focuses on a different product market:

HTG Liquors. HTG Liquors is a distributor of premium brand liquors. Through its distribution companies Hellwege, EK Kritzky, Union Commerciales des Vins de France, Kamstra Liquor, Anker Amsterdam Spirits Square Dranken and Alcodis HTG Liquors supplies liquors, beers and wines from its warehouses to independent retailers in Europe. Additionally, HTG Liquors purchases liquors in large quantities that it stores in its bonded warehouses in the Netherlands. This allows HTG Liquors to supply liquors to customers in a wide range of countries without having to first clear these goods through customs into the Netherlands. These activities are mostly aimed at the Middle East and eastern Asia, and its main customers are major retailers, internet retailers and other wholesalers in China, Vietnam and the United Arab Emirates. HTG Liquors accounted for approximately 40% of the turnover of the HTG Segment in FY 2017.

HTG Health & Beauty. HTG Health & Beauty is a global distribution business specialised in premium brand perfumes, cosmetics, toiletries and personal care products. Within its operations, HTG Health & Beauty supplies independent retailers with perfumes and cosmetic products, and fulfils orders for more than 100 European and international e-commerce platforms. Furthermore, HTG Health & Beauty supplies and distributes large volumes of health and beauty products to wholesalers globally and to major European retail chains and value-for-money retailers. Topbrands, which we acquired in 2016, forms part of HTG Health & Beauty. Topbrands purchases stock lots of cosmetics, toiletries and household cleaning products from brand owners, such as Reckitt Benckiser and resells these products mostly in Europe to secondary channel retailers and value-for-money retailers such as Action and Dollarstore. HTG Health & Beauty accounted for approximately 60% of the turnover of the HTG Segment in FY 2017.

Warehouses

The HTG Segment has six warehouse facilities in the Netherlands and one warehouse in Sweden. The warehouses are located in Veendam, Delfzijl, Kolham, Aduard, Hoogezand and Amsterdam, the Netherlands and in Höganäs, Sweden, and have total surface space of approximately 87,500 square meters. All products are stored under controlled conditions until they are prepared and shipped directly to customers all over the world. The order processing and logistical systems of the HTG Segment are geared towards fast delivery of orders. The warehouses in Veendam, Delfzijl and Amsterdam are bonded warehouses. See "– *Compliance and Risk Management – Customs*".

In 2012, the HTG Segment completed the implementation of an AutoStore system in its warehouse in Delfzijl. The AutoStore system is completely automated using robots and automated picking stations for storing and moving products within the warehouse. The system reduces warehouse space requirements and facilitates faster order processing compared to conventional storage systems. As a result, the AutoStore system enables the HTG Segment to maintain higher sales volumes per square meter of warehouse surface space compared with conventional storage systems. The warehouse in Delfzijl is used predominantly for storage and distribution of perfume and cosmetic products. The AutoStore system enables HTG to take on a larger assortment as a result of the increased space efficiency and to ensure fast and reliable delivery of orders, which is crucial for the e-commerce platforms that the HTG Segment serves.

B&S Segment

Overview

The B&S Segment provides capillary distribution services in selected complex end-markets. The B&S Segment delivers added-value to the supply chains in these markets through its ability to efficiently distribute a wide range of food and beverage products, liquors, health and beauty products and other fast-moving consumer goods to customers which have no or limited access to ordinary distribution channels or are otherwise difficult to serve. The B&S Segment primarily serves the following markets:

- ship supply and cruise lines;
- catering service providers for government and defence operations, peacekeeping missions and remote industrial sites; and
- duty-free and underserved markets.

The B&S Segment serves as an intermediary between suppliers and customers, often acting as a one-stop-shop with over 30,000 products. The B&S Segment can provide significant scale and scope benefits to its suppliers and customers by allowing them to deal with a single partner to meet all their distribution needs.

The B&S Segment is active (i) in Europe, primarily in the duty-free retail segment and the ship supply and cruise segment; (ii) in Africa, mainly focussed on remote industrial sites and government and defence installations; and (iii) in the Middle East where it is focussed on supplying the government and defence market and duty-free shops.

With certain suppliers, the B&S Segment has entered into strategic partnerships, where it provides such suppliers with access to its sales force, its supply chain and its marketing team, in some cases in return for exclusive distribution rights for the B&S Segment.

The B&S Segment has its headquarters in Dordrecht, the Netherlands.

Products, Brands and Markets

The B&S Segment offers a wide range of products that can be classified into three product groups: (i) food and beverages; (ii) liquors; and (iii) health and beauty products and other fast-moving consumer goods, such as electronics, cutlery and disposables. The B&S Segment maintains relationships with, and supplies products from, premium brand owners such as Unilever, AB InBev, Proctor & Gamble, Heinz, Mars, Nestlé, Diageo and LVMH. The B&S Segment provides these companies with direct access to selected difficult to reach niche markets in more than 100 countries.

The B&S Segment also sells dry and canned food products under its own label, GoodBurry. GoodBurry products are a value-for-money alternative to the more expensive premium dry and canned food products that it sells and distributes.

The B&S Segment focusses on the following markets:

Maritime – ships supply and cruise liners. The B&S Segment supplies food and beverages and non-food products to the maritime industry. The unloading, re-stocking and departure of vessels often needs to take place within the space of a few hours. The B&S Segment has the capacity to take customer orders, arrange for the required administrative formalities to be completed and deliver the products within the tight timeframes required by its customers. Additionally, the B&S Segment is a supplier of a wide range of food and beverages and non-food products to American and European cruise lines, servicing more than 60 cruise vessels per year. The B&S Segment provides a range of supply services to suit its customers' requirements, from full concept sourcing to selected sourcing, procurement and supporting the development of full menus for a cruise line's on-board catering service. The B&S Segment's knowledge of customs and other regulations enables it to distribute the products ordered by its customers to the right location at the right time. In FY 2017, approximately 29% of the turnover of the B&S Segment was generated by its activities in these maritime markets.

Remote – government and defence, peacekeeping missions and remote industrial sites. The B&S Segment supplies food and beverages and non-food products to government and defence catering services, peacekeeping forces, humanitarian emergency relief missions and remote industrial sites, such as mining sites and offshore oil & gas platforms. The B&S Segment specialises in supplying customers operating in remote locations and under extreme conditions with products that fit national or cultural tastes. The B&S

Segment is U.S. Army Public Health Command-approved, which allows it to supply U.S. Army caterers, and is an officially registered supplier of the United Nations Global Marketplace, the common procurement portal of the United Nations system of organisations. From its warehouses in the Middle East and in Central Asia, the B&S Segment is able to timely deliver perishable goods to government and defence catering services in these regions. In FY 2017, approximately 30% of the turnover of the B&S Segment was generated by its activities in these remote markets.

Retail (business to business) – Duty-free and underserved markets. The B&S Segment supplies food and beverages and non-food products to airlines and airline caterers. Additionally, it supplies a range of duty-free goods to shops at small airports, border stores, on-board shops on ferries and shops at diplomatic outposts and military bases. The B&S Segment supplies airport shops and border stores with a wide range of products, including drinks, food, perfume and electronics and offers tailor-made retail solutions to airlines, providing assistance and advice on how to set up entire in-flight sales programs. Furthermore, the B&S Segment supplies fast-moving consumer goods sourced from brand owners such as Unilever to retailers and other wholesalers in the Middle East and Central Asia that are not directly supplied by the brand owners. Additionally, the B&S Segment supplies local retailers in Africa with food and non-food items. In FY 2017, approximately 41% of the turnover of the B&S Segment was generated by its activities in these retail (business to business) markets.

Warehouses

The B&S Segment operates four warehouse facilities. Two of these are bonded warehouses and are located in Dordrecht and Spijkenisse, the Netherlands. In addition, the B&S Segment has a warehouse in the Middle East and one in Central Asia, in an area with high security risks. See "*Risk Factors – We are exposed to a variety of economic and political risks due to our operations in areas with high security risks*". To mitigate security risks the B&S Segment extensively screens its personnel, who stay in securely guarded compounds, and limits its operations to supplying the United Nations and the U.S. Army, not the local markets. The warehouse facilities of the B&S Segment have an aggregate surface space of approximately 58,250 square meters. The warehouses are used to store products sourced from suppliers before they are shipped to customers. The warehouses have chilled and frozen areas, enabling the B&S Segment to store perishable goods.

The B&S Segment is currently building a new, semi-automated warehouse adjacent to its original warehouse in Dordrecht, the Netherlands, adding approximately 17,000 square meters of additional warehousing surface space, The new warehouse is twice the height of the original warehouse in Dordrecht. In part of this warehouse, the in-warehouse delivery is carried out by robots, which facilitates storage of more products per square meter than conventional warehouses. The additional height of the new warehouse and the automated system reduces warehouse space requirements and enables the B&S Segment to be more efficient in its use of warehouse surface space. The new warehouse will provide us with additional storage capacity from the first quarter of 2018 onwards. The implementation of the semi-automated part of the warehouse is expected to be completed in the second half of 2018.

Retail Segment

Overview

Within the Retail Segment, we operate a total of 55 shops in Europe, Africa and Asia. Retail is currently present at eight of Europe's top 30 busiest airports. We primarily operate airport shops offering electronic consumer lifestyle products and accessories under the Royal Capi-Lux brand. Royal Capi-Lux operates 29 retail shops at nine airports across Europe and two in South Africa, and it has over 60 years of experience in airport retailing. Royal Capi-Lux has developed various retail marketing concepts which are aimed at tapping into the buying behaviour of leisure travellers and frequent flyers. Its shops offer a selection of premium branded electronic products supplemented with a value-for-money alternative under its own label, MiTone.

Furthermore, within the Retail Segment we operate various duty-free shops where we offer consumer goods. The Retail Segment operates duty-free shops at regional airports in Bremen and Eindhoven and a duty-free shop at Schiphol airport that is exclusively accessible to persons who work for Schiphol airport or for companies located at the airport. The Retail Segment also operates duty-free shops on a number of NATO and UN bases in the Netherlands and in Africa. In addition, the Retail Segment has developed a long-term business relationship with Thomson Cruises, and operates the duty-free shops on board its cruise lines.

The Retail Segment has its headquarters, including a warehouse, in Hoofddorp, the Netherlands.

Products and Brands

The Royal Capi-Lux electronics shops carry a focused selection of electronics consumer lifestyle products from premium and leading brands such as Apple, Bang and Olufsen, Bose, Dyson and Leica. In addition, and as an affordable alternative to these premium and leading brands, Royal Capi-Lux stocks products from its own label, MiTone, which offers a range of consumer electronics aimed at international travellers. The MiTone product range includes computer accessories, headphones and earphones, cameras and tablet and smartphone accessories. The MiTone products are manufactured in China by a number of different business partners of Royal Capi-Lux.

Within our duty-free shops at airports, on board cruise vessels and at military bases, we offer an assortment of confectionary items, liquors, cosmetics and travel electronics.

Concessions

The right to operate retail locations at airports is generally granted to retail operators through a concession agreement. These concession agreements are usually tendered through a competitive bid process. Pursuant to the concession agreement, the retail operator pays a concession fee, which is generally a percentage of realised turnover, sometimes combined with a fixed fee, to the airport. Generally the concession agreements include a minimum annual guarantee with respect to the realised turnover in the airport. Airport retail concession agreements are typically entered into for five to 15 year terms.

Royal Capi-Lux has stores in Amsterdam Schiphol Airport, as well as in Frankfurt Airport, Munich Airport, Berlin Tegel Airport, Stockholm Arlanda Airport, Göteborg Landvetter Airport, Copenhagen Airport, Helsinki Airport and Vienna International Airport. In addition, Royal Capi-Lux is the 49.99% owner of Capi-Lux South Africa (PTY) Ltd. which operates travel electronic stores in Johannesburg International Airport and Cape Town International Airport. The other 50.01% of Capi-Lux South Africa (PTY) Ltd. is owned by local employees in order to comply with local content rules in South Africa. The Amsterdam Schiphol airport airside concession, which provides the largest portion of the turnover of Royal Capi-Lux, has recently been renewed for a term of ten years and expires in 2027. Furthermore, the Retail Segment operates stores in Bremen Airport and Eindhoven Airport.

In 2011 Royal-Capi Lux was granted the concession to operate one store on Berlin Brandenburg airport, which is expected to open in 2020. In January 2018, Royal Capi-Lux was granted the concession to operate five electronics stores at the airport in Abu Dhabi, United Arab Emirates. It is expected that the stores will be opened in Q4 2019. The Retail Segment constantly tracks potential tenders. At the date of this Prospectus, Royal Capi-Lux is in the process of tendering for concession agreements to open stores at airports in Turkey, the United Kingdom, Ireland and Germany.

The Supply Chain

Sourcing

We have two primary methods for sourcing products. Firstly, similar to traditional distribution businesses, we buy directly from fast-moving consumer goods producers and suppliers with whom we have longstanding relationships. We are the preferred distributor for a large number of suppliers due to our reputation as a reliable partner and our ability to provide access to markets and geographic areas that they would otherwise find difficult to reach. Secondly, we continuously seek out other purchase opportunities. We are skilled and experienced in leveraging supply and demand imbalances and in taking advantage of the opportunities offered by price differentials between different markets. This, combined with our market intelligence and our ability to purchase on a large scale, enables us to benefit from the purchase of overstock and assist manufacturers and distributors in disposing of their end-of-line stock range. We often purchase products from regional offices of leading manufacturers at the end of reporting periods to help them reach their targets or otherwise clear products. By utilising these supply and demand imbalances across the globe, we purchase products not only directly from manufacturers and suppliers, but also from industry players that find themselves in a state of oversupply.

Warehousing and inventory management

The vast majority of the products that we source are subsequently stored in our own warehouses in the Netherlands before they are shipped to our customers. We have multiple warehouses in the Netherlands where we store both bonded and free goods. Additionally, we have warehouses in Sweden, the Middle East and Central Asia which allow us to supply perishable and other goods in those regions. See "*Our Business –*

HTG Segment – Warehouses" and "*Our Business – B&S Segment – Warehouses*". Some of the products that we sell and distribute are pre-sold, and are only stored in our warehouses for a limited period of time, if at all. For products that are not pre-sold, we hold substantial inventory positions. We carefully monitor the overall inventory quality and inventory rotation. We have a dedicated inventory management department in each segment that reports directly to the Executive Board on a weekly basis. These departments are responsible for the quality control of the inventory and check the inventory positions, the shelf life, the rotation and the level of returned and out of date products.

Transport

We outsource the logistical process of transporting products from our warehouses to our customers. We stay closely involved in the planning of the transport, and work closely together with our transport partners in mapping the routes and time schedules for the transport, utilising our experience and knowledge with respect to difficult-to-reach areas. Outsourcing this process allows us to focus our resources on our core competences such as sourcing, distribution management, customs handling and warehousing. The outsourcing of transport also reduces our fixed costs and allows us to scale sales volumes up or down depending on demand. Our transport partners are generally engaged via tender processes. For overseas transport, the competitive nature of the market has historically allowed us to secure high service levels at competitive prices. For land transport and airfreight, we use a limited network of dedicated transport partners with whom we have long-term relationships. For land transport in certain regions, especially in Africa and the Middle East, there are few skilled third-party logistics providers available, whereas for transport to the U.S. Army or the United Nations, we are required to use certain approved transport providers. As a result, the market for transport in these areas is less competitive, and we are reliant on a few skilled land transport logistic providers. For all modes of transport, the main considerations in selecting our transport partners are operating procedures and experience, quality of service, reliability and competitive pricing.

Compliance and Risk Management

Overview

Our compliance function establishes and maintains policies and procedures aimed at ensuring that we and our staff are compliant with applicable legal and regulatory requirements. Our compliance function is organised both on Group level and on a segment level. On Group level our compliance department is divided into separate departments that focus on supplier and customer acceptance procedures, export controls, customs, tax, data protection and more general legal matters, such as intellectual property. On a segment level we have compliance functions responsible for customs, quality control and food safety requirements. The persons responsible for compliance on a segment level report directly to the compliance functions at Group level. Our customers and other stakeholders expect and demand that we comply with a range of strict legal and regulatory criteria that are relevant for our business and the services we provide, from food safety to customs clearance. We invest substantial time and resources in ensuring that compliance is top-of-mind within our organisation and managed to high standards, and we provide our employees with compliance training throughout all segments.

Know Your Customer and AML Controls

In order to comply with applicable Know Your Customer requirements and sanctions and AML and anti-bribery rules and regulations, we have a procedure in place for accepting new customers, suppliers and other business relations. The procedure comprises four phases. In the first phase, the commercial department engaging a potential new business relation makes a risk based assessment of the prospective new relation based on, among other things, the region and industry in which the prospective relation is active. The second phase consists of gathering further data on the new relation by requesting the relation to provide information with respect to itself and its business activities. In phase three the new relation is subjected to a compliance screening with ASSIST4 software in order to verify compliance with sanctions, AML and anti-bribery rules and regulations. ASSIST4 is a tool that screens business transactions and relationships for compliance and risk management purposes. The relevant commercial department then assesses the information with respect to the prospective relation and decides whether or not to proceed. If the commercial department decides to proceed with the new business relation, our Group finance department verifies in phase four whether the acceptance procedure has been followed correctly and all documents are in order, assesses the information with respect to the prospective relation and makes a final decision on whether or not to accept the relation as a counterparty. Our existing business relations are screened automatically once every two weeks with the

ASSIST4 compliance and risk management tool to monitor compliance of our business relations on an ongoing basis.

Customs

Each relevant subsidiary of the HTG Segment and the B&S Segment is certified as an Authorised Economic Operator, which enables us to benefit from a fast track mechanism through security controls and customs. In order to receive the status of Authorised Economic Operator an appropriate record of compliance must be demonstrated, we are required to meet the requirements for systems of managing transport records, appropriate security and safety standards must be implemented and we have to demonstrate financial solvency. Our status as an Authorised Economic Operator in the Netherlands requires us to comply with applicable legal and regulatory requirements and subjects us to the Union Customs Code, which is an EU Regulation that provides rules on and procedures for goods that are brought into or are taken out of the customs territory of the EU. We regularly perform self-assessments and have external audits conducted to check compliance with the requirements for being an Authorised Economic Operator.

Additionally, across the HTG Segment and the B&S Segment, we operate a total of five bonded warehouses which allows us to store products that have not yet been or will not be imported into the EU and to store non-EU destined veterinary products. We have significant experience and expertise in customs compliance regulation and where required we engage outside counsel on particular custom matters.

Food Safety

The consequences of unsafe food can be serious and our customers demand that we adhere to strict food safety standards in order to ensure the safety of their food supply chains. Our food safety management system is ISO 22000 certified. ISO 22000 is an international food safety management standard that helps organisations identify and control food safety hazards in order to ensure that food is safe at the time of human consumption. The requirements of the Hazard Analysis and Critical Control Point system ("**HACCP**") are integrated into the ISO 22000 standard. HACCP is an internationally recognised system that aims to assure food safety at all stages of the food supply chain and provides a structured approach toward food hazards that we are required to comply with. Our ISO 22000 certification and implementation of the HACCP system allow us to demonstrate to our customers across the world that our food safety management system meets internationally accepted food safety standards.

We are subject to the supervision of the Netherlands Food and Consumer Product Safety Authority ("**NVWA**") which performs audits of our compliance with the HACCP system. In order to comply with food safety and transparency requirements, we check our compliance and safety procedures on an ongoing basis with special attention being paid to high-risk products, such as meat and poultry. The food products that enter our warehouses are subject to comprehensive quality controls and are stored in climate-controlled environments.

We have a strict HACCP compliant and effective procedure in place to manage product recalls. The procedure aims to ensure that we are at all times able to trace where products have been supplied in order to be able to adequately respond to any recall request. Historically, we have generally been able to recover any damages suffered by us in connection with product recalls from the supplier or producer that supplied us with the products. Between 2016 and 2017, we received a total of three recall notifications and in each instance we were able to fully recover our damages. See "*Risk Factors – Inconsistent quality or contamination of the products we distribute or sell could harm the integrity of, or customer support for, these products, adversely affect our reputation and the sales of those products and exposes us to potential product liability claims*.

In addition, we are approved by the U.S. Army Public Health Command which allows us to supply U.S. Army caterers. The United States Army performs an annual sanitation audit and checks, among other things, whether we are compliant with the HACCP and with the requirement to have a food defence policy aimed at protecting food supply against intentional adulteration in place. Based on this audit, it is decided whether we may continue to be listed in the directory of sanitarily approved food establishments for Armed Forces Procurement and therefore whether we may continue to supply to the U.S. Army. Finally, we are an officially registered supplier of the United Nations Global Marketplace, the common procurement portal of the United Nations system of organisations. This registration allows us to participate in tender processes for contracts of the United Nations. The United Nations update the requirements for being registered every few years, and we are required to update our registration accordingly.

Enterprise Risk Management

We perform risk management procedures with respect to our operational, legal, compliance and financial reporting processes. We identify and assess risks periodically. Internal controls are defined and implemented in key business processes such as warehousing, financing, customs, indirect tax, IT and cybersecurity. The Executive Board has overall responsibility for the establishment and oversight of our risk management framework. The Executive Board closely cooperates with senior management on risk management and is assisted by our internal audit function which independently reviews the effectiveness of our risk management and internal control processes.

Employees

We believe that it is key to attract and retain qualified people who are dedicated to delivering operational excellence to our customers. Our business depends on the continued motivation and development of our employees, and we rely heavily on our employees and their specialist skills. We provide tailored sourcing and distribution services to customers and industries with needs that are constantly evolving. We therefore place great importance on maintaining, developing and encouraging the knowledge, skills and entrepreneurial spirits of our employees through training tools, qualifications processes, knowledge sharing tools and other methods. We continuously invest in the development of our employees. We have an internal training program for our employees, the B&S Academy, where we offer training to new recruits and existing employees. New recruits follow a training program which highlights the areas of international trade that are relevant to our business and they are trained on improving their personal effectiveness, such as time management and business development. Furthermore, we offer employees the opportunity to follow a range of education courses during their career tailored to their area of responsibility and level of seniority, including management studies, logistics training, health and safety training, language courses and university programs. One of our principal human resources challenges is ensuring that we have qualified personnel to support our growth and strategy. In the recruitment market, we believe that we benefit from a reputation as a quality employer with a competitive compensation policy, attractive secondary and tertiary employment conditions, interesting career opportunities and sufficient opportunities for employees to develop their skills.

Our human resource policy is set at Group level and development and training programmes are centrally developed. Across the various segments the same systems and procedures are used, which are all monitored at Group level. Each segment has a dedicated human resource function, with specialists for recruiting, payroll and other administrative tasks. At the date of this Prospectus, we employed approximately 19 FTEs in our human resource department, one FTE at Group level, 7 FTEs dedicated to the HTG segment, 6 FTEs dedicated to the B&S Segment and 5 FTEs dedicated to the Retail segment.

In addition to our permanent employees, we use temporary staff to create a flexible workforce, particularly in our retail outlets and warehouses, which can be deployed in times of peak demand. Occasionally we also hire temporary staff for administrative work or for IT support.

As at 31 December 2017, we employed 1,460 FTEs. The following table provides an overview of the number of FTEs and the number of temporary staff (on an FTE basis) per segment for the periods indicated:

	As at 31 December 2017	As at 31 December 2016	As at 31 December 2015
	FTEs	FTEs	FTEs
HTG Segment	386	357	241
B&S Segment	300	295	297
Retail Segment	219	233	222
Other	5	1	2
Temporary staff	550	533	513
Total	1,460	1,419	1,257

Information Technology Systems

We have a centralised IT platform which supports our decentralised organisation and our strategy of organic and acquisitive growth. Our IT systems are designed to enable us to effectively operate our business and monitor data on customer orders, inventory, our orders with suppliers and the operational performance of our segments and sub-segments. Our IT systems are instrumental in monitoring our business on a day-to-

day basis, and of critical importance to our efforts to optimise the performance of our business and provide a rigorous risk control framework. See "*Risk Factors – Failure of our information technology systems or information technology systems of parties that we rely on could have a material adverse effect on our business, financial condition and results of operations*".

We continuously invest in our corporate digitisation program, BiT. We are currently in the process of replacing our main back office IT system with a customised enterprise resource planning system ("**BiT ERP**"). BiT ERP includes software systems for purchasing, sales and marketing, compliance, warehousing and invoicing. The BiT ERP system is custom made for us by our strategic partner, Codeless, which also developed and maintained our previous ERP system. See "*Risk Factors – We rely on third-party service providers for several important functions, such as transport logistics and IT, and the failure to find qualified service providers or the failure of service providers to perform their obligations could have a material adverse effect on our business, financial condition and results of operations*". BiT ERP has already been successfully implemented in the HTG Segment, with the exception of Hellwege, which is expected to transfer to BiT ERP in Q2 2018 and Topbrands, which uses its own enterprise resource planning system, which is linked to BiT ERP. The implementation of BiT ERP in the B&S Segment is expected to be finalised by the end of 2018. We are planning to migrate Royal Capi-Lux to the BiT ERP system before the end of 2019.

In 2017, we also started the implementation of a new product information management system ("**PIM**"), which stores all product data for products that we distribute in the HTG Segment and the B&S Segment. It is linked to our BiT ERP system and contains basic product data such as the global trade item number and the product description, as well as the marketing text, product history, ingredients and the nutritional value of the products and a high quality product image. PIM allows us to comply with the food safety and customs requirements, but also with the increasing demands of our customers for high quality and up-to-date product information. We expect that implementation of the PIM system will be completed before the end of 2018.

In addition to BiT ERP and PIM, we are continuously investing in updating and improving our IT landscape, which has to date resulted in a more centralised IT department and the implementation of the AutoStore warehouse for the HTG Segment. We are working on the continued digital transformation of our business and various other IT projects focussed on, among other things, cyber security, customs and infrastructure.

Our accounting system, AFAS, is directly linked to our commercial ERP system and is used across all segments except for Royal Capi-Lux and Topbrands. The migration of Royal Capi-Lux and Topbrands to AFAS is expected to be carried out by the end of 2018. All companies within the B&S Group use the Cognos financial reporting system. The AFAS and Cognos systems enable us to aggregate and analyse financial data from our operating companies in a standardised manner and with a level of granularity that facilitates the monitoring of our decentralised operations.

At the date of this Prospectus, we employed approximately 50 FTEs in our IT team. Additionally there are approximately 16 external FTEs employed by Codeless and dedicated to our enterprise resource planning systems, including BiT ERP. We have an IT steering committee (the "**IT Steering Committee**") consisting of (i) Mr Blijdorp (our founder and a member of the Supervisory Board); (ii) Mr Van Laar, our CFO; (iii) the director of IT at Group level, who represents each segment; (iv) the IT managers of the HTG Segment and the B&S Segment; and (v) and the ERP enterprise architect. The IT Steering Committee assists the Executive Board in its oversight of the Group's IT function and prepares recommendations for the policy of the Group with respect to IT. Additionally we have an IT management board, consisting of the director of IT at Group level and the IT managers of the HTG Segment, the B&S Segment and the Retail Segment, which manages the daily operations of our IT function and develops our IT strategy and organisational development plans.

Product Liability

We have potential product liability for the products that we sell and distribute. Our general terms and conditions of purchase, which we declare applicable to our dealings with suppliers, include that suppliers shall be liable for all damage and costs arising from defects of delivered goods and include that the suppliers hold us harmless for any claims by third parties. In addition, our general terms and conditions of sale, that we apply to our customer relationships, include a limitation of liability. In most jurisdictions, the manufacturer of a product, and not the distributor or the retailer, has primary liability for any defect in the product. However, we can be held liable for products that we have imported into the EU or for our private

label products, such as Goodburry or MiTone products. In addition, it cannot be excluded that product liability claims will be lodged against us by our customers, even when we are not the primary responsible party. We maintain product liability insurance to cover product liability risk. See "*Risk Factors – Inconsistent quality or contamination of the products we distribute or sell could harm the integrity of, or customer demand for, these products, adversely affect our reputation and the sales of those products and expose us to potential product liability claims*."

Corporate Social Responsibility

Our corporate social responsibility policy comprises three pillars; (i) environmental responsibility; (ii) economic enhancement; and (iii) social engagement. We seek to improve our environmental performance by applying sustainable principles along the supply chain. We use a range of technologies, such as motion detection lights and temperature regulation, to save energy. In all of our operations we aim to reduce waste disposal and recycle as much as possible. Most of the products that we distribute are transported by road, and we strive to apply the most CO2 efficient transportation method and to minimise the fuel consumption. We seek to create long-term benefits for our stakeholders, including employees, shareholders, suppliers, customers and other business relationships and strive to develop long-term, sustainable relationships with each of them. Furthermore, we strive to be involved in social initiatives that improve the lives of people in the communities in which our employees live and work. For example, we regularly offer food products that are close to their expiry date to local food associations and food banks.

Real Estate

The following table provides an overview of material properties owned and leased by us as at the date of this Prospectus.

Location	Owned/leased	Principal Use	Size (m^2)
Rijksstraatweg 7 I, Dordrecht, the Netherlands	Leased*	Warehouse	31,697
H. Fordlaan 6, Kolham, the Netherlands	Leased*	Warehouse	19,575
Snelliusstraat 14, Dordrecht, the Netherlands	Leased*	Warehouse	18,487
Steenweg 7,13-17, Delfzijl, the Netherlands	Owned	Warehouse	18,248
Spoorhavenweg 17, Veendam, the Netherlands	Leased	Warehouse	13,700
Lorentzweg 6, Spijkenisse, the Netherlands	Leased*	Warehouse	10,122
Slego 2, Amsterdam, the Netherlands	Leased*	Warehouse	7,621
Rondeboslaan 35, Delfzijl, the Netherlands	Owned	Office	5,473
Robijnlaan 14, Hoofddorp, the Netherlands	Owned	Office	2,958
Rijksstraatweg 7 II, Dordrecht, the Netherlands	Leased*	Office	920
18, Place Bleech, Larochette, Luxembourg	Leased	Office	80
Aston Martinlaan 1, Oud-beijerland, the Netherlands	Leased**	Office	2,268

* These properties are leased from companies directly or indirectly controlled by Mr Meulman or Mr Blijdorp. See "*Selling Shareholders and Related Party Transactions*".

** This property is leased from Topbrands Onroerend Goed B.V. See "*Operating and Financial Review – Indebtedness – Related Party Loans*".

Insurance

We maintain a comprehensive insurance portfolio for our business and operations. We obtain insurance either in the form of group insurance policies or individual insurance policies, in each case to cover identified risks and meet applicable legal requirements. Our insurance cover includes general and product liability insurance, employer liability insurance, marine cargo insurance, freight forwarder liability insurance, political risk and violence insurance, war on land insurance, stock insurance, property insurance and business interruption insurance.

We believe that we maintain insurance coverage in a manner consistent with customary practice in our industry. We review our insurance portfolio on a regular basis to optimise our insurance structure taking into account, amongst other things, the insurance market conditions and the expansion of our business.

We provide directors' and officers' liability insurance for all members of the Executive Board and Supervisory Board, as well as certain other persons within our Group. See "*Management and Employees – Director's Indemnification and Insurance*".

Intellectual Property

We own several trademarks, trade names and logos worldwide. We believe that our core intellectual property rights are adequately protected. Trademarks for the words and the word-and-picture combinations used by our Group companies have been registered, or are in the process of registration, in the countries in which they are located.

Material Agreements

In addition to the agreements referred to in "*Operating and Financial Review – Indebtedness – Banking Facilities and Loans*", "*Selling Shareholders and Related Party Transactions – Related Party Transactions*" and "*Plan of Distribution*", within the three years immediately preceding the date of this Prospectus we have entered into the following agreement that is material and contains provisions under which we have an obligation or entitlement that is material to us as of the date of this Prospectus.

On 30 September 2016, Topbrands Investments B.V., a subsidiary of B&S HTG B.V., as purchaser and Topbrands Onroerend Goed B.V. as seller entered into a sale and purchase agreement, providing for the sale and purchase of 51% of the outstanding share capital of Topbrands Europe B.V.

Legal and Arbitration Proceedings

Other than discussed below, we are not, nor have we been during the 12 months preceding the date of this Prospectus, involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which we are aware) that may have, or have had in the recent past, significant effects on our financial position or profitability.

Customs matters

In 2014, we received a customs re-assessment from the Dutch tax authorities for an amount of €10.4 million with respect to shipments of goods transported from the Netherlands to Turkmenistan, Kirgizstan and Tadzhikistan in 2008 and 2009. We are of the opinion, after taking legal advice, that we are not liable for the customs claim and as such have filed an appeal against the re-assessment. Consequently, we have not recorded a provision in our 2017 financial statements for the re-assessment. However, the outcome of appeal proceedings can be difficult to predict with certainty and we can offer no formal assurances in this respect.

Group Structure

The Company is a holding company with no material, direct business operations. The main assets of the Company are the interests it directly or indirectly holds in its various subsidiaries. Our Group consists of a large number of entities. The following companies are our material subsidiaries:

	Corporate seat	Interest held
Group		
B&S Investments B.V.	Netherlands	100%
B&S International B.V.	Netherlands	100%
HTG Segment		
B&S Holland Trading Group B.V.	Netherlands	100%
F.C.T. B.V.	Netherlands	100%
Checkpoint Distribution B.V.	Netherlands	100%
Anker Amsterdam Spirits B.V.	Netherlands	100%
JTG Trading B.V.	Netherlands	67%*
Topbrands Europe B.V.	Netherlands	67%*
B&S Segment		
B&S B.V.	Netherlands	100%
B&S Bosman Global B.V.	Netherlands	100%
B&S Köpcke Global Supply B.V.	Netherlands	100%
Paul Retail B.V.	Netherlands	100%
GWN Investments Ltd	United Arab Emirates	100%
B&S World Supply DMCC	United Arab Emirates	100%
B&S LMCS DMCC	United Arab Emirates	100%

	Corporate seat	Interest held
Retail Segment		
Koninklijke Capi-Lux Holding B.V.	Netherlands	100%
Capi-Lux Distribution B.V.	Netherlands	100%
Capi-Lux Netherlands B.V.	Netherlands	100%

* As at the date of the Prospectus the Company indirectly holds 51% of the shares in Topbrands Europe B.V. and JTG Trading B.V. After implementation of the Pre-IPO Restructuring as described in "*Operating and Financial Review – Current Trading and Recent Developments – Pre-IPO Restructuring*", the Company will indirectly hold 67% of the shares in these entities.

MANAGEMENT AND EMPLOYEES

General

Set out below is a summary of relevant information concerning the Executive Board, Supervisory Board and our employees, and a brief summary of certain significant provisions of Luxembourg corporate law and the Articles of Association.

This summary does not purport to give a complete overview and should be read in conjunction with the Articles of Association and the relevant provisions of Luxembourg corporate law. This summary does not constitute legal advice regarding these matters and should not be considered as such. The full text of the Articles of Association is available in English and German at our business address during regular business hours. The Articles of Association are also available in English and German on our website.

Management Structure

The Company has adopted a two-tier board structure consisting of an executive board (*directoire/Vorstand*) and a supervisory board (*conseil de surveillance/Aufsichtsrat*).

The Executive Board is responsible for our day-to-day management, our strategy and the advocacy of the general stakeholders' interests. The Executive Board may perform all acts necessary or useful for achieving the Company's corporate purposes, except for those expressly attributed to the General Meeting or the Supervisory Board under the Luxembourg Companies Act or the Articles of Association.

The Supervisory Board supervises and advises the Executive Board, without interfering in the management of the Company.

Executive Board

Composition, Appointment and Dismissal

The Articles of Association provide that the Executive Board must consist of at least two members. The members of the Executive Board shall be appointed by the General Meeting upon proposal by the Supervisory Board. The members of the Executive Board shall be elected for a maximum term of four years and shall be eligible for re-appointment for a term of not more than four years at a time, provided that, unless an Executive Board member resigns earlier, his or her appointment period shall end immediately after the annual general meeting that will be held in the financial year in which such term would end, unless specified otherwise in the resolution appointing such Executive Board member. A member of the Executive Board may be removed or replaced with or without cause, at any time, by a resolution adopted by the Supervisory Board or by the General Meeting.

No person can simultaneously be a member of the Executive Board and a member of the Supervisory Board. However, in the event of any vacancy at the Executive Board, the Supervisory Board may appoint one of its members to act on the Executive Board until the following General Meeting. During this period, the duties of this person in its capacity as a member of the Supervisory Board will be suspended.

Decision-making

The Executive Board can only validly adopt resolutions if at least two of its members are present or represented at a meeting duly convened in accordance with the Articles of Association and Luxembourg Law. The Executive Board adopts resolutions by a majority of the votes cast. Blank votes, invalid votes and abstentions shall be considered as not cast. In the case of a tied vote, the chairman of the Executive Board or the chairman *pro tempore*, as the case may be, shall not have a casting vote. Resolutions of the Executive Board may also be adopted outside of a meeting, provided that such resolutions are adopted in writing and signed by each member of the Executive Board.

The Articles of Association comprise a list of clearly defined resolutions of the Executive Board that require the prior consent of the Supervisory Board. As long as Sarabel holds at least 30% of the Ordinary Shares, these resolutions must be approved by a resolution of the Supervisory Board which includes the affirmative vote of the vice-chairman of the Supervisory Board. See "*Selling Shareholders and Related Party Transactions – Related Party Transactions – Relationship Agreement – Reserved Matters*".

The consent for these Executive Board resolutions must be obtained from the Supervisory Board in writing prior to the execution of the respective transaction or measure. However, in exceptional cases where the Executive

Board is required to act immediately in order to prevent a significant harm to the Company, the Executive Board may execute such transactions and measures without the prior written consent of the Supervisory Board but must obtain the written consent of the Supervisory Board as soon as possible after the execution of such transaction or measure. The Supervisory Board may also release the Executive Board in advance from obtaining its prior written consent for certain individual or general business transactions or measures.

In addition, pursuant to the Articles of Association, the Supervisory Board may include in the Supervisory Board Rules and/or procure the inclusion in the Executive Board Rules of an additional list of Executive Board resolutions that require the prior written consent of the Supervisory Board, and the Executive Board shall be informed accordingly of those restrictions.

Furthermore, the Articles of Association provide that resolutions of the Executive Board involving major changes in our identity or character are subject to the approval of the General Meeting. Such changes include:

- the transfer of all or a material part of our assets to a third party;
- the entry into or termination of a long-term cooperation by us or by any of our subsidiaries with another legal entity or company, if such cooperation or termination is of major significance to us; and
- the acquisition or transfer by us or by any of our subsidiaries of a participating interest in the capital of a company the value of which equals at least one third of the Company's assets according to the Company's consolidated balance sheet included in its most recently adopted annual accounts.

Executive Board Rules

The Executive Board has adopted rules governing its decision-making process and working methods (the "**Executive Board Rules**"), which will become effective as of Settlement Date. The Executive Board Rules describe the duties, tasks, composition, procedures and decision-making of the Executive Board. The Executive Board Rules are available on our website.

In accordance with the Executive Board Rules, the Company has installed the IT Steering Committee to assist the Executive Board in its oversight of the Group's IT function and to prepare recommendations for the IT policy of the Group. See "*Our Business – Information Technology Systems*". The roles and responsibilities of the IT Steering Committee as well as the composition are set out in the charter of the IT Steering Committee.

Delegation of Powers

The Executive Board may appoint one or more persons as daily manager (*Geschäftsführer für die tägliche Geschäftsführung*) with full authority to act on behalf of the Company in all matters pertaining to the daily management and affairs of the Company. Such person may not be a member of the Supervisory Board. In case more than one person is appointed as such, the Executive Board may determine whether or not such persons form a collegiate body. On the date of this Prospectus no daily manager has been appointed by the Executive Board.

The Executive Board may appoint one or more persons for the purposes of performing specific functions at any level within the Company. Such person may not be a member of the Supervisory Board. On the date of this Prospectus no such person has been appointed by the Executive Board.

Members of the Executive Board

Name	Age	Position	Member since	Term
Bert Meulman[(1)]	50	Chief Executive Officer	2004	4 years
Gert van Laar	63	Chief Financial Officer	2009	3 years
Bas Schreuders	63	Senior Counsel	2012	2 years
Niels Groen	30	Finance director	2017	2 years

(1) At the date of this Prospectus, Lebaras, controlled by Mr Meulman, is a member of the Executive Board. Mr Meulman is expected to be appointed as a member of the Executive Board prior to Settlement in the place of Lebaras.

Mr Meulman (born 1967, Dutch) is the Group's CEO and a member of the Executive Board. Mr Meulman started his career in a sales role at Kamstra Shipstores – which currently forms part of the HTG Segment – and became partner there three years later. After becoming the managing director of a group of companies that currently forms part of the HTG Segment, he was appointed as the Group's CEO in 2004. In his role as CEO he holds responsibility for corporate strategy, business development, marketing and sales and human resources. Mr Meulman is expected to be appointed as a member of the Executive Board prior to Settlement for a term of

four years.

Mr Van Laar (born 1954, Dutch) is the Group's CFO and a member of the Executive Board. After being advisor to the Group for a number of years, he was appointed as CFO in 2009. Mr Van Laar has extensive experience in various senior finance positions. Furthermore, he is a member of the Dutch Institute of Chartered Accountants. In his role as CFO he holds responsibility for finance, risk management and IT. Mr Van Laar was re-appointed as a member of the Executive Board on 8 March 2018 for a term of three years.

Mr Schreuders (born 1954, Dutch) is a member of the Executive Board. He started his career as a lawyer with Citco Bank & Trust and held senior positions at various banks, amongst others as managing director of MeesPierson Bank in Luxembourg (1997). Before joining B&S Group in 2012, he was the CEO of Intertrust Group in Geneva, Switzerland. In his role as member of the Executive Board he holds responsibility for legal affairs. Mr Schreuders was re-appointed as a member of the Executive Board on 8 March 2018 for a term of two years.

Mr Groen (born 1987, Dutch) is a member of the Executive Board. He started his career as Trainee Business Controller at B&S International in 2011 and held several finance positions before becoming Finance Director in 2017 for one of the business segments of the Group. In his role as member of the Executive Board he supports our CFO in the responsibility for finance and risk management. Mr Groen was re-appointed as a member of the Executive Board on 8 March 2018 for a term of two years.

Supervisory Board

Composition, Appointment and Dismissal

The Articles of Association provide that the Supervisory Board must consist of at least three members. The members of the Supervisory Board shall be appointed by the General Meeting upon proposal by the Supervisory Board, subject to compliance with any applicable nomination right of Sarabel and Lebaras as set out in the Articles of Association. See "*Selling Shareholders and Related Party Transactions – Related Party Transactions – Relationship Agreement – Composition of the Supervisory Board*".

The members of the Supervisory Board are appointed for a maximum period of four years, provided that, unless a Supervisory Board member resigns earlier, his or her appointment period shall end immediately after the annual general meeting that will be held in the financial year in which such term would end, unless specified otherwise in the resolution appointing such Supervisory Board member. The members of the Supervisory Board may be reappointed for another four-year period and then subsequently be reappointed again for a period of two years, which reappointment may be extended by up to two years. In the event of a reappointment after an eight-year period, reasons for such reappointment should be given in the report of the Supervisory Board.

A member of the Supervisory Board may be removed or replaced with or without cause, at any time, by a resolution adopted by the General Meeting.

In the event of one or more vacancies in the Supervisory Board, because of death, resignation or otherwise, the remaining members of the Supervisory Board may appoint one or more members of the Supervisory Board, as the case may be, to temporarily fill any such vacancy until the next General Meeting where a new member of the Supervisory Board will be appointed upon proposal by the Supervisory Board, subject to compliance with any applicable nomination right of Sarabel or Lebaras as set out in the Articles of Association.

Decision-making

The Supervisory Board can only validly adopt resolutions if at least two of its members are present or represented at a meeting duly convened in accordance with the Articles of Association and Luxembourg Law. The Supervisory Board adopts resolutions by a majority of the votes cast. Blank votes, invalid votes and abstentions shall be considered as not cast. In the case of a tied vote, the chairman of the Supervisory Board, the vice-chairman of the Supervisory Board (in the absence of the chairman of the Supervisory Board) or the chairman *pro tempore* (in the absence of the chairman of the Supervisory Board and the vice-chairman of the Supervisory Board), as the case may be, shall not have a casting vote. Resolutions of the Supervisory Board may also be adopted outside of a meeting, provided that such resolutions are adopted in writing and signed by each member of the Supervisory Board. Pursuant to the Articles of Association, certain specified resolutions of the Supervisory Board require the affirmative vote of the vice-chairman of the Supervisory Board as long as Sarabel holds at least 30% of the Ordinary Shares. See "*Selling Shareholders and Related Party Transactions – Related Party Transactions – Relationship Agreement – Reserved Matters*".

Supervisory Board Rules

In accordance with the Articles of Association, the Supervisory Board has adopted rules governing its decision-making process and working methods (the "**Supervisory Board Rules**"), which will become effective as of the Settlement Date. The Supervisory Board Rules describe the duties, tasks, composition, procedures and decision-making of the Supervisory Board. The Supervisory Board Rules are available on our website.

Members of the Supervisory Board

As of the Settlement Date, the Supervisory Board will be composed of the following members:

Name	Age	Position	Member since/from[(1)]	Term
Jan Arie van Barneveld	67	Chairman[(2)]	2018	4 years
Willem Blijdorp	65	Vice-chairman	2004	4 years
Coert Beerman	62	Member	2018	3 years
Rob Cornelisse	59	Member	2018	2 years
Kitty Koelemeijer	54	Member[(2)]	2018	3 years

(1) Mr Van Barneveld, Mr Beerman and Ms Koelemeijer were first appointed as members of the Supervisory Board on 22 February 2018. Following the conversion of the Company into a public limited liability company (*société anonyme/Aktiengesellschaft*) on 8 March 2018, Mr Van Barneveld, Mr Blijdorp, Mr Beerman and Ms Koelemeijer were reappointed as members of the Supervisory Board. Mr Cornelisse is expected to be appointed as a member of the Supervisory Board prior to Settlement.

(2) Mr Van Barneveld and Ms Koelemeijer are considered to be independent members of the Supervisory Board within the meaning of best practice provisions 2.1.7 and 2.1.8 of the Dutch Corporate Governance Code.

Mr Van Barneveld (born 1950, Dutch) is the chairman of the Supervisory Board. From 2000 until 2017, he worked as CEO of Brunel International N.V. Before that he held directors positions at various companies, including Hooge Huys Verzekeringen N.V. and Avéro Life & Mortgages. Mr Van Barneveld holds a master degree in Business Economics and was a member of the Dutch Institute of Chartered Accountants. He also serves as a member of the supervisory board of Brunel International N.V. Furthermore, he serves as a member of the supervisory board and co-chairman of the audit committee of Museum Boijmans van Beuningen.

Mr Blijdorp (born 1952, Dutch), is the vice-chairman of the Supervisory Board and our founder. Mr. Blijdorp founded Kamstra Shipstores – which currently forms part of the HTG Segment – in 1979, and has been a member of the Supervisory Board since 2004. He also serves as a member of the executive board of Clinuvel Pharmaceuticals.

Mr Beerman (born 1955, Dutch) is a member of the Supervisory Board. Since July 2014, Mr Beerman works as Head Wholesale Netherlands & Africa at the Rabobank. Before that he held various director positions at the Rabobank. Mr Beerman holds an MBA from Nyenrode Business University. He also serves as chairman of the supervisory board of the Hogeschool Rotterdam and as a member of the supervisory board of Farm to Market Alliance.

Mr Cornelisse (born 1958, Dutch) will be appointed as a member of the Supervisory Board prior to Settlement. Since 1997, Mr Cornelisse works at Loyens & Loeff N.V. (from 2007 as a tax partner). Before that he worked as tax advisor at various audit firms. Mr Cornelisse holds a master degree in Fiscal Economics and a doctorate degree in Dutch Tax Law. In addition to his work as tax partner at Loyens & Loeff N.V., Mr Cornelisse works as Professor of Tax Law and was until 2018 the chairman of the Tax Department of the Faculty of Law at the University of Amsterdam.

Ms Koelemeijer (born 1963, Dutch) is a member of the Supervisory Board. She works as Full Professor of Marketing & Retailing and Director of the Marketing & Supply Chain Center at Nyenrode Business University. Ms Koelemeijer holds a master degree in Economics and a doctorate degree in Marketing at Wageningen University. She also serves as a member of the supervisory board of CB Logistics, Coram International and Vereniging Eigen Huis. Furthermore, she serves as vice-chairman of the supervisory board of Intergamma and is chairman of the remuneration committee of Intergamma.

Supervisory Board Committees

The Supervisory Board has an audit and risk committee (the "**Audit and Risk Committee**") and a selection, appointment and remuneration committee (the "**Selection, Appointment and Remuneration Committee**").

The function of these committees is to assist the decision-making of the Supervisory Board.

Audit and Risk Committee

The Audit and Risk Committee assists the Supervisory Board in monitoring our systems of internal controls, the quality and integrity of our financial reporting process and the content of our financial statements and reports, and in assessing and mitigating our business and financial risks.

The Audit and Risk Committee assists the Supervisory Board by advising on matters, such as our financing policy, our compliance with applicable laws and regulations, our disclosure of financial information, including our accounting principles, the procedure and recommendation for the appointment of our external auditor to the General Meeting, the recommendations from our external auditor, and the review of our internal risk management and control systems and business continuity safeguards.

The roles and responsibilities of the Audit and Risk Committee as well as the composition and the manner in which it discharges its duties are set out in the charter of the Audit and Risk Committee. The Audit and Risk Committee will meet as often as circumstances dictate but in any event at least four times per year.

The members of the Audit and Risk Committee are: Mr Beerman (chairman) and Mr Van Barneveld.

Selection, Appointment and Remuneration Committee

The duties of the Selection, Appointment and Remuneration Committee include assisting the Supervisory Board in supervising the Executive Board with respect to our compensation programs and compensation of our senior management and other personnel, making proposals for the remuneration of the individual members of the Executive Board and the Supervisory Board and assisting the Supervisory Board with the selection and appointment procedures for the members of the Executive Board and the Supervisory Board. The Selection, Appointment and Remuneration Committee is also responsible for the preparation of the annual remuneration report of the Supervisory Board. Such report shall be published on our website.

Within the scope of the remuneration policy adopted by the General Meeting, the Selection, Appointment and Remuneration Committee advises the Supervisory Board on the remuneration of the individual members of the Executive Board and monitors our remuneration policy.

The role and responsibility of the Selection, Appointment and Remuneration Committee as well as the composition thereof and the manner in which they discharge their respective duties are set out in the charter of the Selection, Appointment and Remuneration Committee. The Selection, Appointment and Remuneration Committee will meet as often as circumstances dictate but in any event at least two times per year.

The members of the Selection, Appointment and Remuneration Committee are: Ms Koelemeijer (chairman), Mr Van Barneveld and Mr Blijdorp.

Executive Board Remuneration

The remuneration of the members of the Executive Board is determined by the Supervisory Board, with due observance of the remuneration policy as adopted by the General Meeting.

The remuneration policy aims to provide a remuneration structure that will allow the Company to attract, reward and retain highly qualified members of the Executive Board and provide and motivate them with a balanced and competitive remuneration that is focused on sustainable results and is aligned with the long term strategy of the Company.

Pursuant to the remuneration policy, the remuneration of the members of the Executive Board may consist of:

- fixed directors fees;
- a variable annual bonus (short term cash incentive);
- pension and fringe benefits; and
- termination arrangements.

Remuneration of the Executive Board

The total aggregate remuneration received by the members of the Executive Board in 2017 amounted to €4.3 million.

The aggregate annual base pay for the members of the Executive Board for 2018 has been set at €1.2 million. There will be a short term incentive for our CEO and CFO, in accordance with the remuneration policy as

described above, which will not exceed 0.6% or 0.2%, respectively, of our consolidated profit for the year from continuing operations. See "*Operating and Financial Review – Current Trading and Recent Developments – Pre-IPO Restructuring*".

Supervisory Board Remuneration

The total aggregate remuneration received by the members of the Supervisory Board in 2017 amounted to €0.2 million.

For 2018, the members of the Supervisory Board will each receive an annual fee of €50,000 for their services as of the date of their appointment. In addition, the chairman of the Supervisory Board will receive an additional annual fee of €5,000.

Shareholding Information

At the date of this Prospectus, with the exception of Mr Meulman and Mr Blijdorp, none of the members of the Executive Board and Supervisory Board hold any Ordinary Shares or rights to obtain Ordinary Shares. See "*Selling Shareholders and Related Party Transactions*" for more information on the indirect shareholdings of Mr Meulman and Mr Blijdorp.

Service Agreements, Employment Agreements and Severance Agreements

The CEO and CFO have entered into service agreements with the Group. The other two members of the Executive Board have entered into employment agreements with the Group.

The service agreements of the CEO and the CFO provide for a severance payment in the event of termination. The amount of the severance payment will be the fixed remuneration component of one year's salary and 50% and the applicable annual cash bonus, each for the preceding financial year. No severance payment will be awarded if the service agreement is terminated early at the initiative of the CEO or the CFO, as applicable, or in the event of seriously culpable or negligent behaviour on the part of the CEO or the CFO, as applicable.

In accordance with Luxembourg law, the termination of the employment agreements of the other members of the Supervisory Board, as referred to above, is subject to a statutory notice period and requires the payment of a statutory severance payment. The statutory notice period and statutory severance payment are calculated on the basis of the employee's length of service at the relevant time. If an employment agreement is terminated with immediate effect due to serious misconduct on the part of the employee, no notice period to the employee is required and no statutory severance is payable.

The members of the Supervisory Board do not have employment, service or severance agreements with the Group.

Board Conflicts of Interest

Under Luxembourg law and the Articles of Association, any member of the Executive Board or the Supervisory Board having directly or indirectly a financial interest (*intérêt de nature patrimoniale/finanzielle Interesse*) in a transaction submitted for approval to the Executive Board or the Supervisory Board that conflicts with that of the Company shall be obliged to advise the Executive Board and the chairman of the Supervisory Board (in case of a conflict in respect of a member of the Executive Board) and the Supervisory Board (in case of a conflict in respect of a member of the Supervisory Board) of the conflict and to cause a record of his statement to be included in the minutes of the meeting of the Executive Board or the Supervisory Board, as applicable. Such member of the Executive Board or the Supervisory Board may not take part in these deliberations and shall abstain from voting on any such transaction. At the next General Meeting, before any other resolution is put to vote, a special report shall be made on any transactions in which any members of the Executive Board or the Supervisory Board may have a financial interest conflicting with that of the Company. These provisions do not apply where the decision of the Executive Board or the Supervisory Board, as applicable, relates to transactions entered into under normal conditions in the ordinary course of business.

Where, because of conflicts of interest, the number of members of the Executive Board required by the Articles of Association to decide and vote on the relevant matter is not reached, the Executive Board may decide to refer the decision on that matter to the Supervisory Board. Where, because of conflicts of interest, the number of members of the Supervisory Board required by the Articles of Association to decide and vote on the relevant matter is not reached, the Supervisory Board may decide to refer the decision on that matter to the General Meeting.

Where the transaction concerned gives rise to a conflict of interest between the Company and a member of the Executive Board, it shall in addition require the authorisation of the Supervisory Board.

Potential Conflicts of Interest and Other Information

Mr Meulman, our CEO, is expected to indirectly hold 15.9% of the Ordinary Shares immediately following Settlement. Mr Blijdorp, our founder and the vice-chairman of the Supervisory Board, is expected to indirectly hold 50.8% of the Ordinary Shares immediately following Settlement (in both cases, after giving effect to the Share and Cash Incentive, assuming an Offer Price at the mid-point of the Offer Price Range, and assuming full placement of the Offer Shares and full exercise of the Over-Allotment Option). See "*– Shareholding Information*" and "*Selling Shareholders and Related Party Transaction*". Furthermore, we lease part of our real estate from companies controlled by Mr Meulman and Mr Blijdorp. See also "*Selling Shareholders and Related Party Transaction"* and *"Risk Factors – Following the Offering, our largest Shareholders, Sarabel and Lebaras, will continue to be in a position to exert substantial influence over us. The interests pursued by Sarabel or Lebaras could differ from the interests of our other Shareholders*". We are not aware of any other circumstances that may lead to a potential conflict of interest between the private interests or other duties of members of the Executive Board or the Supervisory Board, as the case may be, vis-à-vis our interests. There is no family relationship between any members of the Executive Board or the Supervisory Board.

With respect to each of the members of the Executive Board and Supervisory Board, we are not aware of (i) any convictions in relation to fraudulent offences in the last five years; (ii) any bankruptcies, receiverships or liquidations of any entities in which such member held any office, directorship or senior management position in the last five years; or (iii) any official public incriminations or sanctions of such member by statutory or regulatory authorities (including designated professional bodies), or disqualifications by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.

Directors' Indemnification and Insurance

The members of the Executive Board and the Supervisory Board are not held personally liable for the indebtedness or other obligations of the Company. As agents of the Company, they are responsible for the performance of their duties. Under the Articles of Association, every person who is, or has been, a member of the Executive Board or the Supervisory Board or officer of the Company shall be indemnified by the Company to the fullest extent permitted by law against liability and against all expenses reasonably incurred or paid by him in connection with any claim, action, suit or proceeding in which he becomes involved as a party or otherwise by virtue of his being or having been such a director or officer and against amounts paid or incurred by him in the settlement thereof. The words "claim", "action", "suit" or "proceeding" shall apply to all claims, actions, suits or proceedings (civil, criminal or otherwise including appeals) actual or threatened and the words "liability" and "expenses" shall include without limitation attorneys' fees, costs, judgments, amounts paid in settlement and other liabilities.

No indemnification shall be provided to any member of the Executive Board or the Supervisory Board or any officer (i) against any liability to the Company or its shareholders by reason of willful misconduct, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his or her office (ii) with respect to any matter as to which he or she shall have been finally adjudicated to have acted in bad faith and not in the interest of the Company or (iii) in the event of a settlement, unless the settlement has been approved by a court of competent jurisdiction or by the Supervisory Board.

Diversity Policy

We have a diversity policy in place, setting out the principles that are applied to the composition of the Executive Board and Supervisory Board. We value diversity and we recognise the benefits that diversity within the Executive Board and Supervisory Board can bring. For us diversity is not a static concept, but rather a relevant mix of required elements for the Executive Board and Supervisory Board as a whole that evolves with time, based on, among others, our business objectives and future needs. We treat diversity of the Executive Board and Supervisory Board as means for improvement and development rather than an end in itself.

Employees

As at 31 December 2017, we employed 1,460 FTEs, worldwide. See "*Our Business – Employees*".

Pension Schemes

We operate various pension schemes. In the Netherlands, we have defined contribution plans in place, which are post-employment benefit plans under which we pay certain fixed contributions to public pension funds or privately administered pension insurance plans. Once the fixed contributions have been paid, we have no further payment obligations with respect to the plan. Obligations for contributions to defined contribution plans are recognised in profit or loss for the period in which they arise. The recognition and measurement of liabilities arising from pension plans in countries other than the Netherlands that are designed and operated in a similar way to the Dutch pension system, is carried out in accordance with the valuation of the Dutch pension schemes. In certain jurisdictions where we have a presence, governmental pension regulations are in place for which we pay pension premiums. Due to the nature of these regulations no valuation of these premiums is required.

Employee Representation

Each of our segments, through B&S B.V., B&S Holland Trading Group B.V. and Koninklijke Capi-Lux Holding B.V., has established a works council. Under Dutch law, the management board of any company where a works council has been established must seek the non-binding advice of the works council before taking certain decisions, such as those related to a major restructuring, a change of control, or the appointment or dismissal of a managing director. Certain other decisions directly involving employment matters that apply either to all employees or certain groups of employees may only be taken with the works council’s consent.

DESCRIPTION OF SHARE CAPITAL AND CORPORATE GOVERNANCE

General

The Company was incorporated on 13 December 2007 as a private limited liability company (*société à responsabilité limitée*), under the laws of the Grand Duchy of Luxembourg, is registered with the Luxembourg Register of Commerce and Companies under number B 135.944 and operates under the laws of the Grand Duchy of Luxembourg. The Company has been converted into a public limited liability company (*société anonyme/Aktiengesellschaft*) on 8 March 2018. The registered office of the Company is at 18, Place Bleech L-7610 Larochette, Grand-Duchy of Luxembourg and its telephone number is + 352 26 87 08 81.

Set out below is a summary of certain information concerning our share capital and certain significant provisions of Luxembourg corporate law, and a brief summary of certain provisions of the Articles of Association (as they shall read as of the Settlement Date).

This summary does not purport to give a complete overview and should be read in conjunction with the Articles of Association, or with relevant provisions of Luxembourg law and Dutch law, and does not constitute legal advice regarding these matters and should not be considered as such. The full text of the Articles of Association is available, in English and German, at our registered office in Larochette during regular business hours. The Articles of Association are available in English and German on our website www.bs-group-sa.com. See "*General Information – Available Information*".

Corporate Objective

Pursuant to article 3 of the Articles of Association, our corporate objective is the acquisition of participations in Luxembourg or abroad, in any company or enterprise in any form whatsoever and the management of those participations. In connection with our corporate objective the Company may, in particular:

- acquire securities or financial instruments issued by any public or private entity, participate in the creation, development, management and control of any company or enterprise, or invest in the acquisition and management of a portfolio of patents or other intellectual property rights of any nature or origin;
- borrow in any form, issuing any kind of debt and equity securities, lend funds to its subsidiaries, affiliated companies and any other companies, provide guarantees and grant security over some or all of its assets to guarantee its own obligations and those of any other company;
- use any techniques, legal means and instruments to manage its investments efficiently and protect itself against credit risks, currency exchange exposure, interest rate risks and other risks; and
- carry out any commercial, financial or industrial operation and any transaction with respect to real estate or movable property that directly or indirectly favours or relates to its corporate object.

Share Capital

History of Share Capital

At its incorporation on 13 December 2007, the Company had an issued share capital of €5,000,000 divided into 132,000 S shares, 48,000 L shares and 20,000 T shares, each in registered form with a nominal value of €25, all subscribed and fully paid-up.

On 13 January 2010, the Extraordinary General Meeting (as defined below) resolved to convert the 20,000 T shares into 14,660 S shares and 5,340 L shares, with a nominal value of €25 each.

On 4 July 2012, the Extraordinary General Meeting resolved to increase the issued share capital of the Company by an amount of €237,875 in order to bring the share capital from €5,000,000 to €5,237,875 by way of the issuance of 9,515 P shares, with a nominal value of €25 each in the share capital of the Company.

On 8 March 2018, the Extraordinary General Meeting resolved to convert each of the S shares and L shares into Ordinary Shares, split each of the resulting Ordinary Shares and P shares into 400 (resulting in a total number of 80,000,000 Ordinary Shares and 3,806,000 P shares), and to reduce the issued share capital of the Company by an amount of €209,515 through a reduction of the nominal value of each share from €0.0625 to €0.06, in order to bring the share capital from €5,237,875 to €5,028,360, represented by 80,000,000 Ordinary Shares and 3,806,000 P shares, with a nominal value of €0.06 each in the share capital of the Company.

Prior to Settlement, the Extraordinary General Meeting is expected to resolve to (i) reduce the issued share capital of the Company by an amount of €228,360 in order to bring the issued share capital from €5,028,360 to €4,800,000 by way of the cancellation and repayment of 3,806,000 P shares, with a nominal value of €0.06 each in the share capital of the Company and (ii) increase the issued share capital of the Company by an amount of €250,639.26 in order to bring the share capital from €4,800,000 to €5,050,639.26 through the issuance of 4,177,321 Ordinary Shares to the Managers' Vehicle against a contribution in kind as described in "*Operating and Financial Review – Current Trading and Recent Developments – Pre-IPO Restructuring – Managers' Vehicle*".

Issued and Authorised Share Capital

Immediately prior to Settlement, our issued share capital shall amount to €5,050,639.26, divided into 84,177,321 Ordinary Shares. No Preference Shares have been issued. The Ordinary Shares have a nominal value of €0.06 and the Preference Shares, if and when issued, shall have a nominal value of €0.06.

On the date of this Prospectus, no Ordinary Shares are held by the Company. All issued Ordinary Shares are fully paid-up and are subject to, and have been created under, the laws of Luxembourg.

See also "*– Issuance of Ordinary Shares and Preference Shares and Preferential Subscription Rights*" for a description of the authorised share capital of the Company, under which the Executive Board is authorised to increase the issued share capital by issuing new Ordinary Shares and new Preference Shares.

Shareholders Register

The shares in the capital of the Company are in registered form and cannot be converted into bearer shares or dematerialised shares. The shares are indivisible and the Company recognises only one owner per share. A register of shares will be kept at the registered office of the Company and can be examined by any Shareholder on request.

For shares as referred to in the Dutch Securities Giro Transactions Act (*Wet giraal effectenverkeer*), including the Ordinary Shares, which belong to (i) a collective depot as referred to in that Act, of which shares form part, as being kept by an intermediary as referred to in that Act or (ii) a giro depot as referred to in that Act of which shares form part, as being kept by a central institute as referred to in the Act, the name and address of the intermediary or the central institute will be entered in the shareholders register, stating the date on which those shares became part of such collective depot or giro depot, the date of acknowledgement by or giving of notice to, as well as the paid-up amount on each share. The Company will permit the persons on whose behalf the Ordinary Shares are recorded in the shareholders' register in the name of the intermediary or the central institute to exercise the rights attached to the shares corresponding to their book-entry interests, including admission to and voting at General Meetings.

Issuance of Ordinary Shares and Preference Shares and Preferential Subscription Rights

An Extraordinary General Meeting may resolve to issue Ordinary Shares and Preference Shares or to grant rights to subscribers for such shares and to increase our share capital. In such case, the existing Shareholders shall have the right to subscribe to such new Ordinary Shares in proportion to the number of Ordinary Shares held by them, unless the General Meeting would withdraw or limit the preferential subscription rights of the Shareholders. The decision by the General Meeting to withdraw or limit the preferential subscription rights of the Shareholders must be taken subject to compliance with applicable rules for the amendment of the Articles of Association. Any proposal to that effect must be specifically announced in the convening notice. Detailed reasons therefore must be set out in a report prepared by the Executive Board and presented to the Extraordinary General Meeting dealing, in particular, with the proposed issue price. See "*– Amendment of the Articles of Association*".

Pursuant to the Articles of Association, holders of Ordinary Shares have no preferential subscription rights in respect of the issuance of Preference Shares and holders of Preference Shares have no preferential subscription rights in respect of the issuance of Ordinary Shares.

Pursuant to the Articles of Association, the Executive Board is authorised for a period of five years from the date of the amendment of the Articles of Association creating the authorised share capital (scheduled on or about the date of Pricing), to:

(i) resolve to increase the then existing share capital on one or more occasions by up to an aggregate amount of €2,525,319.60, by issuing up to 42,088,660 new Ordinary Shares in registered form with a nominal value of €0.06 and with the same rights as the existing Ordinary Shares against payment in cash or in kind, or by capitalisation of distributable profits and reserves (the "**Ordinary Shares Authorised Capital**"); and

(ii) resolve to increase the then existing share capital on one or more occasions by up to an aggregate amount of €5,050,639.26, by issuing up to 84,177,321 new Preference Shares in registered form with a nominal value of €0.06 and with the rights as set in the Articles, if any, against payment in cash or in kind, or by capitalisation of distributable profits and reserves (the "**Preference Shares Authorised Capital**", together with the Ordinary Shares Authorised Capital, the "**Authorised Capital**").

The Authorised Share Capital may be renewed, increased, reduced or revoked by a resolution of the General Meeting adopted in the manner required for an amendment to the Articles of Association, and in respect of a renewal or increase on each occasion for a period not exceeding five years. See "*– Amendment of the Articles of Association*".

Under the Ordinary Shares Authorised Capital, the Executive Board is authorised to, subject to approval of the Supervisory Board, issue Ordinary Shares, grant rights (including warrants or options) to subscribe for Ordinary Shares and issue any other instruments convertible into Ordinary Shares (the "**Ordinary Instruments**") up to a maximum of 10% of the issued Ordinary Shares per year, calculated over the number of Ordinary Shares outstanding (i) for any Ordinary Instruments to be issued in 2018, immediately after the notarial deed of amendment in which the Articles of Association are adopted (scheduled on or about the date of Pricing); or (ii) for Ordinary Instruments to be issued in any other financial year, on 1 January of the relevant year. The Executive Board is also authorised to withdraw or limit the preferential subscription rights of the Shareholders in respect of the issuance of such new Ordinary Instruments under the Authorised Share Capital, subject to approval of the Supervisory Board.

Under the Preference Shares Authorised Capital, the Executive Board is authorised to, subject to approval of the Supervisory Board and, as long as Sarabel holds at least 30% of the Ordinary Shares at the time of issuance, subject to approval of Sarabel, issue Preference Shares, grant warrants or options to subscribe for Preference Shares and issue any other instruments convertible into Preference Shares (the "**Preference Instruments**") to the Foundation. See "*– Anti-Hostile Takeover Protection Measures and Preference Shares*". The Executive Board is also authorised to withdraw or limit the preferential subscription rights of Shareholders in respect of the issuance of Preference Shares, if any, in favour of the Foundation, subject to approval of the Supervisory Board. Any warrant or option to subscribe for or other instrument convertible into Preference Shares granted to the Foundation shall provide that such instrument may only be converted or exercised, as the case may be, into such number of Preference Shares representing up to (but less than) 33⅓% of the total number of voting rights attached to shares outstanding immediately after each conversion or exercise of such instrument; any Preference Shares already held by the Foundation at the time of each conversion or exercise will be deducted from this maximum. If the Executive Board issues Preference Shares directly to the Foundation, it may only issue such number of Preference Shares representing up to (but less than) 33⅓% of the total number of voting rights attached to shares outstanding immediately after such issuance. In case of issuance by the Executive Board of Preference Instruments other than Preference Shares, the Preference Instruments must provide that they may only be converted or exercised, as the case may be, if Sarabel Invest holds less than 30% of the Ordinary Shares at the time of conversion or exercise, as the case may be, of the Preference Instruments.

Transferability of Ordinary Shares

There are no restrictions on the free transferability of the Ordinary Shares.

Repurchase of Ordinary Shares

The Company is prohibited by Luxembourg law from subscribing for its own shares.

The Company does not currently hold Ordinary Shares, nor does a third party on behalf of the Company. On the date of this Prospectus, the Company has not issued any convertible securities, exchangeable securities or securities with warrants.

In accordance with the Luxembourg law of 10 August 1915 on commercial companies, as amended (the "**Luxembourg Companies Act**") and without prejudice to the Luxembourg law of 23 December 2016 on market abuse and the principle of equal treatment of shareholders, the Company and its subsidiaries may, directly or through a person acting in its own name but on the Company's behalf, acquire Ordinary Shares subject to the following conditions:

- the General Meeting authorises the repurchase of Ordinary Shares, which authorisation determines (i) the terms and conditions of the proposed repurchase (ii) the maximum number of Ordinary Shares to be repurchased, (iii) the duration of the period for which the authorisation is given, which may not exceed five years and (iv) in case of a repurchase for consideration, the maximum and the minimum

consideration. This condition does not apply if the repurchase is necessary in order to prevent serious or imminent harm to the Company, or if the repurchase is made for the sole purpose of distributing these Ordinary Shares to the employees of the Company or of a member of the Group. The distribution of any such Ordinary Shares must take place within 12 months from the date of the repurchase;

- the repurchase, taken together with any Ordinary Shares previously repurchased by the Company and held by it and any Ordinary Shares acquired by a person acting in its own name but on behalf of the Company, cannot result in a reduction of the Company's net assets below the aggregate of the subscribed capital and any reserves that may not be distributed under law or the Articles of Association;
- the offer by the Company to Shareholders to acquire Ordinary Shares must be made on the same conditions to all the Shareholders being in a similar situation, it being understood that such restriction does not apply to Ordinary Shares repurchased by the Company on Euronext Amsterdam or another trading venue where the Ordinary Shares are admitted to trading; and
- the Company may only repurchase fully paid up Ordinary Shares.

In accordance with Luxembourg law, the repurchase of Ordinary Shares by the Company or a person acting in its own name but on the Company's behalf may never result in a reduction of the Company's net assets below the aggregate of the subscribed capital and any reserves that may not be distributed under law or the Articles of Association.

None of the abovementioned statutory conditions, except for the condition described under the second bullet point above, apply to the acquisition of:

- Ordinary Shares acquired pursuant to a resolution of the General Meeting to reduce the share capital or in connection with the issue of redeemable shares;
- Ordinary Shares acquired as a result of a universal transfer of assets;
- fully paid-up Ordinary Shares acquired free of charge or acquired by banks and other financial institutions pursuant to a purchase commission contract;
- Ordinary Shares acquired by reason of a legal obligation or a court order for the protection of minority shareholders, in particular, in the event of a merger, the division of the Company, a change in the Company's object or form, the transfer abroad of its registered office or the introduction of restrictions on the transfer of shares;
- Ordinary Shares acquired from a shareholder in the event of failure to pay them up; and
- fully paid-up Ordinary Shares acquired pursuant to an allotment by court order for the payment of a debt owed to the Company by the owner of the Ordinary Shares.

Except when Ordinary Shares are repurchased by the Company pursuant to a resolution of the General Meeting to reduce the share capital of the Company, the repurchased Ordinary Shares as acquired pursuant to the preceding paragraph must be sold or cancelled within three years from the date of the repurchase. This obligation does not apply if the total amount of the Ordinary Shares held in treasury by the Company, including any Ordinary Shares acquired by a person acting in its own name but on behalf of the Company, does not exceed 10% of the subscribed share capital of the Company. If the Ordinary Shares so acquired are not disposed of within the required period, they must be cancelled. The subscribed capital may be reduced by a corresponding amount. Such a reduction is compulsory where the acquisition of Ordinary Shares to be cancelled results in the Company's net assets having fallen below the aggregate of the subscribed capital and any reserves that may not be distributed under the law or the Articles of Association.

Any Ordinary Shares held by the Company in treasury are not taken into account for calculating the quorum and majority for General Meetings, and any voting rights attached to such treasury Ordinary Shares are suspended.

The Executive Board can resolve to suspend the right to dividends attached to any Ordinary Share held by the Company in treasury. If so resolved, the dividend coupons will generally remain attached to these Ordinary Shares, but the distributable profits are reduced in accordance with the number of treasury shares. The profits that should have been distributed on these Ordinary Shares are reserved until the Ordinary Shares are sold with the coupons attached to them. The Company can also allocate these distributable profits over the Ordinary Shares held by other Shareholders, and annul the dividend coupons.

If the Ordinary Shares that are held in treasury are included among the assets shown in the balance sheet, a non-distributable reserve of the same amount is to be created among the liabilities.

Prior to Settlement, the General Meeting is expected to authorise the Executive Board, subject to approval of the Supervisory Board, for a period of five years following the date of the authorisation, to repurchase Ordinary Shares up to a maximum of 8,417,732 Ordinary Shares. The price per repurchased Ordinary Share shall range between the nominal value of the Ordinary Shares and the amount equal to 110% of the share price, being the average of the highest quoted price for each Ordinary Share on the five consecutive trading days immediately preceding the date of repurchase, according to the Official Price List of Euronext Amsterdam as published on its website.

The redemption of Preference Shares is described in "– *Anti-Hostile Takeover Protection Measures and Preference Shares*".

Reduction of Share Capital

The share capital of the Company may be reduced by a resolution of the General Meeting, subject to compliance with the applicable rules for the amendment of the Articles of Association. See "– *Amendment of the Articles of Association*".

If the General Meeting resolves to reduce our share capital by repaying Shareholders or by waiving the Shareholders' obligation to pay up the shares held by them, creditors whose claims predate the publication in the *Recueil Electronique des Sociétés et Associations* of the minutes of the General Meeting may, within thirty days from such publication, apply for the constitution of security to the judge presiding the chamber of the local court dealing with commercial matters and sitting as in urgency matters. No repayment may be made or waiver given to the Shareholders until the creditors have obtained satisfaction or until the judge presiding the chamber of the local court has dismissed their claims.

Dividends and Other Distributions

The Ordinary Shares carry the right to receive dividends and distributions paid by the Company. Subject to certain limitations set out by Luxembourg law and the Articles of Association, each Ordinary Share is entitled to participate equally with the other Ordinary Shares in dividends when and if declared by the annual General Meeting out the reserves available for such purpose, subject to the preferential dividend rights attached to the Preference Shares, if and when issued. See "– *Anti-Hostile Takeover Protection Measures and Preference Shares*".

Declared and unpaid dividends held by the Company for the account of its Shareholders do not bear interest. Under Luxembourg law, claims for dividends lapse in favour of the Company five years after the date on which the dividends have been declared. Neither the Articles of Association nor Luxembourg law contain any restrictions on the payment of dividends specifically applicable to non-Luxembourg resident holders of Ordinary Shares.

The amount of a dividend declared by the General Meeting upon approval of the Company's annual accounts may not exceed the amount of the profits at the end of the last financial year plus any profits carried forward and any amounts drawn from reserves available for that purpose, minus any losses carried forward and sums to be placed in reserve in accordance with the law or the Articles of Association.

The Luxembourg Companies Act and the Articles of Association provide that from the annual net profits of the Company, at least 5% shall be allocated to the Company's legal reserve (the "**Legal Reserve**") each year. The allocation to the Legal Reserve will cease to be required as soon and as long as the Legal Reserve amounts to 10% of the issued share capital of the Company. As at the date of this Prospectus, our Legal Reserve amounts to at least 10% of our issued share capital of €5,028,360. After allocation to the Legal Reserve and upon the recommendation of the Executive Board, the General Meeting resolves on the allocation of the annual net profits, allocating the annual net profits to a reserve, carrying the annual net profits forward to the next financial year or distributing the annual net profits to the Shareholders as a dividend (such recommendation to be given with approval of the Supervisory Board) or a combination thereof.

Interim dividends may be declared and paid by the Executive Board, subject to approval of the Supervisory Board, out of available net profits or other available reserves provided that the following conditions are met:

- interim accounts shall be drawn-up showing that the funds available for distribution are sufficient;
- the amount to be distributed may not exceed total profits made since the end of the last financial year for which the accounts have been approved, plus any profits carried forward and sums drawn from reserves available for this purpose, less losses carried forward and any sums to be placed to reserve pursuant to the requirements under Luxembourg law or of the Articles of Association;

- the decision of the Executive Board to distribute an interim dividend may not be taken more than two months after the date at which the interim accounts have been drawn up; and
- in its report to the Executive Board, our auditor shall confirm that the above conditions have been satisfied.

Where the payments on account of interim dividends exceed the amount of the dividend subsequently decided upon by the General Meeting, they will, to the extent of the overpayment, be deemed to have been paid on account of the next dividend.

General Meetings of Shareholders and Shareholder Rights

General Meetings

As long as the Ordinary Shares are admitted to trading on a regulated market as defined in MiFID II ("**Regulated Market**"), General Meetings will be convened in accordance with the provisions of the Luxembourg law of 24 May 2011 on the exercise of certain rights of shareholders in general meetings of listed companies (the "**Luxembourg Shareholder Rights Law**") and the Articles of Association.

Luxembourg law distinguishes between ordinary General Meetings and extraordinary General Meetings ("**Extraordinary General Meetings**") of shareholders. Extraordinary General Meetings are convened to vote on any amendment of the Articles of Association and certain other matters described below and are subject to the quorum and majority requirements described below. All other General Meetings are ordinary General Meetings, to be held at least once a year.

Ordinary General Meetings have no quorum requirements and resolutions can be adopted by a simple majority, irrespective of the number of shares represented. Extraordinary General Meetings have a quorum requirement of at least 50% of the issued share capital and resolutions can only be adopted by a two-thirds majority of the votes cast. Extraordinary General Meetings are convened to vote on the following matters:

- the withdrawal or limiting of preferential subscription rights (to the extent this has not been delegated to the Executive Board in respect of any Authorised Capital);
- approving a legal merger or demerger (to the extent required by law);
- the voluntary liquidation of the Company;
- changes to the registered office of the Company to another jurisdiction;
- an amendment of the Articles of Association, including: (i) an increase or decrease of the authorised share capital, (ii) an issuance of new shares or (iii) a reduction of the share capital.

If the quorum of at least 50% of the issued share capital is not reached, the Extraordinary General Meeting may be reconvened to a later date with no quorum requirement, subject to appropriate notification procedures.

General Meetings may be convened by the Executive Board, the Supervisory Board or the statutory auditors of the Company. A General Meeting must also be called upon written request, including an indication of the agenda for such meeting, made to the Executive Board by one or more Shareholders holding, in aggregate, at least ten per cent of the voting rights in the General Meeting.

The convening notice of the meeting must be circulated no later than 30 days, or in case of convening a second meeting due to lack of quorum in the first meeting 17 days (provided that (i) the first meeting was properly convened; and (ii) no new item has been added to the agenda), prior to the date of the meeting and must include the agenda for the meeting, including the voting items, the place and time of the meeting, the procedure for participating at the meeting by written proxy-holder, the address of the website of the Company and, if applicable, the procedure for participating at the meeting and exercising voting rights by electronic means of communication. Convening notices must be published in the Luxembourg *Recueil Electronique des Sociétés et Associations* and in a Luxembourg newspaper and will be published on the website of the Company. Furthermore, the convening notice shall be published through financial media channels to ensure effective dissemination throughout the European Economic Area (i.e. in such media which may reasonably be expected to be relied upon for the effective dissemination of information to the public throughout the European Economic Area, and which are accessible rapidly and on a non-discriminatory basis).

Each holder of Ordinary Shares or Preference Shares in the capital of the Company is entitled to attend the General Meeting, to address such meeting and, to the extent applicable, to exercise its voting rights. Shareholders

may vote by proxy or written voting forms as specified in the convening notice. The notice of the meeting may determine that the voting rights may be exercised by means of electronic communication.

Shareholders may only attend the General Meeting and participate in the voting in respect of shares which are registered in their name on the record date as specified in the notice of the meeting. The record date is midnight on the day falling 14 days prior to the date of the meeting (the "**Record Date**"). Each shareholder must notify the Company of its intention to participate at the General Meeting, no later than on the date as set out in the notice of the meeting, which shall not be later than the Record Date.

Shareholders individually or jointly representing at least five per cent of the issued share capital have the right to request the Executive Board to place items on the agenda of the General Meeting and submit proposals for items included in the agenda. Such request must be received at least 22 days before the relevant General Meeting and be in compliance with the conditions under the Luxembourg Companies Act and the Articles of Association. The Company shall acknowledge receipt of such requests within 48 hours from receipt. The Company shall prepare a revised agenda including such additional items on or before the 15th day before the date of the relevant General Meeting.

Voting Rights

In a General Meeting, each Shareholder may cast one vote for each Ordinary Share held and one vote for each Preference Share held. The Executive Board may suspend the voting rights of any Shareholder who is in breach of its obligations as described by the Articles of Association.

Information rights

In accordance with the Luxembourg Shareholder Rights Law, the Company shall make the convening notice for the General Meeting and any documents that must be submitted to the General Meeting, such as the consolidated financial accounts, any auditor's reports and any management reports, available to the Shareholders on the Company's website at least 30 days prior to the date of the General Meeting. Shareholders can obtain a copy of the documents upon request by electronic means or at the registered office of the Company.

In accordance with the Luxembourg Shareholder Rights Law, Shareholders have the right to ask questions at the General Meetings related to items on the agenda. The right to ask questions and the obligation of the Company to answer are subject to the measures to be taken by the Company to ensure the identification of Shareholders, the good order of the General Meeting and its preparation as well as the protection of confidentiality and business interests of the Company.

One or more Shareholders representing at least 10 per cent of the share capital or 10 per cent of the votes attached to all existing securities, either individually or by forming a group of any form whatsoever, may ask the Executive Board questions in writing on the Company's management operations or those of other companies which it controls in the sense of Article 309 of the Luxembourg Companies Act. In the latter case, the request must be assessed with regard to the interests of the companies included in the consolidation requirements. A copy of the reply must be sent to the person responsible for auditing the accounts. Failing a reply within one month, those shareholders may request the president of the chamber of the Luxembourg district court dealing with commercial matters, ruling as in summary proceedings, to appoint one or more experts to prepare a report on the management operations referred to in the written request. If the request is accepted, the ruling will determine the experts' powers and the extent of their mission. It may charge the related costs to the company. The court decides whether the report should be published.

Dutch Corporate Governance Code

The Dutch Corporate Governance Code dated 8 December 2016 became effective on 1 January 2017 and finds its statutory basis in Book 2 of the Dutch Civil Code. The Dutch Corporate Governance Code applies to companies whose registered offices are in the Netherlands and whose shares, or depositary receipts for shares, have been admitted to trading on a Regulated Market or a comparable system. Even though we are not subject to the Dutch Corporate Governance Code, we have chosen to voluntarily comply with the principles of good governance as set out in the Dutch Corporate Governance Code. The Ten Principles of Corporate Governance of the Luxembourg Stock Exchange are not applicable to us because the Ordinary Shares will not be listed and admitted to trading on the Luxembourg Stock Exchange.

The Dutch Corporate Governance Code is based on a 'comply or explain' principle. Accordingly, companies are required to disclose in their management report whether or not they are complying with the various best practice principles and provisions of the Dutch Corporate Governance Code that are addressed to the management

board and, if applicable, the supervisory board of the company. If a company deviates from a best practice provision in the Dutch Corporate Governance Code, the reason for such deviation must be properly explained in the management report.

We acknowledge the importance of good corporate governance. We agree with the general approach and with the majority of the provisions of the Dutch Corporate Governance Code. However, considering our interests and the interest of our stakeholders, we deviate from a limited number of best practice provisions.

The best practice provisions of the Dutch Corporate Governance Code we currently do not comply with are the following:

Best practice provision 2.1.7 (independence of the supervisory board)

We do not comply with best practice provision 2.1.7, which provides that in order to safeguard its independence, the Supervisory Board should be composed in accordance with the criteria as set out in best practice provisions 2.1.7 and 2.1.8. We deviate from best practice provision 2.1.7 (iii) as two members of the Supervisory Board are appointed upon nomination of Sarabel and one upon nomination of Lebaras, and we deviate from best practice provision 2.1.7 (ii) as in total three of the five members of the Supervisory Board are appointed upon nomination of Shareholders.

Best practice provision 2.3.2 (establishment of committees)

We do not comply with best practice provision 2.3.2, which provides that if the Supervisory Board consists of more than four members, it shall appoint an audit committee, a remuneration committee and a selection and appointment committee. The Supervisory Board has combined the functions and the responsibilities of the remuneration committee and the selection and appointment committee in one committee, the Selection, Appointment and Remuneration Committee.

Best practice provision 2.3.4 (composition of the committees)

We do not comply with best practice provision 2.3.4, which provides that more than half of the members of the audit committee should be independent within the meaning of best practice provision 2.1.8. We deviate from this best practice provision as the Audit and Risk Committee consists of two members and one member is appointed as a member of the Supervisory Board upon nomination of Lebaras.

Best practice provision 3.2.3 (severance payments)

We do not comply with best practice provision 3.2.3, which provides that the remuneration in the event of the dismissal of a member of the executive board should not exceed the fixed remuneration component of one year's salary. We deviate from this best practice provision as the service agreements of our CEO and CFO provide for a severance payment in the event of termination equal to the fixed remuneration component of one year's salary and 50% and the applicable annual cash bonus, each for the preceding financial year.

Best practice provision 4.3.3 (cancelling the binding nature of a nomination or dismissal)

Pursuant to the Articles of Association, Sarabel and Lebaras have a right to nominate candidates for appointment as members of the Supervisory Board. Pursuant to Luxembourg law, if Sarabel or Lebaras, when making use of their nomination rights, include at least two candidates for each position in the proposal for appointment to the Supervisory Board, the General Meeting has to appoint one of the proposed candidates. In that case, it is not possible under Luxembourg law to set aside the binding nature of the nomination right, which would result in a deviation from best practice principle 4.3.3.

Dissolution and Liquidation

The General Meeting may at any time resolve with our without cause to dissolve and liquidate the Company in the manner required for an amendment to the Articles of Association. See "*– Amendment of the Articles of Association*".

In the event of a loss of at least half of the Company's net assets, the Executive Board must convene an Extraordinary General Meeting within two months of the date on which the Executive Board ascertained or should have ascertained this loss of net assets. The Executive Board must set out the reasons for this situation and justify its proposals in a special report made available to the Shareholders at least eight calendar days before the Extraordinary General Meeting. If the Executive Board proposes the continuation of the Company's activities, it must set out in the special report the measures which it proposes to implement in order to redress the financial

situation of the Company. This special report must be mentioned in the agenda to the Extraordinary General Meeting. At the Extraordinary General Meeting, Shareholders will resolve on the possible dissolution of the Company. The quorum is at least one half of all the shares issued and outstanding. In the event the required quorum is not reached at the first Extraordinary General Meeting, a second Extraordinary General Meeting may be convened, through a new convening notice, at which Shareholders can validly deliberate and decide regardless of the number of shares present or represented. A two-thirds majority of the votes cast by the Shareholders present or represented is required at any such Extraordinary General Meeting. Where the loss equals or exceeds three quarters of the Company's net assets, the same procedure must be followed, it being understood, however, that the dissolution only requires the approval of Shareholders representing 25% of the votes cast at the Extraordinary General Meeting.

In the event of a dissolution of the Company, the liquidation will be carried out by one or more liquidators, who do not need to be Shareholders, appointed by a resolution of the General Meeting which will determine their number, powers and remuneration. If the General Meeting fails to appoint the liquidator(s), the members of the Executive Board then in office will, vis-à-vis third parties, be deemed to be the liquidators of the Company.

In the event of liquidation of the Company, the net assets remaining after payment of all debts, charges and expenses shall be distributed to the Shareholders, first to the holders of Preference Shares in accordance with their entitlement under the Articles of Association, and then to the holders of Ordinary Shares, in proportion to their respective shareholdings.

Liability of Executive Board and Supervisory Board members

The members of the Executive Board and the Supervisory Board are not held personally liable for the indebtedness or other obligations of the Company. As agents of the Company, they are responsible for the performance of their duties.

The Articles of Association provide that, subject to mandatory provisions of law, every person who is, or has been, a member of the Executive Board or the Supervisory Board or officer of the Company shall be indemnified by the Company to the fullest extent permitted by law against liability and against all expenses reasonably incurred or paid by him in connection with any claim, action, suit or proceeding in which he becomes involved as a party or otherwise by virtue of his being or having been such a director or officer and against amounts paid or incurred by him in the settlement thereof.

Amendment of the Articles of Association

Luxembourg law requires an Extraordinary General Meeting of shareholders to vote on any amendment of the Articles of Association, including any amendments to change the rights of the holders of Ordinary Shares. The agenda of the Extraordinary General Meeting must indicate the proposed amendments to the Articles of Association.

Extraordinary General Meetings have a quorum requirement of at least 50% of the issued share capital and resolutions can only be adopted by a two-thirds majority of the votes cast. If the quorum of at least 50% is not reached, the Extraordinary General Meeting may be reconvened to a later date with no quorum requirement. The convening notice for the second Extraordinary General Meeting must be published at least 17 days prior to the date of the reconvened meeting in the Luxembourg *Recueil des Sociétés et Associations*, in a Luxembourg newspaper and through financial media channels to ensure effective dissemination throughout the European Economic Area (i.e. in such media which may reasonably be expected to be relied upon for the effective dissemination of information to the public throughout the European Economic Area, and which are accessible rapidly and on a non-discriminatory basis), and will be published on the website of the Company, provided that (i) the first General Meeting was properly convened; and (ii) no new items have been added to the agenda.

The General Meeting cannot validly resolve upon an amendment to the Articles of Association which results in the removal or alteration of the rights of holders of shares of a specific class without adhering to these quorum and majority requirements with respect to each class of shares. Furthermore, the Articles of Association provide that certain provisions of the Articles of Association cannot be amended without the consent of Sarabel or Lebaras, as the case may be.

Financial Information

The annual financial statements, the consolidated financial statements, the management report and the auditor's reports must be available for inspection by Shareholders on the Company's website or at the registered office of the Company in Luxembourg at least 30 days prior to the date of the annual General Meeting.

The Company is required to publish its annual accounts within four months after the end of each financial year and its semi-annual accounts within three months after the end of the first six months of each financial year. After approval by the annual General Meeting, the financial statements and the consolidated financial statements are filed with the Luxembourg Register of Commerce and Companies.

Anti-Hostile Takeover Protection Measures and Preference Shares

Prior to Settlement, the Company is expected to be authorised by the General Meeting to implement a hostile takeover protection measure within five years from the date of the amendment of the Articles of Association creating the Preference Shares Authorised Capital (scheduled on or about the date of Pricing), consisting of the possibility to issue Preference Shares, or grant warrants or options to subscribe for Preference Shares, to the Foundation under the Preference Shares Authorised Capital. The Preference Shares Authorised Capital may be renewed, increased, reduced or revoked by a resolution of the General Meeting adopted in the manner required for an amendment to the Articles of Association, and in respect of a renewal or increase on each occasion for a period not exceeding five years. See "*– Amendment of the Articles of Association*".

The Foundation, when incorporated, will have the object to protect the interests of the Company, the Group and the businesses operated by the Group and to protect the continuity, identity and independence of the Group. The Foundation shall pursue its objects by, among other things, acquiring and holding Preference Shares in the Company's share capital and by enforcing the rights, in particular the voting rights, attached to those Preference Shares, as well as by exercising (whether or not in legal proceedings) rights attributed to it pursuant to Luxembourg law, the Articles of Association or any agreement.

The possibility of issuing Preference Shares is an anti-hostile takeover protection measure, as it affords the Foundation the potential to influence, prevent or bring about resolutions of the General Meeting.

To this end, after its incorporation, the Foundation may be granted a call option (or another subscription right or instrument convertible into Preference Shares) by the Company. As long as Sarabel holds at least 30% of the outstanding Ordinary Shares, such option may only be granted to the Foundation with the prior written consent of Sarabel. Following the granting of the call option, the Foundation may only exercise the call option if Sarabel holds less than 30% of the Ordinary Shares.

The call option will provide that on each exercise of the call option, the Foundation is entitled to acquire from the Company such number of Preference Shares allowing it to exercise voting rights corresponding to up to (but less than) 33⅓% of the total number of voting rights attached to the Shares outstanding immediately after each exercise of the call option. Any Preference Shares already held by the Foundation at the time of the exercise of the call option will be deducted from this maximum. The Foundation may exercise its option right repeatedly, each time up to the aforementioned maximum and subject to any restrictions under the Preference Shares Authorised Capital, if applicable.

The call option yet to be granted can be exercised by the Foundation in order to (but not limited to):

- prevent, slow down or otherwise complicate an unsolicited takeover bid for or an unsolicited acquisition of Ordinary Shares by means of an acquisition at the stock market or otherwise;
- prevent and countervail concentration of voting rights in the General Meeting;
- resist undesirable influence by, and pressure from, Shareholders to amend the strategy as set out by the Executive Board.

Pursuant to the Articles of Association, the Preference Shares will not be transferable for a period of ten years as from the date of issuance. The Preference Shares will be redeemable shares in accordance with article 430-22 of the Luxembourg Companies Act, to the extent they are fully paid up at issuance. The Preference Shares can be redeemed at any time by the Executive Board, subject to approval of the Supervisory Board. The redemption of the Preference Shares requires in addition the consent of the Foundation.

Redemption of the Preference Shares will take place against repayment of the amounts paid-up on these Preference Shares and payment of any preferential dividend accrued but unpaid, if any. If the relevant Preference Shares were paid-up in full by means of the capitalisation of distributable profits or the Company's reserves, including share premium and capital reserves, redemption of the Preference Shares will occur against nil consideration increased with any accrued but unpaid preferential dividend up to the date of the redemption of the Preference Shares. Upon redemption by the Company, Preference Shares may or may not be cancelled. Once Preference Shares are redeemed by the Company but not cancelled, they may be called again by the Foundation if and to the extent the Executive Board, with prior consent of the Supervisory Board, has prior to or after such

redemption, granted an option to the Foundation to acquire such Preference Shares. If Preference Shares are redeemed and cancelled by the Company, further Preference Shares may be called again by the Foundation if and to the extent the call option entered into with the Company and the Preference Shares Authorised Capital allows for this.

Preference Shares are entitled to an annual preferential dividend payable in cash, accrued on a daily basis. The preferential dividend is calculated based on the amount which has been paid up in respect of the Preference Shares and the number of days the Preference Shares were in existence during any given financial year if they were issued in the course of a financial year. If the Preference Shares are issued by capitalisation of distributable profits or the Company's reserves, including share premium and capital surplus, the total amount of the preferential dividend attached to the Preference Shares as a whole shall be equal to €1.000. If the Preference Shares are issued by any other means, the preferential dividend shall be equal to a percentage equal to one month Euribor, weighted based on the numbers of days in respect of which the payment of the Preferential Dividend is calculated, increased with a percentage set by the Executive Board, subject to approval of the Supervisory Board, of at least 1% and maximum 4%, depending on the then applicable market conditions.

The Foundation will perform its role, and take all actions required, at its sole discretion. The Foundation shall exercise the voting rights attached to the Preference Shares issued to the Foundation independently, in accordance with its objects according to its articles of association. The Foundation will be managed by a board. All members of such board will be independent from the Company.

Obligations of Shareholders to Make a Public Offer

The European Directive on Takeover Bids (2004/25/EC) (the "**Takeover Directive**") has been implemented in Luxembourg in the Luxembourg Law of 19 May 2006 on takeover bids (the "**Luxembourg Takeover Law**") and in Dutch legislation in the Financial Supervision Act and the Public Takeover Bids Decree (the "**Dutch Takeover Decree**").

Pursuant to the Takeover Directive, the competent authority for a takeover bid is the authority of the EU Member State where the shares of the target company are admitted to trading. The competent authority with respect to a public bid on the Ordinary Shares of the Company will therefore be the AFM.

The consideration offered in the case of a bid for all the remaining shares in a company, in particular the price, and matters relating to the bid procedure, in particular the information on the offeror's decision to make a bid, the contents of the offer document and the disclosure of the bid, are governed by the laws of the EU Member State of the competent authority. This means that in case of a public bid on the Ordinary Shares of the Company, these subjects will be governed by Dutch law. However, in matters relating to the information to be provided to the employees of the target company and in matters relating to company law, in particular the percentage of voting rights which confer control and any derogation from the obligation to launch a bid for all the remaining shares in the company, the applicable rules and the competent authority shall be those of the EU Member State in which the target company has its registered office. This means that in case of a public bid on the Ordinary Shares of the Company, these subjects will be governed by Luxembourg law and are subject to the supervision of the CSSF.

The Luxembourg Takeover Law provides that if a person, acting alone or in concert, acquires shares in a company which, when added to any existing holdings of a company's shares, result in such person having voting rights representing at least 33⅓% of all of the voting rights attached to the issued and outstanding shares in a company, this person is obliged to make a public offer for the remaining shares in the company. This obligation to make a public offer also applies to the Foundation if it should obtain voting rights representing at least 33⅓% of all of the voting rights attached to the issued and outstanding shares in the Company.

Squeeze-out and Sell-out Procedures

The Luxembourg Takeover Law provides that, when a mandatory or voluntary offer is made to all holders of voting shares in a company and after such offer the offeror holds at least 95% of the capital of that company carrying voting rights and 95% of the voting rights of the company, the offeror may require the holders of the remaining shares to sell those shares to the offeror. The price offered for such shares must be a fair price. The price offered in a voluntary offer would be considered a fair price in the squeeze-out proceedings if 90% of the ordinary shares of the company carrying voting rights were acquired in such voluntary offer. The price paid in a mandatory offer is deemed to be a fair price. The consideration paid in the squeeze-out proceedings must take the same form as the consideration offered in the offer or consist solely of cash. Moreover, an all-cash option must be offered to the remaining shareholders of the company. Finally, the right to initiate squeeze-out proceedings must be exercised within three months following the expiration of the offer.

The Luxembourg Takeover Law provides that, when a mandatory or voluntary offer is made to all holders of voting shares in a company and if after such offer the offeror (together with any person acting in concert with the offeror) holds shares carrying more than 90% of the voting rights, the remaining shareholders may require that the offeror purchase the remaining shares. The price offered in a voluntary offer would be considered a fair price in the sell-out proceedings if 90% of the ordinary shares of the company carrying voting rights were acquired in such voluntary offer. The price paid in a mandatory offer is deemed to be a fair price. The consideration paid in the sell-out proceedings must take the same form as the consideration offered in the offer or consist solely of cash. Moreover, an all-cash option must be offered to the remaining shareholders of the company. Finally, the right to initiate sell-out proceedings must be exercised within three months following the expiration of the offer.

Where the offeree company has issued more than one class of shares, the right of squeeze-out and sell out referred to above can be exercised only in the class in which the relevant threshold has been reached.

Even if there has not been an offer pursuant to the Luxembourg Takeover Law, the Luxembourg law of 21 July 2012 on the squeeze-out and sell-out of securities of companies admitted or having been admitted to trading on a Regulated Market or which have been subject to a public offer (the "**Luxembourg Mandatory Squeeze-Out and Sell-Out Law**") provides that if any individual or legal entity, acting alone or in concert with another, becomes the direct or indirect holder (otherwise than by way of a voluntary or mandatory takeover bid pursuant to the Luxembourg Takeover Law) of shares or other voting securities representing at least 95% of the voting share capital and 95% of the voting rights of a company, (i) such shareholder may require the holders of the remaining shares or other voting securities to sell those remaining securities (the "**Mandatory Squeeze-Out**"); and (ii) the holders of the remaining shares or securities may require such shareholder to purchase those remaining shares or other voting securities (the "**Mandatory Sell-Out**"). The Mandatory Squeeze-Out and the Mandatory Sell-Out must be exercised at a fair price according to objective and adequate methods applying to asset disposals. The procedures applicable to the Mandatory Squeeze-Out and the Mandatory Sell-Out are subject to further conditions provided for under and must be carried out in accordance with the Luxembourg Mandatory Squeeze-Out and Sell-Out Law and under the supervision of the CSSF. The Luxembourg Mandatory Squeeze-Out and Sell-Out Law does not apply to takeover bids made in accordance with the Takeover Directive until expiry of any deadline laid down for any ensuing rights resulting from such a bid and for a period of six months as from the expiry of such deadline.

Obligations of Shareholders and Members of the Executive Board and Supervisory Board to Disclose Holdings

Transparency Directive

Luxembourg is the home member state of the Company for the purposes of Directive 2004/109/EC as amended (the "**Transparency Directive**") As a result, the Company will be subject to financial and other reporting obligations under the Luxembourg Transparency Law.

Because the shares will be admitted to trading on a Regulated Market operating in the Netherlands, the Company and its shareholders will also be subject to the disclosure obligations described below. These rules are laid down in the Dutch Financial Supervision Act, which implements the Transparency Directive in the Netherlands.

General

The Netherlands

Shareholders may be subject to notification obligations under the Dutch Financial Supervision Act. Pursuant to chapter 5.3 of the Dutch Financial Supervision Act, any person who, directly or indirectly, acquires or disposes of an actual or potential capital interest and/or voting rights in the Company must immediately give notice to the AFM of such acquisition or disposal if, as a result of such acquisition or disposal, the percentage of capital interest and/or voting rights held by such person reaches, exceeds or falls below one of the following thresholds: 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%. In addition, any person whose capital interest and/or voting rights reaches, exceeds or falls below one of the abovementioned thresholds due to a change in our outstanding share capital or in the votes that can be cast on the Ordinary Shares, as notified to the AFM by the Company, should notify the AFM no later than on the fourth trading day after the AFM has published our notification of the change in our outstanding share capital or in the votes that can be cast on the Ordinary Shares. Furthermore, any person whose capital interest or voting rights reaches, exceeds or falls below one of the abovementioned thresholds due to a change in the composition of his capital interest or voting rights as a result of (i) exercising any option or other right to acquire shares or exchanging shares in depositary receipts for shares; and/or (ii) exercising any right to acquire voting rights, should notify the AFM no later than the fourth trading day

after the date on which this person became aware, or should have become aware, of reaching, exceeding or falling below the abovementioned thresholds.

For the purpose of calculating the percentage of capital interest and/or voting rights, the following interests must, among others, be taken into account: (i) shares and/or voting rights directly held (or acquired or disposed of) by any person; (ii) shares and/or voting rights held (or acquired or disposed of) by such person's controlled entities; (iii) voting rights held (or acquired or disposed of) by a third party for such person's account or by a third party with whom such person has concluded an oral or written voting agreement; (iv) voting rights acquired pursuant to an agreement providing for a temporary transfer of voting rights in consideration for a payment; and (v) shares and/or voting rights which such person, or any controlled entity or third party referred to above, may acquire pursuant to any option or other right to acquire shares and/or the attached voting rights.

Special rules apply to the attribution of shares and/or voting rights which are part of the property of a partnership or other form of joint ownership. A holder of a pledge or right of usufruct in respect of shares can also be subject to notification obligations, if such person has, or can acquire, the right to vote on the shares. The acquisition of (conditional) voting rights by a pledgee or beneficial owner may also trigger notification obligations as if the pledgee or beneficial owner were the legal holder of the shares and/or voting rights.

Furthermore, when calculating the percentage of capital interest, a person is also considered to be in possession of shares if (i) such person holds a financial instrument the value of which is (in part) determined by the value of the shares or any distributions associated therewith and which does not entitle such person to acquire any shares; (ii) such person may be obliged to purchase shares on the basis of an option; or (iii) such person has concluded another contract whereby such person acquires an economic interest comparable to that of holding a share.

We are required to notify the AFM promptly of any change of 1% or more in our issued and outstanding share capital or voting rights since the previous notification. The AFM must be notified of other changes in our issued and outstanding share capital or voting rights within eight days after the end of the quarter in which the change occurred. The AFM will publish all our notifications of our issued and outstanding share capital and voting rights in a public register.

Luxembourg

Shareholders may be subject to notification obligations pursuant to the Luxembourg Transparency Law and the Luxembourg Grand-ducal regulation of 11 January 2008 on transparency requirements for issuers of securities, as amended (the "**Luxembourg Transparency Regulation**"). The following description summarises these obligations. Shareholders are advised to consult with their own legal advisers to determine whether the notification obligations apply to them.

The Luxembourg Transparency Law and Luxembourg Transparency Regulation provide that, once the Ordinary Shares are admitted to listing and trading on Euronext Amsterdam, if a person acquires or disposes of a shareholding in the Company, and if following the acquisition or disposal the proportion of voting rights held by the person reaches, exceeds or falls below one of the thresholds of 5%, 10%, 15%, 20%, 25%, 33⅓%, 50% and 66⅔% (each a "**Relevant Threshold**") of the total voting rights existing when the situation giving rise to a declaration occurs, such person must simultaneously notify the Company and the CSSF of the proportion of voting rights held by it further to such event.

A person must also notify the Company and the CSSF of the proportion of his or her voting rights if that proportion reaches, exceeds or falls below a Relevant Threshold as a result of events changing the breakdown of voting rights and on the basis of the information disclosed by the Company.

The same notification requirements apply to a natural person or legal entity to the extent he/she/it is entitled to acquire, to dispose of, or to exercise voting rights in any of the following cases or a combination of them:

- voting rights held by a third party with whom that person or entity has concluded an agreement, which obliges them to adopt, by concerted exercise of the voting rights they hold, a lasting common policy towards the management of the Company;
- voting rights held by a third party under an agreement concluded with that person or entity providing for the temporary transfer for consideration of the voting rights in question;
- voting rights attaching to shares which are lodged as collateral with that person or entity, provided the person or entity controls the voting rights and declares his/her/its intention of exercising them;
- voting rights attaching to shares in which that person or entity has the life interest (*usufruit)*;

- voting rights which are held, or may be exercised within the meaning of points (a) to (d), by an undertaking controlled by that person or entity;
- voting rights attaching to shares deposited with that person or entity which the person or entity can exercise at his/her/its discretion in the absence of specific instructions from the shareholders;
- voting rights held by a third party in its own name on behalf of that person or entity;
- voting rights which that person or entity may exercise as a proxy where the person or entity can exercise the voting rights at his/her/its discretion in the absence of specific instructions from the shareholders.

The notification requirements set out above also apply to a natural person or legal entity that holds, directly or indirectly (i) financial instruments that, on maturity, give the holder, under a formal agreement, either the unconditional right to acquire or the discretion as to his right to acquire the Ordinary Shares, to which voting rights are attached, already issued by the Company, or (ii) financial instruments which are not included in point (i) but which are referenced to the Ordinary Shares referred to in that point and with an economic effect similar to that of the financial instruments referred to in that point, whether or not they confer a right to a physical settlement.

The notification required shall include the breakdown by type of financial instruments held in accordance with point (i) above and financial instruments held in accordance with point (ii) above, distinguishing between the financial instruments which confer a right to a physical settlement and the financial instruments which confer a right to a cash settlement.

The number of voting rights shall be calculated by reference to the full notional amount of shares underlying the financial instrument except where the financial instrument provides exclusively for a cash settlement, in which case the number of voting rights shall be calculated on a 'delta-adjusted' basis, by multiplying the notional amount of underlying shares by the delta of the instrument. For this purpose, the holder shall aggregate and notify all financial instruments relating to the same underlying company. Only long positions shall be taken into account for the calculation of voting rights. Long positions shall not be netted with short positions relating to the same underlying company.

For the purposes of the above, the following shall be considered to be financial instruments, provided they satisfy any of the conditions set out in points (i) or (ii) above: transferable securities, options, futures, swaps, forward rate agreements, contracts for differences and any other contracts or agreements with similar economic effects which may be settled physically or in cash.

The notification requirements described above shall also apply to a natural person or a legal entity when the number of voting rights held directly or indirectly by such person or entity aggregated with the number of voting rights relating to financial instruments held directly or indirectly reaches, exceeds or falls below a Relevant Threshold. Any such notification shall include a breakdown of the number of voting rights attached to Securities and voting rights relating to financial instruments.

Voting rights relating to financial instruments that have already been notified to that effect shall be notified again when the natural person or the legal entity has acquired the underlying shares and such acquisition results in the total number of voting rights attached to shares issued by the same company reaching or exceeding a Relevant Threshold.

The notification to the Company and the CSSF must be effected promptly, but not later than four trading days after the date on which the shareholder, or the natural person or legal entity referred to above (i) learns of the acquisition or disposal or of the possibility of exercising voting rights, or on which, having regard to the circumstances, should have learned of it, regardless of the date on which the acquisition, disposal or possibility of exercising voting rights takes effect, or (ii) is informed of an event changing the breakdown of voting rights by the Company. Upon receipt of the notification, but not later than three trading days thereafter, the Company must make public all the information contained in the notification as regulated information within the meaning of the Luxembourg Transparency Law.

As long as the notifications have not been made to the Company in the manner prescribed, the exercise of voting rights relating to the shares exceeding the fraction that should have been notified is suspended. The suspension of the exercise of voting rights is lifted as of the moment the Shareholder makes the notification.

Where within the fifteen days preceding the date for which the General Meeting has been convened, the Company receives a notification or becomes aware of the fact that a notification has to be or should have been made in accordance with the Luxembourg Transparency Law, the Executive Board may postpone the General Meeting for up to four weeks.

Short Positions

Each person holding a net short position attaining 0.2% of the issued share capital of the Company must report this to the AFM. Each subsequent increase of this position by 0.1% above 0.2% will also have to be reported. Each net short position equal to 0.5% of the issued share capital of the Company and any subsequent increase of that position by 0.1% will be made public via the AFM short selling register. To calculate whether a natural person or legal person has a net short position, their short positions and long positions must be set off. A short transaction in a share can only be contracted if a reasonable case can be made that the shares sold can actually be delivered, which requires confirmation of a third party that the shares have been located. There is also an obligation to notify the AFM of gross short positions. The notification thresholds are the same as the ones that apply in respect of the notification of actual or potential capital interests and/ or voting rights, as described above.

The AFM keeps a public register of all notifications made pursuant to these disclosure obligations and publishes any notification received.

Market Abuse Regime

General

The rules on preventing market abuse set out in Market Abuse Regulation ((EU) No 596/2014 (the "**MAR**")) are applicable to the Company, persons discharging managerial responsibilities within the Company (including the members of the Executive Board and Supervisory Board) (the "**PDMRs**"), persons closely associated with PDMRs, other insiders and persons performing or conducting transactions in the Company's financial instruments. Certain important market abuse rules set out in the MAR that are relevant for investors are described hereunder.

The Company is required to make inside information public. Pursuant to the MAR, inside information is information of a precise nature, which has not been made public, relating, directly or indirectly, to the Company or to one or more financial instruments, and which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments or on the price of related derivative financial instruments. Unless an exception applies, the Company must without delay publish the inside information by means of a press release and post and maintain it on its website for at least five years. The Company may not combine the disclosure of inside information to the public with the marketing of its activities. The Company must also provide the AFM and the CSSF with its press release that contains inside information at the time of publication.

It is prohibited for any person to make use of inside information by acquiring or disposing of, for its own account or for the account of a third party, directly or indirectly, financial instruments to which that information relates, as well as an attempt thereto (insider dealing). The use of inside information by cancelling or amending of an order concerning a financial instrument to which the information relates where the order was placed before the person concerned possessed the inside information also constitutes insider dealing. In addition, it is prohibited for any person to disclose inside information to anyone else (except where the disclosure is made in the normal exercise of an employment, profession or duties) or, whilst in possession of inside information, to recommend or induce anyone to acquire or dispose financial instruments to which the information relates. Furthermore, it is prohibited for any person to engage in or attempt to engage in market manipulation, for instance by conducting transactions which gives, or is likely to give, false or misleading signals as to the supply of, the demand for or the price of a financial instrument.

Management

Pursuant to Article 19 of the MAR, PDMRs must notify the CSSF and the Company of any transactions conducted for his or her own account relating to shares or any debt instruments of the Company or to derivatives or other financial instruments linked thereto.

In addition, pursuant to the MAR and the regulations promulgated thereunder, certain persons who are closely associated with PDMRs, are also required to notify the CSSF and the Company of any transactions conducted for their own account relating to shares or any debt instruments of the Company or to derivatives or other financial instruments linked thereto. The MAR and the regulations promulgated thereunder cover, inter alia, the following categories of persons: (i) the spouse or any partner considered by national law as equivalent to the spouse; (ii) dependent children, in accordance with national law; (iii) other relatives who have shared the same household for at least one year at the relevant transaction date; and (iv) any legal person, trust or partnership, the managerial responsibilities of which are discharged by a PDMR or by a person referred to under (i), (ii) or (iii), which is directly or indirectly controlled by such a person, which is set up for the benefit of such a person, or the economic interest of which are substantially equivalent to those of such a person.

The notifications pursuant to the MAR described above must be made to the CSSF and the Company promptly and no later than three business days following the relevant transaction date. These notifications may be postponed until the moment that the value of the transactions performed for that person's own account reaches or exceeds an amount of €5,000 in the calendar year in question (calculated without netting).

SELLING SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

Selling Shareholders

Holdings immediately prior to Settlement

The table below sets out the number of Ordinary Shares each Selling Shareholder holds, including the percentage it represents of the Company's total issued and outstanding share capital, immediately prior to Settlement and after the implementation of the Pre-IPO Restructuring and the maximum number of Offer Shares to be sold in the Offering.

	Ordinary Shares owned immediately prior to Settlement		Maximum number of Offer Shares to be sold in the Offering — Without exercise of the Over-Allotment Option	Maximum number of Offer Shares to be sold in the Offering — With full exercise of the Over-Allotment Option
	Number	%	Number	Number
Sarabel[(1)]	58,501,320	69.5%	13,822,713	15,570,887
Lebaras[(2)]	21,276,834	25.3%	6,470,135	7,808,463
Managers' Vehicle[(3)]	4,399,167	5.2%	4,399,167	4,399,167
Total	**84,177,321**	100.0%	**24,692,015**	**27,778,517**

(1) Sarabel is indirectly wholly-owned by Mr Blijdorp, a member of the Supervisory Board.

(2) Lebaras is indirectly wholly-owned by Mr Meulman, our CEO.

(3) The Managers' Vehicle is indirectly owned by the JTG and Topbrands Managers and the HTG Managing Director. The Managers' Vehicle's shareholding includes an approximate 0.3% shareholding in the Company held for the benefit of Sarabel and Lebaras, *pro rata* to their respective shareholdings in the Company. See "*Operating and Financial Review – Current Trading and Recent Developments – Pre-IPO Restructuring*".

The business address of Sarabel is 6A, An Ditert, L-8076 Bertrange, Grand Duchy of Luxembourg. The business address of Lebaras is 179, Ter Borcht, B-2930 Brasschaat, Belgium. The business address of the Managers' Vehicle is Rijksstraatweg 7, 3316 EE Dordrecht, the Netherlands.

Holdings immediately after Settlement

The table below sets out the number of Ordinary Shares each Selling Shareholder and the STAK holds, including the percentage it represents of the Company's total issued and outstanding share capital, immediately after Settlement and after the implementation of the Pre-IPO Restructuring and the Share and Cash Incentive (see "*Operating and Financial Review – Current Trading and Recent Developments – Pre-IPO Restructuring*" and "*– Share and Cash Incentive*"), assuming an Offer Price at the mid-point of the Offer Price Range.

	Ordinary Shares owned immediately after Settlement			
	Without exercise of the Over-Allotment Option		With full exercise of the Over-Allotment Option	
	Number	%	Number	%
Sarabel	44,473,963	52.8%	42,725,789	50.8%
Lebaras	14,732,271	17.5%	13,393,943	15.9%
Managers' Vehicle	–	–	–	–
STAK[(1)]	279,072	0.3%	279,072	0.3%
New public investors	24,692,015	29.3%	27,778,517	33.0%

(1) The STAK will issue depositary receipts for the Ordinary Shares to the Other Managers. See "*Operating and Financial Review – Current Trading and Recent Developments – Share and Cash Incentive*".

Related Party Transactions

Relationship Agreement

On or about 9 March 2018, Sarabel, Lebaras and the Company entered into a relationship agreement (the "**Relationship Agreement**"), which will become effective on the First Trading Date. The Relationship Agreement contains certain arrangements regarding the relationship between Sarabel, Lebaras and the Company after the Offering. Below is a summary of the main elements of the Relationship Agreement.

Amendments of the Articles of Association

The Relationship Agreement states that no amendment shall be proposed by Sarabel, Lebaras or the Company to the articles of association of the Company that would contravene with, or be contrary to, any of the provisions of the Relationship Agreement, it being understood that the Company may be required by law to propose such an amendment to the Articles for approval by the General Meeting.

Composition Executive Board

As from the Settlement Date, the Executive Board shall consist of at least two members. From the Settlement Date, Mr Meulman will be member of the Executive Board and he will serve as chairman and CEO of the Executive Board. As long as Mr Meulman is a member of the Executive Board, (i) he shall be chairman of the Executive Board and (ii) he shall have the title of CEO.

Composition of the Supervisory Board

Pursuant to the Relationship Agreement, the Supervisory Board shall consist of at least three members. As from the Settlement Date, Sarabel shall have the right to nominate individuals for the position of two members of the Supervisory Board and Lebaras shall have the right to nominate individuals for the position of one member of the Supervisory Board. Sarabel and Lebaras shall also each have the right to nominate individuals for the replacement of the Supervisory Board members appointed by the General Meeting per their respective nominations. Sarabel and Lebaras shall only designate individuals that cause the Supervisory Board to be composed in accordance with the profile drawn up by the Supervisory Board. Such individuals will not need to be "independent" within the meaning of the Dutch Corporate Governance Code. Initially, Sarabel has designated Mr Blijdorp as vice-chairman and Mr Cornelisse and Lebaras has designated Mr Beerman as non-independent Supervisory Board members.

The Supervisory Board shall elect and appoint the chairman of the Supervisory Board from among the independent Supervisory Board members. Sarabel shall be entitled to nominate the vice-chairman of the Supervisory Board. The nomination rights of each of Sarabel and Lebaras will expire depending on its percentage shareholding, as follows:

- if Sarabel, directly or indirectly, holds less than 30% but 10% or more of the Ordinary Shares, Sarabel will have the right to designate individuals for the position of only one member of the Supervisory Board; and
- if Sarabel or Lebaras, directly or indirectly, holds less than 10% of the Company's Ordinary Shares respectively, the right of each shareholder to nominate individuals for the position of Supervisory Board members will expire.

Each of Sarabel and Lebaras shall procure that the Supervisory Board members appointed pursuant to its expired nomination right offers his or her resignation effective upon the earlier of (1) the date as determined by the chairman and the other independent Supervisory Board member(s) and (2) the date determined by the shareholder that nominated the relevant Supervisory Board member. See "*Management and Employees – Supervisory Board – Members of the Supervisory Board*".

Composition of the Supervisory Board and other Committees

The Relationship Agreement provides that, in addition to any other committees that the Supervisory Board may have from time to time, the Supervisory Board will have an audit and risk committee and a selection, appointment and remuneration committee. In addition, according to the Relationship Agreement, the Supervisory Board must procure that, at all times:

- each of the Supervisory Board committees will consist of at least two members; and

- the chairman of the Supervisory Board shall not act as chairman of the Audit and Risk Committee or of the Selection, Appointment and Remuneration Committee.

In addition, the Company shall have an IT steering committee. The members of the IT Steering Committee shall be appointed by the Executive Board. The vice-chairman of the Supervisory Board shall be a member of the IT Steering Committee as long as Sarabel holds 10% of the Shares. See "*Our Business – Information Technology Systems*".

Reserved Matters

Certain decisions or actions as specified in the Articles of Association will be subject to the approval of the Supervisory Board or will have to be adopted by the Supervisory Board, including the affirmative vote of the vice-chairman of the Supervisory Board where required by the Articles of Association. The affirmative vote of the vice-chairman of the Supervisory Board in respect of these decisions and actions (i) shall only be required as long as Sarabel holds at least 30% of the Ordinary Shares and (ii) shall not be required in the circumstances set out in the Articles of Association. These decisions include among others: (i) the adoption of the business plan and budget; (ii) any investment resulting in the budget for a year being exceeded by €5 million or more; (iii) entering into, amendment or increase of credit facilities and/or loan agreements for an amount of €25 million or more; (iv) the termination of employment of a substantial number of employees or a material change in the employment conditions/circumstances of a substantial number of employees; (v) the initiation or settlement of any litigation, including any arbitration proceedings, relating to an amount in excess of €5 million; (vi) the distribution of an interim dividend or the proposal to the General Meeting to resolve on the distribution of a dividend; (vii) the issuance, other than through an exercise of conversion, of debt securities, shares, Ordinary Instruments or Preference Instruments by the Company or the restriction or exclusion of preferential subscription rights in respect thereof; (viii) the repurchase or redemption of any shares; (ix) amendment of the operation or composition of the IT steering committee of the Group; (x) amendment of the internal regulations of the Executive Board; (xi) entering into transactions in which there is a conflict of interest with one or more members of the Executive Board or the Supervisory Board or with a person holding at least 10% of the Company's share capital, which conflict or transaction is of material significance to the Company or to the relevant person; and (xii) granting personal loans or guarantees to or for the benefit of a member of the Executive Board or Supervisory Board. See "*Management and Employees – Executive Board – Decision-making*".

Information Sharing

The Relationship Agreement provides that the Company, to the extent not prohibited by law or regulations including the Market Abuse Regulation, shall provide Sarabel and Lebaras with the information necessary to fulfil their duties and exercise their Shareholder rights and with information they require for tax filing or financial reporting and audit purposes. The Company is not obligated to disclose inside information in relation to the Company or its securities to the extent that such disclosure would violate the Market Abuse Regulation or other applicable law.

The Relationship Agreement contains provisions to the effect that Sarabel and Lebaras are obliged to treat all information provided to it as confidential subject to certain exceptions as provided for in the Relationship Agreement, and to comply with all applicable laws and regulations in relation to the use of such information, including the requirements under the Market Abuse Regulation.

Orderly Market Arrangements

The Relationship Agreement states that, at any time after its lock-up period, each of Sarabel and Lebaras is entitled to sell any number of Ordinary Shares, in the open market or through a private sale (each, a "**Sell Down**") in an orderly market manner and in a manner otherwise advisable having regard to prevailing market conditions. Each of Sarabel and Lebaras may participate *pro rata* in a Sell Down which is not a market trade. The Company will cooperate with Sarabel and Lebaras to optimise any Sell Down, including but not limited to, if and when applicable, (i) providing reasonable access to information required for a due diligence and drafting a prospectus, (ii) providing assistance in obtaining regulatory, stock exchange and other approvals required for a Sell Down and (iii) being a party to an underwriting agreement containing customary provisions.

Furthermore, according to the Relationship Agreement, each of Sarabel and Lebaras may require the Company to provide reasonable assistance with an offering that entails the Company's involvement in the form of a deal management road show and the preparation of a prospectus or similar offering document (a "**Fully Marketed Offering**"). If Sarabel or Lebaras requests the Company to assist on a Fully Marketed Offering of (part

of) its Ordinary Shares, the parties shall cooperate in executing the Fully Marketed Offering. The Company shall only be required to provide assistance with one Fully Marketed Offering in a twelve-month period.

The Relationship Agreement furthermore provides that in the event of a sale of 5% or more of the Ordinary Shares by Sarabel or Lebaras other than by way of a Fully Marketed Offering, the Company shall facilitate, upon reasonable request by Sarabel or Lebaras, such sale by providing an opportunity to perform a limited due diligence investigation by or on behalf of (i) a bookrunner or coordinator, (ii) a reputable investment bank engaged to assist in a sale or (iii) a *bona fide*, creditworthy potential purchaser of 5% or more of the Ordinary Shares.

Market trades by either Sarabel or Lebaras relating to less than 1% of the Ordinary Shares over any three-month period and less than 3% of the Ordinary Shares over any twelve-month period are not subject to the Relationship Agreement.

Termination

The Relationship Agreement shall cease to bind Sarabel or Lebaras, as the case may be, if it no longer holds a direct or indirect interest of 10% of the Ordinary Shares and terminate at the first time that any of the following conditions shall be met:

- 20 years after the date of the Relationship Agreement;
- the Settlement Date shall not have occurred before 30 June 2018;
- each of Sarabel and Lebaras (including any permitted transferee) holds Ordinary Shares representing less than 10% of the Ordinary Shares;
- the Company has been declared bankrupt;
- a resolution of the General Meeting to liquidate the Company becomes unconditional;
- the Company ceases to exist as a legal entity as a result of a legal merger or spinoff; or
- termination of the listing of Ordinary Shares on Euronext Amsterdam takes effect.

Governing Law

The Relationship Agreement will be governed by the laws of the Grand Duchy of Luxembourg.

Lease Agreements with Related Parties

We are party to certain lease agreements with Mr Blijdorp and Mr Meulman, the ultimate beneficial owners of Sarabel and Lebaras, respectively, as we lease part of our real estate from companies controlled by Mr Meulman and Mr Blijdorp. As at the date of this Prospectus, the rent payments for the properties that we lease from companies controlled by Mr Meulman or Mr Blijdorp are in line with market conditions, as established by an independent appraisal performed by a renowned real estate broker in 2017. The lease agreements stipulate that, other than corrections for inflation, rent payments will remain stable. The term of these lease agreements is five years, which may be extended with two further terms of five years.

See "*Our Business – Real Estate*" for an overview of the material properties leased from companies controlled by Mr Meulman or Mr Blijdorp. See Note 43 of the consolidated special purpose financial statements included in this Prospectus beginning on page F-1 for additional information on related party transactions.

Other Related Party Transactions

See "*Operating and Financial Review – Indebtedness – Related Party Loans*" for a description of a loan agreement that we entered into with a related party.

THE OFFERING

Introduction

The Selling Shareholders are offering and selling up to 24,692,015 Offer Shares. In addition, Sarabel and Lebaras are expected to grant the Joint Global Coordinators, on behalf of the Underwriters, the Over-Allotment Option, which will be exercisable within 30 calendar days after the First Trading Date, pursuant to which the Joint Global Coordinators, on behalf of the Underwriters, may require Sarabel and Lebaras to sell at the Offer Price up to 3,086,502 Additional Shares, comprising up to a number of Ordinary Shares equal to 12.5% of the total number of Offer Shares, to cover short positions resulting from any over-allotments made in connection with the Offering.

Assuming no exercise of the Over-Allotment Option, the Offer Shares will constitute 29.3% of the Ordinary Shares. Assuming the Over-Allotment Option is exercised in full, the Offer Shares will constitute 33.0% of the Ordinary Shares

The Offering consists of: (i) a public offering to institutional and retail investors in the Netherlands; and (ii) a private placement to certain institutional investors in various other jurisdictions. The Offer Shares have not been and will not be registered under the US Securities Act. The Offer Shares are being offered (i) within the United States, to persons reasonably believed to be QIBs as defined in Rule 144A, pursuant to Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable US state securities laws; and (ii) outside the United States, in accordance with Regulation S.

Timetable

Subject to acceleration or extension of the timetable for, or withdrawal of, the Offering, the timetable below sets forth certain expected key dates for the Offering.

Event	Time and Date
Start of Offer Period	9.00 CET on 13 March 2018
Deadline for eligibility for Preferential Retail Allocation	17.30 CET on 21 March 2018
End of Offer Period	14.00 CET on 22 March 2018
Pricing and allocation	After 14.00 CET on 22 March 2018
Publication of results of the Offering	23 March 2018
First Trading Date (trading on an "as-if-and-when-delivered" basis)	23 March 2018
Settlement Date (payment and delivery)	27 March 2018

Please note that the Company and the Selling Shareholders, together with the Joint Global Coordinators, reserve the right to accelerate or extend the Offer Period and may adjust the dates, times and periods given in the timetable and throughout this Prospectus. See "– *Acceleration or Extension*" below.

Offer Period

Subject to acceleration or extension of the timetable for the Offering, prospective investors may subscribe for Offer Shares during the period commencing on 13 March 2018 at 9.00 CET and expected to end on 22 March 2018 at 14.00 CET. The Offer Period may be accelerated or extended. See "–*Acceleration or Extension*" below. In the event of an acceleration or extension of the Offer Period, pricing, allocation, admission and first trading of the Offer Shares, as well as payment (in Euro) for and delivery of the Offer Shares may be accelerated or extended accordingly.

If a significant new factor, material mistake or inaccuracy relating to the information included in this Prospectus that is capable of affecting the assessment of the Offer Shares arises or is noted between the date of this Prospectus and the later of the end of the Offer Period and the start of trading of the Offer Shares on Euronext Amsterdam, a supplement to this Prospectus will be published, the Offer Period will be extended, if so required by the Prospectus Directive or the Luxembourg Prospectus Law, and investors who have already agreed to subscribe for Offer Shares before such supplement is published may withdraw their subscriptions within two business days following the publication of the supplement, provided that the significant new factor, material

mistake or inaccuracy, arose or was noted before the end of the Offer Period or the delivery of the Offer Shares. A supplement to this Prospectus shall be subject to approval by the CSSF and shall be made public in the same manner as this Prospectus in accordance with the relevant provisions of the Luxembourg Prospectus Law. See also "*Important Information – General*". For the avoidance of doubt, references in this paragraph to any supplement being published do not refer to the Pricing Statement.

Acceleration or Extension

The Joint Global Coordinators (on behalf of the Underwriters) may, after having obtained the approval of the Company and the Selling Shareholders, decide to extend the Offer Period. Any extension of the timetable for the Offering will be published through a press release on our website at least three hours before the end of the original Offer Period, provided that any extension will be for a minimum of one full business day. If the Offer Period is extended, the Company will publish a supplement to this Prospectus, which will be filed with the CSSF for approval. Any acceleration of the timetable for the Offering will be published through a press release on our website at least three hours before the proposed end of the accelerated Offer Period. In any event, the Offer Period will be at least six business days. Any other material alterations to the dates, times and periods given in the timetable and throughout this Prospectus will also be published through a press release on the Company's website and (if required) in a supplement to this Prospectus.

Offer Price and Number of Offer Shares

The Offer Price and the exact number of Offer Shares will be determined on the basis of a book-building process. The Offer Price may be set within, above or below the Offer Price Range. The Offer Price Range is between €14.50 and €17.75 (inclusive) per Offer Share. The Offer Price Range is an indicative price range. The Offer Price and the exact number of Offer Shares offered in the Offering will be determined by the Company, Sarabel and Lebaras, in consultation with the Joint Global Coordinators, after the end of the Offer Period, including any acceleration or extension, on the basis of the book-building process and taking into account economic and market conditions, a qualitative and quantitative assessment of demand for the Offer Shares, and other factors deemed appropriate.

The Offer Price and the exact number of Offer Shares offered in the Offering will be set out in the Pricing Statement that will be filed with the CSSF and published through a press release that will be posted on our website. Printed copies of the Pricing Statement will be made available at our registered office address.

Change of the Offer Price Range or Number of Offer Shares

The Offer Price Range is an indicative price range. The Company, Sarabel and Lebaras, in consultation with the Joint Global Coordinators, reserve the right to increase or decrease the maximum number of Offer Shares and/or to change the Offer Price Range prior to Allocation. If the number of Offer Shares changes, the Company will publish a supplement to this Prospectus, which will be filed with the CSSF for approval. In addition, any change in the number of Offer Shares and/or the Offer Price Range will be announced through a press release on the Company's website and will be filed with the CSSF. In case of an increase of the top end of the Offer Price Range, investors will have the right to withdraw their subscriptions within two business days after the announcement of such increase.

Upon a change of the number of Offer Shares, references to Offer Shares in this Prospectus should be read as referring to the amended number of Offer Shares and references to Additional Shares should be read as referring to the amended number of Additional Shares.

Subscription and Allocation

Dutch Retail Investors can only subscribe for Offer Shares on a market order (*bestens*) basis. This means that Dutch Retail Investors will be bound to purchase and pay for the Offer Shares indicated in their subscription, to the extent such Offer Shares are allocated to them, at the Offer Price, even if the Offer Price is set above the Offer Price Range. Dutch Retail Investors can submit their subscriptions through their own financial intermediary. The financial intermediary will be responsible for collecting subscriptions from Dutch Retail Investors and for submitting their subscriptions to ING as the retail coordinator for the Offering (the "**Retail Coordinator**"). The Retail Coordinator will consolidate all subscriptions submitted by Dutch Retail Investors to financial intermediaries and inform the Joint Bookrunners, the Company and the Selling Shareholders. Dutch Retail Investors are entitled to cancel or amend their subscriptions, at the financial intermediary where their original subscription was submitted, at any time prior to the end of the Offer Period (if applicable, as accelerated or extended). Such cancellations or amendments may be subject to the terms of the financial intermediary involved.

All questions concerning the timeliness, validity and form of instructions to a financial intermediary in relation to the subscription for Offer Shares will be determined by the financial intermediary in accordance with its usual procedures or as otherwise notified to the Dutch Retail Investors. The Company, the Selling Shareholders and the Underwriters (other than the Retail Coordinator) are not liable for any action or failure to act by a financial intermediary or the Retail Coordinator in connection with any subscription, or purported subscription. The Retail Coordinator is not liable for any action or failure to act by a financial intermediary in connection with any subscription, or purported subscription.

Allocation of the Offer Shares is expected to take place after the end of the Offer Period, expected to be on or about 22 March 2018, subject to acceleration or extension of the timetable for the Offering. Allocations to investors who subscribed for Offer Shares will be made by the Company and the Selling Shareholders, in consultation with the Joint Global Coordinators, and full discretion will be exercised as to whether or not and how to allocate the Offer Shares subscribed for. Investors may not be allocated all or any of the Offer Shares which they subscribed for. There is no maximum or minimum number of Offer Shares for which prospective investors may subscribe, and multiple subscriptions are permitted. In the event that the Offering is over-subscribed, investors may receive fewer Offer Shares than they subscribed for. The Company and the Selling Shareholders may, in consultation with the Joint Global Coordinators, at their own discretion and without stating the grounds therefor, reject any subscriptions wholly or partly. On the day that allocation occurs, the Joint Global Coordinators, on behalf of the Underwriters, will notify the institutional investors or the relevant financial intermediary of any allocation of Offer Shares made to them. Any monies received in respect of the applications which are not accepted in whole or in part will be returned to the investors without interest and at the investor's risk.

Investors participating in the Offering will be deemed to have checked and confirmed that they meet the selling and transfer restrictions described in "*Selling and Transfer Restrictions*". Each investor should consult its own advisers as to the legal, tax, business, financial and related aspects of a subscription for Offer Shares.

Preferential Retail Allocation

There will be a preferential allocation of Offer Shares to Dutch Retail Investors in accordance with applicable law and regulation. Each Dutch Retail Investor will be allocated the first 500 (or fewer) Offer Shares for which such investor subscribes. However, if the total number of Offer Shares subscribed for by Dutch Retail Investors under the Preferential Retail Allocation would exceed 10% of the total number of the Offer Shares, assuming no exercise of the Over-Allotment Option, the preferential allocation to each Dutch Retail Investor may be reduced *pro rata* in respect of the first 500 (or fewer) Offer Shares for which such investor subscribes. As a result, Dutch Retail Investors may not be allocated all of the first 500 (or fewer) Offer Shares for which they subscribe. The exact number of Offer Shares allocated to Dutch Retail Investors will be determined after the Offer Period has ended.

The Preferential Retail Allocation will only be made in relation to Offer Shares comprising up to 10% of the total number of Offer Shares, not including the Additional Shares. The Company and the Selling Shareholders, in consultation with the Joint Global Coordinators, have full discretion as to whether or not and how to allocate the remainder of the Offer Shares subscribed for.

For the purpose of the Preferential Retail Allocation, a Dutch Retail Investor is either: (i) a natural person resident in the Netherlands; or (ii) a special investment vehicle having its seat in the Netherlands which is a legal entity established for the express and sole purpose of providing asset management and/or retirement planning services for a natural person.

To be eligible for the Preferential Retail Allocation, Dutch Retail Investors must place their subscriptions during the period commencing on 13 March 2018 at 9.00 CET and expected to end on 21 March 2018 at 17.30 CET through their financial intermediaries. Financial intermediaries may, however, apply their own deadlines which may expire before 21 March 2018 at 17.30 CET.

The Retail Coordinator, on behalf of the Underwriters, will communicate to the financial intermediaries the aggregate number of Offer Shares allocated to their respective Dutch Retail Investors. It is up to the financial intermediaries to notify the Dutch Retail Investors of their individual allocations.

Listing and Trading

Prior to the Offering, there has been no public market for the Ordinary Shares. Application has been made to list and admit all the Ordinary Shares to trading on Euronext Amsterdam under the symbol "BSGR". The ISIN (International Security Identification Number) is LU1789205884 and the common code is 178920588.

Subject to acceleration or extension of the timetable for the Offering, trading in the Offer Shares on Euronext Amsterdam is expected to commence on the First Trading Date. Trading in the Offer Shares before the closing of the Offering will take place on an 'as-if-and-when-delivered' basis.

Delivery, Clearing and Settlement

Application has been made for the Ordinary Shares to be accepted for delivery through the book-entry facilities of Euroclear Nederland. Euroclear Nederland is located at Herengracht 459-469, 1017 BS Amsterdam, the Netherlands. Delivery of the Offer Shares is expected to take place on the Settlement Date through the book-entry facilities of Euroclear Nederland, in accordance with its normal settlement procedures applicable to equity securities and against payment (in Euro) for the Offer Shares in immediately available funds.

Subject to acceleration or extension of the timetable for the Offering, the Settlement Date is expected to be on or about 27 March 2018, the second business day following the First Trading Date. The closing of the Offering may not take place on the Settlement Date or at all if certain conditions or events referred to in the Underwriting Agreement are not satisfied or waived or occur on or prior to such date. See "*Plan of Distribution – Underwriting Agreement*".

If Settlement does not take place on the Settlement Date as planned or at all, the Offering may be withdrawn, in which case all subscriptions for Offer Shares will be disregarded, any allotments made will be deemed not to have been made, any payments made will be returned without interest or other compensation and transactions in the Offer Shares on Euronext Amsterdam will be annulled. Any dealings in Offer Shares prior to Settlement are at the sole risk of the parties concerned. Neither the Company, the Selling Shareholders, the Underwriters, the Listing and Paying Agent nor Euronext Amsterdam N.V. accepts any responsibility or liability for any loss incurred by any person as a result of a withdrawal of the Offering or the related annulment of any transactions in Offer Shares on Euronext Amsterdam.

Payment

Payment for the Offer Shares is expected to occur on or about the Settlement Date. The Offer Price must be paid in full in Euro and is exclusive of any taxes and expenses, if any, which must be borne by the investor. Dutch Retail Investors may be charged expenses by their financial intermediary. No expenses will be charged to investors by the Company or the Selling Shareholders. For more information on taxes, see "*Taxation*". The Offer Price must be paid by the investors in cash upon remittance of their subscription or, alternatively, by authorising their financial intermediary to debit their bank account with such amount on or about the Settlement Date (or earlier in the case of an early closing of the Offer Period and consequent acceleration of pricing, Allocation, first trading and payment and delivery).

Other

Voting Rights

Each Ordinary Share confers the right to cast one vote in the General Meeting, see "*Description of Share Capital and Corporate Governance – General Meetings of Shareholders and Shareholder Rights*". All Shareholders have the same voting rights.

Ranking and Dividends

The Offer Shares will: (i) rank *pari passu* in all respects with all other then-outstanding Ordinary Shares; and (ii) be eligible for any dividends which we may declare on the Ordinary Shares. See "*Description of Share Capital and Corporate Governance"* and *"Dividends and Dividend Policy*".

Dilution

The voting interests of the current Shareholders will not be diluted by the Offering. As only existing Ordinary Shares will be offered, the Offering will not have a dilutive effect.

Joint Global Coordinators

ABN AMRO, ING and Morgan Stanley are acting as Joint Global Coordinators for the Offering.

Joint Bookrunners

The Joint Global Coordinators together with Deutsche Bank and Rabobank are acting as Joint Bookrunners.

Listing and Paying Agent

ABN AMRO is the Listing and Paying Agent with respect to the Ordinary Shares on Euronext Amsterdam.

Retail Coordinator

ING is the Retail Coordinator with respect to the Offering.

Stabilisation Agent

Morgan Stanley is acting as stabilisation agent (the "**Stabilisation Agent**") on behalf of the Underwriters with respect to the Offer Shares on Euronext Amsterdam.

Fees and Expenses of the Offering

The total costs related to the Offering are borne by the Selling Shareholders and are expected to amount to approximately €8.5 million. The costs include underwriting commissions of up to €6.0 million and estimated other expenses of approximately €2.5 million, consisting of, among other items, the fees due to the CSSF and Euronext Amsterdam, legal and administrative expenses, as well as publication costs and applicable taxes, if any. See also "*Reasons for the Offering and Use of Proceeds*".

PLAN OF DISTRIBUTION

Underwriting Agreement

The Company, the Selling Shareholders and the Underwriters are expected to enter into the Underwriting Agreement on or about 22 March 2018 with respect to the offer and sale of the Offer Shares in connection with the Offering.

Pursuant to the Underwriting Agreement, and on the terms and subject to the conditions set forth therein, the Selling Shareholders will agree to sell the Offer Shares at the Offer Price to purchasers procured by the Underwriters, as agents for the relevant Selling Shareholder and, failing purchase by the procured purchasers, to the Underwriters, and the Underwriters agree severally and not jointly or jointly and severally (each as to the number of Offer Shares to be set out in the Underwriting Agreement) to use reasonable endeavours to procure, as agents for the relevant Selling Shareholder, purchasers for, and, failing purchase by the procured purchasers, to purchase themselves, the Offer Shares at the Offer Price.

Subject to the satisfaction of conditions precedent, the proportion of total Offer Shares which each Underwriter may severally but not jointly be required to purchase is indicated below.

Underwriter	Percentage of Total Offer Shares
ING Bank N.V.	28%
Morgan Stanley & Co. International plc	28%
ABN AMRO Bank N.V.	20%
Coöperatieve Rabobank U.A.	12%
Deutsche Bank AG, London Branch	12%
Total	**100%**

In the Underwriting Agreement, the Selling Shareholders and the Company will make certain representations and warranties and give certain undertakings. In addition, Sarabel, Lebaras and the Company will agree to indemnify the Underwriters against certain liabilities in connection with the Offering.

The Underwriting Agreement will provide that the obligations of the Underwriters to procure purchasers for the Offer Shares or, failing purchase by the procured purchasers, to purchase the Offer Shares themselves are subject to, among other things, the following conditions precedent: (i) the absence of a material adverse change affecting the Company, (ii) receipt of opinions on certain legal matters from legal counsel and comfort letters from the Company's auditors, (iii) receipt of customary officers' certificates, (iv) the execution of documents relating to the Offering, (v) the CSSF's approval of this Prospectus being in full force and effect and the CSSF having provided a notification of its approval, together with a copy of this approved Prospectus, to the AFM and the European Securities and Markets Authority, (vi) the admission of the Ordinary Shares to listing and trading on Euronext Amsterdam occurring no later than 9:00 a.m. CET on the First Trading Date, (vii) the Pre-IPO Restructuring having been completed, and (viii) certain other customary conditions, including in respect of the accuracy of representations and warranties by the Company and the Selling Shareholders, each of the Company and the Selling Shareholders having complied with the terms of the Underwriting Agreement and no amendments or supplements to this Prospectus having been published or it having become necessary to amend or supplement this Prospectus or any other offer document.

Upon the occurrence of certain specified events, such as a breach of warranty, a material adverse change affecting the Company, a material adverse change in the financial markets in the Netherlands, the United Kingdom or the United States, or in any member state of the European Union or the international financial markets, suspension of or material limitations to trading of the Company's securities on Euronext Amsterdam or any Regulated Market or of trading generally on Euronext Amsterdam, the New York Stock Exchange, the NASDAQ national market, the London Stock Exchange or any Regulated Market in the EU, a banking moratorium by the Netherlands, United Kingdom, any member state of the European Union, United States federal or New York State authorities, or actual or prospective change in taxation materially affecting any member the Group, the Ordinary Shares or the transfer thereof, this Prospectus or any other offer document containing any untrue statement of a material fact or omission to state a material fact and the Company failing to remedy such untrue statement or omission in accordance with applicable law or a material breach of the Company's obligations or the Selling Shareholders' obligations under the Underwriting Agreement the Joint Global Coordinators acting on behalf of the Underwriters may elect to terminate the Underwriting Agreement at any time prior to the Settlement Date (or

thereafter, in respect of the Over-Allotment Option only), and the Offering may be withdrawn, in which case all applications for Offer Shares or the Additional Shares only, as the case may be, will be disregarded, any allotments made will be deemed not to have been made and any payments made will be returned without interest or other compensation and transactions in the Offer Shares on Euronext Amsterdam will be annulled. Any dealings in the Offer Shares prior to Settlement are at the sole risk of the parties concerned.

In consideration of the agreement by the Underwriters to procure purchasers for or, failing purchase by the procured purchasers, to purchase themselves the number of Offer Shares set forth in the Pricing Statement at the Offer Price and subject to the Offer Shares being sold as will be provided for in the Underwriting Agreement, the Company and the Selling Shareholders have agreed to pay to the Underwriters a commission of 1.5% of the gross proceeds of the Offering (including, if applicable, any gross proceeds relating to the Additional Shares). In addition, the Underwriting Agreement will provide that the Selling Shareholders shall, if so decided by the Company, Sarabel and Lebaras at their sole discretion, pay a discretionary commission of up to 1.0% of the gross proceeds of the Offering (including, if applicable, any gross proceeds relating to the Additional Shares). Such decision shall be taken within 60 calendar days after the date of the Underwriting Agreement. Certain costs and expenses incurred by the Underwriters in connection with the Offering will be reimbursed by the Selling Shareholders. See also "*Reasons for the Offering and Use of Proceeds*" and "*The Offering – Other – Fees and Expenses of the Offering*".

The Offer Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state of the US, and may not be offered or sold within the US unless the Offer Shares are registered under the US Securities Act or an exemption from the registration requirements of the US Securities Act is available. Prospective purchasers are hereby notified that the Company and the Selling Shareholders are relying on an exemption from the registration requirements of Section 5 of the US Securities Act, which may include Rule 144A or Regulation S thereunder. Any offer or sale of Offer Shares in the United States in reliance on Rule 144A under the US Securities Act, or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act, will be made by broker-dealer affiliates of the Underwriters who are registered as such under the US Exchange Act.

We are not aware that any of our Shareholders or members of the Executive Board or Supervisory Board intends to subscribe for Ordinary Shares in the Offering.

Potential Conflicts of Interest

The Underwriters are acting exclusively for the Company and the Selling Shareholders (in their selling capacity) and for no one else and will not regard any other person (whether or not a recipient of this Prospectus) as their respective clients in relation to the Offering and will not be responsible to anyone other than to the Company and/or the Selling Shareholders for giving advice in relation to the Offering and for the listing and trading of the Ordinary Shares and/or any other transaction or arrangement referred to in this Prospectus.

Certain of the Underwriters and/or their respective affiliates have in the past engaged and may in the future, from time to time, engage in commercial banking, investment banking and financial advisory and ancillary activities in the ordinary course of their business with the Company and/or the Selling Shareholders or any parties related to any of them, in respect of which they have received and may in the future receive customary fees and commissions. ABN AMRO, ING, Deutsche Bank and Rabobank (in each case, directly or through an affiliate) have entered into arrangements to act as lenders to companies within the Group under the Facilities as defined under "*Operating Financial Review – Indebtedness – Banking Facilities*", in respect of which they may in the future receive fees and commissions.

In connection with the Offering, each of the Underwriters and any of their respective affiliates, acting as an investor for its own account, may take up Offer Shares in the Offering and in that capacity may retain, purchase or sell for its own account such securities and any Offer Shares or related investments and may offer or sell such Offer Shares or other investments otherwise than in connection with the Offering. As a result, these parties may have interests that may not be aligned, or could possibly conflict, with the interests of investors or of the Company. In respect hereof, the sharing of information is generally restricted for reasons of confidentiality, by internal procedures and by rules and regulations.

Accordingly, references in this Prospectus to Offer Shares being offered or placed should be read as including any offering or placement of Offer Shares to any of the Underwriters or any of their respective affiliates acting in such capacity. None of the Underwriters intends to disclose the extent of any such investment or transactions otherwise than pursuant to any legal or regulatory obligation to do so. In addition, certain of the Underwriters or their affiliates may enter into financing arrangements (including swaps) with investors in connection with which such Underwriters (or their affiliates) may from time to time acquire, hold or dispose of Offer Shares.

As a result of acting in the capacities described above, the Underwriters may have interests that may not be aligned, or could potentially conflict, with (potential) investors' and the Company's interests.

Lock-up Arrangements

The Joint Global Coordinators (acting on behalf of the Underwriters) may, at any time without prior public notice, waive the restrictions, including those on sales, issues or transfers of Ordinary Shares, described below. The Joint Global Coordinators (acting on behalf of the Underwriters) may not unreasonably withhold or delay their consent for such waiver but may otherwise exercise full discretion to determine whether or not such consent will be granted.

Company Lock-up

Pursuant to the Underwriting Agreement, the Company will not, except as set forth below, from the date thereof until 360 days from the Settlement Date, without the prior written consent of the Joint Global Coordinators (acting on behalf of the Underwriters): (A) directly or indirectly, issue, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of, directly or indirectly, any Ordinary Shares or other shares of the Company or any securities convertible into or exercisable or exchangeable for, or substantially similar to, Ordinary Shares or other shares of the Company or file any registration statement under the US Securities Act or any similar document with any other securities regulator, stock exchange or listing authority with respect to any of the foregoing; (B) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Ordinary Shares or other shares of the Company or otherwise has the same economic effect as (A), whether any such transaction in the case of (A) and (B) is to be settled by delivery of Ordinary Shares or such other securities, in cash or otherwise; (C) publicly announce such an intention to effect any such transaction; or (D) submit to its shareholders or any other body of the Company a proposal to effect any of the foregoing.

The foregoing does not apply to the issue of Ordinary Shares to the Managers' Vehicle as part of the Pre-IPO Restructuring.

Selling Shareholders Lock-up

Pursuant to the Underwriting Agreement, neither Sarabel or Lebaras will, except as set forth below, for a period from the date thereof until 360 days from the Settlement Date, without the prior written consent of the Joint Global Coordinators (acting on behalf of the Underwriters): (A) directly or indirectly, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of, directly or indirectly, any Ordinary Shares or other shares of the Company or any securities convertible into or exercisable or exchangeable for, or substantially similar to, Ordinary Shares or other shares of the Company or request or demand that the Company file any registration statement under the US Securities Act or any similar document with any other securities regulator, stock exchange or listing authority with respect to any of the foregoing; (B) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Ordinary Shares or other shares of the Company or otherwise has the same economic effect as (A), whether any such transaction in the case of (A) and (B) is to be settled by delivery of Ordinary Shares or such other securities, in cash or otherwise; (C) publicly announce such an intention to effect any such transaction; or (D) submit to its or the Company's shareholders or any other body of the Company a proposal to effect any of the foregoing.

The foregoing does not apply to (i) the sale of the Offer Shares in the Offering; (ii) the lending of Ordinary Shares to the Stabilisation Agent pursuant to the Share Lending Agreement (as defined below); (iii) the transfer of Ordinary Shares by Sarabel and Lebaras to Stichting Administratiekantoor B&S Participations as part of the Share and Cash Incentive; (iv) granting of security over any Ordinary Shares held by Sarabel or Lebaras; (v) any transfer of Ordinary Shares held by Sarabel or Lebaras to an affiliate or entity controlled by or under common control with it, as applicable; (vi) the sale or transfer of Ordinary Shares as a result of the acceptance of a full or partial takeover offer made in accordance with the Dutch Financial Supervision Act and applicable Luxembourg laws on public takeovers or the provision of an irrevocable undertaking to accept such an offer, provided that the Joint Global Coordinators shall be notified in writing two Business Days prior to such acceptance or undertaking; or (vii) the transfer of all issued Ordinary Shares pursuant to a legal merger or demerger or similar business combination with a third party, provided that in case of (iv), in the event of enforcement of such security, and in the case of (v), prior to any such transfer, the transferee is or becomes bound by the foregoing restrictions for the

remainder of the lock-up period. The Managers' Vehicle will sell its entire shareholding in the Offering and will therefore not be subject to a lock-up.

Other Managers Lock-up

Immediately following Settlement, the STAK will hold such number of existing Ordinary Shares as represents a total amount of €4.5 million based on the Offer Price for the benefit of the Other Managers, and issue depositary receipts for these Ordinary Shares to the Other Managers pro rata to their respective entitlements. See "*Operating and Financial Review – Current Trading and Recent Developments – Share and Cash Incentive*". Pursuant to lock-up arrangements between the Company, the STAK, Sarabel, Lebaras and each of the Other Managers, the Other Managers will be subject to a lock-up period of five years from the date of the transfer of the Ordinary Shares to the STAK, prohibiting them from transferring the depositary receipts for Ordinary Shares or the economic ownership thereof without the prior written consent of the Company. Pursuant to the Underwriting Agreement, the Company will not, without the prior written consent of the Joint Global Coordinators (acting on behalf of the Underwriters), give its consent thereto for the period from the date of the Underwriting Agreement until 360 days from the Settlement Date.

Over-Allotment and Stabilisation

In connection with the Offering, the Underwriting Agreement will provide that Morgan Stanley as Stabilisation Agent, or any of its agents, on behalf of the Underwriters, may (but will be under no obligation to), to the extent permitted by applicable law, over-allot Offer Shares or effect other transactions with a view to supporting the market price of the Offer Shares at a higher level than that which might otherwise prevail in the open market. The Stabilisation Agent is not required to enter into such transactions, and such transactions may be effected on any securities market, over-the-counter market, stock exchange (including Euronext Amsterdam) or otherwise and may be undertaken at any time during the period commencing on the First Trading Date and ending no later than 30 calendar days thereafter. The Stabilisation Agent or any of its agents is not obligated to effect stabilising transactions, and there will be no assurance that stabilising transactions will be undertaken. Such stabilising transactions, if commenced, may be discontinued at any time without prior notice. Save as required by law or regulation, neither the Stabilisation Agent nor any of its agents intends to disclose the extent of any over-allotments made and/or stabilisation transactions under the Offering. The Underwriting Agreement will provide that the Stabilisation Agent may, for purposes of the stabilising transactions, over-allot Offer Shares up to a maximum of 12.5% of the total number of Offer Shares sold in the Offering.

In connection with the Over-Allotment Option, up to a maximum of 12.5% of the total number of Offer Shares sold in the Offering will be made available by Sarabel and Lebaras to the Stabilisation Agent for the account of the Underwriters through a securities loan to be entered into on or about the date of the Underwriting Agreement (the "**Share Lending Agreement**").

None of the Company, the Selling Shareholders or any of the Underwriters makes any representation or prediction as to the direction or the magnitude of any effect that the transactions described above may have on the price of the Offer Shares. In addition, none of the Company, the Selling Shareholders or any of the Underwriters makes any representation that the Stabilisation Agent will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

SELLING AND TRANSFER RESTRICTIONS

No action has been taken or will be taken in any jurisdiction outside of the Netherlands by us, the Selling Shareholders or the Underwriters that would permit a public offering of the Offer Shares, or the possession, circulation or distribution of this Prospectus or any other material relating to us or the Offer Shares, in any other country or jurisdiction than the Netherlands where action for that purpose is required.

Accordingly, no Offer Shares may be offered or sold either directly or indirectly, and neither this Prospectus nor any other offering material or advertisements in connection with the Offer Shares may be distributed or published, in or from any country or jurisdiction except in compliance with any applicable rules and regulations of any such country or jurisdiction.

If an investor receives a copy of this Prospectus, the investor may not treat this Prospectus as constituting an invitation or offer to the investor of the Offer Shares, unless, in the relevant jurisdiction, such an offer could lawfully be made to the investor, or the Offer Shares could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements. Accordingly, if the investor receives a copy of this Prospectus or any other offering materials or advertisements, the investor should not distribute the same in or into, or send the same to any person in, any jurisdiction where to do so would or might contravene local securities laws or regulations.

If an investor forwards this Prospectus or any other offering materials or advertisements into any such territories (whether under a contractual or legal obligation or otherwise) the investor should draw the recipient's attention to the contents of this section.

Subject to the specific restrictions described below, investors (including, without limitation, any investor's nominees and trustees) wishing to accept, sell or purchase Offer Shares must satisfy themselves as to full observance of the applicable laws of any relevant territory including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

Investors that are in any doubt as to whether they are eligible to purchase Offer Shares should consult their professional adviser without delay.

None of the Company, the Selling Shareholders or the Underwriters accepts any legal responsibility for any violation by any person, whether or not a prospective purchaser of any of the Offer Shares, of any such restrictions.

European Economic Area

In relation to each Relevant EEA Member State, no Offer Shares have been offered or will be offered pursuant to the Offering to the public in that Relevant EEA Member State, except (i) in the Netherlands once this Prospectus has been approved by the CSSF, this approval has been notified by the CSSF to the AFM and the European Securities and Markets Authority with a certificate of approval and this Prospectus and such approval have been published in accordance with the Prospectus Directive and the relevant provisions of the Luxembourg Prospectus Law; and (ii) in that Relevant EEA Member State other than the Netherlands at any time under the following exemptions under the Prospectus Directive:

(i) to legal entities which are qualified investors as defined in the Prospectus Directive;

(ii) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) per Relevant EEA Member State, subject to obtaining the prior consent of the Joint Global Coordinators; or

(iii) in any other circumstances falling under the scope of Article 3(2) of the Prospectus Directive,

provided that no such offer of Offer Shares shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Directive or any measure implementing the Prospectus Directive in a Relevant EEA Member State or publish a supplement to the prospectus pursuant to Article 16 of the Prospectus Directive or any measure implementing the Prospectus Directive in a Relevant EEA Member State.

For the purpose hereof, the expression an 'offer of any shares to the public' in relation to any Offer Shares in any Relevant EEA Member State means a communication to persons in any form and by any means presenting sufficient information on the terms of the Offering and the Offer Shares to be offered, so as to enable an investor to decide to acquire any Offer Shares, as that definition may be varied in that Relevant EEA Member State by any measure implementing the Prospectus Directive in that Relevant EEA Member State.

Each person in a Relevant EEA Member State other than the Netherlands who receives any communication in respect of, or who acquires any Offer Shares under, the Offering contemplated hereby will be deemed to have represented, warranted and agreed to and with each of the Underwriters, the Selling Shareholders and us that:

(i) it is a qualified investor within the meaning of Article 2(1)(e) of the Prospectus Directive; and

(ii) in the case of any Offer Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the Offer Shares acquired by it in the Offering have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant EEA Member State other than qualified investors, as that term is defined in the Prospectus Directive, or have been acquired in other circumstances falling within Article 3(2) of the Prospectus Directive and the prior consent of the Joint Global Coordinators has been given to the offer or resale; or (ii) where the Offer Shares have been acquired by it on behalf of persons in any Relevant EEA Member State other than qualified investors, the offer of those Offer Shares to it is not treated under the Prospectus Directive as having been made to such persons.

The Company, the Selling Shareholders, the Underwriters and their affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement. Notwithstanding the above, a person who is not a qualified investor and who has notified the Joint Global Coordinators of such fact in writing may, with the prior consent of the Joint Global Coordinators, be permitted to acquire Offer Shares in the Offering.

United Kingdom

This Prospectus is being distributed in the United Kingdom only to, and is directed only at, 'qualified investors' within the meaning of section 86 of the FSMA who are (i) persons falling within the definition of 'investment professionals' in Article 19(5) of the Order; or (ii) high net worth entities, and other persons to whom it may be lawfully communicated, falling within Article 49(2)(a) to (d), of the Order (all such persons together being referred to as "**relevant persons**"). In the United Kingdom, this Prospectus is directed only at relevant persons. Any person who is not a relevant person should not act or rely on this Prospectus or any of its contents. Any investment or investment activity to which this Prospectus relates is available only to relevant persons and will be engaged in only with relevant persons.

Each of the Underwriters has (i) complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Offer Shares in, from or otherwise involving the United Kingdom; and (ii) only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issuance or sale of the Offer Shares only in circumstances in which section 21(1) of the FSMA does not apply to the Company.

United States

The Offer Shares have not been, and will not be, registered under the US Securities Act or with any securities regulatory authority of any state of the US, and may not be offered or sold within the US unless the Offer Shares are registered under the US Securities Act or an exemption from the registration requirements of the US Securities Act is available. The Offer Shares are being offered and sold in the US only to persons reasonably believed to be QIBs as defined in Rule 144A, pursuant to Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act, and outside the US in reliance on Regulation S under the US Securities Act. There will be no public offer of the Offer Shares in the US. Prospective purchasers are hereby notified that the Company and other sellers of the Offer Shares may be relying on an exemption from the registration requirements of Section 5 of the US Securities Act, which may include Rule 144A or Regulation S thereunder.

In addition, until the end of the 40th calendar day after commencement of the Offering, an offer or sale of the Offer Shares within the US by a dealer (whether or not participating in the Offering) may violate the registration requirements of the US Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the US Securities Act.

The Underwriting Agreement provides that the Underwriters may directly or through their respective United States broker-dealer affiliates arrange for the offer and sale of the Offer Shares within the United States only to persons reasonably believed to be QIBs as defined in Rule 144A, pursuant to Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

Each purchaser of Offer Shares within the United States, by accepting delivery of this Prospectus, will be deemed to have represented, agreed and acknowledged that it has received a copy of this Prospectus and such other information as it deems necessary to make an investment decision and that:

(i) it is (A) a QIB; (B) acquiring the Offer Shares for its own account or for the account of one or more QIBs with respect to whom it has the authority to make, and does make, the representations and warranties set forth in this paragraph; (C) acquiring the Offer Shares for investment purposes, and not with a view to further distribution of such Offer Shares; and (D) aware, and each beneficial owner of the Offer Shares has been advised, that the sale of the Offer Shares to it is being made in reliance on Rule 144A or in reliance on another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act;

(ii) it understands and agrees that the Offer Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state, territory or other jurisdiction of the United States and may not be offered, resold, pledged or otherwise transferred, except (A)(1) to a person whom the investor and any person acting on its behalf reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, or another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act; (2) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S; (3) pursuant to an exemption from the registration requirements of the US Securities Act provided by Rule 144 thereunder (if available); or (4) pursuant to an effective registration statement under the Securities Act; and (B) in accordance with all applicable securities laws of any state, territory or other jurisdiction of the United States;

(iii) it acknowledges that the Offer Shares (whether in physical, certificated form or in un-certificated form) are 'restricted securities' within the meaning of Rule 144(a)(3) under the US Securities Act, that the Offer Shares are being offered and sold in a transaction not involving any public offering in the United States within the meaning of the US Securities Act and that no representation is made as to the availability of the exemption provided by Rule 144 for resales of Offer Shares;

(iv) it understands that in the event Offer Shares are held in certificated form, such certificated Offer Shares will bear a legend substantially to the following effect:

"THE SECURITY EVIDENCED HEREBY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), ANY STATE SECURITIES LAWS IN THE UNITED STATES OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, EXCEPT: (A) TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT, PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER; (B) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT; (C) PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE); OR (D) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR RESALES OF THIS SECURITY. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THIS SECURITY MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY RECEIPT FACILITY IN RESPECT OF THIS SECURITY ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK. EACH INVESTOR IN THIS SECURITY IS HEREBY NOTIFIED THAT THE SELLER OF THIS SECURITY MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER AND EACH INVESTOR WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY INVESTOR IN THIS SECURITY FROM IT OF THE RESALE RESTRICTIONS REFERRED TO ABOVE. EACH HOLDER, BY ITS ACCEPTANCE OF THIS SECURITY, REPRESENTS THAT IT UNDERSTANDS AND AGREES TO THE FOREGOING RESTRICTIONS";

(v) notwithstanding anything to the contrary in the foregoing, it understands that Offer Shares may not be deposited into an unrestricted depositary receipt facility in respect of Offer Shares established or maintained by a depositary bank unless and until such time as such Offer Shares are no longer 'restricted securities' within the meaning of Rule 144(a)(3) under the Securities Act;

(vi) any offer, resale, pledge or other transfer of the Offer Shares made other than in compliance with the above stated restrictions shall not be recognised by the Company;

(vii) it agrees that it will give to each person to whom it offers, resells, pledges or otherwise transfers Offer Shares notice of any restrictions on transfer of such Offer Shares; and

(viii) it acknowledges that the Company, the Underwriters and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations or agreements deemed to have been made by virtue of its purchase of Offer Shares are no longer accurate, it will promptly notify the Company, and if it is acquiring any Offer Shares as a fiduciary or agent for one or more QIBs, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account (in which case it hereby makes such acknowledgements, representations and agreements on behalf of such QIBs as well).

Each purchaser of Offer Shares outside the United States will, by accepting delivery of this Prospectus, be deemed to have represented, agreed and acknowledged that it has received a copy of this Prospectus and such other information as it deems necessary to make an investment decision and that:

(i) it is authorised to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations;

(ii) it acknowledges (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer acknowledges) that the Offer Shares have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States;

(iii) it and the person, if any, for whose account or benefit the purchaser is acquiring the Offer Shares is purchasing the Offer Shares in an offshore transaction meeting the requirements of Regulation S; and

(iv) the Company, the Selling Shareholders, the Underwriters and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and the purchaser agrees that, if any of such acknowledgements, representations or agreements deemed to have been made by virtue of its purchase of Offer Shares are no longer accurate, it will promptly notify the Company, and if it is acquiring any Offer Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account (in which case it hereby makes such acknowledgements, representations and agreements on behalf of such accounts as well).

Canada

The Offer Shares may be sold only to purchasers in the Canadian provinces other than Manitoba, Newfoundland and Labrador purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the Offer Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Prospectus contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 *Underwriting Conflicts* (NI 33-105), the Underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with the Offering.

Japan

The Offer Shares offered by this Prospectus have not been and will not be registered under the financial instruments and exchange law of Japan. Accordingly, the Offer Shares may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (including Japanese corporations), or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan (including Japanese corporations) except with the prior approval of the Underwriters and pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the financial instruments and exchange law and relevant regulations of Japan.

Australia

This Prospectus (a) does not constitute a prospectus or a product disclosure statement under the Corporations Act 2001 of the Commonwealth of Australia ("Corporations Act"); (b) does not purport to include the information required of a prospectus under Part 6D.2 of the Corporations Act or a product disclosure statement under Part 6.9 of the Corporations Act; has not been, nor will it be, lodged as a disclosure document with the Australian Securities and Investments Commission ("ASIC"), the Australian Securities Exchange operated by ASX Limited or any other regulatory body or agency in Australia; and (c) may not be provided in Australia other than to select investors ("Exempt Investors") who are able to demonstrate that they (i) fall within one or more of the categories of investors under section 708 of the Corporations Act to whom an offer may be made without disclosure under Part 6D.2 of the Corporations Act; and (ii) are 'wholesale clients' for the purpose of section 761G of the Corporations Act.

The Offer Shares may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for, or buy, the Offer Shares may be issued, and no draft or definitive offering memorandum, advertisement or other Offering material relating to any Offer Shares may be distributed, received or published in Australia, except where disclosure to investors is not required under Chapters 6D and 7 of the Corporations Act or is otherwise in compliance with all applicable Australian laws and regulations. By submitting a subscription for the Offer Shares, each purchaser or subscriber of Offer Shares represents and warrants to the Company, the Underwriters and their affiliates that such purchaser or subscriber is an Exempt Investor.

As any offer of Offer Shares under this document, any supplement or the accompanying prospectus or other document will be made without disclosure in Australia under Parts 6D.2 and 7.9 of the Corporations Act, the offer of those Offer Shares for resale in Australia within 12 months may, under the Corporations Act, require disclosure to investors if none of the exemptions in the Corporations Act applies to that resale. By applying for the Offer Shares each purchaser or subscriber of Offer Shares undertakes to the Company, the Selling Shareholder, the Underwriters and their affiliates that such purchaser or subscriber will not, for a period of 12 months from the date of issue or purchase of the Offer Shares, offer, transfer, assign or otherwise alienate those Offer Shares to investors in Australia except in circumstances where disclosure to investors is not required under the Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

TAXATION

Taxation in Luxembourg

The information set out below is a general summary of certain material Luxembourg tax consequences in connection with the acquisition, ownership and transfer of Ordinary Shares. This summary does not purport to be a comprehensive or complete description of all the Luxembourg tax considerations that may be relevant for a particular holder of Ordinary Shares. Holders of Ordinary Shares may be subject to special tax treatment under any applicable law and this summary is not intended to be applicable in respect of all categories of holders of such Ordinary Shares. The summary is based upon the tax laws of Luxembourg as in effect on the date of this Prospectus, without prejudice to any developments or amendments introduced at a later date and implemented with or without retroactive effect. All of the foregoing is subject to change, which change could apply retroactively and could affect the continuing validity of this summary.

Where in this overview English terms and expressions are used to refer to Luxembourg concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Luxembourg concepts under Luxembourg tax law. A reference to Luxembourg income tax encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l'emploi*), as well as personal income tax (*impôt sur le revenu*). Corporate shareholders may be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, municipal business tax as well as the solidarity surcharge apply to most corporate taxpayers resident in Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may also apply.

As this summary is intended as general information only, (prospective) holders of Ordinary Shares should consult their own tax advisors as to Luxembourg or other tax consequences of the acquisition, ownership and transfer of Ordinary Shares, including, in particular, the application to their specific situations of the tax considerations discussed below.

The following summary does not address the tax consequences arising in any jurisdiction other than Luxembourg in connection with the acquisition, ownership and transfer of Ordinary Shares.

Withholding Tax

Distributions of profits in whatever name or form (including deemed distributions and distributions in kind) made by the Company to its shareholders are, as a rule, subject to a 15% withholding tax in Luxembourg. A domestic withholding exemption may apply if, at the time the distribution is made available, (i) the recipient person is an entity that (ii) has owned or commits itself to own for an uninterrupted period of at least 12 months a participation of at least 10% of the share capital of the Company or a participation of an acquisition price of at least €1.2 million (the "**Qualified Shareholding**"). Eligible parents include (a) companies covered by Article 2 of the EU directive 2015/121 of 27 January 2015 amending directive 20122/96/EU on the common system of taxation applicable in the case of parent companies and subsidiaries of different member states (the "**EU Parent-Subsidiary Directive**") and Luxembourg permanent establishments thereof (b) companies resident in States having a double tax treaty with Luxembourg and subject to a tax corresponding to Luxembourg corporate income tax, and Luxembourg permanent establishment thereof (c) capital companies (*société de capitaux*) or cooperative companies (*société coopérative*) resident in the European Economic Area other than an EU Member State and liable to a tax corresponding to Luxembourg corporate income tax, and Luxembourg permanent establishment thereof (d) Swiss capital companies (*société de capitaux*) that are effectively subject to corporate income tax in Switzerland without benefiting from an exemption. The exemption may not apply to profit distributions to EU companies that are made in the framework of an arrangement which, having been put in place with the (or one of the) main purpose(s) of obtaining a tax advantage defeating the objects and purposes of the EU Parent-Subsidiary Directive, is not genuine having regard to all its relevant facts and circumstances.

Capital gains and distributions made in the context of the liquidation of the Company are not subject to a withholding tax.

The 15% withholding tax, if applicable, may be reduced pursuant to the provisions of a relevant double tax treaty, if any, applicable in relation to Luxembourg and the country of residence of the recipient person.

To the extent a withholding tax applies, the Company, as a withholding agent, is required by law to withhold and spontaneously remit to the appropriate tax authorities the amounts corresponding to such taxation at source on behalf of the recipient or taxpayer.

Income Taxation of Luxembourg Resident Shareholders

Individual shareholders

Luxembourg resident individuals shareholders, acting in the course of the management of either their private wealth or their professional / business activity, are subject to income tax on dividends and other payments derived from the Ordinary Shares at the progressive ordinary rates (with a marginal rate of currently 42%) for year 2018 as increased by a solidarity tax of 7% for income not exceeding €150,000 for single taxpayers and €300,000 for couples taxed jointly, and of 9% for income above these amounts, therefore the top effective marginal rate would be 45.78% for the year 2018. A 50% exemption applies to the gross amount of dividends received by resident individuals from the Company. A tax credit is usually granted for the 15% withholding tax.

Capital gains realised on the disposal of the Ordinary Shares by resident individual shareholders, acting in the course of the management of their private wealth, are not subject to income tax, unless said capital gains qualify either as speculative gains or as gains on shares belonging to a substantial participation. Capital gains are deemed to be speculative gains and are subject to income tax at ordinary rates (with a top marginal rate of 42% for the year 2018 increased by the solidarity tax and the dependence insurance contribution as described above) if the Ordinary Shares are disposed of within six months post acquisition or if disposal precedes acquisition.

A participation is deemed to be substantial where a resident individual shareholder owns, either alone or together with his spouse/partner and/or minor children, directly or indirectly at any time within the five years preceding the disposal, more than 10% of the share capital of the Company. Capital gains realised on shares belonging to a substantial participation more than six months after the acquisition thereof are subject to income tax according to the half-global rate method, (i.e. the average rate applicable to the total income is calculated according to progressive income tax rates and half of the average rate is applied to the capital gains realised on the substantial participation leading to a top effective rate of maximum 22.89% for the year 2018). Capital gains realised on the disposal of the Ordinary Shares and dividends earned on the Ordinary Shares by resident individual shareholders, acting in the course of their professional / business activity, are subject to income tax at ordinary rates.

A disposal may include a sale, exchange, contribution or any other kind of alienation of the shares. Taxable gains are determined as being the difference between the price for which the Ordinary Shares have been disposed of and the lower of their cost or book value.

Corporate shareholders

Dividends and liquidation proceeds derived from, and capital gains realised on the Ordinary Shares by a Luxembourg taxable resident company are in principle subject to corporate income tax and municipal business tax, unless the conditions of the Luxembourg participation exemption regime (the "**Participation Exemption Regime**") are satisfied. Should such conditions not be fulfilled, a 50% exemption of the dividends received by a Luxembourg taxable resident company still applies for corporate income tax and municipal business tax purposes.

A tax credit should usually be granted for the 15% withholding tax.

Tax exempt shareholders

Certain shareholders, such as entities governed by (a) the law of 17 December 2010 on undertakings for collective investment (as amended), or (b) the law of 11 May 2007 on family estate management companies (as amended) or (c) the law of 13 February 2007 on specialised investment funds (as amended) and (d) the law of 23 July 2016 on reserved alternative investment funds for those having elected for the Specialised Investment Funds regime as referred to in the Law of 13 February 2007 on Specialised Investment Funds (as amended) within the meaning of the law may be tax exempt on incomes derived from, and capital gains realised on the disposal of, the Ordinary Shares for Luxembourg income tax purposes.

Income taxation of non-residents shareholders

Non-resident shareholders who have neither a permanent establishment nor a permanent representative in Luxembourg to which the Ordinary Shares are allocable, are generally not liable to Luxembourg income tax on distributions of profits received or on capital gains realised upon the sale of Ordinary Shares. As an exception, capital gains realised (i) on shares representing a substantial participation, or within the first six months after the acquisition thereof, and (ii) capital gains realised by a shareholder who was a Luxembourg resident for more than fifteen years and has become a non-resident for less than five years prior to the realisation of the capital gain, are subject to income tax in Luxembourg at ordinary rates. Most double tax conventions in force prevent such capital gain taxation.

Distributions of profits received from, and capital gains realised on the disposal of Ordinary Shares owned by a Luxembourg permanent establishment of a non-resident shareholder are subject to Luxembourg income tax, unless (insofar non-resident corporate shareholders are concerned) the conditions for the application of the Participation Exemption Regime are satisfied. In particular, a full exemption is available if cumulatively (i) the Ordinary Shares are attributable to a qualified permanent establishment ("**Qualified Permanent Establishment**") and (ii) at the time the distribution of profits is put at the disposal of the Qualified Permanent Establishment, it has owned or commits itself to own a Qualified Shareholding. A Qualified Permanent Establishment means (a) a Luxembourg permanent establishment of a company covered by Article 2 of the EU Parent-Subsidiary Directive, (b) a Luxembourg permanent establishment of a capital companies (*société de capitaux*) resident in a state having a tax treaty with Luxembourg and (c) a Luxembourg permanent establishment of a capital company (*société de capitaux*) or a cooperative company (*société coopérative*) resident in an EEA Member State other than an EU Member State. If the Participation Exemption Regime does not apply, 50% of the gross amount of dividends received by a Luxembourg permanent establishment or permanent representative should be exempt from income tax. A tax credit may further be granted for the 15% withholding tax. Capital gains (determined as positive the difference between the price for which the Ordinary Shares have been disposed of and their cost or book value) realised by the Qualified Permanent Establishment on Ordinary Shares are subject to income tax at ordinary rates, unless the conditions of the Participation Exemption Regime are satisfied. In that case, Qualified Shareholding means shares representing a direct participation of at least 10% in the share capital of the Qualified Subsidiary or a direct participation in the Qualified Subsidiary having an acquisition price of at least €6 million.

Net Wealth Tax

Corporate shareholders resident in Luxembourg are subject to annual net wealth tax, levied at a rate of 0.5% (or at a rate of 0.05% for a net wealth insofar it exceeds €500 million) on its net assets, unless they are entities governed by (a) the law of 17 December 2010 on undertakings for collective investment (as amended), or (b) the law of 22 March 2004 on securitisation (as amended), or (c) the law of 15 June 2004 on the venture capital vehicles (as amended), or (d) the law of 11 May 2007 on family estate management companies (as amended) or (e) the law of 13 July 2005 on Luxembourg pension structures or (f) the law of 13 February 2007 on specialised investment funds (as amended) and (g) reserved alternative investment funds within the meaning of the law of 23 July 2016. Securitisation companies governed by the law of 22 March 2004, investment companies in risk capital governed by the law of 15 June 2004, reserved alternative investment funds governed by the law of 23 July 2016 investment companies in risk capital governed by the Law of 15 June 2004 on venture capital vehicles (as amended), pension-saving companies as well as pension-saving associations, governed by the Law of 13 July 2005 (as amended) and reserved alternative investment funds governed by the Law of 23 July 2016 on Reserved Alternative Investment Funds having elected for the regime of an investment company in risk capital as referred to in the Law of 15 June 2004 on venture capital vehicles (as amended) are subject to the minimum net wealth tax.

A Qualified Shareholding held in the Company is not taken into account for the computation of the net wealth tax basis; the minimum holding period requirement of the Qualified Shareholding does not apply for net wealth tax purposes.

Non-resident corporate shareholders are only subject to net wealth tax in Luxembourg in respect of the Ordinary Shares if such shareholding is effectively attributable to a permanent establishment or permanent representative through which the holder carries on a business in Luxembourg.

Individuals are not subject to Luxembourg net wealth tax.

Inheritance and Gift Tax

Under Luxembourg Inheritance and gift tax law, where an individual shareholder is a resident of Luxembourg at the time of his/her death, the Ordinary Shares are included in his or her taxable basis for inheritance tax purposes. On the contrary, no inheritance tax is levied on the transfer of the Ordinary Shares upon death of a shareholder in cases where the deceased was not a resident of Luxembourg for inheritance purposes.

Gift tax may be due on a gift or donation of the Ordinary Shares, if the gift is embodied in a Luxembourg notarial deed or otherwise registered in Luxembourg, which is generally not required.

Taxation in the Netherlands

The information set out below is a general summary of certain material Dutch tax consequences in connection with the acquisition, ownership and transfer of Ordinary Shares. This summary does not purport to be a comprehensive or complete description of all the Dutch tax considerations that may be relevant for a particular

holder of Ordinary Shares. Holders of Ordinary Shares may be subject to special tax treatment under any applicable law and this summary is not intended to be applicable in respect of all categories of holders of such Ordinary Shares. The summary is based upon the tax laws of the Netherlands as in effect on the date of this Prospectus, without prejudice to any developments or amendments introduced at a later date and implemented with or without retroactive effect. All of the foregoing is subject to change, which change could apply retroactively and could affect the continuing validity of this summary.

Where in this overview English terms and expressions are used to refer to Dutch concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Dutch concepts under Dutch (tax) law. Where in this summary the terms "the Netherlands" and "Dutch" are used, these refer solely to the European part of the Kingdom of the Netherlands.

As this summary is intended as general information only, (prospective) holders of Ordinary Shares should consult their own tax advisers as to Dutch or other tax consequences of the acquisition, ownership and transfer of Ordinary Shares, including, in particular, the application to their specific situations of the tax considerations discussed below.

The following summary does not address the tax consequences arising in any jurisdiction other than the Netherlands in connection with the acquisition, ownership and transfer of Ordinary Shares.

Where in this Dutch taxation paragraph reference is made to an "Holder of Ordinary Shares", that concept includes, without limitation:

(a) an owner of one or more Ordinary Shares who in addition to the title to such Ordinary Shares, has an economic interest in such Ordinary Shares;

(b) a person who or an entity that holds the entire economic interest in one or more Ordinary Shares;

(c) a person who or an entity that holds an interest in an entity, such as a partnership or a mutual fund, that is transparent for Dutch tax purposes, the assets of which comprise one or more Ordinary Shares, within the meaning of (a) or (b) above; or

(d) a person who is deemed to hold an interest in Ordinary Shares, as referred to under (a) to (c), pursuant to the attribution rules of Section 2.14a, of the Dutch Income Tax Act 2001, with respect to property that has been segregated, for instance in a trust or a foundation.

Taxes on Income and Capital Gains

Resident holders of Ordinary Shares

General

The summary set out in this section applies only to a Holder of Ordinary Shares who is a "Dutch Individual" or a "Dutch Corporate Entity".

For the purposes of this section a Holder of Ordinary Shares is a "Dutch Individual" if it satisfies the following tests:

(a) he is an individual;

(b) he is resident, or deemed to be resident, in the Netherlands for Dutch income tax purposes;

(c) his Ordinary Shares and any benefits derived or deemed to be derived therefrom have no connection with his past, present or future employment, if any; and

(d) his Ordinary Shares do not form part of a substantial interest or a deemed substantial interest in the Company within the meaning of Chapter 4 of the Dutch Income Tax Act 2001.

Generally, if a person holds an interest in the Company, such interest forms part of a substantial interest, or a deemed substantial interest, in the Company if any one or more of the following circumstances is present:

(i) such person – either alone or, in the case of an individual, together with his partner, if any – owns or is deemed to own, directly or indirectly, either a number of Ordinary Shares representing five per cent or more of the Company's total issued and outstanding capital (or the issued and outstanding capital of any

class of shares), or rights to acquire, directly or indirectly, Ordinary Shares, whether or not already issued, representing five per cent or more of the Company's total issued and outstanding capital (or the issued and outstanding capital of any class of shares), or profit participating certificates relating to five per cent or more of the Company's annual profit or to five per cent or more of the Company's liquidation proceeds;

(ii) such person's shares, profit participating certificates or rights to acquire shares in the Company are held by him or deemed to be held by him following the application of a non-recognition provision;

(iii) such person's partner or any of his relatives by blood or by marriage in the direct line (including foster-children) or of those of his partner has a substantial interest (as described under (i) above) in the Company.

A person who is entitled to the benefits from shares or profit participating certificates (for instance a holder of a right of usufruct) is deemed to be a holder of shares or profit participating certificates, as the case may be, and such person's entitlement to such benefits is considered a share or a profit participating certificate, as the case may be.

If a Holder of Ordinary Shares is an individual and if he satisfies test (b), but does not satisfy test (c) and/or test (d), his Dutch income tax position is not discussed in this Prospectus. If a Holder of Ordinary Shares is an individual who does not satisfy test (b), please refer to "– *Non-resident Holders of Ordinary Shares*" below.

For the purposes of this section, a Holder of Ordinary Shares is a "Dutch Corporate Entity" if it satisfies the following tests:

(a) it is a corporate entity, including an association that is taxable as a corporate entity, that is subject to Dutch corporation tax in respect of benefits derived from its Ordinary Shares;

(b) it is resident, or deemed to be resident, in the Netherlands for Dutch corporation tax purposes;

(c) it is not an entity that, although in principle subject to Dutch corporation tax, is, in whole or in part, specifically exempt from that tax; and

(d) it is not an investment institution as defined in Section 28 of the Dutch Corporation Tax Act 1969.

If a Holder of Ordinary Shares is not an individual and if it does not satisfy one or more of these tests, with the exception of test (b), its Dutch corporation tax position is not discussed in this Prospectus. If a Holder of Ordinary Shares is not an individual that does not satisfy test (b), please refer to "– *Non-resident Holders of Ordinary Shares*" below.

Dutch Individuals deriving profits or deemed to be deriving profits from an enterprise

Any benefits derived or deemed to be derived by a Dutch Individual from Ordinary Shares, including any capital gain realised on the disposal of such Ordinary Shares, that are attributable to an enterprise from which such Dutch Individual derives profits, whether as an entrepreneur or pursuant to a co-entitlement to the net value of an enterprise, other than as a shareholder, are generally subject to Dutch income tax at progressive rates.

In principle, Dutch Individuals deriving profits or deemed to be deriving profits from an enterprise can credit Luxembourg dividend withholding tax against their Dutch income tax. The Netherlands shall allow a deduction from Dutch income tax so computed for such items of dividend income, as may be taxed in Luxembourg according to Article 10 paragraph 2 of the Luxembourg - Netherlands Income and Capital Tax Treaty (1968) (as amended through 2009). The amount of this deduction shall be the lesser of the following amounts: (a) the amount equal to the Luxembourg dividend withholding tax, (b) the amount of the Dutch tax payable on the foreign dividends.

Dutch Individuals deriving benefits from miscellaneous activities

Any benefits derived or deemed to be derived by a Dutch Individual from Ordinary Shares, including any gain realised on the disposal of such Ordinary Shares, that constitute benefits from miscellaneous activities, are generally subject to Dutch income tax at progressive rates.

A Dutch Individual may, *inter alia*, derive, or be deemed to derive, benefits from Ordinary Shares that are taxable as benefits from miscellaneous activities in the following circumstances:

(a) if his investment activities go beyond the activities of an active portfolio investor, for instance in the case of use of insider knowledge or comparable forms of special knowledge; or

(b) if any benefits to be derived from his Ordinary Shares, whether held directly or indirectly, are intended, in whole or in part, as remuneration for activities performed by him or by a person who is a connected person to him as meant by Section 3.92b, paragraph 5, of the Dutch Income Tax Act 2001.

In principle, Dutch Individuals deriving benefits from miscellaneous activities can credit Luxembourg dividend withholding tax against their Dutch income tax. The Netherlands shall allow a deduction from Dutch income tax so computed for such items of dividend income, as may be taxed in Luxembourg according to Article 10 paragraph 2 of the Luxembourg - Netherlands Income and Capital Tax Treaty (1968) (as amended through 2009). The amount of this deduction shall be the lesser of the following amounts: (a) the amount equal to the Luxembourg dividend withholding tax, (b) the amount of the Dutch tax payable on the foreign dividends.

Other Dutch Individuals

If a Holder of Ordinary Shares is a Dutch Individual whose situation has not been discussed before in this section, a deemed income from his Ordinary Shares is taxed annually as income from savings and investments. Such deemed income is 2.02 – 5.38 per cent per annum of his "yield basis" (2018 percentages), generally to be determined at the beginning of the year, to the extent that such yield basis exceeds the "exempt net asset amount" for the relevant year. The deemed income so computed is taxed at the rate of 30 per cent. The value (calculated according to article 5.21 of the Dutch Income Tax Act 2001) of his Ordinary Shares forms part of his yield basis. Actual income derived from his Ordinary Shares, including any gain realised on the disposal of such Ordinary Shares, is not as such subject to Dutch income tax.

In principle, other Dutch Individuals can credit Luxembourg dividend withholding tax against their Dutch income tax. The Netherlands shall allow a deduction from Dutch income tax so computed for such items of dividend income, as may be taxed in Luxembourg according to Article 10 paragraph 2 of the Luxembourg - Netherlands Income and Capital Tax Treaty (1968) (as amended through 2009). The amount of this deduction shall be the lesser of the following amounts: (a) the amount equal to the Luxembourg dividend withholding tax, (b) the amount of the Dutch tax payable on the deemed income from savings and investments.

Attribution rule

Benefits derived or deemed to be derived from certain miscellaneous activities by, and yield basis for income from savings and investments of, a child or a foster child who is under eighteen years of age are attributed to the parent who exercises, or to the parents who exercise, authority over the child, irrespective of the country of residence of the child.

Dutch Corporate Entities

Any benefits derived or deemed to be derived by a Dutch Corporate Entity from Ordinary Shares, including any gain realised on the disposal thereof, are generally subject to Dutch corporation tax.

In principle, a Dutch Corporate Entity can credit Luxembourg dividend withholding tax against its Dutch corporation tax liability. The Netherlands shall allow a deduction from Dutch corporation tax so computed for such items of dividend income, as may be taxed in Luxembourg according to Article 10 paragraph 2 of the Luxembourg - Netherlands Income and Capital Tax Treaty (1968) (as amended through 2009). The amount of this deduction shall be the lesser of the following amounts: (a) the amount equal to the Luxembourg dividend withholding tax, (b) the amount of the Dutch tax payable on the foreign dividends.

If the benefits are exempt under the participation exemption as laid down in the Dutch Corporation Tax Act 1969, any benefits derived or deemed to be derived by a Dutch Corporate Entity from Ordinary Shares, including any gain realised on the disposal thereof, are generally exempt from Dutch corporation tax. Moreover, in this case, the Dutch Corporate Entity cannot credit Luxembourg dividend withholding tax against its Dutch corporation tax liability.

Non-resident Holders of Ordinary Shares

For the purposes of this section, a Holder of Ordinary Shares is a "Non-resident Holder of Ordinary Shares" if it is neither a resident, nor deemed to be resident, in the Netherlands for purposes of Dutch income tax or corporation tax, as the case may be.

In principle, a Non-resident Holder of Ordinary Shares will not be subject to any Dutch taxes on income or capital gains in respect of any benefits derived or deemed to be derived from its Ordinary Shares, including any capital gain realised on the disposal thereof.

Gift and Inheritance Taxes

If a Holder of Ordinary Shares disposes of Ordinary Shares by way of gift, in form or in substance, or if a holder of Ordinary Shares who is an individual dies, no Dutch gift tax or Dutch inheritance tax, as applicable, will be due, unless:

(a) the donor is, or the deceased was, resident or deemed to be resident in the Netherlands for purposes of Dutch gift tax or Dutch inheritance tax, as applicable; or

(b) the donor made a gift of Ordinary Shares, then became a resident or deemed resident of the Netherlands, and died as a resident or deemed resident of the Netherlands within 180 days of the date of the gift.

For purposes of the above, a gift of Ordinary Shares made under a condition precedent is deemed to be made at the time the condition precedent is satisfied.

Registration Taxes and Duties

No Dutch registration tax, transfer tax, stamp duty or any other similar documentary tax or duty, other than court fees, is payable in the Netherlands by the Holder of Ordinary Shares in respect of or in connection with (i) the subscription, issue, placement, allotment of Ordinary Shares, (ii) the enforcement by way of legal proceedings (including the enforcement of any foreign judgment in the courts of the Netherlands) of the documents relating to the issue of Ordinary Shares or the performance by the Company of its obligations under such documents, or (iii) the transfer of Ordinary Shares.

Certain United States Federal Income Tax Considerations

This section describes certain US federal income tax consequences of owning and disposing of Ordinary Shares. It applies to you only if you are a US holder (as defined below) acquiring Ordinary Shares in this Offering and you hold your Ordinary Shares as capital assets for US federal income tax purposes. This section does not apply to you if you are a member of a special class of holders subject to special rules, including:

- a dealer in securities;
- a trader in securities that elects to use a mark-to-market method of accounting for securities holdings;
- a tax-exempt organisation;
- a life insurance company;
- a person liable for alternative minimum tax;
- a person that actually or constructively owns 10% or more of the Company's combined voting power of our voting stock or of the total value of our stock;
- a person that holds Ordinary Shares as part of a straddle or a hedging or conversion transaction;
- a person that purchases or sells Ordinary Shares as part of a wash sale for tax purposes; or
- a person whose functional currency is not the US dollar.

This section is based on the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations, and published rulings and court decisions, as well as on the income tax treaty between Luxembourg and the United States (the "**Luxembourg-US Convention**"), all of which are subject to change, possibly on a retroactive basis.

If an entity or arrangement treated as a partnership for US federal income tax purposes holds the Ordinary Shares, the US federal income tax treatment of a partner in such partnership will generally depend on the status of the partner and the activities of the partnership. A partnership holding the Ordinary Shares should consult its tax advisor regarding the US federal income tax consequences to them and their partners of an investment in the Ordinary Shares.

You are a US holder if you are a beneficial owner of Ordinary Shares and you are for US federal income tax purposes:

- a citizen or individual resident of the United States;
- a domestic corporation;
- an estate whose income is subject to US federal income tax regardless of its source; or
- a trust if a US court can exercise primary supervision over the trust's administration and one or more US persons are authorised to control all substantial decisions of the trust.

You should consult your own tax advisor regarding the US federal, state and local and other tax consequences of owning and disposing of Ordinary Shares in your particular circumstances.

Dividends

Subject to the passive foreign investment company (PFIC) rules discussed below, the gross amount of any distributions the Company pays out of its current or accumulated earnings and profits (as determined for US federal income tax purposes) is dividend income to a US holder that is subject to US federal income taxation. Distributions in excess of current and accumulated earnings and profits, as determined for US federal income tax purposes, will be treated as a non-taxable return of capital to the extent of a US holder's basis in the Ordinary Shares and thereafter as capital gain. However, the Company does not expect to calculate earnings and profits in accordance with US federal income tax principles. Therefore, you should assume that any distributions by the Company with respect to the Ordinary Shares will be reported as ordinary dividend income. If you are a non-corporate US holder, dividends that constitute qualified dividend income will be taxable to you at the preferential rates applicable to long-term capital gains provided that you hold the Ordinary Shares for more than 60 days during the 121-day period beginning 60 days before the ex-dividend date and meet other holding period requirements. The Company expects that dividends it pays with respect to the Ordinary Shares generally will be qualified dividend income, provided that the Company is eligible for the benefits of the Luxembourg-US Convention.

You must include any Luxembourg tax withheld from the dividend payment in this gross amount even though you do not in fact receive it. The dividend is taxable to you when you receive the dividend, actually or constructively. The dividend will not be eligible for the dividends received deduction generally allowed to US corporations in respect of dividends received from other US corporations. The amount of the dividends that you must include in your income as a US holder will be the US dollar value of the Euro payments made, determined at the spot Euro/US dollar rate on the date the dividend is includible in your income, regardless of whether the payment is in fact converted into US dollars. Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date you include the dividend payment in income to the date you convert the payment into US dollars will be treated as ordinary income or loss and will not be eligible for the preferential rates applicable to qualified dividend income. The gain or loss generally will be income or loss from sources within the United States for foreign tax credit limitation purposes.

Subject to applicable limitations, some of which vary depending upon your particular circumstances, Luxembourg taxes withheld from dividends on Ordinary Shares at a rate not exceeding the applicable Luxembourg-US Convention rate will be creditable against your US federal income tax liability. The rules governing foreign tax credits are complex, and you should consult your tax adviser regarding the creditability of foreign taxes in your particular circumstances. Subject to applicable limitations, in lieu of claiming a foreign tax credit, you may elect to deduct foreign taxes, including any Luxembourg taxes withheld, in computing its US taxable income. An election to deduct foreign taxes instead of claiming foreign tax credits applies to all foreign taxes paid or accrued in the relevant taxable year.

Dividends will be income from sources outside the United States and will generally be "passive" income for purposes of computing the foreign tax credit allowable to you.

Sale or Other Disposition of Ordinary Shares

Subject to the PFIC rules discussed below, you generally will recognise capital gain or loss for US federal income tax purposes on the sale or other disposition of your Ordinary Shares equal to the difference between the US dollar value of the amount that you realise and your tax basis, determined in US dollars, in your Ordinary Shares. This capital gain or loss will be long-term capital gain or loss if you hold your Ordinary Shares for more than one year. If you are a non-corporate US holder, your long-term capital gain is generally taxed at preferential rates. The capital gain or loss will generally be income or loss from sources within the United States for foreign tax credit limitation purposes. The deductibility of capital losses is subject to limitations. You should consult your own tax advisor regarding how to account for proceeds on the sale or other disposition of Ordinary Shares that are not paid in US dollars.

Medicare Tax

A US holder that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, is subject to a 3.8% tax on the lesser of (1) the US holder's "net investment income" (or "undistributed net investment income" in the case of an estate or trust) for the relevant taxable year; and (2) the excess of the US holder's modified adjusted gross income for the taxable year over a certain threshold (which in the case of individuals is between USD 125,000 and USD 250,000, depending on the individual's circumstances). A US holder's net investment income generally includes its dividend income and its net gains from the disposition of property such as the Ordinary Shares, unless such dividend income or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). If you are a US holder that is an individual, estate or trust, you are urged to consult your tax advisors regarding the applicability of the Medicare tax to your income and gains in respect of your investment in the Ordinary Shares.

PFIC Rules

The Company believes that it should not be treated as a PFIC for US federal income tax purposes for its current taxable year and does not expect to become a PFIC in the foreseeable future. However, this conclusion is a factual determination that is made annually and thus may be subject to change. If the Company were to be treated as a PFIC, gain realized on the sale or other disposition of your Ordinary Shares would in general not be treated as capital gain. Instead, unless you elect to be taxed annually on a mark-to-market basis with respect to your Ordinary Shares, you would be treated as if you had realized such gain and certain "excess distributions" rateably over your holding period for the Ordinary Shares and would generally be taxed at the highest tax rate in effect for the class of US taxpayers for which you are a member for each such year to which the gain was allocated, together with an interest charge in respect of the tax attributable to each such year. With certain exceptions, your Ordinary Shares will be treated as stock in a PFIC if the Company were a PFIC at any time during your holding period in your Ordinary Shares. Dividends that you receive from the Company will not be eligible for the special tax rates applicable to qualified dividend income if the Company were a PFIC (or were to be treated as a PFIC with respect to you) either in the taxable year of the distribution or the preceding taxable year, but instead will be taxable at rates applicable to ordinary income. You should consult your own tax advisor regarding the potential application of the PFIC rules to an investment in the Ordinary Shares.

Information with Respect to Foreign Financial Assets

US holders who are owners of "specified foreign financial assets" with an aggregate value in excess of USD 50,000 (and in some circumstances, a higher threshold) may be required to file an information report with respect to such assets with their US federal income tax returns. "Specified foreign financial assets" may include financial accounts maintained by foreign financial institutions, as well as the following, but only if they are held for investment and not held in accounts maintained by financial institutions: (i) stocks and securities issued by non-US persons; (ii) financial instruments and contracts that have non-US issuers or counterparties; and (iii) interests in foreign entities. You are urged to consult your own tax advisor regarding the application of this reporting requirement to your ownership of the Ordinary Shares.

Backup Withholding and Information Reporting

If you are a non-corporate US holder, information reporting requirements on the United States Internal Revenue Service ("**IRS**") Form 1099 generally will apply to dividend payments or other taxable distributions made to you within the United States, and the payment of proceeds to you from the sale or disposition of Ordinary Shares effected at a US office of a broker.

Additionally, backup withholding may apply to such payments if you fail to comply with applicable certification requirements or are notified by the IRS that you have failed to report all interest and dividends required to be shown on your US federal income tax returns.

Payment of the proceeds from the sale of Ordinary Shares effected at a foreign office of a broker generally will not be subject to information reporting or backup withholding. However, a sale effected at a foreign office of a broker could be subject to information reporting in the same manner as a sale within the United States (and in certain cases may be subject to backup withholding as well) if (i) the broker has certain connections to the United States; (ii) the proceeds or confirmation are sent to the United States; or (iii) the sale has certain other specified connections with the United States.

Backup withholding is not an additional tax. You generally may obtain a credit or refund of any amounts withheld under the backup withholding rules that exceed your US federal income tax liability by filing a claim with the IRS in a timely manner.

INDEPENDENT AUDITORS

The consolidated special purpose financial statements for FY 2017, FY 2016 and FY 2015, as included in this Prospectus, have been audited by Deloitte, our independent auditors, as stated in their independent auditor's report appearing herein.

Deloitte is an independent registered accounting firm. The address of Deloitte is 560, Rue de Neudorf, L-2220 Luxembourg, Grand Duchy of Luxembourg. The auditor who signs on behalf of Deloitte, being a *Réviseur d'Entreprises agréé*, is a member of the *Institut des Réviseurs d'Enterprises*.

Deloitte has given, and has not withdrawn, its consent to the inclusion or incorporation by reference of its reports in this Prospectus in the form and context in which they are included. As the Offer Shares have not been and will not be registered under the US Securities Act, Deloitte has not filed and will not file a consent under the US Securities Act.

GENERAL INFORMATION

Corporate Resolutions

On 9 March 2018, the Executive Board resolved to list the Ordinary Shares on Euronext Amsterdam.

On 9 March 2018, the Supervisory Board approved the listing of the Ordinary Shares on Euronext Amsterdam.

On 9 March 2018, the General Meeting approved the listing of the Ordinary Shares on Euronext Amsterdam.

No Significant Change

There has been no significant change in the financial or trading position of the Group since 31 December 2017.

Available Information

Subject to any applicable selling and transfer restrictions (see "*Selling and Transfer Restrictions*"), the following documents (or copies thereof) may be obtained free of charge from our website (www.bs–group–sa.com):

- this Prospectus;
- the Articles of Association; and
- the financial statements.

Provision of Information

We have agreed that, for so long as any of the Ordinary Shares are outstanding and are 'restricted securities' within the meaning of Rule 144(a)(3) under the US Securities Act, we will, during any period in which we are neither subject to Section 13 or 15(d) of the US Exchange Act nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted Offer Shares or to any prospective purchaser of such restricted Offer Shares designated by such holder or beneficial owner, upon the request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the US Securities Act.

We are not currently subject to the periodic reporting and other informational requirements of the US Exchange Act.

No Incorporation of Website

The contents of our website, including any websites accessible from hyperlinks on our website or the websites of our segments and sub-segments, do not form part of and are not incorporated by reference into this Prospectus.

DEFINED TERMS

The following list of defined terms is not intended to be an exhaustive list of definitions, but provides a list of the defined terms used in this Prospectus.

ABN AMRO	ABN AMRO Bank N.V.
Additional Shares	the up to 3,086,502 additional Ordinary Shares, equalling up to 12.5% of the total number of Offer Shares, which Sarabel and Lebaras may be required to sell pursuant to the Over-Allotment Option
AFM	Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*)
Allocation	the allocation of the Offer Shares
AML	anti-money laundering
Articles of Association	the articles of association of the Company as they shall read as of the Settlement Date
Audit and Risk Committee	the audit and risk committee of the Supervisory Board
Authorised Capital	the authorised capital of the Company consisting of the Ordinary Shares Authorised Capital and the Preference Shares Authorised Capital
BEPS	base erosion and profit shifting
BiT	B&S International Technology
BiT ERP	customised BiT enterprise resource planning system
B&S Segment	the B&S segment of the Company
CAGR	compound annual growth rate
CET	Central European Time
Company	B&S Group S.A.
CSSF	the Luxembourg Commission de Surveillance du Secteur Financier
Deloitte	Deloitte Audit S.à r.l.
Deutsche Bank	Deutsche Bank AG, London Branch
Dutch Financial Supervision Act	the Dutch Financial Supervision Act and the rules promulgated thereunder
Dutch GAAP	Dutch Generally Accepted Accounting Principles
Dutch Retail Investor	(i) a natural person resident in the Netherlands; or (ii) a special investment vehicle having its seat in the Netherlands which is a legal entity established for the express and sole purpose of providing asset management and/or retirement planning services for a natural person
Dutch Takeover Decree	the Public Takeover Bids Decree
EEA Member State	member state of the European Economic Area
EU Member State	member state of the European Union
EU Parent-Subsidiary Directive	Council Directive (EU) 2015/121 of 27 January 2015 amending directive 20122/96/EU on the common system of taxation applicable in the case of parent companies and subsidiaries of different member states
Euro, EUR or €	the single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty on the functioning of the European Community, as amended from time to time

Euroclear Nederland	the Netherlands Central Institute for Giro Securities Transactions (*Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.*) trading as Euroclear Nederland
Euronext Amsterdam	the Regulated Market operated by Euronext Amsterdam N.V.
Executive Board	the executive board of the Company (*directoire/Vorstand*)
Executive Board Rules	the rules adopted by the Executive Board governing the Executive Board's decision-making process and working methods
Extraordinary General Meeting	a general meeting convened for certain purposes with a quorum requirement of at least 50% of the issued share capital where resolutions can only be adopted by a two-thirds majority
EY-Parthenon Market Report	a market study commissioned from EY-Parthenon B.V. in 2017
Facilities	the credit facilities, as of the date of this Prospectus
First Trading Date	23 March 2018
Foundation	Stichting Continuïteit B&S Group, an independent foundation to be incorporated under the laws of the Netherlands
FSMA	the UK Financial Services and Markets Act 2000, as amended
FTEs	full time employee equivalents
FY 2015	the financial year ended 31 December 2015
FY 2016	the financial year ended 31 December 2016
FY 2017	the financial year ended 31 December 2017
GDP	Gross Domestic Product
General Meeting	the general meeting of Shareholders of the Company
Group	the Company and its subsidiaries
HACCP	the Hazard Analysis and Critical Control Point system
HTG Segment	the B&S Holland Trading Group segment of the Company
IASB	the International Accounting Standards Board
IFRS	International Financial Reporting Standards as adopted by the European Union
ING	ING Bank N.V.
IPO	initial public offering
IRS	United States Internal Revenue Service
IT Steering Committee	The Company's IT steering committee
Joint Bookrunners	ABN AMRO Bank N.V., ING Bank N.V., Morgan Stanley & Co. International plc, Coöperatieve Rabobank U.A. and Deutsche Bank AG, London Branch.
Joint Global Coordinators	ABN AMRO Bank N.V., ING Bank N.V. and Morgan Stanley & Co. International plc
JTG	JTG Holding B.V.
JTG and Topbrands Managers	certain managers of JTG and Topbrands who indirectly partially own the Managers' Vehicle
Lebaras	Lebaras Belgium BVBA
Listing and Paying Agent	ABN AMRO
Luxembourg	the Grand Duchy of Luxembourg

Luxembourg Companies Act	the Luxembourg law of 10 August 1915 on commercial companies, as amended
Luxembourg Mandatory Squeeze-Out and Sell-Out Law	the Luxembourg law of 21 July 2012 on the squeeze-out and sell-out of securities of companies admitted or having been admitted to trading on a regulate market or which have been subject to a public offer
Luxembourg Prospectus Law	the Luxembourg law of 10 July 2005 (as amended) implementing the Prospectus Directive in Luxembourg relating to prospectuses for securities (as amended) and the rules promulgated thereunder
Luxembourg Shareholder Rights Law	the Luxembourg law of 24 May 2011 on the exercise of certain rights of shareholders in general meetings of listed companies, as amended
Luxembourg Takeover Law	the Luxembourg law of 19 May 2006 on takeover bids, as amended
Luxembourg Transparency Law	the Luxembourg Law of 11 January 2008 on transparency requirements regarding information about issuers whose securities are admitted to trading on a Regulated Market, as amended
Luxembourg Transparency Regulation	the Luxembourg Grand-ducal regulation of 11 January 2008 on transparency requirements for issuers of securities, as amended
Luxembourg-US Convention	the income tax treaty between Luxembourg and the United States
Managers	certain managers of JTG and Topbrands and one of the managing directors of the HTG Segment, who together indirectly own the Managers' Vehicle
Managers' Vehicle	B&S Participations B.V.
Mandatory Sell-Out	the mandatory purchase of shares of minority shareholders by one or more majority shareholders holding more than 95% of the share capital of a company, as provided in the Luxembourg Mandatory Squeeze-Out and Sell-Out Law
Mandatory Squeeze-Out	the mandatory sale of shares by minority shareholders to one or more majority shareholders holding more than 95% of the share capital of a company, as provided in the Luxembourg Mandatory Squeeze-Out and Sell-Out Law
MAR	Regulation (EU) No 596/2014 on market abuse (market abuse regulation)
MiFID II	Directive 2014/65/EU of the European Union on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU
Morgan Stanley	Morgan Stanley & Co. International plc
NVWA	the Netherlands Food and Consumer Product Safety Authority
OFAC	the Office of Foreign Assets Control of the Department of the Treasury in the United States
Offer Period	the period during which prospective investors may subscribe for the Offer Shares, commencing on 13 March 2018 at 9.00 CET and is expected to end on 21 March 2018 at 17.30 CET for prospective Dutch Retail Investors and on 22 March 2018 at 14.00 CET for prospective institutional investors, subject to acceleration or extension of the timetable for the Offering
Offer Price	the price per Offer Share to be determined on the basis of a bookbuilding process
Offer Price Range	the indicative price range for the Offer Shares between €14.50 to €17.75 (inclusive) per Offer Share as of the date of this Prospectus

Offer Shares	the Ordinary Shares that will be offered by the Selling Shareholders in the Offering which includes, unless the context indicates otherwise, the Additional Shares
Offering	the offering of Offer Shares as described in this Prospectus
Order	the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005
Ordinary Instruments	rights, including warrants or options, to subscribe for Ordinary Shares or any other instruments convertible into Ordinary Shares
Ordinary Shares	the ordinary shares in the capital of the Company with a nominal value of €0.06 each
Ordinary Shares Authorised Capital	the ordinary shares authorised capital of the Company
Over-Allotment Option	an option, which will be exercisable within 30 calendar days after the First Trading Date, pursuant to which the Joint Global Coordinators, on behalf of the Underwriters, may require each of Sarabel and Lebaras to sell pro rata at the Offer Price up to 3,086,502 Additional Shares, equalling up to 12.5% of the total number of Offer Shares sold in the Offering, to cover short positions resulting from any over-allotments made in connection with the Offering
Participation Exemption Regime	the Luxembourg participation exemption regime
PDMRs	persons discharging managerial responsibilities
PIM	the product information management system
Preference Instruments	warrants or options to subscribe for Preference Shares or any other instruments convertible into Preference Shares
Preference Shares	the preference shares in the capital of the Company with a nominal value of €0.06 each
Preference Shares Authorised Capital	the preference shares authorised capital of the Company
Preferential Retail Allocation	a preferential allocation of Offer Shares to Dutch Retail Investors
Pre-IPO Restructuring	the restructuring of certain arrangements with a number of managers of certain group companies, with our CEO and with our CFO prior to the Settlement Date, as described in "*Operating and Financial Review – Current Trading and Recent Developments – Pre-IPO Restructuring*"
Pricing	the determination of the Offer Price, expected to occur on 22 March 2018 after 14:00 CET
Pricing Statement	the pricing statement in which the Offer Price and the exact number of Offer Shares to be sold will be set out
Prospectus	this Prospectus dated 9 March 2018
Prospectus Directive	Directive 2003/71/EC of the European Union, and any amendments thereto, including Directive 2010/73/EU, including any implementation measure in a member state of the European Economic Area
QIBs	qualified institutional buyers, as defined in Rule 144A
Qualified Permanent Establishment	(a) a Luxembourg permanent establishment of a company covered by Article 2 of the EU Parent-Subsidiary Directive, (b) a Luxembourg permanent establishment of a capital companies (*société de capitaux*) resident in a State having a tax treaty with Luxembourg and (c) a Luxembourg permanent establishment of a capital company (*société de*

	capitaux) or a cooperative company (*société coopérative*) resident in an EEA Member State other than a EU Member State
Qualified Shareholding	an entity that has owned or commits itself to own for an uninterrupted period of at least 12 months a participation of at least 10% of the share capital of the Company or a participation of an acquisition price of at least €1.2 million
Rabobank	Coöperatieve Rabobank U.A.
Record Date	the midnight on the day falling fourteen days prior to the date of a General Meeting
Regulated Market	a regulated market as defined in point (21) of Article 4(1) of MiFID II
Regulation S	Regulation S under the US Securities Act
Relationship Agreement	the relationship agreement dated on or about 9 March 2018 between the Company, Sarabel and Lebaras
Relevant EEA Member State	any member state of the European Economic Area which has implemented the Prospectus Directive
Relevant Persons	persons who have professional experience in matters relating to investments falling within the Order or high net worth entities, and other persons to whom it may be lawfully communicated, falling within Article 49(2)(a) to (d) of the Order
Relevant Threshold	the thresholds mentioned in the Luxembourg Transparency Law
Retail Coordinator	ING
Retail Segment	the retail segment of the Company
ROCE	Return on Capital Employed
Rule 144A	Rule 144A under the US Securities Act
Sarabel	Sarabel Invest S.à r.l.
Selected Consolidated Financial Information	our selected consolidated income statement, consolidated statement of financial position and consolidated statement of cash flows as at and for FY 2017, FY 2016 and FY 2015
Selection, Appointment and Remuneration Committee	the selection, appointment and remuneration committee of the Supervisory Board
Selling Shareholders	Sarabel, Lebaras and the Managers' Vehicle
Settlement	payment (in Euros) for, and delivery of, the Offer Shares
Settlement Date	27 March 2018
Share and Cash Incentive	the share and cash incentive to be provided to a group of managers by Sarabel and Lebaras on or about the Settlement Date, as described in "*Operating and Financial Review – Current Trading and Recent Developments – Share and Cash Incentive*"
Share Lending Agreement	the share lending agreement dated on or about the date of the Underwriting Agreement between Sarabel, Lebaras and the Stabilisation Agent
Shareholder	any holder of Ordinary Shares at any time
Shares	the Ordinary Shares together with the Preference Shares
Stabilisation Agent	Morgan Stanley
STAK	Stichting Administratiekantoor B&S Participations
Supervisory Board	the supervisory board of the Company

Supervisory Board Rules	the rules adopted by the Supervisory Board governing the Supervisory Board's decision-making process and working methods
Takeover Directive	Directive 2004/25/EC on takeover bids of the European Union
Topbrands	Topbrands Europe B.V.
Transparency Directive	Directive 2004/109/EC (as amended by Directive 2013/50/EU) of the European Union
Underwriters	ABN AMRO Bank N.V., ING Bank N.V., Morgan Stanley & Co. International plc, Coöperatieve Rabobank U.A. and Deutsche Bank AG, London Branch
Underwriting Agreement	the underwriting agreement with respect to the offer and sale of the Offer Shares which is expected to be entered into on or about 22 March 2018 between the Company, the Selling Shareholders and the Underwriters
United States or US	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
USD or US dollars	US dollars, the lawful currency of the United States
US Exchange Act	the United States Securities Exchange Act of 1934, as amended
US Securities Act	the US Securities Act of 1933, as amended

Special purpose Consolidated Financial Statements

Prepared in accordance with IFRS-EU as at and for the years ended
31 December 2017, 31 December 2016 and 31 December 2015

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Consolidated statement of profit or loss for the year ended 31 December 2017

x € 1,000	Note	2017	2016	2015
CONTINUING OPERATIONS				
Turnover	6	1,507,254	1,339,489	1,338,293
Purchase value	7	1,291,239	1,150,631	1,151,252
Gross profit		**216,015**	**188,858**	**187,041**
Investment income	8	**364**	**733**	**901**
Other gains and losses	9	**3,261**	**(2,625)**	**(6,707)**
Personnel costs	10	71,596	61,592	57,099
Depreciation and amortisation	11	8,366	7,490	6,369
Other operating expenses	12	42,175	36,475	40,474
Total operating expenses		**122,137**	**105,557**	**103,942**
Operating result		**97,503**	**81,409**	**77,293**
Financial expenses	13	(4,835)	(4,438)	(3,975)
Share of profit of associates	14	363	198	233
Result before taxation		**93,031**	**77,169**	**73,551**
Taxation on the result	15	(10,171)	(7,777)	(7,142)
Profit for the year from continuing operations		**82,860**	**69,392**	**66,409**
Attributable to:				
Owners of the Company		68,796	60,907	60,211
Non-controlling interests		14,064	8,485	6,198
Total		**82,860**	**69,392**	**66,409**
Earnings per share				
From continuing operations in euros	16	328.36	290.70	287.38

The accompanying notes are an integral part of these Special purpose Consolidated Financial Statements

Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2017

x € 1,000	Note	2017	2016	2015
Profit for the year from continuing operations		**82,860**	**69,392**	**66,409**
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation differences net of tax		(517)	600	(208)
Acquisitions of non-controlling interests in a subsidiary		125	(975)	–
Other comprehensive income for the year net of tax		**(392)**	**(375)**	**(208)**
Total comprehensive income for the year		**82,468**	**69,017**	**66,201**
Attributable to:				
Owners of the Company		68,442	60,696	60,003
Non-controlling interests		14,026	8,321	6,198
Total		**82,468**	**69,017**	**66,201**

The accompanying notes are an integral part of these Special purpose Consolidated Financial Statements

Consolidated statement of financial position at 31 December 2017

x € 1,000	Note	31.12.2017	31.12.2016	31.12.2015	01.01.2015
Non-current assets					
Goodwill	17	18,104	18,104	9,424	9,424
Other intangible fixed assets	18	16,990	15,534	3,641	4,449
Property, Plant & Equipment	19	25,935	27,881	27,955	28,660
Investments in associates	20	2,001	1,172	981	1,106
Receivables	21	2,481	5,450	6,200	6,545
Deferred tax assets	22	38	23	–	–
		65,549	**68,164**	**48,201**	**50,184**
Current assets					
Inventory	23	300,535	279,951	241,838	199,708
Trade receivables	24	163,047	162,260	143,101	127,613
Corporate income tax		860	1,409	2,319	1,855
Other tax receivables	25	3,533	4,345	2,676	3,028
Other receivables	26	12,936	20,015	20,443	19,323
Derivative financial instruments	38	–	–	212	29
Cash and cash equivalents	27	17,385	13,214	8,166	7,878
		498,296	**481,194**	**418,755**	**359,434**
Total assets		**563,845**	**549,358**	**466,956**	**409,618**
Equity attributable to					
Owners of the Company	28, 29	201,528	197,508	180,335	143,837
Non-controlling interest	30	40,442	32,532	15,578	11,303
		241,970	**230,040**	**195,913**	**155,140**
Non-current liabilities					
Borrowings	31	22,767	24,709	10,428	13,252
Deferred tax liabilities	32	3,232	3,830	846	1,217
Employee benefit obligations	33	1,600	1,106	666	293
Provisions	34	–	18	–	–
Other liabilities	35	790	825	860	–
		28,389	**30,488**	**12,800**	**14,762**
Current liabilities					
Credit institutions	36	184,450	186,935	142,036	133,404
Borrowings due within one year		5,291	6,025	4,941	5,414
Supplier finance arrangements	37	10,650	10,500	34,446	18,655
Derivative financial instruments	38	666	1,110	1,098	954
Trade payables		55,802	52,270	52,004	54,721
Corporate income tax liability		2,985	3,698	4,927	1,561
Other taxes and social security charges	39	11,393	10,018	4,541	12,121
Other current liabilities	40	22,249	18,274	14,250	12,886
		293,486	**288,830**	**258,243**	**239,716**
Total equity and liabilities		**563,845**	**549,358**	**466,956**	**409,618**

The accompanying notes are an integral part of these Special purpose Consolidated Financial Statements

Consolidated statement of changes in equity for the year ended at 31 December 2017

x € 1,000	2017					
	Paid-up share capital	**Reserve for translation differences**	**Retained earnings**	**Total attributable to owners of the company**	**Non-controlling interest**	**Total equity**
Opening balance at 01.01.2017	**5,238**	**392**	**191,878**	**197,508**	**32,532**	**230,040**
Profit for the year			68,796	68,796	14,064	82,860
Other comprehensive income:						
* Acquisitions of non-controlling interests in a subsidiary			118	118	7	125
* Foreign currency translation		(472)		(472)	(45)	(517)
Subtotal	**–**	**(472)**	**118**	**(354)**	**(38)**	**(392)**
Other transactions:						
* Dividend			(64,423)	(64,423)	(4,900)	(69,323)
* Acquisition through business combinations			–	–	713	713
* Profit share certificates			–	–	(1,929)	(1,929)
* Other movements			1	1	–	1
Subtotal	**–**	**–**	**(64,422)**	**(64,422)**	**(6,116)**	**(70,538)**
Closing balance at 31.12.2017	**5,238**	**(80)**	**196,370**	**201,528**	**40,442**	**241,970**

The accompanying notes are an integral part of these Special purpose Consolidated Financial Statements

Consolidated statement of changes in equity for the year ended at 31 December 2016

	2016					
x € 1,000	**Paid-up share capital**	**Reserve for translation differences**	**Retained earnings**	**Total attributable to owners of the company**	**Non-controlling interest**	**Total equity**
Opening balance at 01.01.2016	**5,238**	**(208)**	**175,305**	**180,335**	**15,578**	**195,913**
Profit for the year			60,907	60,907	8,485	69,392
Other comprehensive income:						
* Acquisitions of non-controlling interests in a subsidiary			(811)	(811)	(164)	(975)
* Foreign currency translation		600		600		600
Subtotal	**–**	**600**	**(811)**	**(211)**	**(164)**	**(375)**
Other transactions:						
* Dividend			(43,525)	(43,525)	(2,545)	(46,070)
* Acquisition through business combinations					12,676	12,676
* Profit share certificates				–	(1,500)	(1,500)
* Other movements			2	2	2	4
Subtotal	**–**	**–**	**(43,523)**	**(43,523)**	**8,633**	**(34,890)**
Closing balance at 31.12.2016	**5,238**	**392**	**191,878**	**197,508**	**32,532**	**230,040**

The accompanying notes are an integral part of these Special purpose Consolidated Financial Statements

Consolidated statement of changes in equity for the year ended at 31 December 2015

	2015					
x € 1,000	**Paid-up share capital**	**Reserve for translation differences**	**Retained earnings**	**Total attributable to owners of the company**	**Non-controlling interest**	**Total equity**
Opening balance at 01.01.2015	**5,238**	**–**	**138,599**	**143,837**	**11,303**	**155,140**
Profit for the year			60,211	60,211	6,198	66,409
Other comprehensive income:						
* Acquisitions of non-controlling interests in a subsidiary				–		–
* Foreign currency translation		(208)		(208)		(208)
Subtotal	**–**	**(208)**	**–**	**(208)**	**–**	**(208)**
Other transactions:						
* Dividend			(23,500)	(23,500)	(1,140)	(24,640)
* Profit share certificates				–	(800)	(800)
* Other movements			(5)	(5)	17	12
Subtotal	**–**	**–**	**(23,505)**	**(23,505)**	**(1,923)**	**(25,428)**
Closing balance at 31.12.2015	**5,238**	**(208)**	**175,305**	**180,335**	**15,578**	**195,913**

The accompanying notes are an integral part of these Special purpose Consolidated Financial Statements

Consolidated statement of cash flows for the year ended 31 December 2017

x € 1,000	Note	2017	2016	2015
Received from debtors		1,519,433	1,338,157	1,315,356
Paid to creditors and employees		(1,414,936)	(1,246,996)	(1,301,868)
Cash flow from business activities		104,497	91,161	13,488
Interest paid		(4,040)	(4,388)	(3,855)
Corporate income taxes paid		(10,791)	(8,096)	(4,399)
		(14,831)	(12,484)	(8,254)
Net cash (used in)/generated by operating activities		**89,666**	**78,677**	**5,234**
Dividend received from associates		154	140	229
New loan to associates		(546)	–	–
Repayments on loans issued to associates		3,900	900	2,420
Net cash outflow on acquisition of subsidiaries		(642)	(30,390)	–
Payments for property, plant and equipment		(4,213)	(3,034)	(5,024)
Payments for intangible fixed assets		(3,279)	(2,275)	(58)
Proceeds from disposals		–	–	16
Net cash (used in)/generated by investing activities		**(4,626)**	**(34,659)**	**(2,417)**
Repayments on loans from banks		(5,475)	(4,939)	(6,044)
Repayments on loans from shareholders		–	(4,000)	(340)
Repayments on financial lease		(603)	(521)	(433)
Interest received		364	524	816
New financial lease		–	1,165	–
New loans received from banks		–	20,000	1,000
Paid to profit share certificates		(1,929)	(1,500)	(800)
Received share premium		–	–	–
New loans received from shareholders		–	2,500	3,200
Dividend paid to owners of the Company		(64,423)	(43,525)	(23,500)
Dividend paid to non-controlling interests		(4,900)	(2,545)	(1,140)
Change in supplier finance arrangements		150	(23,946)	15,791
Changes in banks		(6,918)	17,517	8,632
Net cash (used in)/generated by financing activities		**(83,734)**	**(39,270)**	**2,828**
Net cash flow		**1,306**	**4,748**	**(11)**
Cash and cash equivalents:				
Balance as at 1 January		13,214	8,166	7,878
Balance from acquisition through business combinations		–	–	299
Balance from acquired companies		2,865	300	–
Movement		1,306	4,748	(11)
Net cash and cash equivalents at end of year		**17,385**	**13,214**	**8,166**

The accompanying notes are an integral part of these Special purpose Consolidated Financial Statements

Effect of IFRS adoption on the financial statements

Up and to including the 2015 financial year, the financial statements were prepared in accordance with Dutch accounting standards (Dutch GAAP). As from the 2016 financial year, the Company prepares its financial statements in accordance with IFRS, as endorsed for use in the European Union. The accounting policies discussed in the notes to the consolidated financial statements have been applied in the preparation of the 2017 and 2016 financial statements, the comparative information for 2015 presented in these financial statements and the IFRS opening statement of financial position as at 1 January 2015 (transition date). Reconciliation between the financial statements prepared under previous accounting standards and IFRS is provided in the tables below.

The Company's opening statement of financial position as at 1 January 2015 has been prepared in accordance with IFRS 1 'First-time adoption of IFRS'. Regarding the options that are offered in IFRS 1 the Company has chosen to use the following options:

- The cumulative translation differences related to foreign entities within equity are deemed to be zero at the transition date. Accordingly, these cumulative translation differences were included in retained earnings in the IFRS opening balance sheet. This will have the effect that upon disposal of a foreign entity only cumulative translation differences that arose after the transition date can be recognised in the result upon disposal.
- Business combinations that were recognised before transition date will not be restated to IFRS 3 'Business Combinations'.

Effect of IFRS adoption on the consolidated statement of comprehensive income

For the year ended 31 December 2015

x € 1,000	Note	Year ended 31.12.2015 (the latest period presented under previous GAAP)		
		Previous GAAP	**Effect of transition**	**IFRS**
Turnover		1,338,293	–	1,338,293
Purchase value		1,151,252	–	1,151,252
Gross profit		**187,041**	**–**	**187,041**
Investment income		901	–	901
Other gains and losses		(6,707)	–	(6,707)
Personnel costs		57,099	–	57,099
Depreciation and amortisation	a	8,588	(2,219)	6,369
Other operating expenses		40,474	–	40,474
Total operating expenses		**106,161**	(2,219)	**103,942**
Operating result		**75,074**	**2,219**	**77,293**
Financial expenses	c	(4,014)	39	(3,975)
Share of profit of associates		233	–	233
Result before taxation		**71,293**	**2,258**	**73,551**
Taxation on the result	c	(7,132)	(10)	(7,142)
Profit for the year		**64,161**	**2,248**	**66,409**
Attributable to:				
Owners of the Company		57,963	2,248	60,211
Non-controlling interests		6,198	–	6,198
Total		**64,161**	**2,248**	**66,409**
Other comprehensive income				
* Currency translation net of tax	b	–	(208)	(208)
Total comprehensive income net of tax		**64,161**	**2,040**	**66,201**
Attributable to:				
Owners of the Company		57,963	2,040	60,003
Non-controlling interests		6,198	–	6,198
Total		**64,161**	**2,040**	**66,201**

See the ‘Notes to the reconciliations’ for a summary of all changes in the accounting policies.

Reconciliation of the profit for the year

x € 1,000	Note	As at 31.12.2015 (end of last period presented under previous GAAP) Profit before tax	Profit for the year
Previous GAAP		71,293	64,161
Derivative financial instruments	c	39	29
Goodwill no longer amortised	a	2,219	2,219
		2,258	**2,248**
Profit under IFRS		**73,551**	**66,409**
Other comprehensive income			**(208)**
Total comprehensive income under IFRS			**66,201**

See the ‘Notes to the reconciliations’ for a summary of all changes in the accounting policies.

Effect of IFRS adoption for the statement of financial position

		As at 01.01.2015 (date of transition)			As at 31.12.2015 (end of last period presented under previous GAAP)		
x € 1,000	**Note**	**Previous GAAP**	**Effect of transition**	**IFRS**	**Previous GAAP**	**Effect of transition**	**IFRS**
Non-current assets							
Goodwill	a	9,424	–	9,424	7,205	2,219	9,424
Other intangible fixed assets		4,449	–	4,449	3,641	–	3,641
Property, plant & equipment		28,660	–	28,660	27,955	–	27,955
Investments in associated companies		1,106	–	1,106	981	–	981
Receivables		6,545	–	6,545	6,200	–	6,200
		50,184	**–**	**50,184**	**45,982**	**2,219**	**48,201**
Current assets							
Inventory		199,708	–	199,708	241,838	–	241,838
Trade receivables		127,613	–	127,613	143,101	–	143,101
Corporate income tax		1,855	–	1,855	2,319	–	2,319
Other tax receivables		3,028	–	3,028	2,676	–	2,676
Other receivables		19,323	–	19,323	20,443	–	20,443
Derivative financial instruments	c	–	29	29	–	212	212
Cash and cash equivalents		7,878	–	7,878	8,166	–	8,166
		359,405	**29**	**359,434**	**418,543**	**212**	**418,755**
Total assets		**409,589**	**29**	**409,618**	**464,525**	**2,431**	**466,956**
Equity attributable to							
Owners of the Company	a, c	144,530	(693)	143,837	178,780	1,555	180,335
Non-controlling interest		11,303	–	11,303	15,578	–	15,578
		155,833	**(693)**	**155,140**	**194,358**	**1,555**	**195,913**
Non-current liabilities							
Borrowings		13,252	–	13,252	10,428	–	10,428
Derivative financial instruments		–	–	–	–	–	–
Deferred tax liabilities	c	1,456	(239)	1,217	1,121	(275)	846
Employee benefit obligations		293	–	293	666	–	666
Other liabilities		–	–	–	860	–	860
		15,001	**(239)**	**14,762**	**13,075**	**(275)**	**12,800**
Current liabilities							
Credit institutions		133,404	–	133,404	142,036	–	142,036
Borrowings due within one year		5,414	–	5,414	4,941	–	4,941
Supplier finance arrangements		18,655	–	18,655	34,446	–	34,446
Derivative financial instruments	c	–	954	954	–	1,098	1,098
Trade payables		54,721	–	54,721	52,004	–	52,004
Corporate income tax liability	c	1,554	7	1,561	4,874	53	4,927
Other taxes and social security charges		12,121	–	12,121	4,541	–	4,541
Other current liabilities		12,886	–	12,886	14,250	–	14,250
		238,755	**961**	**239,716**	**257,092**	**1,151**	**258,243**
Total equity and liabilities		**409,589**	**29**	**409,618**	**464,525**	**2,431**	**466,956**

See the 'Notes to the reconciliations' for a summary of all changes in the accounting policies.

Reconciliation of equity

x € 1,000	Note	01.01.2015 (date of transition)	31.12.2015 (end of last period presented under previous GAAP)	31.12.2016
Total equity under previous GAAP		**155,833**	**194,358**	**226,618**
Goodwill no longer amortised	a	–	2,219	4,254
Derivative financial instruments	c	(925)	(886)	(1,110)
		(925)	**1,333**	**3,144**
Tax effect on the above	c	232	222	278
		(693)	**1,555**	**3,422**
Total equity under IFRS		**155,140**	**195,913**	**230,040**

See the 'Notes to the reconciliations' for a summary of all changes in the accounting policies.

Effect of IFRS adoption on the consolidated statement of cash flows

		2015 (the latest period presented under previous GAAP)		
x € 1,000	Note	Previous GAAP	Effect of transition to IFRS	IFRS
Net cash flows from operating activities		5,950	(716)	5,234
Net cash flows from investing activities		(2,317)	(100)	(2,417)
		3,633	**(816)**	**2,817**
Net cash flows from financing activities		**(3,644)**	816	(2,828)
Net cash flow		**(11)**	**–**	**(11)**
Cash and cash equivalents at beginning of year		7,878	–	7,878
Balance from acquisition through business combinations		299	–	299
Total comprehensive income		**8,166**	**–**	**8,166**

See the 'Notes to the reconciliations' for a summary of all changes in the accounting policies.

Notes to the reconciliations

The transition to IFRS has resulted in the following changes in accounting policies:

a) Under IFRS, goodwill is not amortised but is measured at cost less impairment losses. Under the previous GAAP, goodwill was amortised on a straight-line basis. The annual amortisation costs were accounted for in the income statement based on an individual assessment of the economic life of the asset and further limited to a maximum of 10 years. The change of the accounting standards in the year under review has no tax impact. Deferred taxes are not recognised for amortisation of goodwill which is not deductible for tax purposes.

b) Under IFRS the exchange rate differences on valuation of participations is recorded in other comprehensive income. The change of the accounting standards in the year under review has no tax impact. Under previous GAAP the exchange rate differences are recorded in the General Reserve.

c) Derivative financial instruments are initially recognised at fair value and subsequently measured at fair value. Changes in the fair value of derivative financial instruments are recognised in profit or loss. The change of the accounting standards in the year under review has an income tax effect. The tax effect is calculated with the nominal tax charge applicable in the country of the involving subsidiary and recorded in the line item "Corporate income tax liability". Under previous GAAP, derivatives were recognised at cost price (nil).

Profit and loss account presentation

Under IFRS the interest income is presented in a separate line item 'Investment income' were under previous GAAP interest income was presented under 'Financial Income and expenses'.

Exchange rate gains and losses are presented under IFRS as 'Other gains and losses' and under previous GAAP were included in the line item 'Purchase value' of the statement of profit or loss.

Financial position presentation

'Corporate income tax receivable' and 'Other taxes and social security receivables' are presented separately under IFRS and were presented 'Taxes and social security receivables' under previous GAAP.

Receivables from associates, related parties, other receivables and accrued income under IFRS are presented as one single line item in the statement of financial position being 'Other receivables' and were presented separately under previous GAAP.

'Loans from Banks', 'Financial leases' and 'Borrowings from shareholders' are presented under IFRS as 'Borrowings, under previous GAAP these items were presented separately.

'Corporate income tax liability' and 'Other taxes and social security charges' are presented separately under IFRS and were presented as 'Taxes and social security charges' under previous GAAP.

Liabilities for end-of-service indemnity payables are presented under IFRS at 'Employee benefit obligations' and were presented as 'Other current liabilities' under previous GAAP.

Liabilities for right of return are presented under IFRS as 'Provisions' and were presented as 'Other current liabilities' under previous GAAP.

Liabilities for employee benefits are presented under IFRS as 'Employee benefit obligations' and were presented as 'Other provisions' under previous GAAP.

Notes to the special purpose consolidated financial statements

1. General

B&S Group S.à r.l. (the "Company") has its registered office at 18 Place Bleech, Larochette, G.D. Luxembourg. The special purpose consolidated financial statements of the Group include the holding company and all its Group companies. In addition B&S Group S.à r.l. holds interests in third parties (investments in associates).

The direct parents of the Company are Lebaras Belgium BVBA (Belgium), Sarabel Invest S.à r.l. (G.D. Luxembourg) and Stichting Administratiekantoor Sarabel (the Netherlands). The ultimate controlling party is Stichting Administratiekantoor Sarabel (the Netherlands).

The 2015-2017 consolidated financial statements as presented in this document are special purpose consolidated financial statements. These special purpose consolidated financial statements are prepared for the purpose to be attached to the Company's IPO prospectus. The special purpose consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union as applicable for financial years commencing on 1 January 2017.

These special purpose consolidated financial statements were authorized for issue by the Board of Managers on 5 March 2018. These special purpose consolidated financial statements are not the statutory consolidated financial statements of the Company.

1.1 *Group structure*

The income statement of B&S Group S.à r.l. is incorporated in the consolidated financial statements.

1.2 *Group structure*

B&S Group S.à r.l. is a holding Company of an international conglomerate of companies. A detailed list of the group's main subsidiaries is enclosed in appendix on page 91.

New participations

During the financial year(s) the Company incorporated the following companies:

Company	%	Date
P.H.S. II B.V., the Netherlands	100%	03-05-2017
Capi-Lux VA GmbH, Austria	100%	13-09-2017
TCC Services B.V., the Netherlands	100%	07-03-2016
Shop & Fly Bremen GmbH, Germany	100%	22-06-2016
World Supply Services AG, Swiss	100%	25-01-2016
JTG Trading Hong Kong Ltd, Hong Kong	77.5%	13-09-2016
Norano Europe UC, Ireland	100%	06-10-2016
Topbrands Investments B.V., the Netherlands	100%	03-08-2016
Hong Kong Glory Trade Ltd., Hong Kong	100%	12-09-2016
Capi-Lux Denmark A/S, Denmark	100%	12-05-2015
Checkpoint Trading BV, the Netherlands	100%	18-12-2015
FCT International Purchase BV, the Netherlands	100%	18-12-2015
Capi-Lux Munchen GmbH, Germany	100%	18-12-2015
Capi-Lux Frankfurt GmbH, Germany	100%	18-12-2015
Worldwide Trade Solutions DMCC, UAE	100%	11-10-2015
Worldwide Coverage Trade DMCC, UAE	100%	11-10-2015
Worldwide Retail Holding ltd., Malta	100%	25-05-2015
Worldwide Retail ltd., Malta	100%	25-05-2015

These companies are consolidated from the date of incorporation.

Liquidated participations

During the financial year(s) the Company liquidated the following companies:

Company	%	Date
Perfume Import B.V., the Netherlands	100%	01-09-2017
European Traders B.V., the Netherlands	100%	17-10-2017
Superscent B.V., the Netherlands	100%	01-09-2017
Robijn OG B.V., the Netherlands	100%	01-09-2017
Liro SA, G.D. Luxembourg	100%	01-06-2016
Global Cruise Supply Holding B.V., the Netherlands	100%	03-08-2015
TLE BV, the Netherlands	100%	31-08-2015
Global Food Solutions BV, the Netherlands	100%	01-04-2015
Brandhouse International BV, the Netherlands	100%	30-03-2015
Sea & Sky Holding BV, the Netherlands	51%	26-10-2015

Acquisition

During the financial year(s) the Company acquired the following companies:

Company	%	Date
Next Generation Perfumes B.V., the Netherlands	50%	01-01-2017
STG Holding Import-Export S.L., Spain	51%	29-12-2017
Topbrands Europe B.V., the Netherlands	51%	01-08-2016

At 1 January 2017 the Company acquired the remaining 50% of the shares of Parfumtrend Einkaufs & Vertriebs GmbH, Germany, for the amount of € 125.000 As from that date 100% of the shares are held by the Company. The difference between acquisition price and the minority share in the assets and liabilities amount to € 118,365 and is recorded in the other comprehensive income and attributable to the owners of the Company.

At 29 December 2017, the Company acquired 51% of the shares of STG Holding Import-Export S.L., Spain. As from that date the Company obtained control. The acquisition is accounted for using the acquisition method. The acquisition price amounted to € 5,000. Refer to note 44 for detailed information about the assets acquired and liabilities recognised.

The Topbrands Europe B.V. subsidiary is fully consolidated from the date on which the company obtained control, which is 1 august 2016. The acquisition is accounted for using the acquisition method. The acquisition price amounted to € 30,390,000. Refer to note 44 for detailed information about the calculation of the goodwill. Refer to note 44 for detailed information about the valuation of the assets acquired and liabilities recognised.

At 16 February 2016 the company acquired the remaining 50% of the shares of Emporium Handels & Vertriebs GmbH, Germany for the amount of € 975,000. As from that date Emporium Handels & Vertriebs GmbH is 100% consolidated. The acquisition is accounted for using the "Economic entity concept changes". The difference between acquisition price and the minority share in the assets and liabilities amount to € 811,000 is recorded in the other comprehensive income and attributable to the owners of the Company.

The financial statements of the group including Emporium Handels & Vertriebs GmbH are presented as those of a single economic entity. As a result, a change between the owners of the subsidiary is presented as "Acquisitions of non-controlling interests in a subsidiary".

2. Application of new and revised International Financial Reporting Standards ("IFRS")

The Group applied all new and amended IFRS standards and interpretations applicable to the year ended 31 December 2017 as endorsed by the EU.

2.1 ***New IFRSs effective and not EU-endorsed***

Annual improvements to IFRSs 2014 -2016 Cycle

IFRS 12 states that an entity need not provide summarised financial information for interests in subsidiaries, associates or joint ventures that are classified (or included in a disposal group that is classified) as held for sale. The amendments clarify that this is the only concession from the disclosure requirements of IFRS 12 for such interest.

The application of these amendments will have no effect on the Group's consolidated financial statements as none of the Group's interests in these entities are classified, or included in a disposal group that is classified, as held for sale.

The adjustment in IFRS 1 was relevant for reporting periods that have now passed and the group is not an investment entity nor held interest in such entities. The amendment of IAS 28 is not applicable since the group is not a venture capital organization and is not measuring investees at fair value through profit or loss on an investment-by-investment basis.

Amendments to IAS 7 Disclosure initiative

Disclosure initiative (effective 1 January 2017). The amendments require disclosure regarding changes in liabilities arising from financing activities. The amendments do not have a financial effect on the consolidated financial statements.

Amendments to IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses

Recognition of Deferred Tax Assets for Unrealised Losses (effective 1 January 2017). This amendment clarifies the requirements on recognition of deferred tax assets related to debt instruments measured at fair value. Since debt instruments are not applicable, this amendment does not have any impact on the financial statements.

2.2 ***New IFRSs not effective and EU-endorsed***

IFRS 9 Financial Instruments

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for de-recognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of IFRS 9:

- All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at FCTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading nor contingent consideration recognised by an acquirer in a business combination) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

- In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

Based on an analysis of the Group's financial assets and financial liabilities as at 31 December 2017 on the basis of the facts and circumstances that exist at that date the effect in the profit or loss account is to a large extent dependent on the future exchange rate development and therefore the Group considered the impact limited.

The Group assessed the impact of IFRS 9 and concluded that the adoption of IFRS 9 will have no significant impact on the classification and measurement of the Group's financial assets and financial liabilities. With regard to the impairment of financial assets, the IFRS 9 required expected credit loss model is projected to have very limited impact on the Group's financial statements.

IFRS 15 Revenue from Contracts with customers

IFRS 15, "Revenue from Contracts with Customers," establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 "Revenue and the related Interpretations when it becomes effective for annual periods beginning on or after January 1, 2018. Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e., when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. More prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15. The Group has analysed the effect of the transition to the standard and concluded, based on current facts and circumstances, that the adoption of IFRS 15 will have no significant impact on the Group's financial statements. The most important change for the Group is that revenue recognition will be based on 'transfer of control' rather than the transfer of significant risks and rewards. The Group assessed the revenue recognition based on the transfer of control methodology and concludes that for the Group the IFRS 15 transition impact will be marginal.

IFRS 16 Leases

IFRS 16, "Leases," eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. The Company anticipates that the application of IFRS 16 will have a significant effect on its reported assets and liabilities, and operating and financing expenses. The total current rental agreements amounting to € 33 million and the operating leases amounting to € 1 million are subject to IFRS 16 Leases and maybe classified as lease assets and lease obligations. Of these contracts € 2 million has a maturity of more than 5 years. In 2018 the renewed contracts will be subject to a detailed IFRS 16 assessment.

2.3 ***New IFRSs not effective and not EU-endorsed***

Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted. The group will assess the impact when the effective date is set by the IASB.

Amendments to IAS 19: Plan Amendment, Curtailment or Settlement (issued on 7 February 2018) effective from 1 January 2019

In February 2018, the International Accounting Standards Board issued Plan Amendment, Curtailment or Settlement (Amendments to IAS 19). The amendments are effective on or after 1 January 2019. The amendments clarify the accounting when a plan amendment, curtailment or settlement occurs. The amendments require a company to use the updated assumptions from this remeasurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan. Until now, IAS 19 did not specify how to determine these expenses for the period after the change to the plan. By requiring the use of updated assumptions, the amendments are expected to provide useful information to users of financial statements. The Group will adopt these amendments when endorsed and expects that these amendments impact the Group when amendment, curtailment or settlement occurs

3. Significant accounting policies

3.1 *Statement of compliance*

The special purpose consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as endorsed by the European Union (IFRS-EU). The 2016 consolidated financial statements were the first financial statements in accordance with IFRS-EU. The previous consolidated statements were in accordance with Generally Accepted Accounting Principles in the Netherlands relating to the preparation of the consolidated financial statements (Dutch GAAP).

3.2 *Basis of preparation*

The special purpose consolidated financial statements have been prepared on the historical cost basis, except for the following material balance sheet item:

- derivative instruments are measured at fair value, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset of liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these special purpose consolidated financial statements is determined on such a basis.

In addition, for financial reporting purposes, fair value measurements are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The main policies used in preparing the special purpose consolidated financial statements are explained in paragraph 3.4. The Group companies have consistently applied these policies for the periods included in these special purpose consolidated financial statements, unless stated otherwise.

3.3 *Functional currency and presentation currency*

The special purpose consolidated financial statements are prepared in Euros, being the Company's functional and reporting currency. All financial information in Euros is rounded to the nearest thousand.

3.4 ***Basis of consolidation***

The special purpose consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- 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 Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company 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 intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group changing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's 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 owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable lFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under lAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

3.5 ***Business combinations***

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with lAS 12 lncome Taxes and IAS 19 respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5, Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquire, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree' s identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. 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.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

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, if any, 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 that interest were disposed of.

lf the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

3.6 ***Goodwill***

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see note 3.5 above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. lf the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described at note 3.7 below.

3.7 ***Investments in associates and joint ventures***

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

The results and assets and liabilities of associates or joint ventures are incorporated in these special purpose consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. 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 (which includes any long-term interest that, in substance, form part of the Group's net investment in the associate or joint venture) the Group discontinues recognising its share of further 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.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of lAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IAS 39. The difference between the carrying amount of the associate or joint venture at the date

the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a Group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's special purpose consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint operations are not applicable.

3.8 ***Revenue recognition***

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract for providing services is recognised at the same moment when the underlying sale of goods is recognised.

Net sales represents the income from goods and services supplied to third parties during the financial year including excises invoiced less V.A.T.

3.9 ***Purchase value***

Purchase value represents the purchase price of trade inventory, including additional costs such as incoming freight, handling and other charges directly attributable to the purchase and/or sales of the goods and write-downs of inventories The purchase price is net of discounts and supplier bonuses.

3.10 ***Other gains and losses***

Other gains and losses represents the exchange rate differences attributable to the purchase value and exchange rate differences between the moment of invoicing and payment of the turnover.

3.11 ***Personnel costs***

Personnel costs comprise the costs of personnel employed with the Group including social charges, pension costs and other direct costs direct attributable to these employees. This also includes the cost of temporary personnel.

3.12 ***Finance income***

Interest income from a financial assets is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate the exactly discounts estimated future cash receipt through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

3.13 ***Financial expenses***

Finance costs represent the interest owed on debts calculated using the effective interest method and the interest portion of the finance lease payments.

3.14 ***Leasing***

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see note 3.16 below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

3.15 ***Foreign currencies***

ln preparing the financial statements of each individual Group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting these special purpose consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Euro using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

3.16 ***Borrowing costs***

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.17 ***Employee benefits***

Defined contribution plans

Defined contribution plans are post-employment benefit plans for which the Group has no legal or constructive obligation to pay further contributions if the pension fund does not hold sufficient assets to pay all employee benefits relating to employee services. Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. Under such plans, fixed contributions are paid to a pension fund or insurance Company.

The Group operates various pension schemes. These schemes are financed through payments to insurance companies, industry branch pension funds or the Company pension fund.

The main pension funds of the Company are:

- Company pension fund "Stichting Pensioenfonds B&S";
- Industry pension fund "Bedrijfstakpensioenfonds Dranken";
- Industry pension fund "Bedrijfstakpensioenfonds voor de detailhandel".

The industry pension funds are treated as multi-employer pension funds.

Company pension fund

Pursuant to the Dutch pension system the Pension Plan is financed by contributions to the Company pension fund called "Stichting Pensioenfonds B&S" (also referred to as 'Company pension fund'). Participation in this Company pension fund has been made obligatory for the employees of the qualifying B&S companies.

The accrual of the intended pension entitlement is always fully funded in the related calendar year through contribution payments. The pension plan is a conditional career average plan including – for both active and inactive participants (sleepers and retired persons) – conditional granting of supplements. The granting of supplements depends on the investment return. The capital available for the purchase of a pension equals the investment value as at pension date. The return on the contribution payments has not been guaranteed.

The group is obliged to pay two-third (employer contribution) of the fixed premium of 22%. The pension plan has the characteristics of a collective defined contribution plan and certain characteristics of a defined benefit plan. Under IAS 19 provisions the pension plan should be accounted for as a defined benefit plan. The actual actuarial risks and the actual defined benefit obligation of the Pension Plan are limited (not material).

In order to determine the impact of the Pension Plan, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The results of this method are disclosed in note 33. Remeasurement, compromising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return of plan assets (excluding interest) are reflected in retained earnings when material. Past service costs are only recognised in profit or loss in the period of a plan amendment when there applicable and material. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gain and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement.

The group presents the employer contribution of obliged fixed premium of 22% in profit or loss in the profit or loss item "Personnel costs". All other components including the net liability or asset are only recognised when applicable and material.

Industry pension schemes 'Bedrijfstakpensioenfonds Dranken'

Pursuant to the Dutch pension system this plan is financed by contributions to an industry pension fund. Participation in the industry pension fund has been made obligatory in the collective labour agreement applicable to Anker Amsterdam Spirits BV and Square Dranken Nederland BV.

The related accrued entitlements are always fully financed in the related calendar year through – at least – cost effective contribution payments. The pension plan is a career average plan including – for both active and inactive participants (sleepers and retired persons) – conditional granting of supplements. The granting of supplements depends on it the investment return.

The annual accrual of the pension entitlements amounts to 1.75% of the pensionable salary that is based on the gross wage net of a deductible (of € 19,978). The pensionable salary is capped (at € 52,763). The annual employer-paid contribution is 26.90% of which 9.76% is contributed by the employee. Based on the funding ratio and expected returns the board of the industry pension fund sets the contribution every year.

The related industry pension fund or company pension fund, respectively, has stated that the funding ratio is 115.7% in 2017 (2016: 111.0%/2015: 109.4%). Based on the administrative regulations the group has no obligation to make additional contributions in the event of a deficit other than through higher future contributions.

Industry pension schemes 'Bedrijfstakpensioenfonds voor de detailhandel'

Pursuant to the Dutch pension system this plan is financed by contributions to an industry pension fund. Participation in the industry pension fund has been made obligatory in the collective labour agreement applicable to Koninklijke Capi-Lux Holding BV.

The related accrued entitlements are always fully financed in the related calendar year through – at least – cost effective contribution payments. The pension plan is a career average plan including – for both active and

inactive participants (sleepers and retired persons) – conditional granting of supplements. The granting of supplements depends on it the investment return.

The annual accrual of the pension entitlements amounts to 1.75% of the pensionable salary that is based on the gross wage net of a deductible (of € 12,866). The pensionable salary is capped (at € 52,763). The annual employer-paid contribution is 19.4% of which 5.119% is contributed by the employee. Based on the funding ratio and expected returns the board of the industry pension fund sets the contribution every year.

The related industry pension fund or company pension fund, respectively, has stated that the funding ratio is 111.0% in 2017 (2016: 107.0%/2015: 106.1%). Based on the administrative regulations the group has no obligation to make additional contributions in the event of a deficit other than through higher future contributions.

Other employee benefit plans

These pension obligations are valued as a defined contribution plan. This approach recognises the contribution payable to the pension provider as an expense in the profit and loss account.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

3.18 ***Taxation***

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from ‘profit before tax’ as reported in the consolidated statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group’s current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the special purpose consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3.19 ***Property, plant and equipment***

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised based on the cost or valuation of assets (other than freehold land) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3.20 ***Intangible assets***

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives.

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

3.21 ***Impairment of tangible and intangible assets other than goodwill***

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. lf any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

lf the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or lost unless the relevant asset is carried at a revalued amount in which case the reversal of the impairment loss is treated as a revaluation increase.

3.22 ***Inventories***

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first-out basis. Net realisable value represents the estimated selling price for inventories.

3.23 ***Provisions***

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.24 ***Financial instruments***

Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.25 ***Financial assets***

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL) and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at FVTPL

Financial assets are classified as at FVTPL when it is designated as at FVTPL.

A financial asset that may be paid by an acquirer as part of a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 permits the entire combined contract to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables, bank balances and cash, and others) are measured at amortised cost using the effective interest method, less any impairment.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets carried at amortised cost the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Derecognition of financial assets

The Group de-recognises a financial asset when the contractual rights to the cash flows from the asset expires or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. lf the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

3.26 *Financial liabilities and equity instruments*

Classification as debt or equity

Debt and equity instruments issued by a Group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration that may be paid by an acquirer as part of a business combination to which IFRS 3 applies, (ii) held for trading, or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration that may be paid by an acquirer as part of a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item.

Other financial liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the

effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3.27 ***Derivative financial instruments***

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks including foreign exchange forward contracts, interest rate swaps and cross currency swaps. Further details of derivative financial instruments are disclosed in note 42.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss.

Embedded derivatives

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the contracts are not measured at FVTPL.

4. Critical accounting judgements and key sources of uncertainty

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on ongoing bases. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future period.

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

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash-flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment may arise.

Useful lives of tangible fixed assets

The Group reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. During the current year, the directors have not determined any shortening of the useful lives of the property, plant and equipment.

Useful lives of other intangible fixed assets

The useful lives are assessed at the end of every reporting period. The other intangible assets mainly consist of concessions and brand names. The value of these assets is based on estimated future cash flows at a suitable discount rate. Where the actual future cash flows are less than expected, a material impairment may arise.

Allowance for doubtful debts

The allowance for doubtful debts relates entirely to trade receivables past the contractually agreed due date for payment. Estimations and assumptions are applied to determine the size of the allowance. Where the actual

future cash flows based on these estimations and assumptions are less than expected, a material effect on this allowance may arise.

Provision for obsolescence of inventory

The provision for obsolescence of inventory is based on the Group's best estimates taking the market conditions and expectations on these market conditions into account. If market conditions significantly change during the coming years this may have a material effect on the provision.

5. Segment reporting

Segment information is based on the operating segments of the Group. An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses relating to transactions with other components of the Group. In line with the management approach, the operating segments are based on the structure of the internal management reporting as provided to the Executive board and Supervisory board (which are the Chief Office Decision Makers) to facilitate strategic decision-making, resource allocation and to assess performance.

The Group has the following reportable segments that jointly form the Group's strategic divisions:

- HTG;
- B&S;
- Retail.

These operating segments generate revenues from the sale of various product groups.

HTG is active as a global distributor of Liquors and Health and Beauty products. It mainly distributes and sells its products to value, online and secondary retailers (B2B) and to local distributors and wholesalers. HTG sources its product assortment from manufacturers, wholesalers, distributors and international retail chains. HTG has its headquarters in Delfzijl, the Netherlands.

B&S is active as a specialty distributor for a wide range of Food and Beverage products, Liquors and Health and Beauty products to maritime, remote and retail B2B markets. B&S sources its product assortment from A-brand owners and manufacturers. B&S has its headquarters in Dordrecht, the Netherlands.

Within our **Retail** operations, we primarily operate an electronic consumer lifestyle format at international airports under the Royal Capi-Lux brand and a consumer goods format at regional airports and other 'away from home' locations under the B&S brand. Retail has its headquarters in Hoofddorp, the Netherlands.

The activities of the holding Company are group-wide activities not operated by one of the other segments including finance, ICT, human resource management and marketing. Costs incurred at a Group level for business units where possible have been allocated to the business units they relate to. The results of these activities are reported separately to the Executive board and are presented in the segment summary in the column 'Holding Company and eliminations'.

A summary of the results of the reportable segments is provided on the next page. The Executive board assesses the performance of the operating segments on the basis of the EBITDA from ordinary activities. The accounting policies applied by the operating segments are identical to those of the Group. The EBITDA from ordinary activities per segment include the costs allocated at the Group level. EBITDA is defined as 'Operating result' corrected for 'Depreciation and amortisation'.

Transactions between segments are at arm's length.

x € 1,000	B&S			HTG			Retail		
	2017	2016	2015	2017	2016	2015	2017	2016	2015
Turnover	426,158	424,530	414,429	985,196	821,457	836,893	130,221	122,537	115,349
Purchase value	362,336	358,552	346,868	866,133	731,832	747,015	96,981	89,356	85,745
Gross profit	63,822	65,978	67,561	119,063	89,625	89,878	33,240	33,181	29,604
	15.0%	15.5%	16.3%	12.1%	10.9%	10.7%	25.5%	27.1%	25.7%
Investment income	–	–	–	(299)	(668)	(692)	–	–	–
EBITDA	**29,663**	**30,221**	**34,143**	**65,717**	**45,475**	**37,587**	**10,376**	**12,682**	**10,891**
	7.0%	7.1%	8.2%	6.7%	5.5%	4.5%	8.0%	10.3%	9.4%
Financial expenses	666	1,424	3,009	3,203	2,552	4,517	9	30	345
Share of profit of associates	–	–	–	85	–	–	278	198	233
Depreciation and amortisation	1,062	1,271	1,761	4,140	3,197	2,069	3,164	3,022	2,539
Taxation	2,443	2,239	3,684	12,893	9,352	7,168	1,789	2,271	1,795
Consolidated result	**25,492**	**25,287**	**25,689**	**45,566**	**30,374**	**23,833**	**5,692**	**7,557**	**6,445**
Investments in associates and joint ventures	–	–	–	758	36	40	1,243	1,136	941
Current assets	139,673	150,538	143,375	359,289	321,966	266,135	41,817	40,595	31,573
Total assets	147,441	164,899	154,860	395,437	355,941	283,238	54,576	56,284	48,992
Net bank debt	37,121	46,052	56,929	159,083	158,385	86,100	(1,067)	(4,299)	(2,249)
Inventory in days	58	66	73	97	100	78	51	56	56
Debtors in days	49	51	53	38	45	36	5	6	6
Net bank debts/EBITDA	1.3	1.5	1.7	2.4	3.5	2.3	(0.1)	(0.3)	(0.2)

x € 1,000	Total			Holding & Eliminations			Consolidated		
	2017	2016	2015	2017	2016	2015	2017	2016	2015
Turnover	1,541,575	1,368,524	1,366,671	(34,321)	(29,035)	(28,378)	1,507,254	1,339,489	1,338,293
Purchase value	1,325,450	1,179,740	1,179,628	(34,211)	(29,109)	(28,376)	1,291,239	1,150,631	1,151,252
Gross profit	216,125	188,784	187,043	(110)	74	(2)	216,015	188,858	187,041
	14.0%	13.8%	13.7%				14.3%	14.1%	14.0%
Investment income	(299)	(668)	(692)	(65)	(65)	(209)	(364)	(733)	(901)
EBITDA	**105,756**	**88,378**	**82,621**	**113**	**521**	**1,041**	**105,869**	**88,899**	**83,662**
	6.9%	6.5%	6.0%				7.0%	6.6%	6.3%
Financial expenses	3,878	4,006	7,871	957	432	(3,896)	4,835	4,438	3,975
Share of profit of associates	363	198	233	–	–	–	363	198	233
Depreciation and amortisation	8,366	7,490	6,369	–	–	–	8,366	7,490	6,369
Taxation	17,125	13,862	12,647	(6,954)	(6,085)	(5,505)	10,171	7,777	7,142
Consolidated result	**76,750**	**63,218**	**55,967**	**6,110**	**6,174**	**10,442**	**82,860**	**69,392**	**66,409**
Investments in associates and joint ventures	2,001	1,172	981	–	–	–	2,001	1,172	981
Current assets	540,779	513,099	441,083	(42,483)	(31,905)	(22,328)	498,296	481,194	418,755
Total assets	597,454	577,124	487,090	(33,609)	(27,766)	(20,134)	563,845	549,358	466,956
Net bank debt	195,137	200,138	140,780	(2,514)	1,692	4,334	192,623	201,830	145,114
Inventory in days							85	89	77
Debtors in days							39	44	39
Net bank debts/EBITDA							1.8	2.3	1.7

6. Turnover

The distribution of the turnover over the divisions can be specified as follows:

x € 1,000	2017	2016	2015
HTG	985,196	821,457	836,893
B&S	426,158	424,530	414,429
Retail	130,221	122,537	115,349
Elimination	(34,321)	(29,035)	(28,378)
	1,507,254	**1,339,489**	**1,338,293**

The distribution of turnover over the product groups can be specified as follows:

x € 1,000	2017	2016	2015
Liquors	525,365	485,310	547,157
Health & Beauty	596,881	475,131	458,894
Food & Beverages	236,021	220,850	206,512
Electronics	90,820	92,022	88,111
Other	58,167	66,176	37,619
	1,507,254	**1,339,489**	**1,338,293**

The distribution of turnover over the geographical regions can be specified as follows:

x € 1,000	2017	2016	2015
Europe	882,079	764,337	704,391
America	108,034	113,626	104,120
Asia	264,453	228,673	339,612
Africa	41,391	40,056	37,616
Middle East	193,484	161,276	137,931
Oceania	17,813	31,521	14,623
	1,507,254	**1,339,489**	**1,338,293**

7. Purchase value

The distribution of the purchase value can be specified as follows:

x € 1,000	2017	2016	2015
Purchase value of turnover	1,205,894	1,068,908	1,085,504
Other external costs and income related to turnover	85,345	81,723	65,748
	1,291,239	**1,150,631**	**1,151,252**

8. Investment income

The investment income can be specified as follows:

x € 1,000	2017	2016	2015
Finance income from continuing operations:			
Interest related to loans issued	299	524	816
Interest on receivables from shareholders	65	209	85
	364	**733**	**901**

9. Other gains and losses

The other gains and losses from continuing operations can be specified as follows:

x € 1,000	2017	2016	2015
Exchange rate gains and losses	(3,261)	2,625	6,707
	(3,261)	**2,625**	**6,707**

10. Personnel costs

The distribution of the personnel costs can be specified as follows:

x € 1,000	**2017**	**2016**	**2015**
Salary costs	41,651	35,899	32,914
Social security charges	6,233	5,128	4,566
Pension costs	3,019	2,668	2,188
Other personnel costs	3,389	3,309	2,962
	54,292	47,004	42,630
Temporary staff	17,304	14,588	14,469
	71,596	**61,592**	**57,099**

The remuneration of the Executive board and the Supervisory board is disclosed in the note on related parties (see note 43).

The number of employees in fulltime equivalents can be specified as follows:

	2017	**2016**	**2015**
HTG	386	357	241
B&S	300	295	279
Retail	219	233	222
Other	5	1	2
	910	**886**	**744**

11. Depreciation and amortisation

The depreciation and amortisation can be specified as follows:

x € 1,000	**2017**	**2016**	**2015**
Property, plant and equipment	6,001	6,011	5,503
Intangible fixed assets	2,365	1,479	866
	8,366	**7,490**	**6,369**

12. Other operating expenses

The other operating expenses can be specified as follows:

x € 1,000	**2017**	**2016**	**2015**
Personnel related costs	5,638	4,949	4,774
Office/warehouse costs	11,443	10,931	10,358
Marketing costs	2,088	2,450	1,993
ICT expenses	3,866	3,859	5,102
Insurance costs	1,901	1,541	1,187
External advice	7,855	5,800	5,347
Other operating expenses	9,384	6,945	11,713
	42,175	**36,475**	**40,474**

13. Finance expenses

The finance expenses can be specified as follows:

x € 1,000	**2017**	**2016**	**2015**
Interest related to bank facilities	5,223	4,150	3,967
Interest related to lease obligations	56	64	47
Changes in the fair value of derivatives	(444)	224	(39)
	4,835	**4,438**	**3,975**

14. Share of profit of associates

This concerns the result of associated companies where B&S Group S.à r.l. has significant influence, but no control in the companies. These companies have the same principal activities as the Group. It concerns the following associated companies with its share in the equity:

	2017	2016	2015
Comptoir & Clos SAS, France	50%	50%	50%
Next Generation Parfums B.V., the Netherlands	50%	–	–
STG Logistica Y Depositos S.L., Spain	50%	–	–
Capi-Lux South Africa (PTY) Ltd., South Africa	50%	50%	50%

Transactions with these associated companies are disclosed in the note on related parties (see note 43).

15. Taxation on the result

The taxation on the result can be specified as follows:

x € 1,000	2017	2016	2015
Income tax in Profit or Loss account			
Income tax	10,121	7,325	6,841
Income tax previous periods	628	201	168
Deferred taxes	(578)	251	133
	10,171	**7,777**	**7,142**

The following table shows the reconsolidation between the nominal and effective corporate income tax rates for the Group.

x € 1,000	2017	2016	2015
Result before taxation	93,031	77,169	73,551
Share of profit of associates	(363)	(198)	(233)
Non deductable amortisation	(2,365)	(1,428)	(847)
Income not subject to income tax	(48,533)	(43,912)	(43,638)
	41,770	**31,631**	**28,833**
Blended European tax charge ranging from 12.5% to 29.0%	**10,121**	**7,325**	**6,841**

16. Earnings per share

x €	2017	2016	2015
Basic earnings per share			
From continuing operations	328.36	290.70	287.38
	328.36	**290.70**	**287.38**

The diluted earnings per share are equal to the basic earnings per share.

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

x € 1,000	**2017**	**2016**	**2015**
Profit for the year attributable to owners of the Company	68,796	60,907	60,211
	68,796	**60,907**	**60,211**

x € 1,000	**2017**	**2016**	**2015**
Weighted average number of shares for the purpose of basic earnings per share	209,515	209,515	209,515
	209,515	**209,515**	**209,515**

In 2017, 2016 and 2015 there were no changes in the Group's accounting policies which affect the earnings per share.

As the group is considering its longer term capital structuring options, the share capital will be split by a factor of approximately 400, increasing the number of shares issued to 84 million. The earnings per share indicated above are based on the number of shares outstanding before the split.

17. Goodwill

The following table show the amount of goodwill recognised by individual cash generating units:

x € 1,000	**31.12.2017**	**31.12.2016**	**31.12.2015**
HTG	11,003	11,003	2,323
Retail	6,601	6,601	6,601
B&S	500	500	500
	18,104	**18,104**	**9,424**

During the year 2016 the Company acquired 51% of the shares of Topbrands Europe B.V., the Netherlands. This subsidiary is consolidated as of the date of gaining control, which is 1 August 2016. See note 44 for a calculation of the assets acquired and liabilities recognised. The acquisition is accounted for using the acquisition method. As a result of this acquisition an amount of € 6,102,000 is added to the goodwill, which can be specified as follows:

x € 1,000	
Topbrands Europe B.V.	
Consideration transferred	30,390
Plus: non-controlling interest	12,677
Less: fair value of identifiable net assets acquired	(34,387)
	8,680

For impairment test, the determining factor is the level where, from a strategic and operational perspective, the management activities are carried out. In line with this approach, a chain of shops is treated as a single unit for the purpose of impairment testing.

Assumptions

The framework for tests of impairment comprises the existing activities excluding results on future acquisitions and/or disposals. In defining impairments, the Executive board of B&S Group S.à r.l. takes increases in market volume (due to increase of population and rising consumption) in to consideration and takes into account the growing market pressure on prices, government-induced or otherwise. This basis is valid in the long-term for our activities in all countries where the Group operates.

In all the impairment tests performed, value in use is determined by calculating the present value of expected future cash flows. The expected cash flows for each of the five years are calculated separately. In general the budget is the starting point for the coming year. The cash flows for subsequent years are based on the latest strategic and financial long-term plans, taking into account the assessments of the responsible management. The

cash flows for the remaining years are based on those of the five year and are assumed to grow with inflation. In the opinion of B&S Group S.à r.l. this leads to the best possible estimates of future developments.

The tests are carried out in local currency. The discount rate is based on the weighted average cost of capital before tax that is relevant to the assets of the unit. The applicable interest rate per country is taken into account for that purpose. In determining the discount rate, country market risks are not taken in to consideration, as specific market risks are included in the determination of expected future cash flows.

The main assumptions in the calculations are as follows:

Discount rate	8.1%
Inflation	0.3%
Terminal growth rate	0.5%
Sales growth rate	1-3%

The impairment testing for 2017, 2016 and 2015 did not result in impairments.

Sensitivity to changes in assumptions

An impairment test of goodwill is carried out at least once a year or when required due to changing circumstances. Any test of impairment inevitably involves factors that have to be estimated. The realisable value is influenced by factors such as projections of future economic conditions and expectations regarding market developments and operations. The estimates made for these factors may change over time, which could lead to impairment recognised as a profit or loss in the income statement. The recoverable amount also depends on the discount rate used, which is based on an estimate of the weighted average cost of capital for the unit concerned.

It is inherent in the method of computation used that a change in assumptions may lead to a different conclusion on the impairment required. The following aspects provide an indication of the sensitivity of the impairment tests to changes in key assumptions used:

- If the discount rate is assumed to be 1% higher than used in the separate impairment tests, no impairments would have been required.
- If future annual sales growth rate is set 1% lower than used in the separate impairment tests, whilst maintaining cost levels on the original assumptions, no impairments would have been required.
- If gross margins were to show a cumulative decrease of 1.5% over the coming years, while maintaining the other assumptions used in the separate impairment tests, no impairments would have been required.

18. Other intangible assets

Other intangible assets consist of brand names, concessions and other contracts. The movements can be specified as follows:

x € 1,000	**31.12.2017**	**31.12.2016**	**31.12.2015**
Brand names	375	525	675
Concessions	1,482	2,117	2,818
Software	5,581	2,372	–
Other	9,552	10,520	148
	16,990	**15,534**	**3,641**

Intangible fixed assets are amortised over its useful economic life, defined at the moment of acquisition. These intangible assets are amortised between 10% and 33%. Similar as in the previous year, no intangible assets have been pledged as security for liabilities.

The movements can be specified as follows:

x € 1,000	2017				
	Software	Brand name	Concessions	Other	Total
At cost:					
Balance as at 1 January	2,443	1,200	4,908	12,626	21,177
Additions	3,279	–	–	–	3,279
Acquisitions through business combinations	187	–	–	492	679
Disposals	–	–	(348)	(618)	(966)
	5,909	**1,200**	**4,560**	**12,500**	**24,169**
Accumulated amortisation:					
Balance as at 1 January	(71)	(675)	(2,791)	(2,106)	(5,643)
Acquisitions through business combinations	(138)	–	–	–	(138)
Disposals	1	–	349	617	967
Amortisation	(120)	(150)	(636)	(1,459)	(2,365)
	(328)	**(825)**	**(3,078)**	**(2,948)**	**(7,179)**
Balance as at 31 December	**5,581**	**375**	**1,482**	**9,552**	**16,990**

x € 1,000	2016				
	Software	Brand name	Concessions	Other	Total
At cost:					
Balance as at 1 January	168	1,200	4,908	1,495	7,771
Additions	2,275	–	–	–	2,275
Acquisitions through business combinations	–	–	–	11,097	11,097
Disposals	–	–	–	34	34
	2,443	**1,200**	**4,908**	**12,626**	**21,177**
Accumulated amortisation:					
Balance as at 1 January	(20)	(525)	(2,090)	(1,495)	(4,130)
Disposals	–	–	–	(34)	(34)
Amortisation	(51)	(150)	(701)	(577)	(1,479)
	(71)	**(675)**	**(2,791)**	**(2,106)**	**(5,643)**
Balance as at 31 December	**2,372**	**525**	**2,117**	**10,520**	**15,534**

x € 1,000	2015				
	Brand name	Concessions	Other contracts	Software	Total
At cost:					
Balance as at 1 January	1,200	4,908	1,595	10	7,713
Additions	–	–	(100)	158	58
	1,200	**4,908**	**1,495**	**168**	**7,771**
Accumulated amortisation:					
Balance as at 1 January	(375)	(1,389)	(1,499)	(1)	(3,264)
Depreciation	(150)	(701)	4	(19)	(866)
	(525)	**(2,090)**	**(1,495)**	**(20)**	**(4,130)**
Balance as at 31 December	**675**	**2,818**	**–**	**148**	**3,641**

19. Property, plant and equipment

Property, plant and equipment can be specified as follows:

x € 1,000	31.12.2017	31.12.2016	31.12.2015
Land and property	14,819	16,203	17,679
Equipment	5,990	6,811	7,137
Other	5,126	4,867	3,139
	25,935	**27,881**	**27,955**

The movements can be specified as follows:

	2017			
x € 1,000	Land & property	Equipment	Other	Total
At cost:				
Balance as at 1 January	40,501	21,738	18,085	80,324
Additions	70	1,667	2,476	4,213
Acquisitions through business combinations	–	108	60	168
Disposals	(103)	(286)	(4,406)	(4,795)
	40,468	**23,227**	**16,215**	**79,910**
Accumulated depreciation:				
Balance as at 1 January	(24,298)	(14,927)	(13,218)	(52,443)
Acquisitions through business combinations	–	(68)	(23)	(91)
Disposals	79	273	4,208	4,560
Depreciation	(1,430)	(2,515)	(2,056)	(6,001)
	(25,649)	**(17,237)**	**(11,089)**	**(53,975)**
Balance as at 31 December	**14,819**	**5,990**	**5,126**	**25,935**

	2016			
x € 1,000	Land & property	Equipment	Other	Total
At cost:				
Balance as at 1 January	40,444	19,011	13,427	72,882
Additions	53	702	2,409	3,164
Acquisitions through business combinations	–	2,038	2,356	4,394
Disposals	4	(13)	(107)	(116)
	40,501	**21,738**	**18,085**	**80,324**
Accumulated depreciation:				
Balance as at 1 January	(22,765)	(11,874)	(10,288)	(44,927)
Acquisitions through business combinations	–	(332)	(1,243)	(1,575)
Disposals	(2)	–	72	70
Depreciation	(1,531)	(2,721)	(1,759)	(6,011)
	(24,298)	**(14,927)**	**(13,218)**	**(52,443)**
Balance as at 31 December	**16,203**	**6,811**	**4,867**	**27,881**

x € 1,000	2015 Land & property	Equipment	Other	Total
At cost:				
Balance as at 1 January	40,735	15,943	13,027	69,705
Additions	356	3,324	1,344	5,024
Acquisitions through business combinations	44	–	16	60
Disposals	(691)	(256)	(960)	(1,907)
	40,444	**19,011**	**13,427**	**72,882**
Accumulated depreciation:				
Balance as at 1 January	(21,583)	(9,775)	(9,687)	(41,045)
Disposals	686	77	858	1,621
Depreciation	(1,868)	(2,176)	(1,459)	(5,503)
	(22,765)	**(11,874)**	**(10,288)**	**(44,927)**
Balance as at 31 December	**17,679**	**7,137**	**3,139**	**27,955**

The depreciation rates applied are as follows:

Land	0%
Property	5%
Equipment	10%-20%
Other	12.5%-20%

The carrying amount of assets under finance leases is € 809,000 (2016: € 1,380,000/2015: €774,000). These assets are all classified as plant and equipment. The Group does not hold legal title of these assets. Similar as in the previous year, the property, plant and equipment has been pledged as security for non-current borrowings and current liabilities provided by financial institutions.

20. Investments in associates

Investments in associated companies can be specified as follows:

x € 1,000	2017	2016	2015
Balance as at 1 January	1,172	981	1,106
Acquisitions	637	–	(17)
Share of profit of associated companies	363	198	233
Exchange rate result	(17)	134	(112)
Received dividend	(154)	(140)	(229)
Other changes	–	(1)	–
Balance as at 31 December	**2,001**	**1,172**	**981**

The principal associated companies of the Group are as follows:

	2017	2016	2015
Comptoir & Clos SAS, France	50%	50%	50%
Next Generation Parfums B.V., the Netherlands	50%	–	–
STG Logistica Y Depositos S.L., Spain	50%	–	–
Capi-Lux South Africa (PTY) Ltd., South Africa	50%	50%	50%

These companies have the same principal activities as the Group. The aggregate financial data of the principal associated companies are shown below, broken down into total assets and liabilities and the most important items in the income statement.

Comptoir & Clos SAS:

x € 1,000	31.12.2017	31.12.2016	31.12.2015
Current assets	–	15	15
Non-current assets	–	115	115
Current liabilities	–	445	445
Non-current liabilities	–	–	–
Turnover	–	–	1,265
Profit (loss) for the year	–	–	(396)
Net assets of the associate	–	(315)	(315)
Carrying amount of the Group's interest	–	–	–

Next Generation Parfums B.V.:

x € 1,000	31.12.2017	31.12.2016	31.12.2015
Current assets	1,452	–	–
Non-current assets	1,668	–	–
Current liabilities	139	–	–
Non-current liabilities	1,617	–	–
Turnover	2,610	–	–
Profit (loss) for the year	172	–	–
Net assets of the associate	1,364	–	–
Carrying amount of the Group's interest	720	–	–

STG Logistica Y Depositos S.L.:

x € 1,000	31.12.2017	31.12.2016	31.12.2015
Current assets	168	–	–
Non-current assets	143	–	–
Current liabilities	119	–	–
Non-current liabilities	215	–	–
Turnover	686	–	–
Profit (loss) for the year	3	–	–
Net assets of the associate	(23)	–	–
Carrying amount of the Group's interest	2	–	–

Capi-Lux South Africa (PTY) Ltd.:

x € 1,000	31.12.2017	31.12.2016	31.12.2015
Current assets	2,642	2,699	2,261
Non-current assets	131	175	177
Current liabilities	278	549	623
Non-current liabilities	–	3	6
Turnover	10,226	9,233	10,750
Profit (loss) for the year	557	396	492
Net assets of the associate	2,495	2,322	1,809
Carrying amount of the Group's interest	1,248	1,161	905

21. Receivables

The receivables can be specified as follows:

x € 1,000	**2017**	**2016**	**2015**
Balance as at 1 January	5,700	6,600	8,770
Acquired through acquisitions	385	–	–
New loans issued	546	–	7,170
Repayments	(3,900)	(900)	(9,340)
	2,731	5,700	6,600
Reclassification to 'Current assets'	(250)	(250)	(400)
Balance as at 31 December	**2,481**	**5,450**	**6,200**

The receivables are non-current financial assets carried at amortised costs. The fair value of the borrowing is its carrying amount. In 2015 the Group granted two loans to a related party for the original amount of € 8,470,000. These loans are provided to a Company where the ultimate shareholders have a significant influence. No securities have been provided. The applicable interest rate is 10%. The loan will be repaid in total within six years. One loan has a remaining maturity of less than one year for the amount of € 250,000 (2016: € 250,000/2015: € 250,000).

22. Deferred tax assets

The deferred tax assets can be specified as follows:

x € 1,000	**2017**	**2016**	**2015**
Balance as at 1 January	54	282	415
Transfer to/from profit or loss account	135	(228)	(133)
	189	54	282
Reclassification to 'Provisions'	(151)	(31)	(282)
Balance as at 31 December	**38**	**23**	**–**

This relates to past tax losses carried forward of Group companies.

23. Inventory

The inventory can be specified as follows:

x € 1,000	**31.12.2017**	**31.12.2016**	**31.12.2015**
Value of trade goods	272,092	265,280	224,523
Prepayments on trade inventory	33,832	20,499	21,965
Provision for obsolescent inventory	(5,389)	(5,828)	(4,650)
	300,535	**279,951**	**241,838**

The carrying amount of inventory that are valued at lower net realisable value amounts to € 29,342,000 (2016: € 25,824,000/2015: € 26,897,000). The amount of the write-down during 2017 amounts to € 9,134,000 (2016: € 4,274,000/2015: € 4,250,000) and has been recognised in profit and loss account as a loss.

Similar as in previous year(s), inventories have been pledged as a security for credit facilities provided by financial institutions.

The cost of inventories recognised as an expense during the year in respect of continuing operations was € 1,206 million (31 December 2016: € 1,069 million/31 December 2015: € 1,086 million).

24. Trade receivables

The trade receivables can be specified as follows:

x € 1,000	31.12.2017	31.12.2016	31.12.2015
Trade receivables	164,245	163,886	144,031
Allowance for doubtful debts	(1,198)	(1,626)	(930)
	163,047	**162,260**	**143,101**

The allowance for doubtful receivables provides a fair reflection of the risk of none or late payments at the balance sheet date. Accordingly the carrying amount of the trade receivables is approximately equal to its fair value. The provision has been recognised at nominal value, given its current nature. An allowance for doubtful debts was formed during the financial year amounting to € 127,000 (2016: € 692,000/2015: € 467,000) that was charged to the profit and loss account. No interest is charged on past due trade receivables.

The movement in the allowance for doubtful debts can be specified as follows:

x € 1,000	2017	2016	2015
Balance as at 1 January	1,626	930	1,918
Transfer from profit or loss	–	692	467
Amounts written off as uncollectable	(428)	–	(1,455)
Other changes	–	4	–
Balance as at 31 December	**1,198**	**1,626**	**930**

The working capital tied up in trade receivables is expressed in Days of Sales Outstanding (DSO). The average DSO for 2017 was 39 days (2016: 44/2015: 39).

The provision for doubtful receivables relates entirely to trade receivables past the contractually agreed due date for payment. Items that are considered doubtful have been fully provided for. Estimations and assumptions are applied to determine the size of the provision. Those estimates and assumptions are based on age analysis and specific developments in terms of market conditions and credit risks. In the judgement of B&S Group S.à r.l., the credit quality for receivables past due at the balance sheet date but not provided for is sufficient.

The age of the receivables that are past due but not impaired are as follows:

x € 1,000	31.12.2017	31.12.2016	31.12.2015
Trade receivables less than 30 days due	40,776	26,635	38,265
Trade receivables between 30 and 60 days due	13,176	20,365	28,876
Trade receivables more than 60 days due	7,625	23,618	11,439
	61,577	**70,618**	**78,580**

Trade receivables disclosed above include amounts that are past due at the end of the reporting period for which the Group has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable.

Based on an individual assessment of all the due receivables the Company concluded that impairment was not required for these receivables due to the credit quality not being significantly changed.

25. Other tax receivables

The other tax receivables can be specified as follows:

x € 1,000	31.12.2017	31.12.2016	31.12.2015
Value added tax	2,404	3,459	1,669
Social security	2	1	84
Duties	1,126	872	923
Other taxes	1	13	–
	3,533	**4,345**	**2,676**

26. Other receivables

The other receivables can be specified as follows:

x € 1,000	**31.12.2017**	**31.12.2016**	**31.12.2015**
Current portion of non-current receivables	250	250	400
Receivables on associated companies	321	338	471
Receivables on related parties	–	8,156	12,493
Other receivables and accrued income	12,365	11,271	7,079
	12,936	**20,015**	**20,443**

The fair value of the other receivables is equal to their carrying amount, giving its short-term nature. The line item 'Other receivables and accrued income' includes among others prepayments and receivables on suppliers relating to provided discounts.

27. Cash and cash equivalents

Cash and cash equivalents consist almost entirely of cash held at banks. All the bank balances are at the free disposal of the Group.

28. Share capital

See the consolidated statement of changes in equity for information on the composition, amount and changes of equity. Details of the share capital are set out below. Information on other elements of equity (reserves) is set out in the next note.

Issued share capital

The Company's corporate capital is fixed at € 5,237,875 divided into 209,515 shares, each in a registered form with a par value of € 25, all subscribed and fully paid up.

29. Reserves

Direct changes in equity are recognised net of tax effects. The following elements of reserves can be specified as follows:

Reserve for translation differences

The reserve for translation differences comprises all cumulative translation differences arising from the translation of the financial statements of activities in currencies other than the euro. The reserve is not freely distributable. The movement can be specified as follows:

x € 1,000	**2017**	**2016**	**2015**
Balance as at 1 January	392	(208)	–
Foreign currency translation through Other Comprehensive Income	(472)	600	(208)
Balance as at 31 December	**(80)**	**392**	**(208)**

Retained earnings

The retained earnings comprise all cumulative profit or loss movements less cumulative changes. The movement can be specified as follows:

x € 1,000	**2017**	**2016**	**2015**
Balance as at 1 January	191,878	175,305	138,599
Paid by shareholders	–	–	–
Profit for the period	68,796	60,907	60,211
Dividend to the owners of the Company	(64,423)	(43,525)	(23,500)
Acquisitions of non-controlling interests in a subsidiary	118	(811)	–
Other changes	1	2	(5)
Balance as at 31 December	**196,370**	**191,878**	**175,305**

Proposed appropriation of the result for 2017

An amount of € 64,423,000 has been distributed during the year as interim dividend and the remaining amount of the net result will be added to the reserves. This proposed appropriation has not been accounted for in the annual accounts. The financial statements do not yet reflect this proposal.

Profit appropriation 2016

The 2016 financial statements were approved during the General Meeting on 17 February 2017. The General Meeting approved the proposed profit appropriation.

Profit appropriation 2015

The 2015 financial statements were approved during the General Meeting on 18 March 2016. The General Meeting approved the proposed profit appropriation.

30. Non-controlling interest

The non-controlling interest consist of the third-party share in the following companies:

	31.12.2017	**31.12.2016**	**31.12.2015**
J.T.G. Holding B.V., the Netherlands	49%	49%	49%
Parfumtrend GmbH, Germany	–	50%	50%
Emporium Handels & Vertriebs GmbH, Germany	–	–	50%
STG Holding Import-Export S.L., Spain	49%	–	–
J.T.G. WWL S.à r.l., G.D. Luxembourg	49%	49%	49%
Topbrands Europe B.V., the Netherlands	49%	49%	–
Profit Rights:			
B&S Investments B.V., Delfzijl, the Netherlands	100%	100%	100%

The movement in the non-controlling interest can be specified as follows:

x € 1,000	**2017**	**2016**	**2015**
Balance as at 1 January	32,532	15,578	11,303
Acquisitions	713	12,676	17
Share of profit of associated companies	10,795	5,862	4,161
Acquisitions of non-controlling interests in a subsidiary	7	(164)	–
Exchange rate result	(45)	–	–
Reserves transferred to profit right certificates	(1,929)	(1,500)	(800)
Profit rights	3,269	2,623	2,037
Dividend paid to non-controlling interest	(4,900)	(2,545)	(1,140)
Other changes	–	2	–
Balance as at 31 December	**40,442**	**32,532**	**15,578**

31. Borrowings

The borrowings can be specified as follows:

x € 1,000	31.12.2017	31.12.2016	31.12.2015
Borrowings from shareholders	2,500	2,625	4,125
Borrowings from banks	19,355	20,550	5,295
Financial lease	912	1,534	1,008
	22,767	**24,709**	**10,428**

Borrowings from shareholders:

The movements in borrowings from shareholders can be specified as follows:

x € 1,000	2017	2016	2015
Balance as at 1 January	2,625	4,125	1,150
Acquisition through business combination	–	–	125
New borrowings received	–	2,500	4,000
Installments	(125)	(4,000)	(1,150)
Balance as at 31 December	**2,500**	**2,625**	**4,125**

This item consists of the following loans:

- A loan for the original amount of € 4,000,000. The applicable interest rate is 4%. The loan is repaid in full during 2016.
- A loan for the original amount of € 125,000. The applicable interest rate is 4%. No repayments are agreed upon. No securities have been provided. During 2017 the loan is repaid in full.
- A loan for the original amount of € 2,500,000. The applicable interest rate is 5%. Repayment is in full as at 31 December 2018. The current outstanding amount equals the original amount. No securities have been provided.

Borrowings from banks:

The movements in borrowings from banks can be specified as follows:

x € 1,000	2017	2016	2015
Balance as at 1 January	25,945	9,866	14,921
Acquisitions	3,527		
Acquisition through business combination	–	1,018	–
New borrowings received	–	20,000	–
Installments	(5,475)	(4,939)	(5,055)
	23,997	25,945	9,866
Reclassification to 'Current liabilities'	(4,642)	(5,395)	(4,571)
Balance as at 31 December	**19,355**	**20,550**	**5,295**

This item consists of the following loans:

- A loan from 2011 for the original amount of € 2,475,000. The applicable interest rate is 3 months Euribor increased by 1.25%. The loan repaid in full during 2016.
- A mortgage loan for the original amount of € 8,250,000. The applicable interest rate is 3 months Euribor increased by 1.25%. The underlying real estate has been provided as security. Repayment in quarterly terms of € 137,500.
- A loan from 2012 for the original amount of € 17,250,000. The applicable interest rate is 3 months Euribor increased by 1.25%. Pledge on the shares of the specific acquired company has been provided. During 2017 the loan is repaid in full.

- A loan from 2014 for the original amount of € 1,000,000. The applicable interest rate is 3 months Euribor increased by 1.25%. Pledge on the shares of the specific acquired company has been provided. Repayment in quarterly terms over 5 years.
- A loan from 2015 for the original amount of € 500,000. The applicable interest rate is 2.95%. Securities have been provided. Repayment is in quarterly terms of € 25,000.
- A loan from 2015 for the original amount of € 500,000. The applicable interest rate is 3.25%. Securities have been provided. Repayment is in quarterly terms of € 25,000.
- A loan from 2016 for the original amount of € 20,000,000. The applicable interest rate is 3 months Euribor increased by 2.0%. Pledge on the shares of the specific acquired company has been provided. Repayment of € 14,000,000 in quarterly terms over 5 years and € 6,000,000 in once over 5 years.
- A loan from 2017 for the original amount of € 2,000,000. The applicable interest rate is 2.75%. No securities have been provided. Repayment is in equal monthly terms over the next 5 years.
- A loan from 2017 for the original amount of € 2,000,000. The applicable interest rate is 2.45%. No securities have been provided. Repayment is in equal monthly terms over the next 5 years.

Financial lease:

The movements in financial lease can be specified as follows:

x € 1,000	**2017**	**2016**	**2015**
Balance as at 1 January	2,129	1,343	1,666
Acquisition through business combination	–	12	–
New borrowings received	–	1,295	–
Installments	(603)	(521)	(323)
	1,526	2,129	1,343
Reclassification to 'Current liabilities'	(614)	(595)	(335)
Balance as at 31 December	**912**	**1,534**	**1,008**

The interest rate on the financial lease is 3.2%. The book value of the leased material as at 31 December 2017 amounted to € 809,000 (31 December 2016: € 1,380,000/31 December 2015: € 774,000).

Maturity:

The maturity and related value of the borrowings can be specified as follows:

	31.12.2017			
x € 1,000	**< 1 year**	**1 < > 5 years**	**> 5 years**	**Total**
Borrowings from shareholders	–	–	2,500	2,500
Borrowings from banks	4,642	19,205	150	23,997
Financial lease	614	912	–	1,526
	5,256	**20,117**	**2,650**	**28,023**

	31.12.2016			
x € 1,000	**< 1 year**	**1 < > 5 years**	**> 5 years**	**Total**
Borrowings from shareholders	–	–	2,625	2,625
Borrowings from banks	5,395	20,400	150	25,945
Financial lease	595	1,534	–	2,129
	5,990	**21,934**	**2,775**	**30,699**

x € 1,000	31.12.2015			
	< 1 year	1 < > 5 years	> 5 years	Total
Borrowings from shareholders	–	–	4,125	4,125
Borrowings from banks	4,571	4,595	700	9,866
Financial lease	335	1,008	–	1,343
	4,906	**5,603**	**4,825**	**15,334**

32. Deferred tax liabilities

B&S Group S.à r.l. only balances deferred tax assets within the same fiscal unit if the Group has an enforceable right to do so and intends to settle them on a net basis. The positions are:

x € 1,000	31.12.2017	31.12.2016	31.12.2015
Net deferred tax liabilities	3,232	3,830	846
	3,232	**3,830**	**846**

The maturity and related value of the deferred tax liabilities can be specified as follows:

x € 1,000	31.12.2017			
	< 1 year	1 < > 5 years	> 5 years	Total
Net deferred tax liabilities	619	2,301	312	3,232
	619	**2,301**	**312**	**3,232**

x € 1,000	31.12.2016			
	< 1 year	1 < > 5 years	> 5 years	Total
Net deferred tax liabilities	736	2,566	528	3,830
	736	**2,566**	**528**	**3,830**

The change in net deferred tax liabilities can be broken down as follows:

x € 1,000	2017	2016	2015
Balance as at 1 January	3,861	1,128	1,632
Acquisition through business combination	–	106	–
Purchase Price Allocation	–	2,578	–
Transfer to profit or loss	(334)	389	–
Reclassification from 'Current corporate income tax liability'	(144)	(340)	(504)
	3,383	3,861	1,128
Reclassification to 'Current assets'	(151)	(31)	(282)
Balance as at 31 December	**3,232**	**3,830**	**846**

The deferred tax assets and liabilities relate to the following items:

x € 1,000	31.12.2017 Deferred tax assets	31.12.2017 Deferred tax liabilities
Property, plant and equipment		211
Intangible fixed assets	–	3,051
Interest rate swaps	–	–
Tax losses	189	121
	189	3,383
Netting of deferred tax items	(151)	(151)
	38	**3,232**

x € 1,000	31.12.2016 Deferred tax assets	31.12.2016 Deferred tax liabilities
Property, plant and equipment	–	356
Intangible fixed assets	–	3,674
Interest rate swaps	–	(278)
Tax losses	54	109
	54	3,861
Netting of deferred tax items	(31)	(31)
	23	**3,830**

x € 1,000	31.12.2015 Deferred tax assets	31.12.2015 Deferred tax liabilities
Property, plant and equipment	–	513
Intangible fixed assets	–	890
Interest rate swaps	–	(275)
Tax losses	282	–
	282	1,128
Netting of deferred tax items	(282)	(282)
	–	**846**

No expiry date is applicable for the tax losses, so they can be settled with future tax profits.

33. Retirement and other employee benefit obligations

This obligation consists of a provision for pension obligation and employee benefit obligations. The provision for pension obligations consists of a provision for pensions of former personnel that have taken effect and are valued at fair value. The maturity of these obligations is less than five years. The movements can be summarised as follows:

x € 1,000	2017	2016	2015
Balance as at 1 January	1,106	666	293
Paid during the financial year	–	(14)	(15)
Transfer to/from profit and loss account	494	454	388
Balance as at 31 December	**1,600**	**1,106**	**666**

This provision consists also an end-of-service indemnity payable to employees at the reporting date in accordance with the U.A.E. labour laws, and is based on current remuneration and cumulative years of service at the reporting date.

Defined contribution plans

The Company operates defined contribution retirement benefit plans for all qualifying employees. The assets of the plans are held separately from those of the Company in funds under the control of trustees. Where employees leave the plans prior to full vesting of the contributions, the contributions payable by the Company are reduced by the amount of forfeited contributions.

The total expense recognised in the profit or loss of € 3,019,000 (2016: € 2,668,000/2015: € 2,188,000) represents contributions payable to these plans by the Group at rates specified in the rules of the plans. As at 31 December 2017, contributions of € 232,000. (2016: € 192,000/2015: € 33,000) due in respect of the 2017 (2016/2015) reporting period had not been paid over to the plans. The amounts were paid after the end of the reporting period.

Pension plan pension fund "Stichting Pensioenfonds B&S"

The group sponsors an IAS 19 categorised defined benefit plan for employees for whom the benefit plan is accommodated by the Company pension fund "Stichting Pensioenfonds B&S" (also referred to as 'Company pension fund'). The defined benefit plan (Pension Plan) is administered by a separate fund that is legally separated from the entity. The board of the pension fund is composed of an equal number of representatives from both the employer and employees. The board of the pension fund is required by law and by its articles of association to act in the interest of the fund and of all relevant stakeholders in the scheme, i.e. active employees, inactive employees, retirees, employers. The board of the pension fund is responsible for the investment policy with regard to the assets of the fund.

The pensionable salary accommodated by the Company pension fund is limited to € 103,317 (2016: € 101,519, 2015: € 100,000). The pensionable salary is the difference between the current salary of the employee and the state retirement benefit.

The Company pension fund, respectively, has stated that the funding ratio is 101.6% at 31 December 2017 (2016: 98.9%, 2015 97.0%).

The Company pension fund has issued a recovery plan on 1 July 2015 as the funding ratio was below the required level set by the authorities. The annual evaluation of the recovery plan in the beginning of 2017 resulted in the following 2 changes: per 1 January 2018 the age of retirement is raised from 67 to 68 (according to new regulations in The Netherlands) and per 1 January 2018 the pension for the partner of the employee will only be risk based insured as long as the employee is employed by the Group.

These additional measurements were approved by the authorities on 24 May 2017. Each year the recovery plan will be evaluated.

Under the Pension Plan, the employees are entitled to post-retirement yearly instalments based on fixed premium. One third of the premium contributions are paid by the employees and the remaining two-third is paid by the group. The yearly instalment depend on amongst others: investment return arising from the contributions, interest rate, salary of plan participants and longevity. According to the pension plan the employer has the obligation to pay a fixed annual premium to the pension fund of two-third of 22% of the pension base. The only liability for the employer is to pay the annual premium and the employer has no liability to make additional payments for pension benefits relating to past service or increase premium payments if the pension fund is reducing future accrual. The group is to a limited extend exposed to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk and in order to properly reflect this, the group discloses information about the development of costs, assets and liabilities of the Pension Plan and related principal assumptions in the following tables. There is a formal obligation to pay a fixed premium and the net liability and 'OCI' gains are not material in the special purpose consolidated financial statements. In order provide transparent information about the Pension Plan, the group performed an actuary IAS 19 project unit method calculation. Actuarial valuation of the plan assets and the present value of the defined obligation were determined by an actuary (AAG), Fellow of the institute of actuaries of The Netherlands. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

x € 1,000	2017	2016	2015
Development of net liability			
Opening net liability	292	1,347	1,508
Expense	2,059	1,844	1,862
Employer contributions	(1,765)	(1,765)	(1,585)
Gain – Other Comprehensive Income	(79)	(1,134)	(438)
Closing net liability	**507**	**292**	**1,347**

x € 1,000	31.12.2017	31.12.2016	31.12.2015
Assets and Liabilities			
Defined Benefit Obligation	34,469	31,084	24,808
Market Value of Assets	(33,862)	(30,792)	(23,461)
Closing net liability	**507**	**292**	**1,347**

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	31.12.2017	31.12.2016	31.12.2015
Discount rate	2.10%	2.10%	3.00%
Expected rate of salary increase	2.25%	2.25%	2.25%
Price inflation (AOW-Offset)	2.00%	2.00%	2.00%
Average longevity at retirement age for current pensioners (year)*	ES-P2	ES-P2	ES-P2

* *The Centre for Insurance statistics (Dutch: Centrum voor Verzekeringsstatistiek, CVS) has determined gender and age dependent mortality correction factors that have been included in the ES-P2 mortality experience table. These factors are based on the observed mortality within the collective insurance portfolios of Dutch insurance companies. Correction factors from Willes Towers Watson are applied to these rates.*

The group subsidiaries fund the cost of the entitlements expected to be earned, on a yearly basis. Premiums are based on a current salary base. Apart from paying the costs of entitlements, the group subsidiaries are not liable to pay additional contributions in case the fund does not hold sufficient assets. In that case, the fund would need to take other measures to restore its solvency, such as reductions of the entitlements of the plan members.

Other defined benefit plans

The end-of-service indemnity payable in accordance with the U.A.E. labour laws as noted before is considered as a defined benefit plan for which a provision is accounted for. Total amount of end-of-service indemnity provision as per 2017 was € 181,000 (2016: € 109,000/2015: € 87,000).

In several countries, defined benefit plans are in place. However due to the limited number of employees and limited financial risk these plans are accounted for as defined contribution plans. For pension plans for which the pension fund cannot provide data on an individual company basis, these plans are in line with IAS19 accounted as defined contribution plans. In 2017 the premium related to these plans charged to the consolidated statement of Profit or Loss amounts to € 292,000 (2016: € 168,000/2015: € 57,000).

34. Provisions

The movements in the provisions can be specified as follows:

x € 1,000	2017	2016	2015
Balance as at 1 January	18	–	–
Transferred to profit and loss account	(18)	18	–
Balance as at 31 December	**–**	**18**	**–**

The provision represents the present value of the directors' best estimate of the future outflow of economic benefits that will be required under the Group's obligations for warranties under local sale of goods legislation. The estimate has been made on the basis of historical warranty trends and may vary as a result of product quality.

35. Other liabilities

The movements in other liabilities can be specified as follows:

x € 1,000	2017	2016	2015
Balance as at 1 January	860	895	929
Installments	(35)	(35)	(34)
	825	860	895
Reclassification to 'Current liabilities'	(35)	(35)	(35)
Balance as at 31 December	**790**	**825**	**860**

This item comprise of an "InvesteringsPremieRegeling (IPR)" subsidy with an original amount of € 1,264,000, which is being reduced with € 35,000 per year and released to the profit and loss account.

36. Credit institutions

Both non-current and current financing facilities are discussed and negotiated exclusively at corporate level within the Group by the Executive board. The financing facilities from financial institutions comprise non-current borrowings and credit facilities arranged by various financial institutions.

The non-current borrowings are used for the financing of non-current assets. The credit facilities are used for financing the Group's working capital.

The Group has provided pledges on property, plant and equipment, inventory, transport, credit and fire/damage insurance and trade receivables, as a security for the financing facilities from financial institutions.

The modalities on current credit facilities provided by banks can be specified as follows:

	31.12.2017	31.12.2016	31.12.2015
Total level of credit facilities granted to the Company and affiliated companies	342,494	332,374	270,491
Average margin on interest rate (1 month Euribor) including liquidity margin	1.23%	1.36%	1.47%

37. Supplier finance arrangements

Supplier finance arrangement is a liability towards a company owned by a financial institution who facilitates the purchasing of a part of the inventory. This company is receiving a predetermined remuneration for facilitating the purchases under the agreement with this company. This company is the legal owner of the purchased inventory. In order to minimise the remuneration, B&S Holland Trading Group B.V. guaranteed that any inventory older than 180 days will be purchased from this company by B&S Holland Trading Group B.V. or (one) of its subsidiaries. In order to properly reflect that undertaking, the Group recognise the economical ownership of the inventory and the related liability as 'Inventory' and 'supplier finance arrangements'.

38. Derivative financial instruments

The carrying amounts of the various derivatives as at 31 December 2017 were equal to their fair values. B&S Group S.à r.l. use interest rate swaps and forward currency contracts to manage interest rate and currency risks. Receivables under derivatives are presented in non-current and current assets. Derivatives designated and effective as hedging instruments are carried at fair value. The following derivative financial instruments were held by the Company:

x € 1,000	31.12.2017	31.12.2016	31.12.2015
Non-current assets	–	–	–
Current assets	–	–	212
Non-current liabilities	–	–	–
Current liabilities	666	1,110	1,098
	(666)	**(1,110)**	**(886)**

39. Other taxes and social security charges

The other taxes and social security charges can be specified as follows:

x € 1,000	31.12.2017	31.12.2016	31.12.2015
Value added tax	7,077	6,323	3,383
Social security	1,097	1,270	807
Duties	2,951	2,339	351
Other taxes	268	86	–
	11,393	**10,018**	**4,541**

40. Other current liabilities

The item 'Other liabilities and accrued expenses' includes pension charges amounting to € 232,000 as at 31 December 2017 (31 December 2016: € 192,000/2015: € 33,000).

41. Contingent liabilities and contingent assets

Concession fee

The Group has entered into long-term concession agreements. The maturity of these agreements is between 1 and 10 years. The amounts involved are based on the turnover of the particular agreement.

Capital expenditure commitments

As at 31 December 2017, the Group entered into capital expenditure commitments for an amount of € 4.7 million.

Guarantees

The Group has issued guarantees. These guarantees can be specified as follows:

x € 1,000	**31.12.2017**	**31.12.2016**	**31.12.2015**
Total maximum level of guarantees facility granted to the Group	26,000	26,000	26,000
Issued guarantees in relation to import duties	10,961	9,095	8,680
Issued guarantees in relation to rental agreements	1,164	1,119	1,656
Other issued guarantees	2,885	2,325	10,269
	15,010	**12,539**	**20,605**

Operational leases

This concerns operational leases on vehicles with leasing companies. These lease obligations can be specified as follows:

x € 1,000	**31.12.2017**	**31.12.2016**	**31.12.2015**
Annual obligations	682	587	578

The maturity and related value of outstanding operational leases is as follows:

	31.12.2017			
x € 1,000	**< 1 year**	**1 < > 5 years**	**> 5 years**	**Total**
Operational leases	682	669	–	1,351
	682	**669**	**–**	**1,351**

	31.12.2016			
x € 1,000	**< 1 year**	**1 < > 5 years**	**> 5 years**	**Total**
Operational leases	587	562	–	1,149
	587	**562**	**–**	**1,149**

	31.12.2015			
x € 1,000	**< 1 year**	**1 < > 5 years**	**> 5 years**	**Total**
Operational leases	578	764	–	1,342
	578	**764**	**–**	**1,342**

Rental agreements

The Group has entered into the long-term rental agreements.

Apart from the rental agreement for the office in G.D. Luxembourg, the annual rental charges are adjusted for indexation each year.

The maturity and related value of outstanding rental agreements is as follows:

	31.12.2017			
x € 1,000	**< 1 year**	**1 < > 5 years**	**> 5 years**	**Total**
Rental agreements	7,554	24,291	20,240	52,085
	7,554	**24,291**	**20,240**	**52,085**

	31.12.2016			
x € 1,000	**< 1 year**	**1 < > 5 years**	**> 5 years**	**Total**
Rental agreements	6,970	24,206	1,786	32,962
	6,970	**24,206**	**1,786**	**32,962**

	31.12.2015			
x € 1,000	**< 1 year**	**1 < > 5 years**	**> 5 years**	**Total**
Rental agreements	4,993	18,827	7,587	31,407
	4,993	**18,827**	**7,587**	**31,407**

42. Risk management and financial instruments

No significant changes in terms of capital management were effected in the year under review. An enabling condition in our policy is a healthy financing structure that maintains a balance between adequate solvency, the availability of adequate working capital and sufficient available funding. The Company's balance sheet structure and cash flow generation remains strong over years. This enables us to continue to growth organically and through acquisitions.

As a result of its activities, the Company is exposed to various financial risks. The Company applies a Group-wide treasury policy for the adequate management of cash flows and financing flows combined with management of the related financial risks, such as currency risks and interest rate risks.

A summary of the main financial risks is provided below. The risks are linked to the Company's core objectives and categorised as liquidity risks, currency risks, interest rate risks and credit risks. Also mentioned is how the Company manage these risks.

Liquidity risk

Liquidity risk is the risk that B&S Group S.à r.l. is unable at the required time to meet its financial obligations. Liquidity management is based on the principle that sufficient liquidity is maintained in the form of credit facilities or cash and cash equivalents to meet the obligations in both normal and exceptional circumstances. Cash flows are forecasted within the Group on a regular basis and the extent is determined to which the Group has sufficient liquidity for the operating activities while maintaining sufficient credit facilities (headroom).

The total credit facilities, excluding non-current borrowings amounted to € 342 million as at 31 December 2017 (31 December 2016: € 332 million/31 December 2015: € 270 million), with headroom of € 158 million under the facilities in 2017 (2016: € 145 million/2015: € 128 million). The Company therefore has credit facilities that are sufficient for the existing and expected credit requirements of the Group.

The extent of the risk that covenants agreed with financial institutions are breached is regularly determined. With the present solvency (> 30%) and interest coverage (> 3.0), B&S Group S.à r.l. is comfortably within the covenants agreed with the various financial institutions of a minimum solvency of 25% and a minimum interest cover of 3.0. These agreed covenants are similar for the main financial institutions.

A 10% decrease in our operating result (defined for this purpose as operating result before depreciation of property, plant and equipment and amortisation of intangible assets and impairments) would reduce interest

coverage by 2.2 points, at unchanged interest rates on interest-bearing debt. The interest coverage rate covenant agreed with financial institutions is set at a minimum of 3.0 points. This covenant would only be breached if the operating result decreases by more than 80%.

A 10% decrease in our net result would reduce solvency by 1%, while leaving the balance sheet total unchanged. The solvency covenant with financial institutions is set at a minimum of 25%. This covenant would only be breached if the net result decreases by more than € 100 million (2016: € 90 million/2015: € 79 million).

The following table represents the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables contain the non-discounted cash-flows as per the first date the Group can be required to pay.

	31.12.2017				
x € 1,000	**Interest**	**< 1 year**	**1 < > 5 years**	**> 5 years**	**Total**
Non-interest bearing		66,452	–	–	66,452
Finance lease liability	3.2%	614	912	–	1,526
Variable interest rate instruments	1.36%	189,092	19,205	150	208,447
Fixed interest rate instruments	5%	–	–	2,500	2,500
Closing balance at 31.12.2017		**256,158**	**20,117**	**2,650**	**278,925**

	31.12.2016				
x € 1,000	**Interest**	**< 1 year**	**1 < > 5 years**	**> 5 years**	**Total**
Non-interest bearing		62,770	–	–	62,770
Finance lease liability	3.2%	595	1,534	–	2,129
Variable interest rate instruments	1.36%	192,330	20,400	150	212,880
Fixed interest rate instruments	4%	–	–	2,625	2,625
Closing balance at 31.12.2016		**255,695**	**21,934**	**2,775**	**280,404**

	31.12.2015				
x € 1,000	**Interest**	**< 1 year**	**1 < > 5 years**	**> 5 years**	**Total**
Non-interest bearing		86,450	–	–	86,450
Finance lease liability	3.2%	335	1,008	–	1,343
Variable interest rate instruments	1.36%	146,607	4,595	700	151,902
Fixed interest rate instruments	4%	–	–	4,125	4,125
Closing balance at 31.12.2015		**233,392**	**5,603**	**4,825**	**243,820**

The following table detail the Group's expected maturity for its non-derivative financial assets.

	31.12.2017				
x € 1,000	**Interest**	**< 1 year**	**1 < > 5 years**	**> 5 years**	**Total**
Non-interest bearing		163,047	–	–	163,047
Fixed interest rate instruments	10%	250	546	1,935	2,731
Closing balance at 31.12.2017		**163,297**	**546**	**1,935**	**165,778**

	31.12.2016				
x € 1,000	**Interest**	**< 1 year**	**1 < > 5 years**	**> 5 years**	**Total**
Non-interest bearing		162,260	–	–	162,260
Fixed interest rate instruments	10%	250	–	5,450	5,700
Closing balance at 31.12.2016		**162,510**	**–**	**5,450**	**167,960**

x € 1,000	31.12.2015 Interest	< 1 year	1 < > 5 years	> 5 years	Total
Non-interest bearing		143,101	–	–	143,101
Fixed interest rate instruments	10%	400	–	6,200	6,600
Closing balance at 31.12.2015		**143,501**	**–**	**6,200**	**149,701**

Currency risk

Most of the Company's turnover is in Euros, which is the Group's functional currency. Other currencies used for trading are mainly the US Dollar, Japanese Yen and the British Pound. The main currency risks arise when selling and purchasing in the US Dollar and, to some extent, when selling in the British Pound and Japanese Yen or vice versa. Basically, the Group deals with risks from trading in non-Euro currencies by matching incoming and outgoing cash flows as closely as possible in the same currency.

Extraordinary currency positions and risks are dealt with at corporate level by a dedicated treasury department that monitor the cash flows of each division on a daily basis. To mitigate the risk from currency transactions the treasury department uses hedging instruments (spot and forward contracts and currency swaps) when appropriate and on a case-by-case basis. As most of the Group entities are based in the Euro zone the balance sheets and profit and loss accounts are in Euros.

The Group is mainly exposed to the US Dollar as indicated in the next table. Assuming the Euro had strengthened (weakened) 3% against the US Dollar compared to the actual 2017 rate with all other variables held constant the hypothetical result on income before taxes would have been a change of € 1,620,000 (2016: € 2,841,000/2015: € 2,579,000). A 3% increase or decrease of the other currencies the Group is trading in would not have a significant impact on both the income before taxes and the equity of the Group.

	31.12.2017		31.12.2016		31.12.2015	
x 1,000 Foreign currency	**Assets**	**Liabilities**	**Assets**	**Liabilities**	**Assets**	**Liabilities**
USD	183,892	248,636	91,311	191,135	106,207	199,961
GBP	19,105	22,213	7,999	6,032	7,908	5,580
JPY	1,089,185	1,169,230	72,516	74,521	114,118	195,043

Interest rate risk

The Group is exposed to interest rate risks because the entities are financed by both fixed and variable rate interest borrowings. In order to reduce the volatility of the interest expenses the variable interest on € 50.000.000 short term bank loans have been hedged for the period up until August 2019.

On the basis of the financing position as at year-end 2017, B&S Group S.à r.l. estimates that an increase of 1 percentage point in the euro money market interest rates will have a negative effect of approximately of € 1.8 million (2016: € 1.9 million/2015: € 1.8 million) on net finance costs and thus the result before taxes and a negative effect of € 1.5 million (2016: € 1.4 million/2015: 1.2 million) on equity. Fluctuations in long-term interest rates had a limited direct effect on the result, as the interest rate terms are fixed.

Credit risk

Credit risk is the risk of financial loss if a customer or counterparty in a financial instrument fails to meet its contractual obligations. The risk for B&S Group S.à r.l. arises mainly from trade receivables, for which credit concentration is limited.

The activities of the retail segment consist mainly of retail activities in exchange for direct cash. The segments B&S and HTG have a large number of customers and accordingly there is no material concentration of credit risk.

As the Company trades with a large number of clients around the world, strict internal policies and guidelines have been drawn-up regarding business agreements with new clients as well as the setting of payment terms and credit risk management. The Corporate rule is that trade transactions must be secured, either by payment up front, insurance or by a secured payment instrument (guarantee or letter of credit). Before doing business with new clients their creditworthiness is checked by the internal credit risk department.

The internal credit risk department also monitors outstanding payments on a daily basis using an automated and sophisticated credit risk monitoring system. This process meets the requirements specified by the insurance institutions. The rigid handling of new client acceptance and payment control means the Company's debtor risk is fairly limited and well under control. The average outstanding debt period is less than 60 days, which is within the limits set by management and acceptable for global trading. As a result of our stringent debtor policies, debtor write-offs are limited.

Management acknowledges that general client payment behaviour has been adversely affected by the deteriorating creditworthiness of clients and the decline of overall liquidity of the Group during the economic crisis. This is especially relevant in respect of the insurance companies that have downgraded limits on clients. It is certainly putting extra pressure on accurately dealing with credit risks.

Financial instruments by category

The table below sets out the carrying amount of the various financial instruments by category as at the balance sheet date.

	31.12.2017						
(x € 1,000)	**Held to maturity**	**Loans and receivables**	**Other financial liabilities**	**Total**	**Level 1**	**Level 2**	**Level 3**
Financial assets measured at fair value							
Derivative financial instruments	–	–	–	–	–	–	–
	–	**–**	**–**	**–**	**–**	**–**	**–**
Financial assets not measured at fair value							
Receivables, non-current assets	–	2,481	–	2,481			
Trade receivables	–	163,047	–	163,047			
Cash and cash equivalents	–	17,385	–	17,385			
	–	**182,913**	**–**	**182,913**			
Financial liabilities measured at fair value							
Derivative financial instruments	666	–	–	666	–	666	–
	666	**–**	**–**	**666**	**–**	**666**	**–**
Financial liabilities not measured at fair value							
Borrowings, non-current liabilities	–	22,767	–	22,767			
Credit institutions	–	184,450	–	184,450			
Borrowings due within one year	–	5,291	–	5,291			
Supplier finance arrangements	–	–	10,650	10,650			
Trade payables	–	–	55,802	55,802			
	–	**212,508**	**66,452**	**278,960**			

31.12.2016							
(x € 1,000)	**Held to maturity**	**Loans and receivables**	**Other financial liabilities**	**Total**	**Level 1**	**Level 2**	**Level 3**
Financial assets measured at fair value							
Derivative financial instruments	–	–	–	–	–	–	–
	–	**–**	**–**	**–**	**–**	**–**	**–**
Financial assets not measured at fair value							
Receivables, non-current assets	–	5,450	–	5,450			
Trade receivables	–	162,260	–	162,260			
Cash and cash equivalents	–	13,214	–	13,214			
	–	**180,924**	**–**	**180,924**			
Financial liabilities measured at fair value							
Derivative financial instruments	1,110	–	–	1,110	–	1,110	–
	1,110	**–**	**–**	**1,110**	**–**	**1,110**	**–**
Financial liabilities not measured at fair value							
Borrowings, non-current liabilities	–	24,709	–	24,709			
Credit institutions	–	186,935	–	186,935			
Borrowings due within one year	–	6,025	–	6,025			
Supplier finance arrangements	–	–	10,500	10,500			
Trade payables	–	–	52,270	52,270			
	–	**217,669**	**62,770**	**280,439**			

31.12.2015							
(x € 1,000)	**Held to maturity**	**Loans and receivables**	**Other financial liabilities**	**Total**	**Level 1**	**Level 2**	**Level 3**
Financial assets measured at fair value							
Derivative financial instruments	212	–	–	212		212	–
	212	**–**	**–**	**212**		**212**	**–**
Financial assets not measured at fair value							
Receivables, non-current assets	–	6,200	–	6,200			
Trade receivables	–	143,101	–	143,101			
Cash and cash equivalents	–	8,166	–	8,166			
		157,467	**–**	**157,467**			
Financial liabilities measured at fair value							
Borrowings due within one year	1,098	–	–	1,098		1098	–
	1,098	**–**	**–**	**1,098**		**1098**	**–**
Financial liabilities not measured at fair value							
Borrowings, non-current liabilities	–	10,428	–	10,428			
Credit institutions	–	142,036	–	142,036			
Borrowings due within one year	–	4,941	–	4,941			
Supplier finance arrangements	–	–	34,446	34,446			
Trade payables	–	–	52,004	52,004			
	–	**157,405**	**86,450**	**243,855**			

From the financial instruments listed above, cash and cash equivalents are likewise carried at fair value. The other items are measured at fair value on initial recognition only and subsequently at amortised cost. See the accounting policies for further details.

43. Related party transactions

The members of the Executive board and the members of the Supervisory board together is the key management of the Company.

Remuneration of members of the Executive board

The Board of Directors consists of the following personnel:

- Mr. J.B. Meulman
- Mr. G. van Laar
- Mr. B. Schreuders
- Mr. J. Rotteveel up and to 27 December 2017
- Mr. N. Groen as from 27 December 2017

The table below sets out the remuneration of the Executive board:

x € 1,000	2017	2016	2015
Gross salary	443	329	298
Social security charges	11	13	(1)
Pension charges	3	39	–
Management fee	343	341	344
Variable short-term remuneration	3,496	2,669	2,105
	4,296	**3,391**	**2,746**

Remuneration of members of the Supervisory board

The Supervisory board consists of the following personnel:

- Mr. W.A. Blijdorp
- Mr. P.N.S. Luttjehuizen

The table below sets out the remuneration of the Supervisory board:

x € 1,000	2017	2016	2015
Management fee	209	196	188
	209	**196**	**188**

Transactions with shareholders

These transactions comprise of paid dividend of € 64,423,000 (2016: € 43,525,000/2015: € 23,500,007) to the shareholders of the Company.

Entities with joint control or significant influence over the entity

The table below sets out the transactions with entities where the ultimate shareholders have joint control or significant influence over the entity:

	31.12.2017		31.12.2016		31.12.2015	
x € 1,000	**Transaction value**	**Balance outstanding**	**Transaction value**	**Balance outstanding**	**Transaction value**	**Balance outstanding**
Sales of products and services	6,138	7	14,705	3,755	8,599	3,517
Purchase of products and services	6,518	53	14,680	344	10,448	599
Premises rented	3,788	393	4,775	25	4,646	36
Interest received on loans issued	231	328	788	–	831	–
Loans issued	–	1,650	–	13,869	–	16,937
Operating expenses	321	–	117	27	330	25
Other income	340	326	27	2	121	4

Entities where the Group acquired the shares during the financial year

The table below sets out the transactions with entities where the Group have obtained control during the financial year.

	31.12.2017		31.12.2016		31.12.2015	
x € 1,000	**Transaction value**	**Balance outstanding**	**Transaction value**	**Balance outstanding**	**Transaction value**	**Balance outstanding**
Sales of products and services	8,762	2,598	–	–	–	–
Purchase of products and services	5,735	328	–	–	–	–
Interest received on loans issued	118	–	–	–	–	–

Associated companies

The associated companies consist of the following entities:

- Capi-Lux South Africa (PTY) Ltd., South Africa
- STG Logistica Y Depositos S.L., Spain
- Next Generation Parfums B.V., the Netherlands
- Comptoir & Clos SAS, France

The table below sets out the transactions with these companies:

	31.12.2017		31.12.2016		31.12.2015	
x € 1,000	**Transaction value**	**Balance outstanding**	**Transaction value**	**Balance outstanding**	**Transaction value**	**Balance outstanding**
Sales of products and services	3,544	69	3,571	338	4,721	470
Purchase of products and services	724	12	–	–		
Other income	16	1	–	–	–	–

44. Acquisitions

STG Holding Import-Export S.L. (2017)

	% (*)	**Date**
STG Holding Import-Export S.L., Spain	51%	29-12-2017

(*) 51% proportion of voting equity interest acquired.

The principal activity of the acquisition is the same as the Group. This acquisition is fully consolidated from the date on which the Company gained control, which is 29 December 2017. The acquisition is accounted for using purchase accounting. The purchase price amounted to € 5,000 and was paid in cash.

The assets acquired and liabilities recognised at the date of acquisition can be specified as follows:

x € 1,000	**2017**
Non-current assets	
Intangible fixed assets	541
Property, plant and equipment	77
Other receivables	385
Current assets	
Inventory	6,345
Trade receivables	3,936
Tax receivables	68
Other receivables	1,086
Cash and cash equivalents	2,865
Current liabilities	
Credit institutions	(4,433)
Borrowings due within one year	(772)
Trade payables	(4,649)
Taxation	(746)
Non-current liabilities	
Deferred tax liabilities	–
Borrowings	(2,755)
	1,948

The bargain purchase arising on this acquisition can be specified as follows:

x € 1,000	**2017**
STG Holding Import-Export S.L.	
Consideration transferred	5
Plus: non-controlling interest	713
Less: fair value of identifiable net assets acquired	(1,948)
	(1,230)

The bargain purchase has been recognised in the profit and loss account in the other operating expenses.

Impact of acquisition on the result of the Group

Had this acquisition been effected at 1 January 2017, the turnover of the Group from continuing operations would have been € 31,186,000 higher and the profit for the year from continuing operations would have been € 250,000 higher.

Topbrands Europe B.V. (2016)

	% (*)	**Date**
Topbrands Europe B.V, the Netherlands	51%	01-08-2016

(*) 51% proportion of voting equity interest acquired.

The principal activity of the acquisition is the same as the Group. This acquisition is fully consolidated from the date on which the Company gained control, which is 1 august 2016. The acquisition is accounted for using the acquisition method. The purchase price amounted to € 30,390,000 and was paid in cash.

The assets acquired and liabilities recognised at the date of acquisition can be specified as follows:

x € 1,000	
Non-current assets	
Intangible fixed assets	11,094
Property, plant and equipment	2,819
Other receivables	400
Current assets	
Inventory	40,962
Trade receivables	18,501
Tax receivables	444
Other receivables	871
Cash and cash equivalents	300
Current liabilities	
Credit institutions	(27,382)
Trade payables	(4,257)
Taxation	(2,890)
Other current liabilities	(2,760)
Non-current liabilities	
Deferred tax liabilities	(2,684)
Borrowings	(1,031)
	34,387

The goodwill arising on this acquisition is not expected to be deductible for tax purposes.

The net cash outflow for this acquisition is specified as follows:

x € 1,000	**2016**
Topbrands Europe B.V.	
Consideration transferred	30,390
Plus: non-controlling interest	12,677
Less: fair value of identifiable net assets acquired	(34,387)
	8,680

Impact of acquisition on the result of the Group

Included in the Profit for the year from continuing operations is € 2,561,000 attributable to the additional business generated by Topbrands Europe B.V. Turnover for the year includes € 64,660,000.

REPORT OF THE RÉVISEUR D'ENTREPRISES AGRÉÉ

To the Partners of
B&S Group S.à r.l.
18, place Bleech
L-7610 Larochette
Grand Duchy of Luxembourg

Report on the Audit of the Special Purpose Consolidated Financial Statements

Opinion

We have audited the special purpose consolidated financial statements for inclusion in the prospectus for the years ended 31 December 2017, 2016 and 2015 of B&S Group S.à r.l. (the "Group"). The special purpose consolidated financial statements comprise:

1) The consolidated statement of financial position as at 31 December 2017, 31 December 2016 and 31 December 2015.

2) The following statements for 2017, 2016 and 2015: the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows.

3) The notes comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying special purpose consolidated financial statements give for the purpose of the prospectus a true and fair view of the consolidated financial position of the Group as at 31 December 2017, 31 December 2016 and 31 December 2015 and of its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended 31 December 2017 in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under those Regulation, Law and standards are further described in the "Responsibilities of "Réviseur d'Entreprises Agréé" for the Audit of the Financial Statements" section of our report. We are also independent of the Group in accordance with International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 1 to the special purpose consolidated financial statements, which describes the purpose of the special purpose consolidated financial statements, including the basis of accounting. The special purpose consolidated financial statements are prepared for the purpose to be attached to the Group's IPO prospectus. As a result, the special purpose consolidated financial statements may not be suitable for another purpose. As a consequence, we do not accept or assume any liability or duty of care if our report is used for any other purpose than described above. Our opinion is not modified in respect of this matter. This independent auditor's report is required by the Commission Regulation (EC) No 809/2004 and is given for the purpose of complying with that Regulation and for no other purpose.

Responsibilities of the Board of Managers and Those Charged with Governance for the Special Purpose Consolidated Financial Statements

The Board of Managers is responsible for the preparation and fair presentation of the special purpose consolidated financial statements in accordance with IFRSs as adopted by the European Union, and for such internal control as the Board of Managers determines is necessary to enable the preparation of special purpose consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the special purpose consolidated financial statements, the Board of Managers is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Managers either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Responsibilities of the « Réviseur d'Entreprises Agréé » for the Audit of the Special Purpose Consolidated Financial Statements

The objectives of our audit are to obtain a reasonable assurance about whether the special purpose consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of "Réviseur d'Entreprises Agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identity and asses the risks of material misstatement of the special purpose 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 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 Managers.

- Conclude on the appropriateness of Board of Managers 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 report of "Réviseur d'Entreprises Agréé" to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of "Réviseur d'Entreprises Agréé". 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 special purpose consolidated financial statements, including the disclosures, and whether the 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 governance regarding, among 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.

For Deloitte Audit,
Société à responsabilité limitée
Cabinet de Révision Agréé

Eddy R. Termaten, Réviseur d'Entreprises Agréé
Partner

5 March 2018

560, rue de Neudorf
L-2220 Luxembourg
Grand Duchy of Luxembourg

List of subsidiaries

Set out below are B&S Group's significant subsidiaries at 31 December 2017. The disclosed significant subsidiaries represent the largest subsidiaries and represent approximate 90% of the total result before taxation of the Group. All subsidiaries are 100% owned unless stated otherwise.

F.C.T. B.V., the Netherlands
JTG Trading B.V., the Netherlands (51%)
Checkpoint Distribution B.V., the Netherlands
B&S Holland Trading Group B.V., the Netherlands
B&S Investments B.V., the Netherlands
B&S International B.V., the Netherlands
B&S Köpcke Global Supply B.V., the Netherlands
Koninklijke Capi-Lux Holding B.V., the Netherlands
Capi-Lux Distribution B.V., the Netherlands
Capi-Lux Netherlands B.V., the Netherlands
Topbrands Europe B.V., the Netherlands (51%)
B&S B.V., the Netherlands
B&S Bosman Global B.V., the Netherlands
Paul Retail B.V., the Netherlands
Anker Amsterdam Spirits B.V., the Netherlands
B&S LMCS DMCC, U.A.E.
B&S World Supply DMCC, U.A.E.
GWN Investments Ltd., U.A.E.

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The Netherlands

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