

This Offer expires at 17:40 hours, CET, on 6 September 2019, unless extended

## OFFER MEMORANDUM

dated 11 July 2019

## RECOMMENDED CASH OFFER

BY

**BEST OF NATURE BIDCO B.V.**



CHARLES  
JOBSON

**FOR ALL THE ISSUED AND OUTSTANDING ORDINARY SHARES WITH  
A NOMINAL VALUE OF EUR 1.00 EACH IN THE SHARE CAPITAL OF**

**KONINKLIJKE WESSANEN N.V.**



This offer memorandum (the *Offer Memorandum*) contains the details of the recommended public offer by Best of Nature Bidco B.V. (*Bidco*) to all holders of issued and outstanding ordinary shares with a nominal value of EUR 1.00 (one euro) each (the *Shares*, each a *Share* and the holders of such Shares, the *Shareholders*), in the share capital of Koninklijke Wessanen N.V. (*Wessanen*) to purchase for cash their Shares on the terms and subject to the conditions and restrictions set forth in this Offer Memorandum (the *Offer*). As at the date of this Offer Memorandum, 76,735,499 Shares are issued by Wessanen and subject to the Offer.

This Offer Memorandum contains the information required by Article 5:76 of the Dutch Act on Financial Supervision (*Wet op het financieel toezicht*, the *Wft*) in conjunction with Article 8, paragraph 1 of the Dutch Decree on public offers Wft (*Besluit openbare biedingen Wft*, the *Decree*) in connection with the Offer. This Offer Memorandum has been reviewed and approved by the Dutch Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the *AFM*) as an offer memorandum under Article 5:76 of the Wft.

The information required by Article 18, paragraph 2 of the Decree in connection with the Offer is included in the position statement (the *Position Statement*). The Position Statement, including all appendices thereto, does not form part of this Offer Memorandum and has not been reviewed or

approved by the AFM prior to publication. The Position Statement will be reviewed by the AFM after publication.

Capitalised terms used in this Offer Memorandum have the meaning set out in Section 3 (*Definitions*) or elsewhere in this Offer Memorandum.

On 10 April 2019, the Company and the Offeror agreed that shareholders tendering their Shares under the Offer would be paid on the terms and subject to the conditions and restrictions contained in this Offer Memorandum in consideration for each Share validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and transferred (*geleverd*) an amount in cash of EUR 11.50 (eleven euro and fifty eurocents) cum dividend without interest and less mandatory withholding tax payable under Applicable Law (if any). Due to the fact that at the annual general meeting of Shareholders held on 11 April 2019 the Shareholders approved a dividend of EUR 0.14, which was paid by Wessanen on 18 April 2019, the consideration per Share payable under the Offer has been adjusted accordingly to EUR 11.36 (eleven euro and thirty six eurocents) cum dividend without interest and less mandatory withholding tax payable under Applicable Law (if any) (the **Offer Price**). In the event any further cash or share dividend or other distribution on the Shares (each a **Distribution** and collectively, the **Distributions**) is declared by Wessanen (whereby the record date that is decisive for entitlement to such Distribution is prior to Settlement (as defined below)), the Offer Price will be decreased by the full amount of any such Distribution made by Wessanen in respect of each Share (before any applicable withholding tax).

Subject to the terms and conditions of this Offer Memorandum, the supervisory board and the executive board of Wessanen (the **Supervisory Board** and the **Executive Board** respectively, and together the **Boards**) support the Transaction and recommend the Shareholders to (i) accept the Offer and (ii) vote in favour of the Resolutions. Reference is made to Section 5.6 (*Recommendation*) and the Position Statement.

The Co-Investor (as defined below) has irrevocably undertaken to tender, sell or otherwise contribute the Shares held by it prior to the Settlement Date (as defined below) under the terms and conditions of this Offer Memorandum.

The Offer Period (as defined below) under the Offer will commence at 09:00 hours, CET, on 12 July 2019 and will expire at 17:40 hours, CET, on 6 September 2019, unless the Offeror extends the Offer Period in accordance with Section 4.6 (*Extension*), in which case the closing date shall be the date on which the extended Offer Period expires (such initial or postponed date, the **Closing Date**).

Shares tendered on or prior to the Closing Date may not be withdrawn, subject to the right of withdrawal of any tender of Shares during the Offer Period in accordance with the provisions of Article 5b, paragraph 5, Article 15, paragraphs 3 and 8 and Article 15a paragraph 3 of the Decree.

The Offer is subject to the fulfilment of the Offer Conditions, including, but not limited to, the number of Shares having been tendered for acceptance on the Closing Date, together with the Shares directly or indirectly held by the Offeror for its own accounts at the Closing Date, representing either (i) at least 95% (ninety five per cent) of Wessanen's issued and outstanding share capital as at the Closing Date or (ii) less than 95% but at least 80% (eighty per cent) of Wessanen's issued and outstanding share capital as at the Closing Date, provided that the Post-Closing Restructuring Resolution is adopted at the EGM in accordance with Section 6.17(a) (*EGM*) prior to the Closing Date and is in full force and effect at the Closing Date. The Offeror will announce whether the Offer is declared unconditional (*gestand wordt*

*gedaan*) within three (3) Business Days following the Closing Date, in accordance with Article 16 of the Decree (the **Unconditional Date**).

Announcements contemplated by the foregoing paragraphs will be made by press release. Reference is made to Section 4.11 (*Announcements*).

In the event that the Offeror announces that the Offer is declared unconditional (*gestand wordt gedaan*), Shareholders who have validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) their Shares for acceptance pursuant to the Offer prior to or on the Closing Date will receive the Offer Price in respect of each Share that has been tendered and transferred (*geleverd*) (each of these Shares, a **Tendered Share**) and the Offeror shall acquire each Tendered Share within five (5) Business Days following the Unconditional Date (**Settlement** and the day on which the Settlement occurs, the **Settlement Date**).

If, following the Settlement Date and the Post Acceptance Period (as defined below), the Offeror and its Affiliates, alone or together with Wessanen, hold (i) at least 95% of Wessanen's issued and outstanding ordinary share capital (*geplaatst en uitstaand gewoon kapitaal*), excluding Treasury Shares and (ii) at least 95% of the voting rights in respect of Wessanen's issued and outstanding ordinary share capital (*geplaatst en uitstaand gewoon kapitaal*), excluding Treasury Shares, the Offeror, as soon as possible, shall initiate a squeeze-out procedure (*uitkoopprocedure*) in accordance with Article 2:92a or 2:201a of the Dutch Civil Code (**Statutory Squeeze-Out**) or a takeover buy-out procedure (*uitkoopprocedure*) in accordance with Article 2:359c of the Dutch Civil Code (**Takeover Squeeze-Out** and together with the Statutory Squeeze-Out, **Squeeze-Out**) in order to acquire the remaining Shares not tendered and not held by the Offeror or Wessanen. Wessanen shall provide the Offeror with any assistance as may be required, including, if needed, joining such proceedings as co-claimant.

The Offeror may choose to implement the Post-Closing Restructuring (as defined below) if (i) the number of Shares having been tendered for acceptance during the Offer Period and the Post Acceptance Period, together with (x) any Shares directly or indirectly held by the Offeror or any of its Affiliates, (y) any Shares committed to the Offeror or any of its Affiliates, in writing, and (z) any Shares to which the Offeror or any of its Affiliates is entitled (*gekocht maar nog niet geleverd*), represent less than 95% but at least 80% of Wessanen's issued and outstanding ordinary share capital (*geplaatst en uitstaand gewoon kapitaal*), excluding Treasury Shares, (ii) the Post-Closing Restructuring Resolution (as defined below) has been adopted and (iii) the Offer being declared unconditional. The Boards have agreed to Wessanen entering into the Post-Closing Restructuring as part of the Offer and subject to Shareholders adopting the Post-Closing Restructuring Resolution. See Section 5.11.5 (*Post-Closing Restructuring*).

Distribution of this Offer Memorandum may, in certain jurisdictions, be subject to specific regulations or restrictions. Persons in possession of this Offer Memorandum are urged to inform themselves of any such restrictions which may apply to them and to observe them. Any failure to comply with these restrictions may constitute a violation of the securities laws of that jurisdiction. The Offeror and Wessanen disclaim all responsibility for any violation of such restrictions by any person. See Section 2 (*Restrictions*).

At 14:00 hours, CET, on 29 August 2019, such date being at least six (6) Business Days prior to the Closing Date, an extraordinary general meeting of Shareholders (the **EGM**) will be convened at Hotel Okura, Ferdinand Bolstraat 333, 1072 LH Amsterdam, the Netherlands, at which meeting the Offer,

among other matters, will be discussed in accordance with Article 18, paragraph 1 of the Decree and certain resolutions will be proposed to the EGM in connection with the Offer. Subject to the terms and conditions of this Offer Memorandum, the Boards recommend voting in favour of all Resolutions that will be proposed at the EGM. Reference is made to Section 5.17 (*EGM*) and the Position Statement.

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## **1. RESTRICTIONS**

The Offer is being made in and from the Netherlands with due observance of the statements, conditions and restrictions included in this Offer Memorandum. The Offeror reserves the right to accept any tender under the Offer, which is made by or on behalf of a Shareholder, even if it has not been made in the manner set out in this Offer Memorandum.

The distribution of this Offer Memorandum and/or the making of the Offer in jurisdictions other than the Netherlands may be restricted and/or prohibited by law. The Offer is not being made, and the Shares will not be accepted for purchase from or on behalf of any Shareholder, in any jurisdiction in which the making of the Offer or acceptance thereof would not be in compliance with the securities or other laws or regulations of such jurisdiction or would require any registration, approval or filing with any regulatory authority not expressly contemplated by the terms of this Offer Memorandum. Persons obtaining this Offer Memorandum are required to take due note and observe all such restrictions and obtain any necessary authorisations, approvals or consents (to the extent applicable). Outside of the Netherlands, no actions have been taken (nor will actions be taken) to make the Offer possible in any jurisdiction where such actions would be required. In addition, this Offer Memorandum has not been filed with or recognised by the authorities of any jurisdiction other than the Netherlands. Neither the Offeror, nor Wessanen, nor any of their advisors accept any liability for any violation by any person of any such restriction. Any person (including, without limitation, custodians, nominees and trustees) who forwards or intends to forward this Offer Memorandum or any related document to any jurisdiction outside the Netherlands should carefully read Section 1 (*Restrictions*) and Section 2 (*Important Information*) before taking any action. The release, publication or distribution of this Offer Memorandum and any documentation regarding the Offer or the making of the Offer in jurisdictions other than the Netherlands may be restricted by law and therefore persons into whose possession this Offer Memorandum comes should inform themselves about and observe such restrictions. Any failure to comply with any such restriction may constitute a violation of the law of any such jurisdiction.

## **2. IMPORTANT INFORMATION**

### **2.1 Information**

This Offer Memorandum contains important information that should be read carefully before any Shareholder makes a decision to tender Shares under the Offer. Shareholders are advised to seek independent advice where necessary. In addition, Shareholders may wish to consult with their tax advisors regarding the tax consequences of tendering their Shares under the Offer.

### **2.2 Information for US Shareholders**

The Offer is being made for the securities of Wessanen, a public limited liability company incorporated under Dutch law and is subject to Dutch disclosure and procedural requirements, which differ from those of the United States. The financial information included in this document has been prepared in accordance with EU-IFRS and thus may not be comparable to financial information of U.S. companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States. The Offer will be made in the United States in compliance with Regulation 14E under the U.S. Securities Exchange Act of 1934, as amended (*U.S. Exchange Act*) and the rules and regulations promulgated thereunder, including the exemptions therefrom, and otherwise in accordance with the applicable regulatory requirements in the Netherlands. Accordingly, the Offer will be subject to disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments, that are different from those applicable under U.S. domestic tender offer procedures and law.

The receipt of cash pursuant to the Offer by a U.S. holder of Shares will generally be a taxable transaction for U.S. federal income tax purposes and may be a taxable transaction under applicable state and local, as well as foreign and other tax laws. Each holder of Shares is urged to consult his independent professional advisor immediately regarding the tax consequences of acceptance of the Offer.

It may be difficult for U.S. holders of Shares to enforce their rights and claims arising out of the U.S. federal securities laws, since Bidco and Wessanen (as well as PAI, the PAI Fund, Harborside GP and Harborside) are located in a country other than the United States, and some or all of their officers and directors may be residents of a country other than the United States. U.S. holders of Shares may not be able to sue a non-U.S. company or its officers or directors in a non-U.S. court for violations of the U.S. securities laws. Further, it may be difficult to compel a non-U.S. company and its affiliates to subject themselves to a U.S. court's judgment.

Neither the U.S. Securities and Exchange Commission nor any U.S. state securities commission or other regulatory authority has approved or disapproved the Offer, passed upon the fairness or merits of the Offer or provided an opinion as to the accuracy or completeness of this Offer Memorandum or any other documents regarding the Offer. Any declaration to the contrary constitutes a criminal offence in the United States.

To the extent permissible under applicable law or regulation, including Rule 14e-5 of the U.S. Exchange Act, the Offeror and its Affiliates or brokers (acting as agents for the Offeror or its

Affiliates, as applicable) may before or during the period in which the Offer remains open for acceptance, directly or indirectly, purchase, or arrange to purchase, Shares outside of the United States, from time to time, other than pursuant to the Offer. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices, it being understood that in no event such purchases will be made at a price per Share exceeding the Offer Price. In addition, the financial advisors to the Offeror may engage in ordinary course trading activities in securities of Wessanen, which may include purchases or arrangements to purchase such securities. To the extent required in the Netherlands, any information about such purchases will be announced by press release in accordance with Article 13 of the Decree and posted on the website of PAI at [www.paipartners.com](http://www.paipartners.com) (media section) on behalf of the Offeror.

## 2.3 Responsibility

The information included in Sections 1 through 5 (excluding Sections 5.6, 5.8, 5.9, 5.15, 5.17 and 5.18), 7, 9, 10 and 11 has been solely provided by the Offeror. The information included in Sections 5.6, 5.8, 5.17, 6 and 12 has been solely provided by Wessanen. The information included on the cover page, page 2 through 9, the last page and in Sections 5.9, 5.15, 5.18, 8, 13 and 14 has been provided by the Offeror and Wessanen jointly.

The Offeror and Wessanen are exclusively responsible for the accuracy and completeness of the information provided in this Offer Memorandum, each with respect to the information it has provided, and jointly with respect to the information they have provided jointly.

The independent auditor's reports included in Section 12.5 (*Independent auditor's report on the selected consolidated financial information of Wessanen*) and Section 12.6 (*Financial statements for the financial year 2018 including independent auditor's report of Deloitte*) have been sourced by Wessanen from Deloitte Accountants B.V. (*Deloitte*).

Both the Offeror and Wessanen confirm, each with respect to the information it has provided and jointly with respect to the information they have provided jointly, that to the best of their knowledge and belief, having taken all reasonable care to ensure that such is the case, the information contained in this Offer Memorandum is in accordance with the facts and contains no omission likely to affect its meaning.

No person other than the Offeror and Wessanen, and without prejudice to the auditor's reports issued by Deloitte included in this Offer Memorandum, and the Fairness Opinions rendered by Lazard B.V. (*Lazard*) to the Executive Board and ABN AMRO Bank N.V., acting through its Corporate & Institutional Banking – M&A Advisory department (*ABN AMRO*) to the Supervisory Board (the full text of each Fairness Opinion, which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with each Fairness Opinion, is included in the Position Statement), is authorised to provide any information or to make any statements on behalf of the Offeror or Wessanen in connection with the Offer or the information contained in the Offer Memorandum. If any such information or statement is provided or made by parties other than the Offeror or Wessanen, such information or statements should not be relied upon as having been provided by or made by or on behalf of the Offeror or Wessanen.

The information included on pages 1 through 3 and in Section 11 (*Dutch language summary*) regards summarised and translated information, and as the case may be, has been derived from the information included in the other Sections of this Offer Memorandum.

## **2.4 Accuracy and date of information and presentation of financial information**

Each of the Offeror and Wessanen, each solely with respect to the information provided by it, confirms that, to the best of its knowledge, having taken all reasonable care to ensure that such is the case, on the date of publication of the Offer Memorandum, the information contained in this Offer Memorandum is in accordance with the facts and contains no omission likely to affect its import. The information set out in this Offer Memorandum reflects the situation as at the date of this Offer Memorandum, unless specified otherwise. The issue and distribution of the Offer Memorandum does not imply in any respect that the information contained herein will continue to be correct and complete after the date of publication of the Offer Memorandum. The foregoing does not affect the obligation of both the Offeror and Wessanen to make a public announcement pursuant to the European Market Abuse Regulation (596/2014) or Article 4 paragraph 1 and paragraph 3 of the Decree, if applicable. It should be noted that certain financial and statistical information in this Offer Memorandum may have been rounded up or down to the nearest whole number or the nearest decimal and should therefore not be regarded as exact. In addition, the rounding also means that the totals of the data in this Offer Memorandum may vary slightly from the actual arithmetic totals of such information.

## **2.5 Governing law**

This Offer Memorandum and the Offer are, and any tender, purchase or transfer of Shares will be, governed by and construed in accordance with the laws of the Netherlands. The District Court of Amsterdam (*Rechtbank Amsterdam*) and its appellate courts shall have exclusive jurisdiction to settle any disputes which might arise out of or in connection with this Offer Memorandum, the Offer and/or any tender, purchase or transfer of Shares. Accordingly, any legal action or proceedings arising out of or in connection with this Offer Memorandum, the Offer and/or any tender, purchase or transfer (*levering*) of Shares may be brought exclusively in such courts.

## **2.6 Language**

This Offer Memorandum is published in the English language and a Dutch language summary is included as Section 11 (*Dutch language summary*). In the event of any differences, whether or not in interpretation, between the English text of this Offer Memorandum and the Dutch language summary of this Offer Memorandum, the English text of this Offer Memorandum shall prevail.

## **2.7 Contact details**

### Offeror

Best of Nature Bidco B.V.

Prins Bernhardplein 200

1097 JB Amsterdam, the Netherlands

Wessanen

Koninklijke Wessanen N.V.

Hoogoorddreef 5, Atlas Arena, Azië building, second floor

1101 BA Amsterdam, the Netherlands

Settlement Agent

ABN AMRO Bank N.V.

Gustav Mahlerlaan 10

P.O. Box 283

The Netherlands

## **2.8 Availability of information**

Digital copies of this Offer Memorandum are available on the website of Wessanen at [www.wessanen.com](http://www.wessanen.com) as well as on the website of PAI at [www.paipartners.com](http://www.paipartners.com) (media section) on behalf of the Offeror. Copies of this Offer Memorandum are also available free of charge at the offices of Wessanen and the Settlement Agent at the addresses mentioned above. The Wessanen and PAI websites do not constitute a part of, and are not incorporated by reference into, this Offer Memorandum.

Copies of the Wessanen Articles of Association and Wessanen's annual reports for 2018, 2017 and 2016 are available on website of Wessanen [www.wessanen.com](http://www.wessanen.com) and incorporated by reference in this Offer Memorandum.

## **2.9 Forward-looking statements**

Certain statements in this Offer Memorandum may be considered forward-looking statements, such as statements relating to the impact of the Offer on the Offeror and Wessanen and the expected timing and completion of the Offer. Forward-looking statements include those preceded by, followed by or that include the words may, anticipated, expected or similar expressions. These forward-looking statements speak only as of the date of this Offer Memorandum. Each of the Offeror and Wessanen, and any of their respective Affiliates, each with respect to the statements it has provided, believes the expectations reflected in such forward-looking statements are based on reasonable assumptions. Nevertheless, no assurance can be given that such statements will be fulfilled or prove to be correct, and no representations are made as to the future accuracy and completeness of such statements. The

forward-looking statements are subject to risks, uncertainties and other factors, many of which could cause actual results to differ materially from historical experience or those results expressed or implied in these forward-looking statements. Potential risks and uncertainties include, but are not limited to, (i) the risk that required regulatory approvals may delay the Offer or result in the imposition of conditions that could have a material adverse effect on the Combined Group or cause the Offeror and Wessanen to abandon the Offer, (ii) the risk that the Offer Conditions may not be satisfied, (iii) risks relating to Offeror's ability to successfully operate Wessanen without disruption to its other business activities, which may result in the Combined Group not operating as effectively and efficiently as expected, (iv) the possibility that the Offer may involve unexpected costs, unexpected liabilities or unexpected delays, (v) the risk that the businesses of the Offeror and Wessanen may suffer as a result of uncertainty surrounding the Offer, (vi) the effects of competition (in particular the response to the Transaction in the marketplace) and competitive developments or risks inherent to the Offeror's or Wessanen's business plans, (vii) the risk that disruptions from the Transaction will harm relationships with customers, employees and suppliers, (viii) political, economic or legal changes in the markets and environments in which the Offeror and/or Wessanen does business, (ix) economic conditions in the global markets in which the Offeror and Wessanen operate, (x) uncertainties, risk and volatility in financial markets affecting the Offeror and/or Wessanen, and (xi) other factors that can be found in the Offeror's and Wessanen's press releases and public filings. Neither the Offeror nor Wessanen, nor any of their respective Affiliates and advisors, accepts any responsibility for any financial information contained in this Offer Memorandum relating to the business, results of operations or financial condition of the other or their respective groups. Each of the Offeror and Wessanen expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based except as required by applicable laws and regulations or by any competent regulatory authority.

## **2.10 Financial Advisors**

### **2.10.1 Advisor to the Offeror**

Credit Suisse International (*Credit Suisse*) is acting as financial advisor exclusively to the Offeror and to no one else in connection with the Offer and will not regard any other person (whether or not a recipient of this Offer Memorandum) as a client in relation to the Offer or any other matter referred to in this Offer Memorandum and will not be responsible to anyone other than the Offeror for providing the protections afforded to the clients of Credit Suisse or for providing advice in relation to the Offer or any other matter referred to in this Offer Memorandum.

Credit Suisse has given and has not withdrawn its written consent to the references to its name in the form and context in which it appears in this Offer Memorandum.

Credit Suisse is authorised by the Prudential Regulation Authority and regulated by the Prudential Regulation Authority and Financial Conduct Authority.

### **2.10.2 Advisor to Wessanen**

Lazard is acting as financial advisor exclusively to the Executive Board and to no one else in connection with the Offer and will not regard any other person (whether or not a recipient of this Offer Memorandum) as a client in relation to the Offer or any other matter referred to in this Offer Memorandum and will not be responsible to anyone other than the Executive Board for providing the protections afforded to the clients of Lazard or for providing advice in relation to the Offer or any other matter referred to in this Offer Memorandum.

Lazard has given and has not withdrawn its written consent to the references to its name in the form and context in which it appears in this Offer Memorandum.

ABN AMRO is acting as financial advisor exclusively to the Supervisory Board and to no one else in connection with the Offer and will not regard any other person (whether or not a recipient of this Offer Memorandum) as a client in relation to the Offer or any other matter referred to in this Offer Memorandum and will not be responsible to anyone other than the Supervisory Board for providing the protections afforded to the clients of ABN AMRO or for providing advice in relation to the Offer or any other matter referred to in this Offer Memorandum.

ABN AMRO has given and has not withdrawn its written consent to the references to its name in the form and context in which it appears in this Offer Memorandum.

Lazard issued a Fairness Opinion to the Executive Board dated 10 April 2019 and ABN AMRO issued a Fairness Opinion to the Supervisory Board dated 10 April 2019. The full text of the Fairness Opinions is included in the Position Statement. The Fairness Opinions are not a recommendation as to whether or not a holder of Shares should tender such Shares in connection with the Offer or any other matter.



### 3. DEFINITIONS

Any reference in this Offer Memorandum to defined terms in plural form will constitute a reference to such defined terms in singular form, and vice versa. All grammatical and other changes required by the use of a definition in singular form will be deemed to have been made herein and the provisions hereof will be applied as if such changes have been made.

Defined terms used in this Offer Memorandum will have the following meaning:

ABN AMRO	means ABN AMRO Bank N.V., acting through its Corporate & Institutional Banking – M&A Advisory department;
Acceptance Threshold	means either (i) 95% of Wessanen's issued and outstanding ordinary share capital ( <i>geplaatst gewoon kapitaal</i> ), excluding any Treasury Shares, on a fully diluted basis as at the Closing Date or (ii) 80% of Wessanen's issued and outstanding ordinary share capital ( <i>geplaatst gewoon kapitaal</i> ), excluding any Treasury Shares, on a fully diluted basis as at the Closing Date if the general meeting of Shareholders has approved the Post-Closing Restructuring Resolution in accordance with Section 5.17(a) ( <i>EGM</i> ) and such resolution is in full force and effect as at the Closing Date;
Acquisition Vehicles	has the meaning given to it in Section 7.1.2 ( <i>Ownership structure of the Offeror</i> );
Admitted Institutions	means those institutions admitted to Euronext Amsterdam ( <i>aangesloten instellingen</i> );
Affiliates	means in relation to the Offeror and/or Wessanen, as applicable, any person belonging to the same group as defined in section 2:24b of the Dutch Civil Code from time to time, provided that at no time will Wessanen or any of its subsidiaries or parent companies be considered an Affiliate of the Offeror (or <i>vice versa</i> );
AFM	means the Dutch Authority for the Financial Markets ( <i>Stichting Autoriteit Financiële Markten</i> );
Alternative Proposal	means any potential offer or proposal for a potential offer for all or part of the Shares or for the whole or part of the businesses or assets of the Wessanen Group or any proposal involving the potential acquisition of a substantial interest in the Wessanen Group, a legal merger or demerger involving

Wessanen, a reverse takeover of Wessanen or a reorganisation or re-capitalisation of Wessanen and/or the Wessanen Group by any third party;

Antitrust Authorities

means the European Commission or the competent authorities of a Member State if the European Commission makes a referral in whole or in part under Article 4 or 9 of the EU Merger Regulation, as well as any other competent authority of any jurisdiction whose laws prohibit the Offeror from completing the consummation of the Offer before clearance is obtained under such national Antitrust Laws;

Antitrust Laws

means the Dutch Competition Act (*Mededingingswet*), dated 22 May 1997, as amended from time to time, the EU Merger Regulation and any other law, regulation or decree (whether national, international, federal, state or local) designed to prohibit, restrict or regulate actions for the purpose or effect of monopolization or restraint of trade or the significant impediment of effective competition;

Applicable Rules

means all applicable laws and regulations, including without limitation, the applicable provisions of the Wft, the European Market Abuse Regulation (596/2014), the Decree, the rules and regulations promulgated pursuant to the Wft and the Decree, the policy guidelines and instructions of the AFM, the WOR, the *SER Fusiegedragsregels 2015* (the Dutch code in respect of informing and consulting of trade unions), the rules and regulations of Euronext Amsterdam, the Dutch Civil Code, the relevant securities and employee consultation rules and regulations in other applicable jurisdictions and any relevant Antitrust Laws applicable to the Transaction;

Beneficiaries

has the meaning given to it in Section 9.1 (*General*);

Bidco

means Best of Nature Bidco B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands, having its corporate seat in Amsterdam, the Netherlands, its address at Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands, and registered with the Dutch

Commercial Register under number 74463101;

Boards	means the Supervisory Board and the Executive Board together;
Business Day	means a day other than a Saturday or Sunday on which banks in the Netherlands and Euronext Amsterdam are generally open for normal business;
CET	means Central European Time;
Closing Date	means the time and date on which the Offer Period expires, being at 17:40 hours, CET, on 6 September 2019, unless extended by the Offeror in accordance with Section 4.6 ( <i>Extension</i> ), in which case the closing date shall be the date on which the extended Offer Period expires;
Co-Investor	has the meaning given to it in Section 5.10 ( <i>Irrevocable undertaking of the Co-Investor</i> );
Combined Group	means the group constituted by the Offeror and Wessanen and their respective Affiliates after the Settlement Date;
Committed Shares	has the meaning given to it in Section 5.7.1(a) ( <i>Acceptance Threshold</i> );
Competing Offer	<p>means a Potential Competing Offer that:</p> <p>(i) is launched, or is binding on the offering party concerned in the sense that such offering party has</p> <p>(a) committed itself under customary conditions to Wessanen to launch a competing offer within the applicable time periods prescribed by applicable laws subsequent to the announcement under (b) below, and (b) publicly announced its intention to launch a competing offer, which announcement includes the proposed price per Share and the relevant conditions precedent in relation to such offer and the commencement thereof;</p> <p>(ii) at the time of receipt of the Potential Competing Offer by Wessanen, the consideration offered per Share is valued at an amount exceeding the Offer Price by seven per cent (7%) or more and is in cash or in publicly traded securities (for these purposes valued at the date of the commitment under (i) above), and to the extent that the Potential</p>

Competing Offer is an offer for all or substantially all of the assets of the Wessanen Group, the calculation shall be made on the basis of the net proceeds (excluding dividend withholding tax) to be distributed to the shareholders of Wessanen resulting from such a transaction (to be valued as at the first trading day on Euronext Amsterdam following the execution of the Merger Agreement) calculated on a per Share basis. In the event that the consideration consists partly or solely of shares, the share component shall be valued, for the purposes of calculating the foregoing threshold, at the average share price for the offered shares during the last 90 days prior to the announcement of the Potential Competing Offer; and

(iii) is reasonably determined by the Boards, taking into account their fiduciary duties, having consulted their financial and legal advisors and observing their obligations under Dutch law, to be more beneficial to Wessanen and its stakeholders than the Offer as contemplated in the Merger Agreement, specifically taking into account the identity and track record of such third party, the level and nature of consideration to be received by shareholders, the deal certainty aspects and the likelihood of completion, the other terms and conditions of the Potential Competing Offer, including non-financial covenants, compliance with Antitrust Laws and the interests of all stakeholders of Wessanen;

Competition Clearance

means Phase I Competition Clearance or Phase II Competition Clearance, as the case may be, allowing the Offeror to acquire and vote on the Shares tendered under the Offer as per the Settlement Date;

Credit Suisse

means Credit Suisse International;

Decree

means the Dutch Decree on public offers Wft (*Besluit openbare biedingen Wft*), as amended from time to time;

Deloitte

means Deloitte Accountants B.V.;

Distribution

means any cash or share dividend or other distribution on the Shares;

Dutch Civil Code

means the Dutch Civil Code (*Burgerlijk Wetboek*);

Dutch Corporate Governance Code	means the Dutch corporate governance code, dated 8 December 2016 as established under section 2:391 paragraph 5 of the Dutch Civil Code;
EBITDA	means earnings before interest, taxes, depreciation and amortisation;
EGM	means the extraordinary general meeting of Shareholders that is to be held in accordance with Article 18, paragraph 1 of the Decree at least six (6) Business Days prior to the Closing Date;
EU-IFRS	means the International Financial Reporting Standards issued by the International Accounting Standards Board, as adopted by the European Commission for use in the European Union;
Euronext Amsterdam	means the stock exchange of Euronext Amsterdam, the regulated market operated by Euronext Amsterdam N.V.;
Exclusivity Period	means the period commencing on the date of execution of the Merger Agreement and ending on the earlier of the Settlement Date and the date of termination of the Merger Agreement in accordance with the terms and conditions of the Merger Agreement (a summary of which has been set out in Section 5.18.4 ( <i>Termination events</i> ));
Executive Board	means the executive board ( <i>raad van bestuur</i> ) of Wessanen;
Fairness Opinions	means the fairness opinions issued by Lazard and ABN AMRO to the Executive Board and the Supervisory Board, respectively;
Farrell	has the meaning given to it in Section 5.10.1 ( <i>Irrevocable undertaking of the Co-Investor</i> );
Harborside	has the meaning given to it in Section 5.10.1 ( <i>Irrevocable undertaking of the Co-Investor</i> );
Harborside GP	has the meaning given to it in Section 5.10.1 ( <i>Irrevocable undertaking of the Co-Investor</i> );
Incentive Plans	has the meaning given to it in Section 6.10.1 ( <i>Incentive plans</i> );
Independent Members	has the meaning given to it in Section 5.15.2

	<i>(Composition of the Supervisory Board);</i>
Independent Member A	has the meaning given to it in Section 5.15.2 <i>(Composition of the Supervisory Board);</i>
Initial Announcement	has the meaning given to it in Section 5.1 <i>(Introduction);</i>
Jobson	has the meaning given to it in Section 5.10.1 <i>(Irrevocable undertaking of the Co-Investor);</i>
Jobson Foundation	has the meaning given to it in Section 5.10.1 <i>(Irrevocable undertaking of the Co-Investor);</i>
Jobson IRA	has the meaning given to it in Section 5.10.1 <i>(Irrevocable undertaking of the Co-Investor);</i>
Jobson Trust	has the meaning given to it in Section 5.10.1 <i>(Irrevocable undertaking of the Co-Investor);</i>
JVCO	has the meaning given to it in Section 7.1.2 <i>(Ownership structure of the Offeror);</i>
Lazard	means Lazard B.V.;
Leverageable EBITDA	means the EBITDA used to calculate the ratio for covenant purposes under the Transaction financing arrangements;
Long Stop Date	means 9 April 2020;
LTIP	has the meaning given to it in Section 6.10.1 <i>(Existing plans);</i>
LTM	means last twelve months;
Material Adverse Effect	means any change, event, circumstance or effect (any such items an <b><i>Effect</i></b> ) individually or when taken together with all other Effects, that becomes known after the date of the Merger Protocol (provided, for the avoidance of doubt, that in the determination at the Unconditional Date of whether a Material Adverse Effect has occurred, any event, occurrence, fact, condition or change that became known prior to the date of the Offer Memorandum may only be taken into account in combination with any event occurrence, fact, condition or change that becomes known after the date of the Offer Memorandum), that is or is reasonably likely to be sustainably materially adverse to the business, the assets, the liabilities, the

financial condition or capitalisation of Wessanen and its Affiliates, taken as a whole, such that the Offeror cannot reasonably be expected to declare the Offer unconditional, as the case may be, provided, however, that for the purpose of determining whether there has been, or will be, a Material Adverse Effect, the following Effects will not be taken into account: (a) changes or conditions generally affecting the industries in which Wessanen and its Affiliates operate; (b) any natural disaster, pandemic, the outbreak or escalation of war, sabotage, military action, act of god, armed hostilities, acts of terrorism, or any escalation or worsening thereof; (c) changes in economic, political or market conditions (including volatility in interest rates), including any adverse development regarding the European Union, its member states (including members states leaving such union) and the Euro zone (including one or more member states leaving or forced to leave such zone); (d) changes or prospective changes in laws or regulations or generally accepted accounting principles, or the interpretation or enforcement thereof; (e) any failure, in and of itself, by Wessanen or the Wessanen Group to meet any internal or published projections, forecasts or revenue or earnings predictions (provided, however, that, in the case of this paragraph the underlying cause for such failure may be considered in determining whether there may be a Material Adverse Effect); (f) the credit, financial strength or other ratings (provided, however, that, in the case of this paragraph, the underlying cause for such change, event, circumstance or effect relating to credit, financial strength or other ratings may be considered in determining whether there may be a Material Adverse Effect) of Wessanen or the Wessanen Group; (g) any Effect resulting from any act or omission of the Offeror, whether before or after the date of execution of the Merger Agreement, including any action taken by Wessanen or any member of the Wessanen Group with the Offeror's written consent or at the Offeror's direction (or not taken where such consent has been withheld) or compliance by Wessanen with the terms of, or that taking of any action required by, the Merger Agreement; (h) any Effect resulting from (x) the entry into, execution, performance (including the taking of any action required hereby or the failure to

take any action prohibited hereby) of the Merger Agreement, (y) the announcement of the Merger Agreement, the Offer and the Transaction, or (z) the making or implementation of the Offer; (i) a breach of the Merger Agreement or applicable law by the Offeror; (j) any litigation having been commenced by shareholders in relation to the Offer or the Post-Closing Restructuring; or (k) any Effect (including but not limited to litigation) which is known or should reasonably have been known to the Offeror as per the date of execution of the Merger Agreement, including, but not limited to, by way of fair disclosure of information through the Due Diligence Investigation; and provided, however, that the impact of any adverse Effect described in subparagraphs (a) (b), (c), and (d) shall be included for purposes of determining whether a Material Adverse Effect has occurred or would reasonably be expected to occur if such Effect has or would reasonably be expected to have a materially disproportionate adverse effect on Wessanen and its Affiliates, taken as a whole, as compared to similarly situated companies in the industries in which Wessanen and its Affiliates operate;

Member States	means the states that are party to the Treaty on European Union and to the Treaty on the Functioning of the European Union;
Merger Agreement	means the Merger Agreement agreed and signed by the Offeror and Wessanen on 10 April 2019;
Minimum Acceptance Condition	has the meaning given to it in Section 5.7.1(a);
Minority Exit	has the meaning given to it in Section 5.11.5 ( <i>Post-Closing Restructuring</i> );
Non-Financial Covenants	has the meaning given to it in Section 5.16 ( <i>Duration, benefit and enforcement Non-Financial Covenants</i> );
Non-Financial Covenants Period	has the meaning given to it in Section 5.16.1 ( <i>Duration</i> );
Offer	means the offer described in this Offer Memorandum;
Offer Conditions	means the conditions to the Offer set out in Section



5.7.1 (*Offer Conditions*);

Offer Memorandum	means this offer memorandum ( <i>biedingsbericht</i> ) describing the terms, conditions and restrictions of the Offer;
Offeror	means each of Bidco, PAI, the PAI Fund, the Co-Investor, Harborside GP and Farrell;
Offeror Group	means the Offeror and its Affiliates from time to time;
Offer Period	means the period during which the Shareholders can tender their Shares to the Offeror, which commences at 09:00 hours, CET, on 12 July 2019 and ends at 17:40 hours, CET, on the Closing Date;
Offer Price	has the meaning given to it in Section 4.1.1 ( <i>Consideration</i> );
PAI	means PAI Partners SAS, a French portfolio management company approved and regulated by the <i>Autorité des marchés financiers</i> (AMF) in France and regulated by the Financial Conduct Authority (FCA) in the United Kingdom;
PAI Fund	has the meaning given to it in Section 7.1 ( <i>Information on the Offeror</i> );
Performance Incentive Shares	has the meaning given to it in Section 6.10.1 ( <i>Existing plans</i> );
Phase I Competition Clearance	means that the Transaction contemplated by the Merger Agreement is declared by the European Commission to be compatible with the internal market, whether unconditionally or subject to any such conditions, obligations, undertakings or modifications as the decision may identify, pursuant to Article 6(1)(a), 6(1)(b) or 6(2) of the EU Merger Regulation or deemed to have been declared compatible with the common market pursuant to Article 10(6) of the EU Merger Regulation or, in case the European Commission makes a referral in whole or in part under article 9 of the EU Merger Regulation, a declaration or deemed declaration by the Dutch Antitrust Authorities pursuant to Article 37(1), 37(4) or 37(5) of the Dutch Competition Act, respectively, and, if applicable, other Antitrust Authorities to which the Transaction may be referred

pursuant to the applicable phase I rules in the relevant jurisdictions;

Phase II Competition Clearance

means that the Transaction contemplated by the Merger Agreement are declared by the European Commission to be compatible with the internal market, whether unconditionally or subject to any such conditions, obligations, undertakings or modifications as the decision may identify, pursuant to Article 8(1) or 8(2) of the EU Merger Regulation or deemed to have been declared compatible with the common market pursuant to Article 10(6) of the EU Merger Regulation, or, in case the European Commission makes a referral in whole or in part under article 4 or 9 of the EU Merger Regulation, a clearance declaration or deemed clearance declaration by the Dutch Antitrust Authorities pursuant to Article 44(1) of the Dutch Competition Act and, if applicable, other Antitrust Authorities to which the Transaction may be referred pursuant to the applicable phase II rules in the relevant jurisdictions;

Position Statement

means the position statement of the Boards which does not form part of this Offer Memorandum;

Post Acceptance Period

means a period of two (2) weeks after the Offer Period during which the Shareholders that have not yet tendered their Shares under the Offer are given the opportunity to do so in the same manner and under the same conditions as set out in this Offer Memorandum;

Post-Closing Liquidation

has the meaning given to it Section 5.11.5 (*Post-Closing Restructuring*);

Post-Closing Liquidation  
Distribution

has the meaning given to it Section 5.11.5 (*Post-Closing Restructuring*);

Post-Closing Measures

has the meaning given to it in Section 5.11.6 (*Other Post-Closing Measures*);

Post-Closing Merger

has the meaning given to it in Section 5.11.5 (*Post-Closing Restructuring*);

Post-Closing Merger Proposal

has the meaning given to it in Section 5.11.5 (*Post-Closing Restructuring*);

Post-Closing Restructuring	means the Post-Closing Merger, the Post-Closing Share Sale and the Post-Closing Liquidation;
Post-Closing Restructuring Range	has the meaning given to it in Section 5.11.5 ( <i>Post-Closing Restructuring</i> );
Post-Closing Restructuring Resolution	has the meaning given to it in Section 5.17(a);
Post-Closing Share Sale	has the meaning given to it in Section 5.11.5 ( <i>Post-Closing Restructuring</i> );
Potential Competing Offer	means an unsolicited written proposal to make a (public) offer for all Shares or all or substantially all of the assets of the Wessanen Group or a legal merger or a reverse takeover involving Wessanen, made by a party who, in the reasonable opinion of Wessanen (including the Supervisory Board), is a <i>bona fide</i> third party and which proposal in the reasonable opinion of Wessanen (including the Supervisory Board), having consulted its financial and legal advisors and considering, among others, level and character of consideration, certainty of financing, conditionality and deal certainty, integrity of the business and the consequences for Wessanen's stakeholders, could reasonably be expected to become a Competing Offer;
Recommendation	has the meaning given to it in Section 5.6 ( <i>Decision-making and Recommendation</i> );
Reference Date	means 13 March 2019, the last trading day before the first press release dated 14 March 2019 as set out in Section 10.1 ( <i>Press release dated 14 March 2019</i> );
Resolutions	has the meaning given to it in Section 5.17 ( <i>EGM</i> );
Separated Private Assets	has the meaning given to it in Section 9.1 ( <i>General</i> );
Settlement Agent	means ABN AMRO Bank N.V.;
Settlement	means the payment of the Offer Price by the Offeror to the Shareholders for each Tendered Share;
Settlement Date	means the date, being no later than the fifth (5th) Business Day after the Unconditional Date, on which, in accordance with the terms of the Offer, the Offeror will pay the Offer Price to the Shareholders

	for each Tendered Share;
Settlor	has the meaning given to it in Section 9.1 ( <i>General</i> );
Shareholder(s)	means (a) holder(s) of one or more Share(s);
Share Matching Rights	has the meaning given to it in Section 6.10.1 ( <i>Existing plans</i> );
Shares	means the issued and outstanding ordinary shares in the share capital ( <i>geplaatst gewoon kapitaal</i> ) of Wessanen with a nominal value of EUR 1.00 each, from time to time;
SMP	has the meaning given to it in Section 6.10.1 ( <i>Existing plans</i> );
Statutory Squeeze-Out	has the meaning given to it in Section 5.11.4 ( <i>Squeeze-Out</i> );
Squeeze-Out	has the meaning given to it in Section 5.11.4 ( <i>Squeeze-Out</i> );
Supervisory Board	means the supervisory board ( <i>raad van commissarissen</i> ) of Wessanen;
Takeover Directive	means Directive 2004/25 EC of the European Parliament and of the Council dated 21 April 2004;
Takeover Squeeze-Out	has the meaning given to it in Section 5.11.4 ( <i>Squeeze-Out</i> );
Tendered Share	means each Share validly tendered (or defectively tendered, provided that such defect has been waived by the Offeror) and transferred ( <i>geleverd</i> ) (as applicable) for acceptance pursuant to the Offer prior to or on the Closing Date;
Terminating Party	means the party who gives the other party a notice of termination in accordance with the Merger Agreement;
Transaction	means the Offer and all transactions contemplated therewith, including, for the avoidance of doubt, the Post-Closing Restructuring;
Treasury Shares	means the Shares which are held by Wessanen (if any);

Ultimate Launch Date	means the ultimate date on which the Offer must be launched under Applicable Rules;
Unconditional Date	has the meaning given to it in Section 4.5 ( <i>Declaring the Offer unconditional (gestanddoening)</i> );
U.S. Exchange Act	means the U.S. Securities Exchange Act of 1934, as amended;
Wessanen	means Koninklijke Wessanen N.V., a public limited liability company ( <i>naamloze vennootschap</i> ) incorporated under the laws of the Netherlands, having its statutory seat is in Amsterdam, the Netherlands, and its office address at Hoogoorddreef 5, Atlas Arena, Azië building, second floor, 1101 BA Amsterdam, the Netherlands, and registered with the Dutch Commercial Register under number 33145851;
Wessanen Articles of Association	means the articles of association ( <i>statuten</i> ) of Wessanen, as amended from time to time;
Wessanen Group	means Wessanen and its Affiliates from time to time;
Wessanen Groups' Business Strategy	has the meaning given to it in Section 5.12 ( <i>Strategy</i> );
Wessanen Holdco	means Wessanen Holdco B.V., a private company with limited liability, incorporated under the laws of the Netherlands, having its official seat in Amsterdam, the Netherlands, and address at Hoogoorddreef 5, Atlas Arena, Azië building second floor, Amsterdam, the Netherlands;
Wessanen Sub	means Wessanen Sub B.V., a private company with limited liability, incorporated under the laws of the Netherlands, having its official seat in Amsterdam, the Netherlands, and address at Hoogoorddreef 5, Atlas Arena, Azië building second floor, Amsterdam, the Netherlands;
Wft	means the Dutch Act on Financial Supervision ( <i>Wet op het financieel toezicht</i> );
WOR	means the Dutch Works Council Act ( <i>Wet op de Ondernemingsraden</i> ); and
Works Council	means the works council of Wessanen Nederland

Holding B.V. (the headquarters works council).

## 4. INVITATION TO THE SHAREHOLDERS

The Offeror hereby makes a recommended public cash offer for all Shares. Shareholders are advised to review this Offer Memorandum and in particular Section 1 (*Restrictions*) and Section 2 (*Important Information*) thoroughly and completely and to seek independent advice where appropriate in order to reach a balanced judgement with respect to the Offer and this Offer Memorandum. Shareholders who consider not tendering their Shares are advised to review Section 5.11 (*Consequences of the Offer*) in particular. With due reference to all statements, terms, conditions and restrictions included in this Offer Memorandum, Shareholders are hereby invited to tender their Shares under the Offer in the manner and subject to the terms and restrictions set out in this Offer Memorandum.

### 4.1 Offer Price

#### 4.1.1 Consideration

On 10 April 2019, the Company and the Offeror agreed that Shareholders tendering their Shares under the Offer would be paid on the terms and subject to the conditions and restrictions contained in this Offer Memorandum in consideration for each Share validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and transferred (*geleverd*) an amount in cash of EUR 11.50 (eleven euro and fifty eurocents) cum dividend without interest and less mandatory withholding tax payable under Applicable Law (if any).

Due to the fact that at the annual general meeting of Shareholders held on 11 April 2019 the Shareholders approved a dividend of EUR 0.14, which was paid by Wessanen on 18 April 2019, the consideration per Share payable under the Offer has been adjusted accordingly to EUR 11.36 (eleven euro and thirty six eurocents) cum dividend without interest and less mandatory withholding tax payable under Applicable Law (if any).

For each Share tendered under the Offer, the Offeror offers the Offer Price, being a consideration of **EUR 11.36 (eleven euro and thirty six eurocents) in cash cum dividend** without interest and less mandatory withholding tax payable under Applicable Law (if any).

#### 4.1.2 Distributions

The Offer Price includes any (interim) cash or share dividend or other distribution on the Shares that (i) is or may be declared by Wessanen between today and the Settlement Date and (ii) the record date for such cash or share dividend or other distribution occurs on or prior to the Settlement Date. Consequently, if (as of today) on or prior to the Settlement Date any Distribution is declared in respect of the Shares and the record date for such cash or share dividend or other distribution occurs on or prior to the Settlement Date, the Offer Price will be decreased by the full amount of any such Distribution made by Wessanen in respect of each Share (before any applicable withholding tax).

Any adjustment to the Offer Price resulting from a Distribution by Wessanen will be communicated by press release in accordance with Section 4.11 (*Announcements*).

### 4.2 Acceptance by Shareholders

#### 4.2.1 Acceptance by holders of Shares through Admitted Institutions

Shareholders who hold their Shares through an institution admitted to Euronext Amsterdam (*aangesloten instelling*) (an **Admitted Institution**) are requested to make their acceptance known through their bank or stockbroker no later than 17:40 hours, CET, on the Closing Date. The custodian, bank or stockbroker may set an earlier deadline for communication by Shareholders in order to permit the custodian, bank or stockbroker to communicate its acceptances to the Settlement Agent in a timely manner. Accordingly, Shareholders holding Shares through a financial intermediary should comply with the dates communicated by such financial intermediary, as such dates may differ from the dates and times noted in this Offer Memorandum.

Admitted Institutions may tender Shares for acceptance only to the Settlement Agent and only in writing. In submitting the acceptance, Admitted Institutions are required to declare that (i) they have the tendered Shares in their administration, (ii) each Shareholder who accepts the Offer irrevocably represents and warrants that (a) the tendered Shares are being tendered in compliance with the restrictions set out in Section 1 (*Restrictions*) and Section 2 (*Important Information*) and (b) it is not the subject or target, directly or indirectly, of any economic or financial sanctions administered or enforced by any agency of the US government, the European Union, any member state thereof, or the United Nations, other than solely by virtue of its inclusion in, or ownership by a person included in, the US “Sectoral Sanctions Identifications (SSI) List” or Annex III, IV, V or VI of Council Regulation (EU) No. 833/2014 of 31 July 2014, as amended, and (iii) they undertake to transfer these tendered Shares to the Offeror prior to or ultimately on the Settlement Date, provided that the Offer has been declared unconditional (*gestand wordt gedaan*).

Although under normal circumstances the Admitted Institution ensures that the Shares are transferred (*geleverd*) to the Offeror, if so instructed by the Shareholder, each Shareholder will be responsible for transfer (*levering*) of its Shares to the Offeror.

Subject to Article 5b, paragraph 5, Article 15, paragraphs 3 and 8 and Article 15a paragraph 3 of the Decree, the tendering of Shares in acceptance of the Offer will constitute irrevocable instructions (i) to block any attempt to transfer the Shares tendered, so that on or prior to the Settlement Date no transfer of such Shares may be effected (other than to the Settlement Agent on or prior to the Settlement Date if the Offer is declared unconditional (*gestand wordt gedaan*) and the Shares have been accepted for purchase), (ii) to debit the securities account in which such Shares are held on the Settlement Date in respect of all of the Tendered Shares, against payment by the Settlement Agent of the Offer Price per Share and (iii) to effect the transfer (*leveren*) of those Tendered Shares to the Offeror.

#### 4.2.2 Acceptance by holders of Shares individually recorded in Wessanen’s shareholders’ register

Holders of Shares individually recorded in Wessanen’s shareholders’ register wishing to accept the Offer in respect of such Shares must deliver a completed and signed acceptance form to the Settlement Agent in accordance with the terms and conditions of the Offer, no later than 17:40 hours, CET, on the Closing Date. The acceptance forms are available upon request from the Settlement Agent. The acceptance form will also serve as a deed of transfer (*akte van levering*) with respect to the Shares referenced therein.



#### 4.2.3 Validity of Tendered Shares and waiver of defects

The Offeror will determine questions as to the validity, form, eligibility, including time of receipt, and acceptance for purchase of any tender of Shares, in its sole reasonable discretion and the Offeror's determination will be final and binding. The Offeror reserves the right to reject any and all tenders of Shares that it in all reasonableness determines are not in proper form or the acceptance for purchase of which may be unlawful. No tender of Shares will be deemed to have been validly made until all defects and irregularities have been cured or waived. The Offeror's interpretation of the terms and conditions of the Offer, including the acceptance forms and instructions thereto, will be final and binding.

There shall be no obligation on the Offeror, the Settlement Agent, or any person acting on its or their behalf to give notice of any defects or irregularities in any acceptance or notice of withdrawal and no liability shall be incurred by any of them for failure to give any such notification.

The Offeror reserves the right to accept any tender of Shares pursuant to the Offer, even if such tender has not been made in compliance with the terms and conditions of the Offer (including the procedures set forth in this Section 4.2 (*Acceptance by Shareholders*)).

If any Shares tendered in accordance with the instructions set forth in this Offer Memorandum are not accepted for purchase pursuant to the terms and conditions of this Offer, the Offeror will cause these Shares to be returned promptly following the announcement of the lapse or withdrawal of the Offer, as the case may be.

#### 4.2.4 Undertakings, representations and warranties by tendering Shareholders

Each Shareholder tendering Shares pursuant to the Offer, by such tender, undertakes, represents and warrants to the Offeror, on the date that such Shares are tendered and on the Settlement Date, that:

- (a) the tender of any Shares constitutes an acceptance by the Shareholder of the Offer, on and subject to the terms and conditions of the Offer;
- (b) such Shareholder has full power and authority to tender, sell and transfer (*leveren*) the Shares tendered by it, and has not entered into any other agreement to tender, sell or transfer (*leveren*) the Shares stated to have been tendered to any party other than the Offeror (together with all rights attaching thereto) and, when the same are purchased by the Offeror under the Offer, the Offeror will acquire such Shares, with full title guarantee and free and clear of all third party rights and restrictions of any kind;
- (c) such Shares are being tendered in compliance with the restrictions as set out in Section 1 (*Restrictions*) and Section 2 (*Important Information*) and the securities and other applicable laws or regulations of the jurisdiction in which such Shareholder is located or of which it is a resident and no registration, approval or filing with any regulatory authority of such jurisdiction is required in connection with the tendering of such Shares;

- (d) such Shareholder acknowledges and agrees that having tendered its Shares, such Shareholder shall, as from the Settlement Date, be deemed to have waived any and all rights or entitlements that such Shareholder may have in its capacity as shareholder of Wessanen or otherwise in connection with its shareholding in Wessanen vis-à-vis any member of the Wessanen Group and any member of the Boards; and
- (e) such Shareholder is not the subject or target, directly or indirectly, of any economic or financial sanctions administered or enforced by any agency of the US government, the European Union, any member state thereof, or the United Nations, other than solely by virtue of its inclusion in, or ownership by a person included in, the US “Sectoral Sanctions Identifications (SSI) List” or Annex III, IV, V or VI of Council Regulation (EU) No. 833/2014 of 31 July 2014, as amended.

#### **4.3 Withdrawal Rights**

Shares tendered on or prior to the Closing Date may not be withdrawn, subject to the right of withdrawal of any tender:

- (a) during any extension of the Offer Period in accordance with the provisions of Article 15, paragraph 3 of the Decree;
- (b) following an announcement of a mandatory public bid in accordance with the provisions of Article 5b, paragraph 5 of the Decree (provided that such Shares were already tendered prior to the announcement and withdrawn within seven (7) Business Days following the announcement);
- (c) following the filing of a successful request to set a reasonable price for a mandatory public bid in accordance with the provisions of Article 15, paragraph 8 of the Decree, provided that (i) such request was granted, (ii) such Shares were already tendered prior to the filing of such request, and (iii) withdrawn within seven (7) Business Days following the date on which the judgment of the Dutch Enterprise Chamber was declared provisionally enforceable or became final and conclusive; or
- (d) following an increase of the Offer Price as a result of which the Offer Price does no longer only consist of a cash component and a document in relation thereto is made generally available in accordance with the provisions of Article 15a paragraph 3 of the Decree, provided that such Shares were already tendered prior to the request and withdrawn within seven (7) Business Days following such document being made available.

To withdraw previously tendered Shares (i) holders of Shares held through Admitted Institutions must instruct the Admitted Institution they initially instructed to tender the Shares and (ii) holders Shares individually recorded in Wessanen’s shareholders’ register must instruct the Settlement Agent directly to arrange for the withdrawal of such Shares by the timely deliverance of a written or facsimile transmission notice of withdrawal to the Settlement Agent.

Any notice of withdrawal for Shares must specify the name of the person having tendered the Shares to be withdrawn, the number of Shares to be withdrawn and the name of the registered

holder of the Shares to be withdrawn, if different from that of the person who tendered such Shares. The signature(s) on the notice of withdrawal of Shares must be guaranteed by an Admitted Institution, unless such Shares have been tendered for the account of any intermediary.

#### **4.4 Offer Period (*aanmeldingstermijn*)**

The Offer Period will commence at 09:00 hours, CET, on 12 July 2019 and will expire on 6 September 2019 at 17:40 hours, CET, unless the Offer Period is extended in accordance with Section 4.6 (*Extension*), in which case the closing date shall be the date on which the extended Offer Period expires (such initial or postponed date, the ***Closing Date***).

Shares tendered on or prior to the Closing Date may not be withdrawn, subject to the right of withdrawal of any tender during any extension of the Offer Period in accordance with Section 4.3 (*Withdrawal Rights*).

If all Offer Conditions are satisfied or, where appropriate, waived, the Offeror will accept all Shares that have been validly tendered (or defectively tendered, provided that such defect has been waived by the Offeror) and not previously withdrawn in accordance with the procedures set forth in Section 4.3 (*Withdrawal Rights*).

#### **4.5 Declaring the Offer unconditional (*gestanddoening*)**

The Offer will be subject to the satisfaction or waiver of the Offer Conditions. See also Section 5.7 (*Offer Conditions, waiver and satisfaction*). The Offer Conditions may be waived, to the extent permitted by law or by agreement, as set out in Section 5.7 (*Offer Conditions, waiver and satisfaction*). If the Offeror or Wessanen wishes to (wholly or partly) waive one or more Offer Conditions according to Section 5.7.2 (*Waiver*) the Offeror will inform the Shareholders as required by the Applicable Rules.

No later than on the third (3<sup>rd</sup>) Business Day following the Closing Date (such date being the ***Unconditional Date***), the Offeror will determine whether the Offer Conditions have been satisfied or waived as set out in Section 5.7 (*Offer Conditions, waiver and satisfaction*), to the extent permitted by law. In addition, the Offeror will announce on the Unconditional Date whether (i) the Offer is declared unconditional, (ii) the Offer will be extended in accordance with Article 15 of the Decree (see also Section 4.6 (*Extension*) or (iii) the Offer is terminated as a result of the Offer Conditions set out in Section 5.7 (*Offer Conditions, waiver and satisfaction*) not having been satisfied or waived, all in accordance with Article 16 of the Decree and the Merger Agreement. In the event that the Offer is not declared unconditional, the Offeror will explain such decision.

In the event that the Offeror announces that the Offer is declared unconditional (*gestand wordt gedaan*) the Offeror will accept all Tendered Shares as set out in Section 4.7 (*Settlement*).

#### **4.6 Extension**

If one or more of the Offer Conditions set out in Section 5.7 (*Offer Conditions, waiver and satisfaction*) is not satisfied or waived in accordance with Section 5.7.2 (*Waiver*) on the Closing Date, the Offeror may, in accordance with Article 15, paragraph 1 and paragraph 2 of

the Decree, extend the Offer Period at its discretion for a minimum period of two (2) weeks and a maximum period of ten (10) weeks in order to have such Offer Conditions satisfied or waived calculated from the initial Closing Date, provided that:

- (a) if the Offer Condition relating to Competition Clearance set out in Section 5.7.1(b) is not satisfied or waived on the initial Closing Date, the Offeror shall extend the initial Offer Period for ten (10) weeks after the initial Offer Period (or such shorter period as may be agreed in writing between the Offeror and Wessanen in light of the reasonably expected period required to satisfy the Offer Condition relating to Competition Clearance set out in Section 5.7.1(b));
- (b) if one or more of the Offer Conditions set out in Section 5.7.1(a) and Section 5.7.1(d) is not satisfied or waived on the Closing Date, the Offeror shall extend the initial Offer Period with such period as the Offeror, after consultation with Wessanen, reasonably expects to be required to satisfy the relevant Offer Condition(s); and
- (c) if the Offer Condition relating to the Competition Clearance set out in Section 5.7.1(b) is not satisfied or waived on the postponed Closing Date, the Offeror shall (subject to receipt of an exemption granted by the AFM, to be requested timely by the Offeror with the AFM) extend the Offer Period until such time as the Offeror and Wessanen reasonably believe is necessary to cause such Offer Condition to be satisfied.

In the event a third party makes or announces a competing offer prior to the expiry of the Offer period, the Offeror may extend the Offer Period at its own discretion in accordance with Article 15, paragraph 5 of the Decree.

Extension of the Offer Period may in any event occur once. Any request by the Offeror to the AFM for an exemption to extend the Offer Period more than one (1) time, other than pursuant to subclause (b) above, shall require the prior written consent of Wessanen, which shall not be unreasonably withheld or delayed. In case of such extension all references in this Offer Memorandum to 17:40 hours CET on the Closing Date shall, unless the context requires otherwise, be changed to the latest date and time to which the Offer Period has been so extended.

If the Offer Period is extended, so that the obligation pursuant to Article 16 of the Decree to announce whether the Offer is declared unconditional is postponed, a public announcement to that effect will be made ultimately on the third (3<sup>rd</sup>) Business Day following the initial Closing Date in accordance with the provisions of Article 15, paragraph 1 and paragraph 2 of the Decree. If the Offeror extends the Offer Period, the Offer will expire on the latest time and date to which the Offeror extends the Offer Period.

During an extension of the Offer Period, any Shares previously tendered and not withdrawn will remain subject to the Offer, subject to the right of each Shareholder to withdraw the Shares he or she has already tendered in accordance with Section 4.3 (*Withdrawal Rights*).

#### **4.7 Settlement**

In the event that the Offeror announces that the Offer is declared unconditional (*gestand wordt gedaan*), Shareholders who have tendered and transferred (*geleverd*) their Shares for acceptance pursuant to the Offer (each of these Shares, a **Tendered Share**) on or prior to the Closing Date will be paid within five (5) Business Days following the Unconditional Date the Offer Price in respect of each Tendered Share (**Settlement**, and the day on which Settlement occurs, the **Settlement Date**), as of which moment revocation, dissolution or annulment of a Shareholder's tender or transfer (*levering*) shall not be permitted. The Offeror cannot guarantee that Shareholders will actually receive the payment within this period from the Admitted Institution with whom they hold their Shares.

#### **4.8 Post Acceptance Period (*na-aanmeldingstermijn*)**

In the event that the Offeror announces that the Offer is declared unconditional (*gestand wordt gedaan*), the Offeror shall in accordance with Article 17 of the Decree, within three (3) Business Days after declaring the Offer unconditional, publicly announce a Post Acceptance Period (*na-aanmeldingstermijn*) of two (2) weeks to enable Shareholders who did not tender their Shares during the Offer Period to tender their Shares under the same terms and conditions as the Offer.

The Offeror will publicly announce the results of the Post Acceptance Period and the total amount and total percentage of Shares held by it in accordance with Article 17, paragraph 4 of the Decree ultimately on the third (3<sup>rd</sup>) Business Day following the last day of the Post Acceptance Period. The Offeror shall accept for payment all Shares validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) during such Post Acceptance Period and shall pay for such Shares within five (5) Business Days following the last day of the Post Acceptance Period.

During the Post Acceptance Period, Shareholders have no right to withdraw Shares from the Offer, whether validly tendered during the Offer Period (or defectively tendered provided that such defect has been waived by the Offeror) or during the Post Acceptance Period.

#### **4.9 Commission**

Admitted Institutions will receive from the Settlement Agent on behalf of the Offeror a commission in the amount of EUR 0.0012 in respect of each Tendered Share up to a maximum of EUR 1,000 per Shareholder. The commission must be claimed from the Offeror through the Settlement Agent within thirty (30) days of the Settlement Date. No costs will be charged to Shareholders by the Offeror or by Wessanen for the transfer and payment of each Tendered Share if an Admitted Institution is involved. However, Shareholders may be charged certain fees by their banks or stockbrokers. Costs may also be charged to Shareholders by or on behalf of a foreign institution involved in the transfer and payment of the Tendered Shares. Shareholders should consult their banks and stockbrokers regarding any such fees.

#### **4.10 Withholding**

The Offeror is entitled to deduct and withhold from the Offer Price such amounts as the Offeror is required to deduct and withhold with respect to the making of such payment under any provision of applicable tax or social security law. To the extent that amounts are so withheld by the Offeror, such amounts shall be treated for all purposes as having been paid to

the Shareholders on behalf of which such deduction and withholding was made by the Offeror.

#### **4.11 Announcements**

Any announcement contemplated by this Offer Memorandum will be issued by press release. Subject to any applicable requirements of the Applicable Rules and without limiting the manner in which the Offeror may choose to make any public announcement, the Offeror will have no obligation to communicate any public announcement other than as described above.

Any joint press release issued by the Offeror and Wessanen will be made available on the website of Wessanen at [www.wessanen.com](http://www.wessanen.com). Any press release issued by the Offeror will be made available on the website of PAI at [www.paipartners.com](http://www.paipartners.com) (media section).

#### **4.12 Restrictions**

The Offer is being made with due observance of the statements, conditions and restrictions included in this Offer Memorandum.

#### **4.13 Indicative timetable**

<u>Expected date and time (all times are CET)</u>	<u>Event</u>
17:40 hours, 11 July 2019	Press release announcing the availability of this Offer Memorandum and the commencement of the Offer
09:00 hours, 12 July 2019	Commencement of the Offer Period
14:00 hours, 29 August 2019	EGM, at which meeting the Offer, among other matters, will be discussed
17:40 hours, 6 September 2019	Closing Date:
	Deadline for Shareholders wishing to tender Shares, unless the Offer is extended in accordance with Article 15 of the Decree or after receiving dispensation from the AFM for a further extension in accordance with Article 5:81, paragraph 3 of the Wft
No later than three (3) Business Days after the Closing Date	Unconditional Date:
	The date on which the Offeror will publicly announce whether the Offer is declared unconditional ( <i>gestand wordt gedaan</i> ) in accordance with Article 16 of the Decree
No later than three (3) Business Days after	Post Acceptance Period:

the Unconditional Date

If the Offer is declared unconditional, the Offeror shall announce a Post Acceptance Period for a period of two (2) weeks, in accordance with Article 17 of the Decree

No later than five (5) Business Days after the Unconditional Date

Settlement Date:

The date on which, in accordance with the terms and conditions of the Offer, the Offeror will pay the Offer Price for each Tendered Share

## **5. EXPLANATION AND BACKGROUND OF THE OFFER**

### **5.1 Introduction**

Early February 2019 Wessanen received an initial expression of interest from PAI and the Co-Investor regarding a potential recommended public offer by the Offeror for all the issued and outstanding ordinary shares of Wessanen. The Boards, after careful review and consideration, together with their financial and legal advisors, concluded that it was not in Wessanen's stakeholders' interests to enter into discussions with PAI and the Co-Investor, based on the proposed terms.

After several revised proposals, PAI and the Co-Investor, on 5 March 2019, sent a proposal to Wessanen for the Potential Transaction, including an offer price of EUR 11.50 (cum dividend) per Share, to be fully paid in cash, as well as certain non-financial terms. After careful review and consideration, the Boards, together with their financial and legal advisors, concluded that this proposal warranted engaging with PAI and the Co-Investor to explore the feasibility and merits of the Potential Transaction.

On 14 March 2019, Wessanen announced that it was in discussions with PAI and the Co-Investor regarding a potential recommended public offer by the Offeror for all the issued and outstanding shares of Wessanen at an offer price of EUR 11.50 (cum dividend) per share, to be fully paid in cash.

On 10 April 2019, the Offeror and Wessanen jointly announced that they had reached (conditional) agreement on the main terms and conditions of the Offer, pursuant to Article 5, paragraph 1 of the Decree as set out in this Offer Memorandum, which Offer values Wessanen at approximately EUR 885 million (the **Initial Announcement**). At the same time, the Offeror announced that it had sufficient funds available to secure the Offer in accordance with Article 7, paragraph 4 of the Decree.

On 18 April 2019, Wessanen has paid an all-cash dividend of EUR 0.14 (fourteen eurocent) per Share representing 29.8% of the consolidated net result excluding major non-recurring effect divided by the number of shares outstanding at 31 December 2018.

On 8 May 2019, the Offeror and Wessanen jointly announced that the preparations for the Offer were well under way and that (a draft of) this Offer Memorandum would be timely submitted to the AFM for approval, pursuant to Article 7, paragraph 1(a) of the Decree.

See also Section 10 (*Press releases*).

### **5.2 The Offer**

The Offeror is making an offer to purchase from the Shareholders all the Shares on the terms and subject to the conditions and restrictions contained in this Offer Memorandum.

Subject to the Offer being declared unconditional (*gestanddoening*), Shareholders tendering their Shares under the Offer will receive the Offer Price in respect of each Tendered Share.

### **5.3 Substantiation of the Offer**



### 5.3.1 General

In establishing the Offer Price, the Offeror carefully considered the history and prospects of Wessanen, analyses of historical financial information derived from Wessanen's financial statements, market reports and press releases as well as possible long-term developments in profitability, cash flows and balance sheet. In this context, the Offeror also took into account Wessanen's risk profile compared to publicly listed comparable companies based as well as its risk sensitivities. The Offeror also took into account historical market values of the Shares, as set forth below.

### 5.3.2 Analysis

The Offer Price has been based on the following financial analyses:

- (a) a standalone discounted cash flow analysis for Wessanen based on a 7.0% to 7.5% discount rate and 2.0% perpetuity growth rate;
- (b) an analysis of selected analyst price targets for the Shares, issued prior to the Reference Date by 8 research analysts who follow Wessanen's developments and regularly issue research reports on Wessanen. The target prices range from EUR 6.40 to EUR 14.50 (with a median of EUR 10.75);
- (c) an analysis of the closing price of the Shares since 14 December 2018 up to and including the Reference Date. During this period, the closing price of the Shares ranged from EUR 7.66 to EUR 9.75 and the volume weighted average price of the Shares for the thirty (30) and ninety (90) days period prior to and including the Reference Date were EUR 8.84, EUR 8.77, and EUR 8.90, respectively;
- (d) a trading multiple analysis based on the financial performance of Wessanen and the closing prices of the Shares prior to the Reference Date, compared with those of European publicly traded mid-cap food companies, including Nomad Foods, Ebro Foods, Greencore, Premier Foods and Orkla. The average enterprise value<sup>1</sup> to last twelve month (LTM) EBITDA trading multiple for Wessanen for the 6 months up to the Reference Date was 12.2x;
- (e) a comparison of the enterprise value to LTM EBITDA multiple implied by the Offer against the average multiple paid for European food and beverage companies taking into account over 50 deals in the sector over the last 10 years, including DairyCrest – Saputo, Unilever Spreads – KKR, Weetabix – Post, Quorn – Monde Nissin, and Findus Continental Europe - Nomad Foods. The Offer Price represents a multiple of enterprise value for Wessanen of approximately 13.7x EBITDA for the twelve (12) months ended 31 December 2018; and

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<sup>1</sup> The average enterprise value was calculated by taking the market value of Wessanen + short term debt + long term debt – cash + pension deficit over the last 6 months up to the Reference Date.

- (f) an analysis of selected precedent transaction premiums and multiples as described in Section 5.3.3 (*Bid Premia*).

The EBITDA of Wessanen used for the calculation was EUR 67.1 million as follows from the Wessanen annual report for 2018, adding depreciation and appreciation to the reported EBIT number of EUR 57.5 million. Reference is made to pages 5 and 51 of the report. The reference to leveragable is included because the EBITDA of Wessanen was adjusted to take into account non-recurring items that are not expected to occur in the coming years. These items include (but are not limited to): one-off professional fees, neutralisation of listing costs, start-up costs and one-off operational inefficiencies and pro forma impact of acquisitions.

In addition, certain financial information as derived from annual and interim accounts, analysts' presentations and reports, market reports and press releases have been reviewed.

### 5.3.3 Bid Premia

The Offer represents:

- (a) a premium of 21% to the closing price per Share on Euronext Amsterdam on the Reference Date<sup>2</sup>;
- (b) a premium of 30% to the average closing price per Shares on Euronext Amsterdam for the thirty (30) days period prior to and including the Reference Date;
- (c) a premium of 29% to the average closing price per Share on Euronext Amsterdam for the ninety (90) days period prior and including the Reference Date.
- (d) a premium of 27% to the average closing price per Share on Euronext Amsterdam for the six (6) months period prior and including the Reference Date.
- (e) a premium of 0% to the average closing price per Share on Euronext Amsterdam for the twelve (12) months period prior and including the Reference Date.

By comparison, the median premium to the unaffected share price (closing share price one (1) day prior to the earlier of transaction announcement or material, public speculation of a transaction, if any) is approximately 30% for public offers by financial investors on 100% of the share capital of Dutch companies that were announced in a period of five (5) years prior to the Reference Date. Selected transactions are: Refresco/PAI Partners, Ten Cate/consortium led by Gilde Buy Out Partners, Nutreco/SHV Holdings, Exact/Apax Partners, DE Master Blenders 1753/JAB, Unit4/Advent International and Xeikon/Bencis.

## 5.4 Rationale for the Offer

Wessanen has strong market positions in most countries in which it operates, however, there are also challenges that Wessanen faces in an era where organic, sustainable and healthy themes have grown increasingly popular, which in turn has resulted in a more competitive landscape. The grocery channel is taking market share from the health food store channel and

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<sup>2</sup> The closing price of the Shares on the Reference Date was EUR 9.47, as per Bloomberg.

in the grocery channel there are new market entrants, including fast moving consumer goods players, small brands and organic private label. The Offeror and Wessanen believe that Wessanen will be better placed to deal with such challenges with a long term shareholder in a private setting. This will enable Wessanen to make the required investments to reinforce its leading position in the organic and sustainable food segment. It is the Offeror's intention to accelerate Wessanen's growth by making investments in Wessanen's brand and resources.

The Offeror fully supports the Board's existing buy-and-build strategy and will seek to provide access to its extensive network and relationships across the consumer goods sector globally for Wessanen's benefit. The Offeror also intends to provide access to capital for Wessanen to accelerate its buy-and-build strategy. The Offeror believes that Wessanen will play a prominent role in the consolidation of the organic, healthy and sustainable foods industry in Europe.

The Offer will have a number of advantages for Wessanen and its Shareholders, employees, consumers and other stakeholders:

- The Offeror has extensive experience and a strong track record in the consumer goods sector to support management in the execution of their strategic plans;
- The Offeror is able to provide Wessanen with ample financial backing, expertise and support for capital expenditures, investments and acquisitions in accordance with Wessanen's strategy to:
  - to grow its brands in core categories;
  - upgrade its operations;
  - build a green, attractive and efficient company; and
  - make selective acquisitions.

The Offeror's extensive global reach and track record in supporting international growth means it is well placed to support Wessanen into its next phase of development;

- The Offeror is committed to structure the financial leverage in such a way that it provides the financial flexibility needed for growth in the next stage of the development of Wessanen. Reference is also made to Section 5.5 and 5.12.2;
- The proposed transaction creates a more stable environment for Wessanen. It will enable management to focus on the day-to-day operations of the business and will create certainty for employees and customers; and
- The Offer presents an attractive value proposition to Shareholders:
  - the all-cash Offer provides Shareholders the opportunity to realise immediate value in cash for their Shares, eliminating significant price risk related to the execution of Wessanen's strategy; and

- the Offer Price represents a premium of approximately 30% to the volume weighted average Wessanen share price of EUR 8.84 for the thirty (30) days period prior to and including the Reference Date and a premium of approximately 29% to the volume weighted average Wessanen share price of €8.90 for the ninety (90) days period prior and including the Reference Date.

## 5.5 Financing of the Offer

With reference to Article 7, paragraph 4 of the Decree, the Offeror announced on 10 April 2019 that it had sufficient funds available to complete the Offer.

As at the date of the Initial Announcement, the Offer Price valued 100% of the Shares of approximately EUR 885 million. The Offeror shall fund the Offer and, if applicable, the Post-Closing Share Sale, through a combination of equity made available on behalf of the Offeror and third-party debt financing.

As such, the Offeror has received a binding equity commitment letter from entities managed, controlled and/or advised by PAI for an aggregate amount of EUR 301 million and a commitment from the Co-Investor to (re)invest Shares and cash for an approximate aggregate amount of EUR 183 million, taken together representing a total fully committed equity financing amount of EUR 484 million.

In addition, the Offeror has entered into binding debt commitment papers with a consortium of reputable banks providing the Offeror with the ability to drawdown debt financing for an aggregate amount of approximately EUR 445 million subject to the terms and conditions therein, customary for a transaction of this nature. The Offeror has no reason to believe that any such conditions will not be fulfilled on or prior to the Settlement Date.

From the financing, the Offeror will be able to fund the acquisition of Shares under the Offer, the consideration for the Wessanen Holdco shares under the Post-Closing Share Sale (if applicable), the refinancing of Wessanen's existing debt and the payment of fees and expenses related to the Offer.

Reference is made to Section 10 (*Press releases*).

## 5.6 Decision-making and Recommendation

Since the initial expression of interest from PAI and the Co-Investor, a response steering committee consisting of Mr Van Oers (chairman of the Supervisory Board), Mr Barnouin (Wessanen's CEO) and Mr Merckx (Wessanen's CFO) was formed and, together with all key internal and external advisors, they have had conference calls and meetings on a very frequent basis to be updated on the latest developments, monitor the process, discuss the Offer and alternatives thereto.

In the decision making process the Boards have given due consideration to potential conflicts of interest. Mr Kluiber, member of the Supervisory Board, who was nominated for appointment by the Co-Investor, has not participated in any discussions and decision-making process in respect of the Offer since PAI and the Co-Investor first approached Wessanen early

February 2019. In addition, due consideration was given to the fact that members of the Executive Board may be invited to invest (indirectly) in Wessanen following the Settlement Date. Reference is made to Section 5.15.3 (*Management incentive plan*).

The Boards, after having received extensive legal and financial advice, and having given due and careful consideration to all aspects of the Offer, including:

- (a) the strategic rationale of the Offer and other alternatives available to Wessanen;
- (b) the financial aspects (such as the consideration per Share);
- (c) the non-financial aspects (such as operational and social); and
- (d) deal certainty,

have reached the conclusion that, taking into account all circumstances, the Offer is fair to the shareholders of Wessanen from a financial point of view and in the best interests of Wessanen and all its stakeholders.

Lazard has issued a fairness opinion to the Executive Board and ABN AMRO has issued a fairness opinion to the Supervisory Board. Both have opined that as of the date of such opinions (i) the Offer Price is fair, from a financial point of view, to the Shareholders (other than the Offeror, Wessanen or any of their respective affiliates) in connection with the Offer and (ii) the purchase price payable by the Offeror to Wessanen Holdco in the Post-Closing Share Sale is fair to Wessanen Holdco from a financial point of view. The full text of each fairness opinion, which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with each fairness opinion, is included in the Position Statement.

With reference to the above, and subject to the terms and conditions of this Offer Memorandum, the Boards (i) support the Transaction, (ii) recommend to the Shareholders to accept the Offer and to tender their Shares pursuant to the Offer and (iii) recommend to the Shareholders to vote in favour of all Resolutions at the EGM (the **Recommendation**).

The Boards may not withdraw, modify, amend or qualify the Recommendation, save for a withdrawal in accordance with Section 5.18.3 (*Commitment of Wessanen regarding Competing Offers*).

## **5.7 Offer Conditions, waiver and satisfaction**

### **5.7.1 Offer Conditions**

The obligation of the Offeror to declare the Offer unconditional (*gestanddoening*) will be subject to the following conditions precedent being satisfied on or before the Closing Date, or waived as set out in this Section 5.7 (*Offer Conditions, waiver and satisfaction*):

- (a) the number of Shares having been tendered for acceptance on the Closing Date, whether or not extended, together with (i) any Shares directly or indirectly held by the Offeror or any of its Affiliates at the Closing Date, (ii) any Shares committed to the Offeror or any of its Affiliates in writing and (iii) any Shares to which the Offeror or

any of its Affiliates is entitled (*gekocht maar nog niet geleverd*) (the **Committed Shares**), representing at least the Acceptance Threshold,

whereby the **Acceptance Threshold** means either (i) 95% of Wessanen's issued and outstanding ordinary share capital (*geplaatst en uitstaand gewoon kapitaal*), excluding Treasury Shares, on a fully diluted basis as at the Closing Date or (ii) 80% of Wessanen's issued and outstanding ordinary share capital (*geplaatst en uitstaand gewoon kapitaal*), excluding Treasury Shares, on a fully diluted basis as at the Closing Date if the general meeting of shareholders of Wessanen has adopted the Post-Closing Restructuring Resolution and such resolution is in full force and effect as at the Closing Date;

- (b) Competition Clearance having been obtained;
- (c) Wessanen not having breached the terms of the Merger Agreement to the extent that any such breach (i) has or could reasonably be expected to have material adverse consequences on Wessanen, the Offeror or the Transaction and (ii) is incapable of being remedied within ten (10) Business Days after receipt by Wessanen of a written notice from the Offeror, or has not been remedied by Wessanen within ten (10) Business Days after receipt by Wessanen of a written notice from the Offeror;
- (d) the Offeror not having breached the terms of the Merger Agreement to the extent that any such breach (i) has or could reasonably be expected to have a material adverse effect on Wessanen, the Offeror or the Transaction and (ii) is incapable of being remedied within ten (10) Business Days after receipt by the Offeror of a written notice from Wessanen or has not been remedied by the Offeror within ten (10) Business Days after receipt by the Offeror of a written notice from Wessanen;
- (e) neither of the Boards having revoked or materially modified, amended or qualified the Recommendation, other than is permitted pursuant to Section 5.18.3 (*Commitment of Wessanen regarding Competing Offers*);
- (f) no Material Adverse Effect having occurred which is expected to continue on the Closing Date;
- (g) no Competing Offer having been announced or made which is recommended by the Boards, and no third party has obtained the right to subscribe, or has agreed to subscribe for Shares, other than pursuant to the Incentive Plans;
- (h) no notification having been received from the AFM that the Offer has been made in conflict with any of the provisions of chapter 5.5 of the Wft (*Openbaar bod op effecten*) or the Decree, within the meaning of section 5:80 Wft in which case, pursuant to those rules, securities institutions (*effecteninstituten*) will not be permitted to cooperate with the Offer;
- (i) no order, stay, judgment or decree having been issued by any court, arbitral tribunal, government, governmental authority or other regulatory or administrative authority that remains in force and effect, and no statute, rule, regulation, governmental order

or injunction having been enacted, which in any such case prohibits the making of the Offer and/or the Transaction in any material respect; and

- (j) trading in the Shares on Euronext Amsterdam not having been permanently suspended as a result of a listing measure (*noteringsmaatregel*) taken by Euronext Amsterdam in accordance with article 6901/2 or any other relevant provision of the Euronext Rulebook I (Harmonised Rules),

(together, the ***Offer Conditions***).

#### 5.7.2 Waiver

The Offer Conditions set out in Sections 5.7.1(a), 5.7.1(c), 5.7.1(e), 5.7.1(f) and 5.7.1(g) are for the sole benefit of the Offeror and may, to the extent permitted by law, be waived by the Offeror (either in whole or in part) at any time by written notice to Wessanen. However, the Offeror may only waive the Offer Condition set out in Section 5.7.1(a) with the consent of Wessanen, if the number of Shares having been tendered for acceptance on the Closing Date, together with (i) any Shares directly or indirectly held by the Offeror or any of its Affiliates at the Closing Date; (ii) any Shares committed to the Offeror, or any of its Affiliates, in writing and (iii) any Shares to which the Offeror is entitled, represent less than 76% of Wessanen's issued and outstanding ordinary share capital (*geplaatst gewoon kapitaal*), excluding Treasury Shares, on a fully diluted basis as at the Closing Date.

The Offer Condition set out in Section 5.7.1(d) is for the sole benefit of Wessanen and may, to the extent permitted by law, be waived by Wessanen (either in whole or in part) at any time by written notice to the Offeror.

The Offer Conditions set out in Sections 5.7.1(b) and 5.7.1(j) are for the benefit of the Offeror and Wessanen and accordingly may, to the extent permitted by applicable law, only be waived (either in whole or in part) by the Offeror and Wessanen jointly in writing, provided that Wessanen shall not unreasonably withhold its consent to the waiver of the Offer Condition set out in 5.7.1(b) taking into account any consequences detrimental to the business of Wessanen.

The Offer Conditions set forth in Sections 5.7.1(h) and 5.7.1(i) cannot be waived.

#### 5.7.3 No subjective conditions

The satisfaction of each of the Offer Conditions does not solely depend on the will of the Offeror as prohibited by Article 12, paragraph 2 of the Decree.

#### 5.7.4 Satisfaction

Each of the Offeror and Wessanen shall use its reasonable best efforts to procure satisfaction of the Offer Conditions as soon as reasonably practicable. If at any time a party becomes aware of a fact or circumstance that might prevent an Offer Condition from being satisfied, it shall immediately inform the other in writing.

With respect to Offer Condition mentioned in Section 5.7.1(b), the Offeror shall use its best efforts to have this Offer Condition satisfied as soon as possible. The Offeror expects to make

the necessary filing with the European Commission to obtain the Competition Clearance shortly and to obtain approval prior to the expiration of the initial Offer Period. In the event a competition approval or statement of no objection of domestic and international authorities in respect of the Offer is given subject to conditions or obligations, then those conditions and obligations shall be accepted by the Offeror.

With respect to Offer Condition mentioned in Section 5.7.1(f), the Offeror and Wessanen have agreed on a binding advice procedure in the event the Offeror considers this Offer Condition not satisfied and Wessanen disagrees. In such event, a binding advisor shall decide on the matter within ten (10) Business Days after the dispute having been referred to the binding advisor or such shorter period as the Offeror and Wessanen may agree, it being understood that a decision shall be rendered no later than noon CET on the Business Day before the Unconditional Date. The binding advisor shall be the President of the Enterprise Chamber (*Ondernemingskamer*) of the Court of Appeals of Amsterdam or, if this person is not able (for whatever reason) to provide the binding advice on time, another independent lawyer appointed by the President of the District Court of Amsterdam upon request of either the Offeror or Wessanen. The binding advice shall be final and binding upon the Offeror and Wessanen and each of the Offeror and Wessanen shall fully comply with the binding advice and the content thereof.

## 5.8 Shareholdings of the members of the Boards

As of the date of this Offer Memorandum, Shares are held by members of the Executive Board as shown in the following table. Wessanen shall procure that the members of the Boards shall tender the Shares directly or indirectly held by them under the Offer under the same terms and conditions as described in this Offer Memorandum.

The members of the Boards did not receive any information from the Offeror in connection with the Offer that is not included in this Offer Memorandum.

As at the date of this Offer Memorandum, Shares held by members of the Executive Board and transactions in the last 12 months are as shown in the table below:

<u>Executive Board</u>	<u>Number of Shares</u>	<u>Transactions in last 12 months</u>
Christophe Barnouin	167,039	2 May 2019: 29,970 (delivery LTIP/SMP)
Total	167,039	-

Reference is made to section 6.10.2 below for information on the settlement of existing rights under the Incentive Plans. At the date of this Offer Memorandum, Mr Barnouin holds 95,378 Performance Incentive Shares under the LTIP (this includes the one-off Share Grant granted to Mr Barnouin by the AGM of 14 April 2016) and no (zero) Share Matching Rights under the SMP.



The settlement of the 95,378 Performance Incentive Shares to which Mr Barnouin is entitled in accordance with the procedures set out in Section 6.10.2 (*Settlement of existing rights*) will result in 95,378 Shares being delivered to Mr Barnouin, which, based on the Offer Price, are valued at EUR 1,083,494.08.

At the date of this Offer Memorandum, Shares held by members of the Supervisory Board and transactions in the last 12 months are as shown in the table below:

<u>Supervisory Board</u>	<u>Number of Shares</u>	<u>Transactions in last 12 months</u>
Frank van Oers	6,000	-
Rudy Kluiber	-	-
Ivonne Rietjens	-	-
Patrick Mispolet	-	-
Total	6,000	-

At the date of this Offer Memorandum, no member of the Supervisory Board holds any rights under the LTIP or SMP.

## 5.9 Respective cross-shareholdings

As at the date of this Offer Memorandum, the Co-Investor holds, directly or indirectly, 19,704,297 Shares representing approximately 25.68% of the aggregate number of issued and outstanding Shares.

As at the date of this Offer Memorandum, other than the Shares held by the Co-Investor, the Offeror, directly or indirectly, does not hold any Shares in Wessanen.

Wessanen and/or any of its Affiliates do not directly or indirectly hold any shares in the Offeror.

## 5.10 Irrevocable undertakings

### 5.10.1 Irrevocable undertaking of the Co-Investor

19,704,297 Shares (equal to approximately 25.68% of the Shares) are held by the following entities and persons (collectively, the ***Co-Investor***):

- (a) Charles E. Jobson, born in Illinois, the United States of America on 10 February 1960, residing in Boston, the United States of America (***Jobson***);
- (b) Jobson Family Foundation, a trust created under and governed by the laws of Commonwealth of Massachusetts, the United States of America (the ***Jobson Foundation***);

- (c) the Charles E. Jobson Irrevocable Trust, a trust created under and governed by the law of the State of Delaware, the United States of America (the ***Jobson Trust***);
- (d) the Charles Jobson IRA, an individual retirement account within the meaning of Section 408 of the U.S. Internal Revenue Code of 1986, as amended (the ***Jobson IRA***); and
- (e) Harborside Holdings L.P., a Cayman Islands exempted limited partnership, having its registered office at 190 Elgin Avenue, George Town, Grand Cayman, KY1-9005, Cayman Islands, of which Jobson and his wife Donna Farrell, residing in Boston, the United States of America (***Farrell***) are the sole limited partners (***Harborside***), acting through its general partner, Harborside GP Limited, a Cayman Islands exempted company with limited liability, having its registered office at 190 Elgin Avenue, George Town, Grand Cayman, KY1-9005, Cayman Islands (***Harborside GP***),  
  
(together, the ***Co-Investor***).

Jobson, holding approximately 0.06% of the Shares, has irrevocably undertaken to:

- (a) contribute and transfer all of his Shares to Harborside between the Unconditional Date and the Settlement Date, as further explained in Section 7.3.1, after which Harborside will tender, sell or contribute these Shares, directly or indirectly, to Bidco in accordance with the irrevocable undertaking of Harborside in this Section 5.10.1. Such contribution will be governed by French, respectively, Dutch law; and
- (b) vote in favour of the Resolutions at the EGM.

The Jobson IRA, holding approximately 0.13% of the Shares, has irrevocably undertaken to:

- (a) tender all or part of its Shares under the Offer as set out in this Offer Memorandum and under the same terms and conditions as applicable to all Shareholders. In the event the Jobson IRA does not tender all of its Shares under the Offer, the Jobson IRA shall sell or contribute and transfer, directly or indirectly, to Bidco the remaining Shares held by it and not tendered under the Offer under the same terms and conditions as applicable to all Shareholders except for the date of delivery, which will take place between the Unconditional Date and the Settlement Date, and in the event of a contribution and transfer, no cash payment but an (indirect) equity interest in Bidco with the same value as the cash payment. Such contribution (if any) will be governed by French, respectively, Dutch law. Ultimately on the last day of the Offer Period, the Jobson IRA will inform Bidco on the final number of Shares to be tendered under the Offer; and
- (b) vote in favour of the Resolutions at the EGM.

The Jobson Foundation, holding approximately 1.90% of the Shares, has irrevocably undertaken to:

- (a) tender all or part of its Shares under the Offer as set out in this Offer Memorandum and under the same terms and conditions as applicable to all Shareholders. In the

event the Jobson Foundation does not tender all of its Shares, the Jobson Foundation shall sell and transfer through a separate sale or contribute and transfer, directly or indirectly, to Bidco the remaining Shares held by it and not tendered under the Offer under the same terms and conditions as applicable to all Shareholders except for the date of delivery, which will take place between the Unconditional Date and the Settlement Date, and in the event of a contribution and transfer, no cash payment but an (indirect) equity interest in Bidco with the same value as the cash payment. Such contribution (if any) will be governed by French, respectively, Dutch law. Ultimately on the last day of the Offer Period, the Jobson Foundation will inform Bidco on the final number of Shares to be tendered under the Offer; and

- (b) vote in favour of the Resolutions at the EGM.

The Jobson Trust, holding approximately 0.28% of the Shares, has irrevocably undertaken to:

- (a) tender all or part of its Shares under the Offer as set out in this Offer Memorandum and under the same terms and conditions as applicable to all Shareholders. In the event the Jobson Trust does not tender all of its Shares, the Jobson Trust shall sell and transfer through a separate sale or contribute and transfer, directly or indirectly, to Bidco the remaining Shares held by it and not tendered under the Offer under the same terms and conditions as applicable to all Shareholders except for the date of delivery, which will take place between the Unconditional Date and the Settlement Date, and in the event of a contribution and transfer, no cash payment but an (indirect) equity interest in Bidco with the same value as the cash payment. Such contribution (if any) will be governed by French, respectively, Dutch law. Ultimately on the last day of the Offer Period, the Jobson Trust will inform Bidco on the final number of Shares to be tendered under the Offer; and
- (b) vote in favour of the Resolutions at the EGM.

Harborside, holding approximately 23.37% of the Shares, has irrevocably undertaken to:

- (a) tender all or part of its Shares under the Offer as set out in this Offer Memorandum and under the same terms and conditions as applicable to all Shareholders. In the event Harborside does not tender all of its Shares, Harborside shall sell and transfer through a separate sale or contribute and transfer, directly or indirectly, to Bidco the remaining Shares not tendered under the Offer under the same terms and conditions as applicable to all Shareholders except for the date of delivery, which will take place between the Unconditional Date and the Settlement Date, and in the event of a contribution and transfer, no cash payment but an (indirect) equity interest in Bidco with the same value as the cash payment. Such contribution (if any) will be governed by French, respectively, Dutch law. Ultimately on the last day of the Offer Period, Harborside will inform Bidco on the final number of Shares to be tendered under the Offer;
- (b) vote in favour of the Resolutions at the EGM.

The reason for each of Jobson, the Jobson IRA, the Jobson Foundation, the Jobson Trust and Harborside to tender, sell or contribute their Shares is based on civil and fiscal law

considerations specifically related to the position of the Co-Investor as both a Shareholder and Offeror in the context of the Offer.

Ultimately on the last day of the Offer Period, each of the Co-Investor entities/persons will decide on the number of Shares to be tendered under the Offer, which shall be on the same terms and conditions as other Shareholders, it being understood that, in respect of any Shares not so tendered, all remaining Shares held by the Co-Investor will be sold or contributed and transferred, directly or indirectly, to Bidco prior to the Settlement Date.

The irrevocable undertakings contain customary undertakings and conditions, including that Jobson, the Jobson IRA, the Jobson Foundation, the Jobson Trust and Harborside will not be obliged to tender, sell or contribute their Shares or shall be entitled to withdraw their acceptances of the Offer in the event of a Competing Offer.

The irrevocable undertakings shall furthermore lapse in the event that (i) the respective parties agree so in writing, (ii) the Offer is withdrawn, (iii) the intended Offer is not launched in accordance with the applicable statutory timetable, (iv) the Offer is not declared unconditional (*gestand wordt gedaan*) in accordance with its terms and conditions within three (3) business days following expiry of the Offer Period, or a potential extended Offer Period, as the case may be, or (v) the transfer of the respective Shares has taken place in accordance with the terms of the irrevocable undertakings.

Jobson, the Jobson IRA, the Jobson Foundation, the Jobson Trust and Harborside did not receive any information relevant for a Shareholder in connection with the Offer that is not included in this Offer Memorandum and will tender their Shares under the Offer under the same terms and conditions as the other Shareholders. If the Co-Investor transfers its Shares as a result of the sale or contribution as referred to above, the settlement of such transfer will take place after the Unconditional Date and before Settlement.

#### 5.10.2 Irrevocable undertaking of the Boards

In addition, with reference to Section 5.8 (*Shareholdings of the members of the Boards*), each member of the Boards holding Shares has irrevocably undertaken to tender all his or her Shares under the Offer, under the same terms and conditions as the other Shareholders, subject to (i) the Offer being declared unconditional and (ii) the Merger Agreement not having been terminated in accordance with its terms. Each member of the Boards will vote in favour of the Resolutions, subject to the same conditions.

The irrevocable undertaking can only be withdrawn in the event that the Boards revoke or amend their recommendation pursuant to Section 5.18.3 (*Commitment regarding Competing Offers*) or if the Merger Agreement is terminated in accordance with its terms (see Section 5.18.4 (*Termination events*)).

The members of the Boards did not receive any information relevant for a Shareholder in connection with the Offer that is not included in this Offer Memorandum and will tender their Shares under the Offer under the same terms and conditions as the other Shareholders.

### 5.11 Consequences of the Offer

Shareholders who do not tender their Shares under the Offer should carefully review this Section 5.11 (*Consequences of the Offer*), which describes certain risks they will be subject to if they elect not to accept the Offer. These risks are in addition to the risks associated with holding securities issued by Wessanen generally, such as the exposure to risks related to the business of Wessanen and its subsidiaries, the markets in which the Wessanen Group operates, as well as economic trends affecting such markets generally as such business, markets or trends may change from time to time. This Section 5.11 (*Consequences of the Offer*) provides a summary of the key additional risks.

It is the intention of the Offeror to ultimately acquire 100% of the Shares and the Offeror's willingness to pay the Offer Price is predicated on the acquisition of 100% of the Shares. In light thereof, the Offeror may propose (where applicable) and implement (or cause to be implemented) certain restructuring measures as set out in more detail in this Section 5.11 (*Consequences of the Offer*).

Furthermore, the Offeror reserves the right to use any legally permitted method to acquire all of the Shares (or full ownership of Wessanen's business) and/or to optimize the corporate, financing and tax structure of Wessanen.

#### 5.11.1 Intentions following the Offer being declared unconditional

If the Offer is declared unconditional, the Offeror and Wessanen intend to as soon as possible:

- (a) procure that Wessanen's listing on Euronext Amsterdam and the listing agreement between Wessanen and Euronext Amsterdam in relation to the listing of the Shares will be terminated;
- (b) convert Wessanen into a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) if deemed desirable by the Offeror, which will, *inter alia*, cause all Shares to become subject to transfer restrictions, all in accordance with the laws of the Netherlands and the Wessanen Articles of Association; and
- (c) have the Offeror, or any of its Affiliates, acquire all Shares not yet owned by it, whether pursuant to a squeeze-out procedure as set out in Section 5.11.4 (*Squeeze-Out*), implement the Post-Closing Restructuring or any other Post-Closing Measure resulting in Wessanen becoming a wholly-owned subsidiary of the Offeror or the Offeror otherwise becoming 100% owner of Wessanen's business. See Section 5.11.5 (*Post-Closing Restructuring*) and Section 5.11.6 (*Other Post-Closing Measures*).

#### 5.11.2 Liquidity

The purchase of Shares by the Offeror pursuant to the Offer, among other things, will reduce the number of Shareholders and the number of Shares that might otherwise trade publicly.

Furthermore and subject to the terms and conditions of this Offer Memorandum, the Offeror may initiate any of the procedures set out in this Section 5.11 (*Consequence of the Offer*) following completion of the Offer, which will further adversely affect the liquidity and market value of the Shares.

As a result, the size of the free float in Shares will be substantially reduced following completion of the Offer and trading volumes and liquidity of Shares will be adversely affected. The Offeror does not intend to set up a liquidity mechanism for the Shares that are not tendered under the Offer following the Settlement Date.

#### 5.11.3 Delisting

Delisting of the Shares from Euronext Amsterdam may be achieved on the basis of 95% or more of Shares having been acquired by the Offeror or on the basis of a statutory merger.

As long as the Shares remain listed on Euronext Amsterdam, the Offeror shall procure that Wessanen shall continue to comply with the Dutch Corporate Governance Code, except for (i) current deviations from the Dutch Corporate Governance Code in accordance with the “explain” requirement in respect of such deviations as referred to in Wessanen’s annual report for 2018 on page 72 and (ii) the deviation referred to in Section 5.15.2 (*Composition of the Supervisory Board*) which deviates from best practice 2.1.7 (Independence of the supervisory board) of the Dutch Corporate Governance Code. No other future deviations are currently expected.

#### 5.11.4 Squeeze-Out

In the event that the Offeror has acquired (i) at least 95% of Wessanen’s issued and outstanding ordinary share capital (*geplaatst en uitstaand gewoon kapitaal*), excluding Treasury Shares and (ii) at least 95% of the voting rights in respect of Wessanen’s issued and outstanding ordinary share capital (*geplaatst en uitstaand gewoon kapitaal*), excluding Treasury Shares, the Offeror, as soon as possible, shall initiate a squeeze-out procedure (*uitkoopprocedure*) in accordance with Article 2:92a or 2:201a of the Dutch Civil Code (**Statutory Squeeze-Out**) or a takeover buy-out procedure (*uitkoopprocedure*) in accordance with Article 2:359c of the Dutch Civil Code (**Takeover Squeeze-Out** and together with the Statutory Squeeze-Out, **Squeeze-Out**) in order to acquire the remaining Shares not tendered and not held by the Offeror or Wessanen. Wessanen shall provide the Offeror with any assistance as may be required, including, if needed, joining such proceedings as co-claimant.

In such procedure, any remaining minority shareholders of Wessanen will be offered the Offer Price for their Shares unless there would be financial, business or other developments or circumstances that would justify a different price (including a reduction resulting from the payment of dividends) in accordance with, respectively, Article 2:92a, paragraph 5 or 2:201a, paragraph 5 or Article 2:359c, paragraph 6 of the Dutch Civil Code.

The Dutch tax consequences of a transfer of Shares as part of the Squeeze-Out are similar to the Dutch tax consequences of a transfer of Shares in connection with the acceptance of the Offer. Reference is made to Section 9 (*Tax aspects of the Offer*).

#### 5.11.5 Post-Closing Restructuring

##### Rationale of the Post-Closing Restructuring

The Offeror and Wessanen consider it important for the Offeror to acquire 100% of the Shares or Wessanen’s assets and operations. This importance is based, inter alia, on:

- (a) the fact that having a single shareholder and operating without a public listing increases the Wessanen Group's ability to achieve the goals and implement the actions of its strategy and reduces the Wessanen Group's costs (e.g. there will no longer be a requirement for physical general meetings and Bidco and Wessanen shall no longer have to publish separate annual accounts);
- (b) the ability of Wessanen and the Offeror to terminate the listing of the Shares from Euronext Amsterdam, and all resulting cost savings therefrom;
- (c) the ability to achieve an efficient capital structure (both from a tax and financing perspective, including the ability to form a fiscal unity between, *inter alia*, Bidco and Wessanen), which would, amongst others, facilitate intercompany transactions and dividend distributions;
- (d) the ability to implement and focus on achieving long-term strategic goals of the Company, as opposed to short-term performance driven by quarterly reporting; and
- (e) as part of the long-term strategic objectives the ability to focus on pursuing and supporting (by providing access to equity and debt capital) continued buy-and-build acquisition opportunities as and when they arise.

In light of the above, including deal certainty considerations and the fact that the Offeror's willingness to pursue the strategic rationale, to pay the Offer Price and to pursue the Transactions is predicated on the acquisition of 100% of the Shares, and in light of the willingness of the Offeror to reduce the Acceptance Threshold 80% if there is a pre-wired restructuring on fair and reasonable terms, Wessanen expressed its support for the Post-Closing Restructuring as described in this section.

#### Description of the Post-Closing Restructuring

After and subject to (i) adoption of the Post-Closing Restructuring Resolution as referred to in Section 5.17(a), (ii) the Offer being declared unconditional and (iii) the number of Shares having been tendered for acceptance during the Offer Period and the Post Acceptance Period, together with (x) any Shares directly or indirectly held by the Offeror and any of its Affiliates, (y) any Shares committed to the Offeror or any of its Affiliates, in writing and (z) any Shares to which the Offeror is entitled, represent less than 95% but at least 80% of Wessanen's issued and outstanding ordinary share capital (*geplaatst gewoon kapitaal*), excluding Treasury Shares (the **Post-Closing Restructuring Range**), the Offeror may determine to implement the Post-Closing Restructuring, in which case:

- (a) If so requested by Wessanen, the Offeror shall prior to effectuating the Post-Closing Restructuring use its reasonable best efforts to obtain an exemption from the AFM to place a standing order on Euronext Amsterdam to purchase Shares not already held by the Offeror or any of its Affiliates against a price equal to the Offer Price in euro, for a period of at least two (2) weeks following the Post Acceptance Period (the **Minority Exit**). Taking into account that the AFM may not easily grant such an exemption, Wessanen and the Offeror have agreed that a standing order will not be pursued once it has become clear that the exemption (i) cannot be obtained within a reasonable period of time following submission of the formal request, such that the

standing order can be implemented within one (1) week after the Post Acceptance Period and/or (ii) will only be granted on conditions not reasonably acceptable to the Offeror, after consultation with Wessanen. In such case, as well as in case the AFM denies the formal request for the exemption, the Offeror and Wessanen shall not place any standing order on Euronext Amsterdam and may nevertheless proceed to implement the Post-Closing Restructuring. For the avoidance of doubt, Wessanen has not yet decided whether or not it will make the above-mentioned request to the Offeror; and

- (b) if, after completing the procedures set out in the paragraph above (if applicable), the number of Shares having been tendered for acceptance during the Offer Period and the Post Acceptance Period together with the Shares acquired by the Offeror and its Affiliates during the Minority Exit and together with (x) any Shares directly or indirectly held by the Offeror and any of its Affiliates, (y) any Shares committed to the Offeror or any of its Affiliates, in writing and (z) any Shares to which the Offeror is entitled, represent at least 95% of Wessanen's issued and outstanding ordinary share capital (*geplaatst gewoon kapitaal*), excluding Treasury Shares, the Offeror shall not be entitled to proceed with implementing the Post-Closing Restructuring and instead shall commence a Squeeze-Out as set out in Section 5.11.4 (*Squeeze-Out*).

#### Description of the Post-Closing Restructuring

The Post-Closing Merger comprises of a statutory triangular merger (*juridische driehoeksfusie*) in accordance with Article 2:309 et seq of the Dutch Civil Code of Wessanen with Wessanen Holdco and Wessanen Holdco's direct wholly-owned subsidiary Wessanen Sub, whereby each Shareholder will come to hold a number of shares in the capital of Wessanen Holdco equal to the number of Wessanen shares held by such shareholder immediately prior to the completion of the statutory merger (the **Post-Closing Merger**). The various steps which are envisaged by the Post-Closing Merger are set out in more detail below.

Prior to the date of this Offer Memorandum, Wessanen has incorporated Wessanen Holdco as a wholly-owned subsidiary of Wessanen and Wessanen Holdco has incorporated Wessanen Sub as a wholly-owned subsidiary of Wessanen Holdco. Also, the Executive Board has prepared, and the Boards have resolved to adopt and sign a merger proposal (the **Post-Closing Merger Proposal**) for a statutory triangular merger (*juridische driehoeksfusie*) of Wessanen (as disappearing company) with and into Wessanen Sub (as acquiring company), with Wessanen Holdco allotting shares to Wessanen's shareholders in accordance with Article 2:309 et seq of the Dutch Civil Code.

At the date of this Offer Memorandum, Wessanen has filed the Post-Closing Merger Proposal and all ancillary documents required by Applicable Rules with the trade register of the Dutch Chamber of Commerce. Copies of the Post-Closing Merger Proposal and all ancillary documents required by Applicable Rules are available at the offices of Wessanen. Wessanen announced in a Dutch national newspaper that the filing is made and that such copies are made available.



If the Offeror resolves to pursue the Post-Closing Restructuring in accordance with this clause Section 5.11.5 (*Post-Closing Restructuring*), prior to the date the Post-Closing Merger is effective:

- (i) Wessanen as sole shareholder of Wessanen Holdco will (i) resolve to dissolve (*ontbinden*) and liquidate (*vereffenen*) Wessanen Holdco in accordance with Article 2:19 of the Dutch Civil Code (the ***Post-Closing Liquidation***) subject to the completion of the Post-Closing Share Sale (as defined below) and the Post-Closing Merger and following the completion of the Post-Closing Share Sale and (ii) appoint in consultation with Bidco a liquidator (*vereffenaar*) of Wessanen Holdco in accordance with Article 2:19 of the Dutch Civil Code and (iii) appoint Bidco, or an Affiliate of Bidco, as the custodian of the books and records of Wessanen in accordance with Article 2:24 of the Dutch Civil Code, in each case subject to and with effect as of the Post-Closing Share Sale being completed;
- (ii) Bidco shall enter into a share sale agreement with Wessanen Holdco pursuant to which all issued and outstanding shares in the capital of Wessanen Sub will be sold and, pursuant to a notarial deed, transferred to Bidco subject to and upon completion of the Post-Closing Merger (the ***Post-Closing Share Sale***) against payment of a purchase price equal to the Offer Price; and
- (iii) Bidco and Wessanen shall to the extent required to effect the Post-Closing Merger in an orderly fashion, in consultation with Euronext Amsterdam and the AFM, request for a two day suspension of trading of the Shares on Euronext Amsterdam before effectuating the Post-Closing Merger.

Wessanen, Wessanen Holdco and Wessanen Sub shall effectuate the Post-Closing Merger by means of the execution of a notarial deed of merger at such date as determined by the Offeror,

Immediately following completion of the Post-Closing Merger, (i) the total number of outstanding shares in the capital of Wessanen Holdco will be equal to the total number of Shares outstanding immediately prior to the completion of the Post-Closing Merger and (ii) each holder of Shares immediately prior to the completion of the Post-Closing Merger will hold a number of shares in the capital of Wessanen Holdco equal to the number of Shares held by such holder of Shares immediately prior to the completion of the Post-Closing Merger. As soon as possible after completion of the Post-Closing Merger, Bidco and Wessanen Holdco will effectuate the Post-Closing Share Sale. It is contemplated that the liquidator will, as soon as practicably possible after completion of the Post-Closing Share Sale, arrange for an advance liquidation distribution to the shareholders of Wessanen Holdco, whereby such advance liquidation distribution (x) is intended to take place on or shortly following the date the Post-Closing Share Sale is completed and (y) shall result in a payment per share in the capital of Wessanen Holdco equal to the Offer Price, without any interest and subject to withholding taxes and other taxes (the ***Post-Closing Liquidation Distribution***, and together with the Post-Closing Merger, the Post-Closing Share Sale and the Post-Closing Liquidation, the ***Post-Closing Restructuring***).

The distribution by Wessanen Holdco of the Post-Closing Liquidation Distribution to the Wessanen Holdco shareholders in respect of the Wessanen Holdco shares as part of the Post-

Closing Restructuring is generally subject to fifteen per cent (15%) Dutch dividend withholding tax to the extent such distributions in respect of each of the Wessanen Holdco shares exceed the average paid-in capital (as recognised for Dutch dividend withholding tax purposes) of such Wessanen Holdco shares.

Except for the foregoing, the Dutch tax consequences of the Post-Closing Restructuring are similar to the Dutch tax consequences in connection with the acceptance of the Offer. Reference is made to Section 9 (*Tax aspects of the Offer*).

#### 5.11.6 Other Post-Closing Measures

Without prejudice to Section 5.11.4 (*Squeeze-Out*) and Section 5.11.5 (*Post-Closing Restructuring*), after Settlement the Offeror shall be entitled to effect or cause to effect any other restructuring of the Wessanen Group for the purpose of achieving an optimal operational, legal, financial and/or fiscal structure in accordance with the Applicable Rules and Dutch law in general, some of which may have the side effect of diluting the interest of any remaining minority shareholders of Wessanen (the ***Post-Closing Measures***), including:

- (a) a subsequent public offer for any Shares held by minority shareholders;
- (b) a statutory cross-border or domestic (bilateral or triangular) legal merger (*juridische (drie)hoeks- fusie*) in accordance with Article 2:309 et seq of the Dutch Civil Code between Wessanen as the disappearing entity and Bidco and/or one or more members of the Offeror Group as the surviving entity;
- (c) a statutory legal demerger (*juridische splitsing*) of Wessanen in accordance with Article 2:334a et seq of the Dutch Civil Code;
- (d) a contribution of cash and/or assets by Bidco or by any Affiliate of Bidco in exchange for Shares or preference shares in Wessanen' share capital, in which circumstances the pre-emptive rights (*voorkeursrechten*), if any, of minority shareholders of Wessanen may be excluded;
- (e) a distribution of proceeds, cash and/or assets to the shareholders of Wessanen or share buybacks;
- (f) a sale and transfer of assets and liabilities by Bidco or any of its Affiliates to any member of the Wessanen Group, or a sale and transfer of assets and liabilities by any member of the Wessanen Group to Bidco or any of its Affiliates;
- (g) any transaction between Wessanen and Bidco or their respective Affiliates at terms that are not at arm's length;
- (h) any transaction, including a sale and/or transfer of any material asset, between Wessanen and its Affiliates or between Wessanen and Bidco or their respective Affiliates with the objective of utilising any carry forward tax losses available to Wessanen, Bidco or any of their respective Affiliates;
- (i) any combination of the foregoing; or

- (j) any transactions, restructurings, share issues, procedures and/or proceedings in relation to Wessanen and/or one or more of its Affiliates required to effect the aforementioned objectives.

The Offeror agrees to only effect or cause to effect any Post-Closing Measure (i) in accordance with the terms and conditions of this Offer Memorandum; (ii) after the Post Acceptance Period and (iii) if the Offeror and its Affiliates hold less than 95% but more than 80% of Wessanen's issued and outstanding ordinary share capital (*geplaatst en gewoon uitstaand kapitaal*), excluding any Treasury Shares

In the implementation of any Post-Closing Measure, due consideration will be given to the requirements of Dutch law and Applicable Rules, including the requirement to consider the interests of all stakeholders including any minority shareholders of Wessanen (if any). The members of the Supervisory Board shall be requested to form their independent view of the relevant matter. In this respect, the Supervisory Board members shall continue to have the right to engage, for the account of Wessanen, their own financial and legal advisors, if and to the extent they believe that the advice of such advisors is necessary to assist them in reviewing and assessing any matter that comes before the Supervisory Board.

If any proposed Post-Closing Measure could reasonably be expected to prejudice or negatively affect the value of the Shares held by the remaining minority shareholders in Wessanen, other than pursuant to (i) a rights issue or any other share issue where they have been offered a reasonable opportunity to subscribe pro rata to their then existing shareholding, or any shares issued to a third party not being an Affiliate of the Offeror or Wessanen, (ii) a Squeeze-Out or (iii) the Post-Closing Restructuring, then the implementation of any such Post-Closing Measure requires the approval of the Supervisory Board, including the affirmative vote of Independent Member A.

#### 5.11.7 Proposed amendments to the Wessanen Articles of Association

At the EGM, the Shareholders shall be requested to vote, subject to the condition that the Offer is declared unconditional (*gestand wordt gedaan*) by the Offeror, for a resolution to amend Wessanen Articles of Association in accordance with the draft amended Wessanen Articles of Association included in Section 13 (*Wessanen Articles of Association*), whereby such amended Wessanen Articles of Association shall take effect on the date of delisting of the Shares. These amendments mainly relate to (i) the conversion of Wessanen from a public limited company (*naamloze vennootschap*) into a private company with limited liability (*besloten vennootschap*), (ii) changes to the governance of Wessanen and (iii) the composition of the Boards.

#### 5.11.8 Other measures

Subject to the terms and conditions of this Offer Memorandum, the Offeror reserves the right to submit proposals to the Shareholders in order to change the corporate structure and the capital structure of Wessanen and/or to achieve an optimal financial or other structuring, including further amendments to the Wessanen Articles of Association, changes in the accounting policies applied by the Wessanen Group and a liquidation of Wessanen, all in accordance with the Applicable Rules and the Wessanen Articles of Association.

#### 5.11.9 Dividend policy

The Shareholders should be aware that Wessanen may or may not pay cash dividends in the future. Future dividends paid may be of a one off nature only and the amount of any dividends will depend on a number of factors associated with the Offeror's tax and financial preferences from time to time. Any Distribution made in respect of Shares after the Settlement Date will be deducted for the purpose of establishing the value per Share in any statutory merger, takeover buy-out procedure, squeeze-out procedure or other measure contemplated by Section 5.11.4 (*Squeeze-Out*), Section 5.11.5 (*Post-Closing Restructuring*) and Section 5.11.6 (*Other Post-Closing Measures*).

#### 5.11.10 Tax treatment of Distributions

The Offeror and Wessanen can give no assurances and have no responsibility with respect to the tax treatment of Shareholders with respect to any Distributions made by Wessanen or any successor entity to Wessanen, which may include dividends, interest, repayments of principal, repayments of capital and liquidation distributions (including the Post-Closing Liquidation Distribution). A Shareholder is generally subject to Dutch dividend withholding tax at a rate of fifteen per cent (15%) on Distributions made by Wessanen. Depending on specific circumstances, a Shareholder may be entitled to exemptions from, reduction of, or full or partial credit or refund of, Dutch dividend withholding tax under Dutch law, EU law or treaties for the avoidance of double taxation.

Dutch dividend withholding tax is due on the Post-Closing Liquidation Distribution only to the extent the Post-Closing Liquidation Distribution in respect of the Wessanen Holdco shares exceeds the average paid-in capital (as recognised for Dutch dividend withholding tax purposes) of such Wessanen Holdco share.

### 5.12 Strategy and Leverage

#### 5.12.1 Strategy

The Offeror fully supports the vision of Wessanen and its mission statement based on 'Healthier Food', 'Healthier People' and 'Healthier Planet', both as set out on page 9 of Wessanen's annual report for 2018, and the publicly stated strategy of Wessanen to (i) grow its brands in core categories, (ii) upgrade its operations, (iii) build a green, attractive and efficient company and (iv) make selective acquisitions (the ***Wessanen Group's Business Strategy***) and shall assist Wessanen in the realisation thereof.

The Offeror shall assist with the brand rationalization and refocussing of the business and shall support and respect the strategy of the Wessanen Group to grow its brands in core categories by focusing resources on top brands as identified by the Executive Board and aiming to be number one or two in any market it operates. As part of its support for the Wessanen's Group Business Strategy, the Offeror shall support and respect the buy and build strategy of the Wessanen Group by financing acquisitions using available cash, equity and debt. The Offeror shall ensure that in this respect, the leverage ratio shall not be exceeded on a structural basis.

The Offeror subscribes to the Wessanen Group's three main objectives in order to upgrade its operations being 'Support to Growth', 'Protect Margin' and 'Develop Sustainable Operations', all as further set out on page 27 of Wessanen's annual report for 2018. The Offeror intends to support these objectives by efficiently and effectively managing the entire value chain by integrating manufacturing, supply chain and central sourcing and standardizing planning processes, implementing productivity improvements and improving customer service through the development and professionalization of the sales and operational planning (S&OP), but also minimizing the environmental footprint and waste. The Offeror is supportive of the Wessanen Group's production facilities being certified organic and the manufacturing of its products being in accordance with IFS and BRC standards.

The Offeror acknowledges the importance of building a green, attractive and efficient Wessanen Group. It intends to ensure that the Wessanen Group will operate in a sustainable way and continues to invest in leading sustainability initiatives for the long-term pioneer position of the Wessanen Group, while also focusing on being efficient through the alignment of core processes. The Offeror intends to continue the current sustainability initiatives of the Wessanen Group, including the 'B-Corp' certification of the whole Wessanen Group, and, together with management, explore ways to further develop and supplement these initiatives. The Offeror supports the United Nations Global compact and the United Nations sustainability goals addressed by the Wessanen Group's strategy, which are further described on inter alia pages 10, 11 and 14 of Wessanen's annual report for 2018.

The Offeror acknowledges that Wessanen's business strategy is likely to require Wessanen to pursue acquisitions for the Wessanen Group and that the Wessanen Group may require additional capital to make these acquisitions to add scale in core categories and markets and strengthen key capabilities through acquisitions. The Offeror will support Wessanen in pursuing acquisitions and will ensure that the Wessanen Group will have the ability to finance further acquisitions through a combination of debt and additional equity capital to be made available by it to ensure long-term growth as well as to preserve the sustainability edge of the Wessanen Group, subject to Wessanen's applicable approval policies and (financial) parameters as applicable from time to time.

The Offeror intends to maintain Wessanen's business integrity. The Offeror shall not on-sell any material assets of the Wessanen Group.

#### 5.12.2 Leverage and costs

The Offeror intends to put in place a debt structure in line with transaction of this size and nature, whereby the net debt position of the Wessanen Group post Settlement of the Offer corresponds to a maximum of 6x the estimated LTM Leverageable EBITDA, on a covenant-light structure, consistent with accounting and leverage computation policies with the ability to adjust on a pro forma basis for certain non-recurring items to reflect the actual underlying trading performance of the business, whereby the Offeror and Wessanen acknowledge that the maximum ratio may, under circumstances, be exceeded for a certain period of time (e.g. immediately after making an acquisition) in which case the Offeror shall use its reasonable efforts to ensure that the maximum ratio is brought back to the agreed level as soon as practicably possible.

The leverage shall be consistent with applicable rules and regulations in the EU.

Neither the Offeror nor any of its Affiliates shall charge Wessanen any management fees or other costs and Wessanen shall not pay the Offeror or any of its Affiliates any such fees or other costs before the earlier of (i) completion of the Post-Closing Share Sale and (ii) the date on which the Offeror irrevocably commences a Squeeze-Out.

### **5.13 Organisation and minority shareholders**

#### **5.13.1 Organisation**

Taking into account the corporate and business interest of Wessanen and its stakeholders, the Offeror shall, without prejudice to Section 5.16.1 (*Duration*), ensure that:

- (a) Wessanen will remain a separate legal entity and will remain the holding company of Wessanen's subsidiaries and operations from time to time;
- (b) Wessanen's governance structure remains a two-tier structure; and
- (c) Wessanen's corporate identity and culture are maintained, recognising Wessanen's history and heritage, including as set out in Wessanen's code of conduct;

In principle, Wessanen's headquarters, central management and its key support functions, including sales and marketing offices, from time to time, will remain at its current location for at least two (2) years. The Executive Board may, if it considers it appropriate, following Settlement, prepare a detailed plan with respect to Wessanen's headquarters and headquarters functions. Such plan shall require the approval of Independent Member A. In the event of redundancies in Wessanen's headquarters' workforce in connection with such plan, appropriate redundancy principles shall be applied which principles shall be based on the following key principles, which were also underlying Wessanen's internal restructuring effected in 2013 (referred to as project Wessanen 2015):

- (a) cantonal court formula (*kantonrechttersformule*) (with C=1);
- (b) early acceptance bonus;
- (c) allowance for legal assistance; and
- (d) allowance for outplacement / education.

#### **5.13.2 Minority shareholders**

The Offeror shall procure that no member of the Wessanen Group shall take any of the following actions:

- (a) issue additional shares for a cash consideration to any person (other than members of the Wessanen Group) which would dilute the interest of any minority shareholder in Wessanen (other than the Co-Investor);

- (b) agree to and enter into a related party transaction with any material shareholder which is not at arm's length; and
- (c) take any other action which disproportionately prejudices the value of, or the rights relating to the minority's shareholding.

## **5.14 Employees**

### **5.14.1 Redundancies**

The Offeror does not envisage material reductions of the total workforce as a direct consequence of the Offer, completion thereof or the Post-Closing Restructuring. In particular, the Offeror intends to continue the production activities in the European factories of the Wessanen Group.

### **5.14.2 Existing rights**

The Offeror will respect the existing rights and benefits of the employees of the Wessanen Group, including existing rights and benefits under their individual employment agreements, collective labour agreements, social plans, and including existing rights and benefits under existing covenants made to the works councils and trade unions, as well as the existing redundancy practice applied by the Wessanen Group.

The Offeror will respect the existing pension rights of the Wessanen Group's current and former employees.

The Offeror will respect the Wessanen Group's current employee consultation structure in the Netherlands (i.e. works council and trade unions) and ensures that the Wessanen Group will continue to have a works council in the Netherlands.

The Offeror will ensure it fosters a culture of excellence, where qualified employees are offered attractive training and national and international career progression. The Offeror endorses the employee-related values and principles described on inter alia pages 39, 40 and 43 of Wessanen's annual report for 2018.

### **5.14.3 Selection**

Following the Settlement Date, the nomination, selection and appointment of staff for functions within the Wessanen Group will, subject to the Applicable Rules, be based on the "best person for the job" principle, or, where not feasible or appropriate, on a non-discriminatory, fair and business-oriented transparent set of criteria.

### **5.14.4 Employee consultations**

The secretariat of the Social Economic Council (*Sociaal Economische Raad*) has been informed in writing of the Offer in accordance with the SER Fusiegedragsregels 2015 (the Dutch code in respect of informing and consulting of trade unions).

The Works Council has been informed regarding the Offer, the Recommendation, the Post-Closing Restructuring, and the financing of the Offer. On the basis thereof, the Works Council

has given its positive advice in respect of the Offer. In addition, Wessanen completed the consultation of the works council of the social and economic unit between Bjorg Bonnetterre et Compagnie S.A.S., Bonnetterre et Compagnie S.A.S., Bjorg et Compagnie S.A.S. and Desitination S.A.S. on the financing of the Offer, which rendered favourable opinions. Finally, Wessanen will initiate the information procedures required in connection with the merger control filing directly after such filing has been made with the European Commission.

To the extent that intended decisions regarding any future integration or restructuring will be subject to the relevant works council's advice of Wessanen and/or the Offeror, the proper procedures shall be complied with pursuant to the WOR and other Applicable Rules and in accordance with standard practice within Wessanen and/or the Offeror.

## **5.15 Governance of Wessanen**

### **5.15.1 Composition of the Executive Board**

Mr Barnouin shall continue to serve on the Executive Board as CEO and chairman.

Upon his appointment in the EGM (see section 5.17 (*EGM*)), Mr François de Gantes will serve on the Executive Board as CFO.

### **5.15.2 Composition of the Supervisory Board**

Subject to the Offer being declared unconditional and the relevant resolutions having been adopted at the EGM, the Supervisory Board will as of the Settlement Date consist of Mrs d'Engremont, Mr Monier, Mrs Simonse, Mr Jobson, Mr Van Oers and Mr Suberbielle. A seventh member has not yet been identified by the Offeror at the date of this Offer Memorandum. Mr Van Oers and Mr Suberbielle (together, the ***Independent Members*** and Mr Van Oers, the ***Independent Member A***) shall qualify as independent within the Dutch Corporate Governance Code. Mr. Suberbielle shall be the chairman of the Supervisory Board. As agreed in the Merger Agreement, the Offeror has consulted with the Supervisory Board on the identity of the other Independent Member and has only nominated the other Independent Member after having obtained the prior consent of the Supervisory Board including the affirmative vote of the Independent Member A.

It is acknowledged and agreed that, to the extent applicable, in deviation of the Dutch Corporate Governance Code, after the Settlement Date and until the termination of the listing of the Shares, the Offeror will be able to appoint the members of the Supervisory Board, provided that the Independent Members (or, after their resignation, any other person who (i) qualifies as independent director within the meaning of the Dutch Corporate Governance Code and (ii) is reasonably acceptable to the other members of the Supervisory Board including the other Independent Member) shall continue to serve on the Supervisory Board for the duration of the Non-Financial Covenants as set out in Section 5.16.1 (*Duration*).

In their position as members of the Supervisory Board, the Independent Members shall monitor and protect the interests of all Wessanen's stakeholders, including, in particular, monitoring the Non-Financial Covenants and, when material transactions between Wessanen and the Offeror or an Affiliate of the Offeror are considered, the fair treatment of minority shareholders of Wessanen (if any).



Upon the Independent Member A ceasing to be in office, for whatever reason, his/her successor will be identified by the Offeror, after consultation of the members of the Supervisory Board in office on 10 April 2019 other than Mr Kluiber, being Mr Van Oers, Mrs Rietjens and Mr Mispolet (the **Committee**). After such consultation, the Offeror shall nominate for appointment a successor, it being agreed the Committee's prior approval shall be required in respect of such nomination, which Committee resolution may only be adopted with an absolute majority of the votes. In case of a tie of votes, the person with the longest tenure as a supervisory board member of Wessanen at the time of the meeting, will decide. If and when the Committee will have voted down three (3) nominations proposed by the Offeror, an independent firm mutually acceptable to the Offeror and the Committee will be requested to draw-up a list of potential candidates out of which the Offeror shall nominate the individual. The Wessanen Articles (and, if the Post-Closing Restructuring is effected, the articles of association of Wessanen Sub) shall reflect this arrangement.

#### 5.15.3 Management incentive plan

Certain members of senior management (including the Executive Board members) may be invited to invest (indirectly) in Wessanen on the basis set out in a management incentive plan following the Settlement Date. The investment by members of senior management will reflect their long term commitment to Wessanen and is intended to incentivise senior management to contribute to the success and long term financial achievements of Wessanen going forward.

Conversations with the Offeror in this respect have taken place but no arrangements or agreements have been concluded. It is expected that further discussions will take place around the Settlement Date.

### 5.16 Duration, benefit and enforcement Non-Financial Covenants

#### 5.16.1 Duration

Although the Offeror currently has no intention to deviate from the covenants, confirmations and commitments set out in Sections 5.11 (*Consequences of the Offer*), 5.12 (*Strategy and Leverage*), 5.13 (*Organisation*), 5.14 (*Employees*) and 5.15 (*Governance of Wessanen*) (the **Non-Financial Covenants**), Wessanen and the Offeror have agreed that the Non-Financial Covenants will expire on the third (3<sup>rd</sup>) anniversary of the Settlement Date, except with respect to the Post-Closing Measures set out in Section 5.11.6 (*Other Post-Closing Measures*) and Section 5.13.2 (*Minority shareholders*) or to the extent expressly provided otherwise in this Offer Memorandum (the **Non-Financial Covenants Period**).

The Non-Financial Covenants set out in Section 5.11.6 (*Other Post-Closing Measures*) and Section 5.13.1(c), will cease to apply on the earlier of (i) the date on which the Offeror directly or indirectly holds 100% of the Shares, (ii) the date on which the Offeror irrevocably commences a Squeeze-Out, (iii) expiry of the Non-Financial Covenants Period and (iv) the date on which, following the Post-Closing Share Sale, as part of the Post-Closing Liquidation the shareholders of Wessanen Holdco have received the liquidation distribution equal to the Offer Price less any withholding taxes (if applicable).

In the event that Wessanen ceases to exist or ceases to be the holding company of the Wessanen operations during the Non-Financial Covenants Period, the Non-Financial

Covenants shall continue to apply to the then holding company of the Wessanen operations. For the avoidance of doubt, the Offeror shall in such case procure that the governance of Wessanen as described in Section 5.15 (*Governance of Wessanen*) is applied to a (new) holding company of Wessanen. In such case, all references to Wessanen shall be deemed to refer to such holding company, its subsidiaries and its businesses and any and all of Wessanen's rights and obligations under the Non-Financial Covenants will be assigned and transferred to it.

In the event the Offeror or any of its Affiliates sells or transfers (whether directly or indirectly, whether by a sale or transfer of shares or assets or otherwise) the Wessanen Group or substantially all of the assets of the Wessanen Group (in a single transaction or a series of related transactions) to any third party within the Non-Financial Covenants Period, the Offeror shall use its reasonable best efforts to ensure that the heritage of Wessanen will be safeguarded by procuring that such third party shall commit to undertakings in respect of Wessanen which are comparable to the Non-Financial Covenants for the remainder of the duration of the respective covenants at such time.

#### 5.16.2 Enforcement

Any deviation from the Non-Financial Covenants shall require the prior approval of the Supervisory Board, including the affirmative vote of Independent Member A.

The Non-Financial Covenants are made to Wessanen as well as, by way of irrevocable third party undertaking for no consideration (*onherroepelijk derdenbeding om niet*), to each of the Independent Members in their capacity as members of the Supervisory Board. The Non-Financial Covenants may be enforced by Independent Member A. The Offeror hereby agrees in advance to the assignment of the benefit of this undertaking by Independent Member A to its successor.

The Offeror will bear all costs and expenses relating to the enforcement of the Non-Financial Covenants by the Independent Members.

#### 5.17 EGM

At the EGM, to be held on 29 August 2019, the Shareholders shall be provided with information regarding the Offer and shall be requested to, subject to the Offer being declared unconditional (*gestanddoening*) and effective as per the Settlement Date:

- (a) resolve, subject to the Post-Closing Restructuring Range being met, to effect the Post-Closing Merger (*besluit tot fusie*), and, to the extent required, (i) to approve the Post-Closing Share Sale and (ii) to approve the Post-Closing Dissolution (the ***Post-Closing Restructuring Resolution***);
- (b) appoint Mr François de Gantes as member of the Executive Board;
- (c) appoint Mrs d'Engremont, Mr Monier, Mrs Simonse, Mr Jobson and Mr Suberbielle as member of the Supervisory Board;

- (d) accept the resignation of, and give full and final discharge to, all resigning members of the Supervisory Board; and
- (e) resolve on (i) conversion of Wessanen into a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) and (ii) the amendment of the Wessanen Articles of Association, substantially in accordance with the draft of the amended Wessanen Articles of Association as set out in Section 13.1 (*Wessanen Articles of Association after delisting*),

(together, the **Resolutions**).

## 5.18 Certain arrangements between the Offeror and Wessanen

Below is a summary of the key arrangements set forth in the Merger Agreement that are relevant to the Offer and not otherwise described in this Offer Memorandum.

### 5.18.1 Exclusivity

The Offeror and Wessanen have agreed that during the period commencing on the date of execution of the Merger Agreement and ending on the earlier of the Settlement Date and the date of termination of the Merger Agreement in accordance with the terms and conditions of the Merger Agreement (a summary of which has been set out in Section 5.18.4 (*Termination events*)) (the **Exclusivity Period**):

- (a) except as permitted pursuant to the last paragraph of this Section 5.18.1 (*Exclusivity*) and Section 5.18.2 (*Commitment of Wessanen regarding Potential Competing Offers*), Wessanen shall not and shall ensure that none of its Affiliates, nor any of their respective directors, officers, employees, agents, advisers or representatives, including without limitation, the members of the Boards, shall, directly or indirectly, approach, initiate, enter into or continue discussions or negotiations with, or provide any non-public information relating to the Wessanen Group or its business or assets or personnel to, or otherwise approach, solicit, encourage, induce or assist any third party with respect to an Alternative Proposal; and
- (b) Wessanen will promptly notify the Offeror (and in any event within 48 (forty-eight) hours) if any written communication, invitation, approach or enquiry, or any request for information, is received by Wessanen, any of its Affiliates or any of their respective directors, officers, employees, agents or representatives, from any third party in relation to an Alternative Proposal.

By their acceptance of the terms of the Merger Agreement, Wessanen and the members of the Boards confirmed that at the date of signing of the Merger Agreement they were not in discussions and/or negotiations with any third party about any Alternative Proposal.

Notwithstanding the first paragraph of this Section 5.18.1 (*Exclusivity*), Wessanen and its directors, officers, employees, agents, advisers and representatives, including without limitation, the members of the Boards are permitted to engage in discussions with, and provide information to, a *bona fide* third party that makes an unsolicited approach with the intention to make a Competing Offer to Wessanen and to investigate such approach and enter into

discussions with such third party, provided that (i) Wessanen shall only be permitted to engage in discussions if and to the extent the Boards have in their reasonable opinion determined that doing so is reasonably necessary to assess whether such Alternative Proposal could reasonably be expected to qualify or evolve into a Potential Competing Offer or Competing Offer and (ii) Wessanen keeps the Offeror updated on the status of those discussions or any other material developments in relation thereto on a regular basis.

#### 5.18.2 Commitment of Wessanen regarding Potential Competing Offers

In the event a Potential Competing Offer is made:

- (a) Wessanen shall be permitted to provide non-public information to the third party making the offer, but only if such third party has entered into a confidentiality agreement with Wessanen on customary terms, provided that Wessanen shall not provide more information to a third party than it has provided to the Offeror unless Wessanen provides such additional information also to the Offeror;
- (b) Wessanen will notify the Offeror promptly (and in any event within 48 (forty-eight hours)) if any Potential Competing Offer is received by Wessanen, any of its Affiliates or any of their respective directors, officers, employees, agents, advisers or representatives, from any third party, and provide reasonable details, to the extent available to it, of such Potential Competing Offer, including in any event the identity of the third party, the proposed consideration and the main conditions to the offer. Furthermore, Wessanen shall keep the Offeror immediately informed of any material developments in relation to such Potential Competing Offer;
- (c) Wessanen shall be permitted to consider such Potential Competing Offer and engage in discussions or negotiations regarding such Potential Competing Offer; and
- (d) Wessanen shall be permitted to make any public announcements in relation to the Potential Competing Offer to the extent required by the Applicable Rules.

#### 5.18.3 Commitment of Wessanen regarding Competing Offers

As soon as the Boards have determined that a Potential Competing Offer constitutes a Competing Offer (i.e. a Potential Competing Offer that, among other things, provides for a consideration per Share valued at an amount exceeding the Offer Price by at least seven per cent (7%)): (i) the Boards shall be allowed to withdraw, modify, amend or qualify the Recommendation, and (ii) Wessanen shall promptly send a notice to the Offeror, informing the Offeror of the decisions of the Boards (including whether the Boards intend to withdraw, modify, amend or qualify the Recommendation). Following receipt of the notice by the Offeror, the Offeror and Wessanen shall discuss in good faith the Offeror's potential intentions to improve its Offer and/or the envisaged termination of the Merger Agreement by either party.

The Co-Investor has agreed to provide for an exclusivity commitment vis-à-vis PAI similar to the exclusivity commitment set out in Sections 5.18.1 and 5.18.3. In particular, the definition of a Competing Offer shall apply mutatis mutandis to the relation between PAI and the Co-Investor. This shall mean, among other things, that in case any of the Boards has revoked its

Recommendation pursuant to a Competing Offer in accordance with this Section 5.18.3, the Co-Investor will be entitled to terminate its relationship with PAI and the Co-Investor will in principle be free to accept such Competing Offer.

#### 5.18.4 Termination events

The Merger Agreement and the rights and obligations thereunder will terminate:

- (a) if parties so agree in writing;
- (b) by notice in writing given by the Terminating Party to the other Party if (i) any of the Offer Conditions for the benefit of the Terminating Party has not been satisfied or waived by the relevant Party in accordance with the Merger Agreement before the Long Stop Date or if it is apparent that such Offer Condition(s) cannot be satisfied and shall not be waived by the Terminating Party before such date, and (ii) the non-satisfaction of the relevant Offer Condition(s) is not due to a breach by the Terminating Party of any of its obligations under the Merger Agreement or any agreement resulting from it;
- (c) by notice in writing given by Wessanen to the Offeror if all Offer Conditions have been satisfied or waived and Settlement has not taken place on the Settlement Date;
- (d) by notice in writing given by Wessanen to the Offeror if any of the Boards has revoked the Recommendation pursuant to a Competing Offer;
- (e) by notice in writing given by the Offeror to Wessanen if any of the Boards has revoked the Recommendation pursuant to a Competing Offer; or
- (f) by notice in writing given by the Terminating Party to the other Party in case of the other Party having otherwise breached the terms of the Merger Agreement to the extent that any such breach:
  - (i) has or could reasonably be expected to have material adverse consequences for Wessanen, the Offer or the Transaction; and
  - (ii) is incapable of being remedied or has not been remedied by the other Party within ten (10) Business Days after receipt by the other Party of a written notice from the Terminating Party (or, if earlier, before the Long Stop Date).

#### 5.18.5 Compensation of costs for the Offeror

To induce the Offeror to enter into the Merger Agreement and to compensate the Offeror and its Affiliates for loss of management time and other costs and expenses it has already incurred and will continue to incur in connection with the (preparation of) the Transaction, Wessanen shall pay to the Offeror a termination fee of EUR 8.8 million (eight million eight hundred thousand euro) net in cash, including VAT, if any, immediately upon first written request thereto from the Offeror and without defences or set-off of any kind, if the Merger Agreement is terminated:

- (a) pursuant to Section 5.18.4(d);

- (b) pursuant to Section 5.18.4(e); or
- (c) by the Offeror as Terminating Party pursuant to Section 5.18.4(f).

#### 5.18.6 Compensations of costs for Wessanen

To induce Wessanen to enter into the Merger Agreement and to compensate Wessanen and its Affiliates for loss of management time and other costs and expenses it has already incurred and will continue to incur in connection with the (preparation of the) Transaction, (in)direct loss and damages to Wessanen's business due to the announcement of the (potential) Offer and its effects on, among other things, employees, customers and suppliers, the Offeror shall pay to Wessanen, immediately upon first written request thereto from Wessanen:

- (a) a termination fee of EUR 17.6 million (seventeen million six hundred thousand euro) net in cash, including VAT, if any, if the Merger Agreement is terminated:
  - (i) by Wessanen pursuant to clause 5.18.4(c); or
- (b) a termination fee of EUR 8.8 million (eight million eight hundred thousand euro) net in cash, including VAT, if any, if the Merger Agreement is terminated:
  - (i) by Wessanen pursuant to Section 5.18.4(f); or
  - (ii) by the Offeror or Wessanen pursuant to Section 5.18.4(b) because the Offer Condition set out in Section 5.7.1(b) is not satisfied or waived.

## **6. INFORMATION REGARDING WESSANEN**

### **6.1 Introduction**

Koninklijke Wessanen N.V. is a public limited liability company (*naamloze vennootschap*) incorporated under the laws of the Netherlands, having its corporate seat in Amsterdam, the Netherlands and its office address at Hoogoorddreef 5, Atlas Arena, Azië building, 2e etage, 1101 BA, Amsterdam, the Netherlands. Wessanen is listed on Euronext Amsterdam.

### **6.2 History of Wessanen and recent developments**

Wessanen was founded in 1765 by Adriaan Wessanen and Dirk Laan. At the time, Wessanen was trading in all sorts of seeds, especially mustard and canary seeds. It remained in the hands of the family and kept the 'Wessanen & Laan' name until well into the twentieth century. By then, it had become a much larger, international business with its own production facilities, consisting mostly of the typical Dutch windmills.

In 1913, Wessanen was awarded a royal warrant for its significance to the Netherlands and became known as 'NV Wessanen Koninklijke Fabrieken' (in English: NV Wessanen Royal Factories).

The second half of the twentieth century saw a period of rapid expansion, diversification and internationalisation. Categories such as meat, dairy, baked goods, ice cream and even alcohol were added to the portfolio. In addition to production, trading and wholesale activities as well as consumer-focused brands and products came to account for a larger share of the business.

Over the years, Wessanen's business had become fairly complex and Wessanen was in need of a renewed focus of the business.

Moving into the twenty-first century, Wessanen's new core business and future direction started to become clear. Observing some of the great challenges facing the world, the company noted the trend of consumers turning to healthier and more environmentally-friendly products. It made a series of acquisitions and built a strong core portfolio of healthy and sustainable, mostly organic companies and brands. At the same time Wessanen decided to initiate a large-scale divestment process and reduce its business to a much smaller but healthier core of future-focused activities. More sustainable and organic food companies were added to the Wessanen family in recent years.

As of 2015, Wessanen is only active in healthy and sustainable food. Wessanen's mission is healthier food, healthier people, healthier planet. The modern-day Wessanen has, in many ways, reconnected with its original green roots. Wessanen's aim is to encourage more and more people to switch to foods that have been produced with respect for people and planet.

In the last financial year (2018) the market for healthy and sustainable food has been very dynamic as more and more consumers are starting to change their food habits. Given that the rest of the food market in Europe offers little growth potential, it has attracted a number of new players to the organic market leading to intensified competition.

Wessanen has completed the B Corp certification of two more companies (Abafoods Italy and Germany) and is on track to become the first multinational food business to be fully certified before the year 2020. B Corp is all about using business as a force for positive change.

### **6.3 Business and organisational overview**

Wessanen is a European leader in healthy, organic and sustainable food and operates eight production facilities in five countries. Wessanen has a two-tier board structure consisting of the Executive Board and an independent Supervisory Board. In this two-tier corporate structure the Supervisory Board is a separate body that is independent of the Executive Board. As at 31 December 2018, Wessanen employed 1,389 employees comprising 1,350 FTE.

The business of Wessanen is built around six different product categories: (i) veggie meals, (ii) dairy alternatives, (iii) sweet in between, (iv) breakfast cereals, (v) bread and biscuits alternatives and (vi) hot drinks. Each of these categories is discussed in more detail below.

#### **Veggie Meals**

Overconsumption of meat is a serious sustainability and health issue. Wessanen has a broad range of vegetarian bread spreads, meal options and meat replacers. This a fast growing market and Wessanen considers this a future growth segment.

#### **Dairy alternatives**

The market for dairy alternatives is growing strongly. Traditionally the focus was on soy-based products, but Wessanen has noticed that the consumers preference has also shifted to other cereals and nuts, especially almond-based drinks. Wessanen has a broad range of dairy alternatives including almond drinks, oat drinks, rice drinks and soy drinks.

#### **Sweet in between**

Snacking in between meals is increasing, with sweet products being especially popular. Wessanen's organic and fair trade products include mainly biscuits, bars and chocolates, which products provide nutritional benefits. Wessanen is working on reducing the sugar levels in its products.

#### **Breakfast cereals**

A healthy start to the day is something very important to conscious consumers. Cereals play a key role in that respect. Wessanen's business is entirely focused on the healthier options such as mueslis, porridge and crunchies.

#### **Bread and biscuits alternatives**

Bread and other wheat-based products have developed a somewhat negative image. Many of Wessanen's mostly rice- and corn-based products are used as bread substitutes. Wessanen also has various products that can replace biscuits and other sweet snacks.

#### **Hot drinks**



Tea and coffee are key products in the life of most consumers. While coffee remains popular as a way to start the day, also tea - especially green and infusions – is becoming more popular as it is considered part of a healthier life style.

## **6.4 Strategy and objectives**

Wessanen's strategy is based on four pillars which are fundamental to its success: (i) 'Growing our brands in core categories', (ii) 'Upgrade our operations', (iii) 'Building a green, attractive and efficient company' and (iv) 'Making selective acquisitions'. Each of these pillars is discussed in more detail below.

### *Growing our brands in core categories*

Brands are Wessanen's key assets and Wessanen is building the leading sustainable food brands in Europe. Investing in the growth of the brands and in building stronger equity with the consumers is its first priority. The quality of the products is of the utmost importance to their success. Wessanen aims for the number one or two position in any market in which it operates. Wessanen manages its brands in terms of factors such as growth, marketing spending, distribution level, market share and rate of innovation.

### *Upgrade our operations*

Efficiently and effectively managing the entire value chain is a key driver of value. Wessanen is integrating manufacturing, supply chain and central sourcing to become more productive. Wessanen works on standardising planning processes and efficient sales and operational planning (S&OP) across Europe. It is increasing the efficiency of warehousing and transport and is improving productivity through projects and insourcing. Further, Wessanen aims to minimise waste and create transparency in its supply chain. Wessanen manages its performance based on, amongst others, customer service levels, forecast accuracy, waste, cost of obsolesces and the number of consumer complaints.

### *Building a green, attractive and efficient company*

It all starts with the people, who are the driving force behind Wessanen's business and are ambassadors for the world of food it believes in. Being a green business is key to Wessanen's performance but also to attracting the right talent, as its people want to make a difference in the world. Its sustainability strategy is the responsibility of the Executive Board, while its Organic Expertise Center (OEC) is in charge of its implementation. The Supervisory Board's Nutrition, Food Safety and Sustainability Committee supports and advises the Executive Board to ensure its nutritional policies are relevant and scientifically supported and to ensure Wessanen operates in a sustainable way. Wessanen's focus is on being an efficient company.

### *Making selective acquisitions*

Wessanen is looking to expand its family of brands and companies through acquisitions. This can add scale in core categories and markets and strengthen key capabilities. The attributes we look for include strategic fit, a well-differentiated branded market position and experienced management.

## 6.5 Supervisory Board

The Supervisory Board consists of the following members:

- (a) Mr Frank van Oers, chairman of the Supervisory Board and member of the audit committee. He was appointed as member of the Supervisory Board in 2009 and his current term expires in 2021. Mr Van Oers is an independent supervisory board member within the meaning of the Dutch Corporate Governance Code. He has the Dutch nationality and was born in 1959;
- (b) Mr Rudy Kluiber, member of the Supervisory Board and chairman of the audit committee and of the Selection, Appointment and Remuneration Committee. He was appointed as member of the Supervisory Board in 2012 and his current term expires in 2020. Mr Kluiber is an independent supervisory board member within the meaning of the Dutch Corporate Governance Code. He has the American nationality and was born in 1959;
- (c) Mrs Ivonne Rietjens, member of the Supervisory Board and chairman of the Nutrition, Food Safety and Sustainability Committee. She was appointed as member of the Supervisory Board in 2012 and her current term expires in 2020. Mrs Rietjens is an independent supervisory board member within the meaning of the Dutch Corporate Governance Code. Mrs Rietjens has the Dutch nationality and was born in 1958; and
- (d) Mr Patrick Mispolet, member of the Supervisory Board and member of the Nutrition, Food Safety and Sustainability Committee. He was appointed as member of the Supervisory Board in 2016 and his current term expires in 2020. Mr Mispolet is an independent supervisory board member within the meaning of the Dutch Corporate Governance Code. He has the French nationality and was born in 1959.

## 6.6 Executive Board

The Executive Board consists of:

Mr Christophe Barnouin, Chief Executive Officer and Chairman of the Executive Board. He was appointed as member of the Executive Board in 2014 and his current term expires in 2020. He has the French nationality and was born in 1968.

## 6.7 Major shareholders

As of 10 July 2019 (one day prior to the date of this Offer Memorandum), the following substantial shareholdings are registered in the public register of the AFM:

		<u>Interest</u>	<u>Voting rights</u>	<u>Ordinary Shares</u>
Harborside Limited	GP	23.02%	23.02%	17,513,192
Invesco Limited		4.21%	4.21%	3,201,902

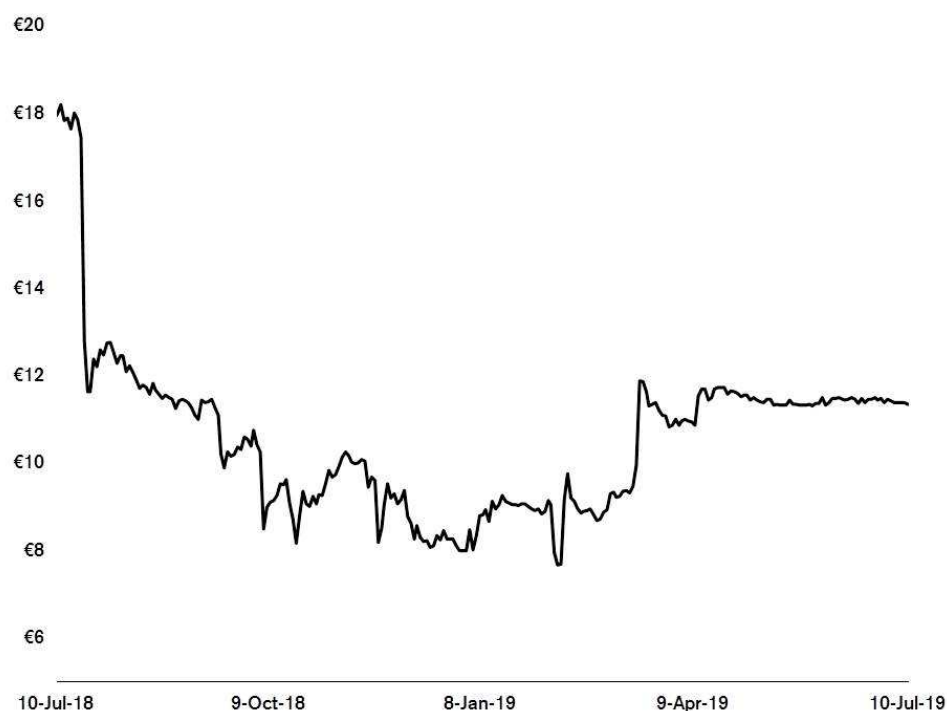
La Financiere de l'Echiquier	5.00%	5.00%	3,830,936
AXA Investment Managers S.A.	3.79%	3.79%	2,899,409
Sand Grove Capital Management LLP	3.82%	3.82%	2,921,000
Boussard & Gavaudan Partners Limited	4.99%	4.24%	3,251,991

## 6.8 Capital and Shares

At the date of this Offer Memorandum, Wessanen has issued 76,735,499 (seventy-six million seven hundred thirty-five thousand four hundred ninety-nine) ordinary shares at par value of EUR 1 (one euro), of which none are held in treasury by Wessanen. The Shares are listed on Euronext Amsterdam.

## 6.9 Share price development

The below graphic sets out the Share price development from 10 July 2018 to 10 July 2019.<sup>3</sup>



## 6.10 Incentive Plans

### 6.10.1 Existing plans

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<sup>3</sup> Factset as of 10 July 2019.

Wessanen has (i) granted conditional (phantom) performance incentive shares (the *Performance Incentive Shares*) to members of the Executive Board and other directors, managers and (senior) employees pursuant to Wessanen's long term incentive plan (the *LTIP*) and (ii) given members of the Executive Board and other directors, managers and (senior) employees the opportunity to invest, via (voluntary) investment shares, in share matching rights (the *Share Matching Rights*) pursuant to Wessanen's share matching plan (the *SMP*, and together with the LTIP, the *Incentive Plans*).

All rights in respect of the Incentive Plans and all individual commitments to Wessanen's employees will be respected, subject to the provisions of section 6.10.2 below.

#### 6.10.2 Settlement of existing rights

Pursuant to the LTIP, the Supervisory Board has resolved that all Performance Incentive Shares, including the one-off Share Grant of granted to Mr Barnouin by the AGM of 14 April 2016, that are unvested on the Settlement Date, will vest upon Settlement, with the Performance Incentive Shares Hurdles (as defined in the LTIP) deemed met at such level that they result in a pay-out of 100% the Performance Incentive Shares in Shares. At the date of this Offer Memorandum, the total number of outstanding Performance Incentive Shares is maximum 366,234.

Pursuant to the SMP, all Share Matching Rights that are unvested on the Settlement Date, will be cancelled upon Settlement and Wessanen will on the Settlement Date transfer to the participants, in full and final settlement of their entitlements to the Share Matching Rights, an amount in cash to be calculated by applying the following principles: (i) the Performance Condition(s) (as defined in the SMP) are deemed met at such level that they result in a pay-out of 100% Share Matching Rights, (ii) the price per Share is the Offer Price and (iii) time pro rating will be applied as provided for in the SMP. At the date of this Offer Memorandum, the total number of outstanding Share Matching Rights is maximum 17,144.

## 7. INFORMATION ON THE OFFEROR

### 7.1 Information on the Offeror

#### 7.1.1 Introduction

Bidco is a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands, having its corporate seat in Amsterdam, the Netherlands, its address at Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands, and registered with the Dutch Commercial Register under number 74463101.

Bidco is a special purpose vehicle incorporated to complete the purchase of the Shares under the Offer. As set out in the structure chart below, the shares in Bidco will as of the Settlement Date be indirectly held by PAI Europe VII Finance S.à r.l., a company organised under the laws of the Grand Duchy of Luxembourg, having its registered office address at 43-45 Allée Scheffer, 2520 Luxembourg, the Grand Duchy of Luxembourg, registered with the commercial register under number B224014 (the **PAI Fund**), the Jobson Foundation, the Jobson Trust, the Jobson IRA and Harborside.

The limited partners of the PAI Fund are PAI Europe VII-1 SCSp and PAI Europe VII-2 SCSp. The management, operation and implementation of policy of the PAI Fund is vested in PAI.

The trustees of the Jobson Foundation are Jobson and Farrell. The management, operation and implementation of policy of the Jobson Foundation are vested in Jobson and Farrell. Jobson and Farrell are jointly the ultimate decision makers of the Jobson Foundation.

The sole trustee of the Jobson Trust is currently Jobson. The management, operation and implementation of policy of the Jobson Trust are vested in Jobson. Therefore, Jobson is the ultimate decision maker of the Jobson Trust.

The Jobson IRA is a self-directed individual retirement account of which Jobson is the beneficiary. Therefore, Jobson is the ultimate decision maker of the Jobson IRA.

The management, oversight of operational matters and implementation of policy of Harborside is vested in Harborside GP. Jobson and Farrell are the limited partners of Harborside. Jobson is the ultimate decision maker of Harborside.

There is no relationship between PAI and the PAI Funds on the one hand and the Co-Investor, Harborside GP and Farrell on the other hand.

#### 7.1.2 Ownership structure of Bidco

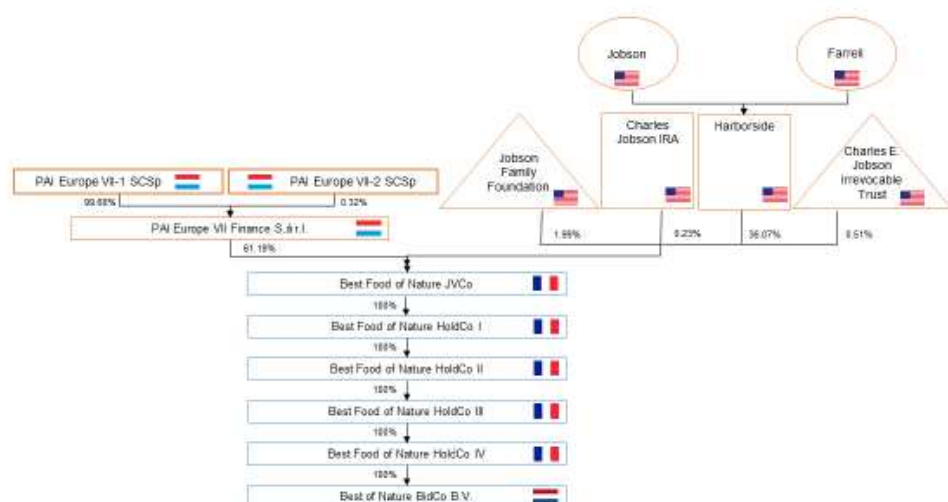
The shareholdings in Bidco as at the Settlement Date will be as follows:

- (a) 100% of the shares in the capital of Bidco will be held by Best Food Of Nature Holdco IV S.A.S., a simplified joint-stock company (*société par actions simplifiée*) organised under the laws of France, having its registered office address at 232 rue de Rivoli, 75001 Paris, France, registered under number 850055534 R.C.S. Paris;

- (b) 100% of the shares in the capital of Best Food Of Nature Holdco IV S.A.S. will be held by Best Food Of Nature Holdco III S.A.S., a simplified joint-stock company (*société par actions simplifiée*) organised under the laws of France, having its registered office address at 232 rue de Rivoli, 75001 Paris, France, registered under number 850021973 R.C.S. Paris;
  - (c) 100% of the shares in the capital of Best Food Of Nature Holdco III S.A.S. will be held by Best Food Of Nature Holdco II S.A.S., a simplified joint-stock company (*société par actions simplifiée*) organised under the laws of France, having its registered office address at 232 rue de Rivoli, 75001 Paris, France, registered under number 850055427 R.C.S. Paris;
  - (d) 100% of the shares in the capital of Best Food Of Nature Holdco II S.A.S. will be held by Best Food Of Nature Holdco I S.A.S., a simplified joint-stock company (*société par actions simplifiée*) organised under the laws of France, having its registered office address at 232 rue de Rivoli, 75001 Paris, France, registered under number 850055351 R.C.S. Paris;
  - (e) 100% of the shares in the capital of Best Of Food Nature Holdco I S.A.S. will be held by Best Food Of Nature JVCO S.A.S., a simplified joint-stock company (*société par actions simplifiée*) organised under the laws of France, having its registered office address at 232 rue de Rivoli, 75001 Paris, France, registered under number 850058595 R.C.S. Paris (**JVCO**);
- (companies (a) through (e) together, the **Acquisition Vehicles**)
- (f) the shares in the capital of JVCO will be held as follows: (i) 62% of the shares will be held by the PAI Fund, and (ii) 38% of the shares will be held directly by the Jobson Foundation, Jobson Trust, Jobson IRA and Harborside.

Pursuant to article 1:1 of the Wft, each of the PAI Fund, PAI, the Co-Investor, Harborside GP, Farrell and Bidco qualify as an offeror in respect of this Offer.

Please see below an overview of the envisaged structure as from the Settlement Date:'



### 7.1.3 Management structure

The executive board of Bidco consist of Mrs D'Engremont and Mr Schuurman, each of them appointed on 29 March 2019.

Bidco does not have a supervisory board.

### 7.1.4 Capital and shares

The share capital of Bidco consists of 100 ordinary shares, each with a nominal value of EUR 0.01 (one eurocent).

## 7.2 Information on PAI Partners

### 7.2.1 Introduction

PAI Partners is a leading European private equity firm with offices in Paris, London, Luxembourg, Madrid, Milan, Munich, New York and Stockholm. PAI Partners manages EUR 12.3 billion of dedicated buyout funds. Since 1994, the company has completed 69 transactions in 11 countries, representing over EUR 50 billion in transaction value. PAI Partners is characterised by its industrial approach to ownership combined with its sector-based organisation. They provide the companies they own with the financial and strategic support required to pursue their development and enhance strategic value creation. For more information, please visit [www.paipartners.com](http://www.paipartners.com)

PAI is a simplified joint-stock company (*société par actions simplifiée*), duly incorporated and validly existing under the laws of France, having its registered office at 232 rue de Rivoli, 75001, Paris, France, with registry number 443 837 331 R.C.S. Paris.

### 7.2.2 Management structure

PAI is managed by an executive committee (*Comité Exécutif*) composed of Mr Michel Paris (*Président – Membre du Comité Exécutif*), Mr Frédéric Stévenin (*Directeur Général – Membre du Comité Exécutif*), Mr Richard Howell (*Membre du Comité Exécutif*) and Mr Laurent Rivoire (*Membre du Comité Exécutif*).

PAI has a supervisory board (*Conseil de Surveillance*) composed of Mr Amaury de Seze (*Président du Conseil de Surveillance*), Mr Lionel Zinsou (*Membre du Conseil de Surveillance*), Mr Charles Bouaziz (*Membre du Conseil de Surveillance*), Mr Lars Frederiksen (*Membre du Conseil de Surveillance*) and Mr Patrick Nahon-Fauchier (*Membre du Conseil de Surveillance*).

## **7.3 Information on the Co-Investor**

### **7.3.1 Introduction**

As set out in Section 5.10.1 (*Irrevocable undertaking of the Co-Investor*), the Co-Investor currently holds through the following entities and persons 19,704,297 Shares which is equal to approximately 25.68% of the Shares:

- (a) Jobson: 0.06%;
- (b) the Jobson Foundation: 1.90%;
- (c) the Jobson Trust: 0.28%;
- (d) the Jobson IRA: 0.13%; and
- (e) Harborside: 23.37%;

The Co-Investor envisages to restructure its shareholding in Wessanen after the Unconditional Date and before Settlement by way of converting Harborside into a Delaware limited partnership and by Jobson contributing his shareholding in Wessanen into Harborside. It is envisaged that Jobson and Farrell will remain the sole limited partners of Harborside. It is furthermore envisaged that the powers to manage and administer the affairs of Harborside will be vested, directly or indirectly, in Jobson and Farrell. Furthermore, it is envisaged that Harborside GP will be converted to a Delaware company with limited liability. It is envisaged that this conversion will also take place after the Unconditional Date and before Settlement.

As per Settlement, all 19,704,297 Shares from the Co-Investor will be held by Bidco in accordance with the irrevocable undertakings as set out in Section 5.10 and the following entities and persons will participate in JVCO: the Jobson Foundation, the Jobson IRA, the Jobson Trust and Harborside. The Jobson Foundation, the Jobson IRA, the Jobson Trust and Harborside are directly or indirectly controlled by Jobson.

The following Co-Investor entities/persons are controlled by or affiliated to Jobson's family members:

- (a) Farrell (Jobson's wife) is trustee of the Jobson Foundation and limited partner of Harborside, and as such the Jobson Foundation is controlled by Jobson and Farrell and Harborside is affiliated to Farrell; and



- (b) the children of Jobson are beneficiaries of the Jobson Trust, and as such the Jobson Trust is affiliated to (but not controlled by) Jobson's children.

#### 7.3.2 Information on Jobson

Jobson has been a supportive shareholder of Wessanen since 2009 and has been (indirectly) investing in Wessanen via the Jobson Foundation, the Jobson IRA, the Jobson Trust and Harborside. Jobson, CFA, is Director at Good Times Restaurants Inc. (listed on NASDAQ) since May 24, 2018. He co-founded Delta Partners, LLC in 1999 and serves as its Portfolio Manager. Jobson serves as Manager at Prism Offshore Fund Ltd. He was previously Vice President and a Member of the Investment Committee managing a \$3.5 billion US equity portfolio at Baring Asset Management.

#### 7.3.3 Information on Farrell

Farrell is, together with Jobson, trustee of the Jobson Foundation and a limited partner of Harborside. It is envisaged that Jobson and Farrell will remain the sole limited partners of Harborside, after Harborside will be converted to a Delaware law governed entity, as referred to in Sections 7.3.1 and 7.3.7. It is furthermore envisaged that the powers to manage and administer the affairs of Harborside, after such conversion, will be vested, directly or indirectly, in Jobson and Farrell.

#### 7.3.4 Information on the Jobson Foundation

The Jobson Foundation is a trust created under and governed by the laws of Commonwealth of Massachusetts, the United States of America, with place of residence in Boston, the United States of America. Jobson and Farrell, in their capacities as trustees, have the power to administer, invest and manage the trust property and to distribute trust property to charitable organizations.

#### 7.3.5 Information on the Jobson Trust

The Jobson Trust is a trust created under and governed by the laws of the State of Delaware, the United States of America, with place of residence in Boston, the United States of America. Jobson, in his capacity as trustee, has the power to administer, invest and manage the trust property and to distribute the trust property to the trust beneficiaries.

#### 7.3.6 Information on the Jobson IRA

The Jobson IRA is a self-directed individual retirement account within the meaning of Section 408 of the U.S. Internal Revenue Code of 1986, as amended, with place of residence in Boston, the United States of America of which Jobson is the beneficiary.

#### 7.3.7 Information on Harborside

Harborside is currently a Cayman Islands exempted limited partnership and prior to Settlement is to be converted into a Delaware limited partnership. It is envisaged that Jobson and Farrell will remain the sole limited partners of Harborside after such conversion. It is

furthermore envisaged that the powers to manage and administer the affairs of Harborside will be vested, directly or indirectly, in Jobson and Farrell.

#### 7.3.8 Information on Harborside GP

Harborside GP is currently a Cayman Islands exempted company with limited liability, and prior to Settlement is to be converted into a Delaware company with limited liability. Harborside GP is currently managed by two directors, Evert Brunekreef and Daniel Rewalt.

### 7.4 Shareholder Arrangements

The PAI Fund, the Jobson Foundation, the Jobson IRA, the Jobson Trust, Harborside and Bidco have reached an agreement in respect of their participation in the Acquisition Vehicles, including JVCO, the indirect sole shareholder of Bidco as set forth in Section 7.1.2 (*Ownership structure of the Offeror*). The key terms of the shareholders' agreement include provisions in relation to, amongst other things (i) the governance structure of the Acquisition Vehicles and Wessanen, (ii) the capital structure of the Acquisition Vehicles as of Settlement, (iii) the future composition of the boards of the Acquisition Vehicles and Wessanen, (iv) transfer restrictions and other rights and obligations attached or related to interests in the Acquisitions Vehicles and Wessanen and (v) financial reporting and information rights relating to the Wessanen Group.

It is agreed that pending the fulfilment (or waiver) of the Offer Conditions in accordance with this Offer Memorandum, the PAI Fund shall remain the indirect sole shareholder of JVCO. Prior to the Settlement Date, the PAI Fund and the Co-Investor are required to fund their respective equity commitments to JVCO, after which JVCO shall be 62/38 held by the PAI Fund and the Co-Investor respectively. The agreement will become effective immediately after execution. Any costs shall equally be pro rata split between the PAI Fund and the Co-Investor.

## 8. FURTHER DECLARATIONS PURSUANT TO THE DUTCH DECREE ON PUBLIC OFFERS WFT

In addition to the other statements set out in this Offer Memorandum, the Offeror with regard to subjects (iii), (iv), (vi) and (viii), Wessanen and the Boards with regard to subjects (ii), (vii) and (ix) and the Offeror, Wessanen and the Boards jointly with regard to subjects (i) and (v) hereby declare as follows:

- (i) there have been consultations between PAI, the Co-Investor and Wessanen regarding the Offer, which have resulted in conditional agreement regarding the Offer as publicly announced on 10 April 2019. Discussions regarding the Offer, including, but not limited to, the Offer Price, the financing of the Offer, the Offer Conditions and the future strategy of the Wessanen Group, took place between PAI, the Co-Investor and the Boards and their respective advisors;
- (ii) to avoid any conflict of interests, Mr Kluiber, member of the Supervisory Board, has not participated in the deliberations and decision making regarding the Offer;
- (iii) with due observance of and without prejudice to the restrictions referred to in Section 1 (*Restrictions*) and Section 2 (*Important Information*), the Offer concerns all Shares and applies on an equal basis to all Shares and Shareholders;
- (iv) with reference to Annex A, paragraph 2, sub-paragraph 5, 6 and 7 of the Decree, the Offeror, whether directly or indirectly, has not acquired any Shares in the year preceding the date of this Offer Memorandum;
- (v) no securities in Wessanen are held, no transactions or agreements in respect of securities in Wessanen have been effected or have been concluded and no similar transactions have been effected in respect of securities in Wessanen, by the Offeror or any Affiliate of the Offeror, or any member of the board of directors or the supervisory board or any ultimate decision maker of the Offeror, any member of the board of directors of Wessanen or any member of the Boards, nor by any of their spouses (*echtgenoten*), registered partners (*geregistreeerde partners*), minor children (*minderjarige kinderen*) and any entities over which these members or other persons referred to have control (*zeggenschap hebben in*) within the meaning of Annex A, paragraph 2, sub-paragraph 5, 6 and 7 of the Decree, other than the securities held or committed to be held following concluded agreements and arrangements in connection with the Offer (i) the irrevocable undertakings as described in Section 5.10 (*Irrevocable undertakings*), (ii) in respect of the Shares held by members of the Boards as described in Section 5.8 (*Shareholdings of the members of the Boards*), (iii) the respective cross-shareholdings between the Offeror and Wessanen as described in Section 5.9 (*Respective cross-shareholdings*) and (iv) in respect of employees of Wessanen as described in Section 6.10 (*Incentive Plans*);
- (vi) the costs incurred or to be incurred by the Offeror in relation to the Offer are expected to amount to approximately EUR 23 million and comprise finance arrangement fees, bank advisor fees, listing and Settlement Agent fees, broker commissions, legal fees, financial and tax due diligence fees, public relations and communications advice and printing. These costs will be borne by the Offeror;

- (vii) the costs of Wessanen's fees of legal advisors, financial advisors, accountants and communications advisors incurred and expected to be incurred in relation to the Offer amount to approximately EUR 6.5 million. These costs will be borne by Wessanen;
- (viii) no remunerations will be paid to the Offeror's directors and executive officers in connection with the Offer being declared unconditional (*gestanddoening*); and
- (ix) other than as described in Sections 5.8 (*Shareholdings of the members of the Boards*) and 6.10 (*Incentive Plans*), no remunerations will be paid to members of the Boards in connection with the Offer being declared unconditional (*gestanddoening*).

## 9. TAX ASPECTS OF THE OFFER

### 9.1 General

The following summary outlines certain Netherlands tax consequences in connection with the acceptance of the Offer. Reference is made to Sections 5.11.4 (*Squeeze-Out*) and 5.11.5 (*Post-Closing Restructuring*); with respect to certain Netherlands tax consequences in connection with the Squeeze-Out and the Post-Closing Restructuring, respectively.

All references in this summary to the Netherlands and Dutch law are to the European part of the Kingdom of the Netherlands and its law, respectively, only. The summary does not purport to present any comprehensive or complete picture of all Netherlands tax aspects that could be of relevance to a Shareholder who may be subject to special tax treatment under any applicable law. The summary is based on the tax laws and practice of the Netherlands as in effect on the date of this Offer Memorandum, which are subject to changes that could prospectively or retrospectively affect the Netherlands tax consequences.

For purposes of Netherlands income and corporate income tax, Shares legally owned by a third party such as a trustee, foundation or similar entity or arrangement, may under certain circumstances have to be allocated to the (deemed) settlor, grantor or similar originator (the **Settlor**) or, upon the death of the Settlor, his/her beneficiaries (the **Beneficiaries**) in proportion to their entitlement to the estate of the Settlor of such trust or similar arrangement (the **Separated Private Assets**). For purposes of Netherlands income and corporate income tax, a Shareholder may also include an individual or entity not holding the legal title to the Shares, but to whom, or to which, the Shares are, or the income from the Shares is, nevertheless attributed based either on this individual or entity owning a beneficial interest in the Shares.

This summary does not address the Netherlands tax consequences of the Offer for a Shareholder who is an individual and who has a “substantial interest” (*aanmerkelijk belang*) in Wessanen. Generally, a Shareholder will have a substantial interest in Wessanen if such Shareholder, whether alone or, in the case of an individual, together with his spouse or partner and/or certain other close relatives, holds, directly or indirectly or as Settlor or Beneficiary of Separated Private Assets (a) the ownership of, (b) certain other rights, such as usufruct, over, or (c) rights to acquire (whether or not already issued), Shares representing 5% or more of the total issued and outstanding capital (or the issued and outstanding capital of any class of Shares) of Wessanen.

In addition, a Shareholder has a deemed substantial interest (*fictief aanmerkelijk belang*) in Wessanen if he, whether alone or, in the case of an individual, together with his spouse or partner and/or certain other close relatives, has the ownership of, or other rights over shares in Wessanen that represent less than 5% of the relevant aggregate that either (a) qualified as part of a substantial interest as set forth above and where shares and/or rights thereover have been, or are deemed to have been, partially disposed of, or (b) have been acquired as part of a transaction that qualified for non-recognition of gain treatment.

This summary does not address the Netherlands tax consequences for any Shareholder who:

- (a) has acquired or holds the Shares in connection with his or her employment activities or in his/her capacity as (former) Management Board member and/or (former) Supervisory Board member; and/or
- (b) is a resident of any non-European part of the Kingdom of the Netherlands.

Shareholders considering the Offer should consult their own professional advisor regarding the tax consequences of the Offer in their particular circumstances.

#### 9.1.2 Withholding taxes

The Offer Price paid for the Shares will not be subject to any withholding or deduction of or for any taxes of whatever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

#### 9.1.3 Netherlands taxes on income and capital gains in connection with the acceptance of the Offer

Below is a summary of Netherlands taxes on income and capital gains in connection with acceptance of the Offer.

- (a) Shareholders resident in the Netherlands: individuals

A Shareholder, who is an individual, resident or deemed to be resident in the Netherlands will be subject to regular Netherlands income tax on any capital gain realised upon the transfer of the Shares if:

- (i) such Shareholder has an enterprise or an interest in an enterprise, to which enterprise the Shares are attributable; and/or
- (ii) such capital gain forms “a benefit from miscellaneous activities” (“*resultaat uit overige werkzaamheden*”) which, for instance, would be the case if the activities with respect to the Shares exceed “normal active asset management” (“*normaal, actief vermogensbeheer*”) or if such capital gain is derived from the holding, whether directly or indirectly, of (a combination of) shares, debt claims or other rights (together, a *lucratief belang*) that the holder thereof has acquired under such circumstances that such capital gain is intended to be remuneration for work or services performed by such holder (or a related person), whether within or outside an employment relation, where such lucrative interest provides the holder thereof, economically speaking, with certain benefits that have a relation to the relevant work or services.

If either of the above-mentioned conditions (i) or (ii) applies, any capital gain realised upon the transfer of the Shares will in general be subject to Netherlands income tax at the progressive rates up to a maximum rate of 51.75%.

If the above-mentioned conditions (i) and (ii) do not apply, a Shareholder who is an individual, resident or deemed to be resident in the Netherlands will not be subject to taxes on a capital gain in the Netherlands. Instead, such

individual is taxed at a flat rate of 30% on deemed income from “savings and investments” (“*sparen en beleggen*”), which deemed income is determined on the basis of the amount included in the individual’s “yield basis” (“*rendementsgrondslag*”) at the beginning of the calendar year (minus a tax-free threshold)).

(b) Shareholders resident in the Netherlands: corporate entities

A Shareholder that is resident or deemed to be resident in the Netherlands for corporate income tax purposes, and that is:

- (i) a corporation;
- (ii) another entity with a capital divided into shares;
- (iii) a cooperative (association); or
- (iv) another legal entity that has an enterprise or an interest in an enterprise to which the Shares are attributable,

but which is not:

- (v) a qualifying pension fund;
- (vi) a qualifying investment fund (*fiscale beleggingsinstelling*) or a qualifying exempt investment institution (*vrijgestelde beleggingsinstelling*); or
- (vii) another entity exempt from corporate income tax,

will in general be subject to regular corporate income tax, generally levied at a rate of 25% (19% over profits up to EUR 200,000 (two hundred thousand euro)) over any capital gain realised upon the transfer of the Shares, unless, and to the extent that, the participation exemption (*deelnemingsvrijstelling*) applies. Generally, the participation exemption applies if the Shareholder is subject to Netherlands corporate income tax and it, or a related entity, holds an interest of five per cent (5%) or more in the nominal paid-up share capital of Wessanen.

(c) Shareholders resident outside the Netherlands: individuals

A Shareholder who is an individual, not resident or deemed to be resident in the Netherlands will not be subject to any Netherlands taxes on any capital gain realised upon the transfer of the Shares, unless:

- (i) such Shareholder has an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) in the Netherlands and to which enterprise or part of an enterprise, as the case may be, the Shares are attributable; or

- (ii) such capital gain forms a “benefit from miscellaneous activities in the Netherlands” (“*resultaat uit overige werkzaamheden in Nederland*”) which would for instance be the case if the activities in the Netherlands with respect to the Shares exceed “normal active asset management” (“*normaal, actief vermogensbeheer*” or if such capital gain is derived from the holding, whether directly or indirectly, of (a combination of) shares, debt claims or other rights (together, a *lucratief belang*) that the holder thereof has acquired under such circumstances that such capital gain is intended to be remuneration for work or services performed by such holder (or a related person), in whole or in part, in the Netherlands, whether within or outside an employment relation, where such lucrative interest provides the holder thereof, economically speaking, with certain benefits that have a relation to the relevant work or services.

If either of the above-mentioned conditions (i) or (ii) applies, any capital gain realised upon the transfer of the Shares will in general be subject to Netherlands income tax at the progressive rates.

- (d) Shareholders resident outside the Netherlands: legal and other entities

A Shareholder that is a legal entity, another entity with a capital divided into shares, an association, a foundation or a fund or trust, not resident or deemed to be resident in the Netherlands, will not be subject to any Netherlands taxes on the capital gain realised upon the transfer of the Shares, unless:

- (i) such Shareholder has an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) in the Netherlands and to which enterprise or part of an enterprise, as the case may be, the Shares are attributable; or
- (ii) such Shareholder has a substantial interest in Wessanen, that (i) is held with the avoidance of Netherlands income tax as (one of) the main purpose(s) and (ii) forms part of an artificial structure or series of structures (such as structures which are not put into place for valid business reasons reflecting economic reality).

If one of the above-mentioned conditions applies, such Shareholder will in general be subject to regular corporate income tax, generally levied at a rate of 25% (19% over profits up to EUR 200,000 (two hundred thousand euro)) over any capital gain realised upon the transfer of the Shares, unless, and to the extent that, with respect to a Shareholder described under (i), the participation exemption (*deelnemingsvrijstelling*) applies. Generally, the participation exemption applies if the Shareholder is subject to Netherlands corporate income tax and it, or a related entity, holds an interest of five per cent (5%) or more in the nominal paid-up share capital of Wessanen.

- (e) Gift and inheritance taxes

No Netherlands gift or inheritance tax will arise in connection with the acceptance of the Offer.

- (f) Value added tax



No Netherlands value added tax will arise in respect of or in connection with the acceptance of the Offer.

(g) Other taxes and duties

No Netherlands registration tax, capital tax, custom duty, transfer tax, stamp duty or any other similar documentary tax or duty, other than court fees, will be payable in the Netherlands in respect of or in connection with the execution, delivery and/or enforcement by legal proceedings (including the enforcement of any foreign judgment in the courts of the Netherlands) of any documents related to the Offer or the transfer of the Shares in connection with the Offer.

## **10. PRESS RELEASES**

### **10.1 Press release dated 14 March 2019**

Amsterdam, 14 March 2019

#### **WESSANEN IN DISCUSSIONS ON POSSIBLE CASH OFFER**

Koninklijke Wessanen N.V. (“Wessanen”) announces that it is in discussions with a consortium of funds managed or advised by PAI Partners SAS (“PAI”) and various entities (indirectly) controlled by Mr. Jobson and/or his family members (“Mr. Jobson”, and together with PAI, the “Consortium”) regarding a potential recommended public offer by the Consortium for all the issued and outstanding shares of Wessanen at an offer price of EUR 11.50 (cum dividend) per share, to be paid fully in cash (the “Potential Transaction”).

Early February 2019 Wessanen received an initial expression of interest initiated by the Consortium regarding a potential recommended public offer by the Consortium for all the issued and outstanding shares of Wessanen. The supervisory board and the executive board of Wessanen (the “Boards”), after careful review and consideration, together with their financial and legal advisors, concluded that it was not in Wessanen’s stakeholders’ interests to enter into discussions with the Consortium, based on the proposed terms.

After several revised proposals, the Consortium, on 5 March 2019, sent a proposal to Wessanen for the Potential Transaction, including an offer price of EUR 11.50 (cum dividend) per share, to be fully paid in cash, as well including certain non-financial terms. On 5 March 2019, such proposed offer price represented a premium of 23.7% to the preceding day closing price, a premium of 30.7% to the 30 days VWAP, a premium of 32.2% to the 60 days VWAP and a premium of 29.2% to the 90 days VWAP. After careful review and consideration, the Boards, together with their financial and legal advisors, concluded that this proposal warranted engaging with the Consortium to explore the feasibility and merits of the Potential Transaction.

Currently, due diligence is taking place and the parties will be exploring the terms of a merger protocol.

Mr. Jobson has been a shareholder of Wessanen since 2009, and currently owns a stake of approximately 25.74%. Mr. Jobson has informed Wessanen that in the Potential Transaction he would roll over approximately 80% of his shareholding in Wessanen. PAI is a leading pan European private equity firm, managing and advising dedicated buyout funds with a combined equity value in excess of €12 billion.

There can be no assurance any transaction will materialize from these discussions. Further announcements will be made if and when required.

Lazard is acting as financial advisor and Allen & Overy is acting as legal counsel to Wessanen.

#### **For information contact**

Hill+Knowlton Strategies  
Ingo Heijnen  
Phone +31 6 55867904

## Company profile

Wessanen is a leading company in the European market for healthy and sustainable food. In 2018, our revenue was €628 million and we employed on average 1,350 people. Our purpose is ‘connect to nature’ and we focus on organic, vegetarian, fair trade and nutritionally beneficial products.

Our family of companies is committed to driving positive change in food in Europe. Our own brands include many pioneers and market leaders: Allos, Alter Eco, Bjorg, Bonneterre, Clipper, Destination, El Granero, Isola Bio, Kallø, Mrs Crimble’s, Tartex, Whole Earth and Zonnatura.

## Market Abuse Regulation

This is a public announcement by Wessanen pursuant to section 17 paragraph 1 of the European Market Abuse Regulation (596/2014) and Section 5 paragraph 2 of the Decree on Public Takeover Bids (Besluit openbare biedingen Wft). This public announcement does not constitute an offer, or any solicitation of any offer, to buy or subscribe for any securities in Wessanen.

This press release may contain inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

### 10.2 Press release dated 10 April 2019

*This is a joint press release by Koninklijke Wessanen N.V. (“Wessanen” or the “Company”), PAI Partners SAS (“PAI”) and various entities (indirectly) affiliated to Charles Jobson and/or his family members (“Charles Jobson”, and together with PAI, the “Consortium”), pursuant to the provisions of Section 4, paragraphs 1 and 3, Section 5, paragraph 1 and Section 7, paragraph 4 of the Netherlands Decree in Public Takeover Bids (Besluit openbare biedingen Wft, the “Decree”) in connection with the intended public offer by Best of Nature Bidco B.V. (“the Offeror”) for all the issued and outstanding ordinary shares in the capital of Wessanen. This announcement does not constitute an offer, or any solicitation of any offer, to buy or subscribe for any securities in Wessanen. Any offer will be made only by means of an offer memorandum (the “Offer Memorandum”) approved by the AFM. This announcement is not for release, publication or distribution, in whole or in part, in or into, directly or indirectly, the United States, Canada and Japan.*

## **WESSANEN AND A CONSORTIUM OF PAI AND CHARLES JOBSON AGREE ON A RECOMMENDED ALL-CASH OFFER OF EUR 11.50 PER SHARE FOR ALL SHARES OF WESSANEN**

**Amsterdam, the Netherlands / Paris, France / Boston, Massachusetts, U.S. 10 April 2019**

Koninklijke Wessanen N.V. (“Wessanen” or the “Company”), a European leader in healthy, organic and sustainable food, and a Consortium consisting of PAI Partners SAS (“PAI” or “PAI Partners”) and Charles Jobson are pleased to announce that a conditional agreement (the “Merger Agreement”) has been reached on a recommended public offer (the “Offer”) to be made by the Consortium for the entire issued and outstanding share capital of Wessanen (the “Shares”) for EUR 11.50 in cash per Share (cum dividend) (the “Offer Price”). This represents a total consideration of approximately EUR 885 million. The acquisition will enable Wessanen to continue to invest in initiatives in order to maintain its

position as a leader in sustainable foods. The Consortium shares Wessanen's view to pursue growth of its leading healthy and sustainable food brands. Wessanen welcomes the prospect of the longer-term horizon and stability under the ownership of the Consortium, expanding its position in organic foods and preserving its sustainable character, which will benefit all stakeholders of the Company.

Christophe Barnouin, CEO of Wessanen: *"Our vision is to build a European leader in organic and sustainable food. We want to remain at the forefront of making food healthier and more sustainable for the benefit of both consumers and the planet. This requires a long-term commitment from shareholders and long-term investments. It is all the more critical in an era where organic, sustainable and healthy themes have grown increasingly popular, which in turn has resulted in a more competitive landscape. PAI and Charles Jobson are fully supportive of our strategy and will bring a longer-term horizon and additional investments supporting the execution of our plans. We believe that for our existing shareholders, the Offer represents an attractive price. Taking into account the interests of all stakeholders, the Boards consider the Offer to be in the best interest of Wessanen and we therefore fully support and recommend the Offer."*

Gaëlle d'Engremont, Partner at PAI Partners: *"Wessanen is extremely well positioned in the European health food industry, housing high-quality brands and being at the forefront on innovation in this rapidly growing sector. We intend to accelerate Wessanen's growth using our experience in the food and consumer space and investing further in the brands and the people of Wessanen to increase the reach of the company. We are fully committed to Wessanen's current strategy and are excited to work alongside their passionate management team and long-time shareholder Charles Jobson. Together we can support the company to further build on its position as a leading sustainable and healthy food company in Europe, fully engaged with its customers on a daily basis."*

Charles Jobson: *"Since 2009, I have been a supporter of Wessanen's vision to become Europe's leader in healthy and sustainable food. I have been following Wessanen closely and strongly believe in a bright future for all its stakeholders. As a private company, I believe Wessanen will have better potential to accelerate and continue to be at the forefront in the industry. Together with PAI, a long-term strategic partner, we will support Wessanen and its management in the execution of its strategic plans over the coming years."*

### **Transaction highlights**

- Wessanen and the Consortium have reached conditional agreement on a recommended all-cash public offer of EUR 11.50 (cum dividend) per issued and outstanding share of Wessanen representing a total consideration of approximately EUR 885 million
- The Offer Price represents a premium of approximately 21% to the Wessanen closing share price on 13 March 2019<sup>4</sup>, a premium of approximately 30% to the 30-day VWAP and a premium of approximately 29% to the 90-day VWAP, delivering immediate, certain and attractive value to Wessanen's shareholders
- Transaction supported and recommended by Wessanen's executive board and supervisory board
- Charles Jobson, holding in aggregate approximately 25.74% of the Shares, has irrevocably committed to tender, sell or contribute his Shares to the Offeror
- PAI will hold approximately 62% and Charles Jobson approximately 38% in the Consortium following completion

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<sup>4</sup> The day prior to the announcement by Wessanen regarding its discussions on a possible cash offer

- The Consortium has committed financing in place providing high deal certainty and will fund the transaction through a combination of debt and equity
- Draft Offer Memorandum will be submitted to the AFM no later than early June with completion of the Offer anticipated in the second half of 2019

#### **Commitment to the strategy**

- The Consortium will support the management team of Wessanen in realising its strategic priorities and will provide resources to further develop the business and preserve the sustainable character of the Company
- The Consortium shares Wessanen's view to upgrade its operations to improve the efficiency across the entire value chain of the business and to add scale in core categories and markets through acquisitions
- PAI's track record and expertise in the Food & Consumer market will enable Wessanen to further strengthen its position as a leader in the European organic food market

#### **Commitments to employees, sustainability and other non-financial considerations**

- Existing rights and benefits of Wessanen employees will be respected, the transaction will not have a direct impact on the total workforce
- Corporate identity and culture of Wessanen will be maintained, headquarters will remain in Amsterdam
- Wessanen's commitment to the UN Sustainable Development Goals, the aspired group-wide B Corp. certification and its goal to minimize its environmental footprint and waste are fully supported by the Consortium

#### **Background on the Consortium**

PAI has a strong track-record of acquiring businesses and supporting management teams to invest for growth, both organically and through acquisitions. PAI has an extensive network and relationships across the Food & Consumer sector in Europe with previous investments in the sector, from which Wessanen would benefit. The direction of Wessanen to strongly focus on sustainability fits with PAI's perspective on the importance of ESG factors in their investments.

Charles Jobson has been a supportive shareholder of Wessanen for a decade and has built out his stake over the years to become Wessanen's largest shareholder, holding approximately 25.74% in aggregate of the Shares. He supports the Company's strategy and has supported the management in its efforts to transform Wessanen into the company it is today.

Upon completion of the Offer, PAI will hold approximately 62% and Charles Jobson approximately 38% in the Consortium.

#### **Transaction details**

The proposed transaction envisions the acquisition of the Shares pursuant to a recommended all cash public offer by the Offeror. The Offer Price values 100% of the Shares at approximately EUR 885 million. If approved during Wessanen's annual general meeting of shareholders on 11 April 2019, Wessanen shall pay to its shareholders a dividend over the financial year 2018 of 14 eurocent per Share in which case the Offer Price shall be reduced by 14 eurocent per Share.

The Offer Price represents:

- a premium of approximately 21% to the Wessanen closing share price of EUR 9.47 on 13 March 2019, the day prior to the announcement by Wessanen regarding its discussions on a possible cash offer;
- a premium of approximately 30% to the volume weighted average Wessanen share price of EUR 8.84 for the 30 trading days period up to and including 13 March 2019; a premium of approximately 29% to the volume weighted average Wessanen share price of EUR 8.90 for the 90 trading days period up to and including 13 March 2019; and
- an Enterprise Value to EBITDAE multiple of approximately 13.7x for the twelve months period ending 31 December 2018

### **Irrevocable undertaking of Charles Jobson**

Charles Jobson (directly and indirectly) currently has a shareholding in Wessanen of approximately 25.74% in aggregate of the Shares, and has provided an irrevocable undertaking to cash out approximately 5% of the Shares and to reinvest the remainder of his shareholding (representing approximately 21% of the Shares) into the Offeror and to vote in favor of the resolutions to be proposed at the extraordinary general meeting of Wessanen to be held in connection with the Offer, subject to the Offer being declared unconditional. In so far as Charles Jobson tenders his Shares under the Offer, he will do so under the same terms and conditions as described in the Offer Memorandum.

In accordance with the applicable public offer rules, any information shared with Charles Jobson about the Offer shall, if not published prior to the Offer Memorandum being made generally available, be included in the Offer Memorandum in respect of the Offer.

### **Recommendation by the Wessanen Boards**

The Boards have frequently discussed the developments of the proposed transaction and the key decisions in connection therewith throughout the process. Consistent with their fiduciary responsibilities, the Boards, with the support of their financial and legal advisors, have carefully reviewed the Offer and have given careful consideration to all aspects of the Offer, including strategic, financial, operational and social points of view. The Boards are of the opinion that the Consortium makes a compelling offer representing a fair price and attractive premium to Wessanen's shareholders, as well as favourable non-financial terms. The Boards conclude that the Offer is in the long-term interest of the Company, the sustainable success of its business, clients, employees, shareholders and other stakeholders.

In reaching its recommendation, the Boards have explicitly taken into account the interests of all stakeholders. The Consortium will support the Company in the execution of its strategy and is able to provide Wessanen with expertise and readily access to capital in support of investments to grow its leading healthy and sustainable brands, to upgrade operations and to add scale in core categories and markets through acquisitions.

Lazard has issued a fairness opinion to the executive board of Wessanen and ABN AMRO has issued a fairness opinion to the supervisory board of Wessanen. Both have opined that the Offer Price is fair to the holders of Shares and the Share Sale Price (as defined below) is fair, from a financial point of view, to Wessanen Holdco.

Taking all these considerations into account, the Boards fully support and recommend to Wessanen's shareholders to tender their Shares under the Offer, if and when made. Accordingly, the Boards

recommend that Wessanen's shareholders accept the Offer and vote in favour of the resolutions relating to the Offer at the upcoming extraordinary general meeting of Wessanen, to be held during the offer period (the "EGM") Wessanen. Furthermore, all members of the Boards who hold Shares for their own account will tender all those Shares into the Offer. The support and recommendation of the Boards, and the obligations of Wessanen in relation thereto, are subject to the terms and conditions of the Merger Agreement and completion of consultation with the appropriate employee representative bodies.

Mr. Kluiber, member of the supervisory board of Wessanen, who was nominated for appointment by Charles Jobson in 2012, has not participated in any discussions and decision-making process in respect of the Offer since the Consortium first approached Wessanen early February 2019.

### **Fully committed financing for the Offer**

The Offer Price values 100% of the Shares at approximately EUR 885 million. The Consortium shall fund the Offer through a combination of equity and third-party debt financing.

As such, the Offeror has received a binding equity commitment letter from two PAI funds, for an aggregate amount of EUR 301 million, and a commitment from Charles Jobson to reinvest approximately 21% of the proceeds from the Offer for an amount of EUR 183 million, taken together representing a total fully committed equity financing amount of EUR 484 million (the "Equity Financing").

In addition, the Offeror has entered into binding debt commitment papers with a consortium of reputable banks for senior debt financing for an aggregate amount of approximately EUR 445 million of term debt, which is fully committed on a "certain funds" basis (the "Debt Financing").

The Consortium has no reason to believe that any conditions to the Equity Financing or the Debt Financing will not be fulfilled on or prior to the settlement date of the Offer.

From the arranged Equity Financing and Debt Financing, the Offeror will be able to fund the acquisition of the Shares under the Offer, the refinancing of Wessanen's existing debt and the payment of fees and expenses related to the Offer.

### **Fairness Opinions**

On 10 April 2019, Lazard issued a fairness opinion to the executive board and ABN AMRO issued a fairness opinion to the Wessanen supervisory board, in each case as to the fairness, as of such date, and based upon and subject to the factors and assumptions set forth in each fairness opinion, that the Offer Price is fair to the holders of Shares, and that the Share Sale Price (as defined below) is fair to Wessanen Holdco, from a financial point of view. The full text of such fairness opinions, each of which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with each such opinion, will be included in Wessanen's position statement. The opinions of Lazard and ABN AMRO are given to the executive board and the supervisory board of Wessanen, respectively, and not to the holders of Shares. As such, the fairness opinions do not contain a recommendation to the holders of Shares as to whether they should tender their Shares under the Offer (if and when made) or how they should vote or act with respect to the proposed resolutions at the EGM or any other matter.

### **Acquisition of 100%**

Wessanen and the Consortium acknowledge the importance for the Consortium to acquire 100% of the Shares. This importance is based, *inter alia*, on:

- the fact that having a single shareholder and operating without a public listing increases the ability to achieve the goals and implement the actions of its strategy and reduces costs;
- the ability to terminate the listing of the Shares from Euronext Amsterdam;
- the ability to achieve an efficient capital structure;
- the ability to implement and focus on achieving long-term strategic goals of Wessanen, as opposed to short-term performance driven by quarterly reporting; and
- as part of the long-term strategic objectives the ability to focus on pursuing and supporting (by providing access to equity and debt capital) continued buy-and-build acquisition opportunities as and when they arise.

If the Consortium acquires at least 95% of the Shares, it is intended that Wessanen's listings on Euronext Amsterdam will be terminated as soon as possible. In addition, the Consortium will commence statutory squeeze-out proceedings.

If the Consortium, after the post acceptance period, holds less than 95% but at least 80% of the Shares, the Consortium may determine to have Wessanen implement a legal triangular merger with two of its newly to be incorporated subsidiaries (Wessanen Holdco and Wessanen Sub) (the "Merger"), whereby Wessanen shareholders will hold a number of shares in the capital of Wessanen Holdco equal to the number of Shares held by such holder of Shares immediately prior to the completion of the Merger. The Merger will be subject to Wessanen's shareholders' approval at the EGM to be held prior to closing of the offer period. The Board members entitled to vote (excluding Mr. Kluijber) have unanimously approved and consented to the Merger and shall recommend the Wessanen shareholders to vote in favour of the Merger, subject to completion of consultation with the appropriate employee representative bodies. Once the Merger is implemented, the listing of Wessanen will terminate.

If the Consortium pursues the Merger, it will enter into a share purchase agreement with Wessanen Holdco pursuant to which the shares in Wessanen Sub will be sold and transferred to the Consortium as soon as possible after the Merger becomes effective (the "Share Sale") against payment of a purchase price equal to the Offer Price (the "Share Sale Price"). Upon completion of the Share Sale, Wessanen Holdco will be dissolved and liquidated (the "Liquidation"). As soon as possible after commencement of the Liquidation, an advance liquidation distribution will be made to the shareholders of Wessanen Holdco consisting of a payment per share in the capital of Wessanen Holdco equal to the Offer Price, without any interest and subject to withholding taxes and other taxes.

### **Non-Financial Covenants**

Wessanen and the Consortium have agreed to certain covenants which are summarized below in respect of, *inter alia*, corporate governance, strategy, leverage and costs, employees organisation and minority shareholders for a duration of three years after settlement (the "Non-Financial Covenants"), except for the covenant relating to the headquarters which applies for a duration of two years after settlement.



### *Corporate governance*

It is envisaged that upon successful completion of the Offer the supervisory board of Wessanen will be composed of:

- five members to be identified by the Consortium prior to launch of the Offer; and
- two members qualifying as independent within the meaning of the Dutch Corporate Governance Code whereby at least one of these independent members shall be a current member of the Supervisory Board, initially being Mr. van Oers (the “Independent Member A”). The other independent member will be identified prior to launch of the Offer with the prior consent of the Independent Member A. The two independent members shall continue to serve at least throughout the duration of the Non-Financial Covenants.

The current CEO and Chairman of the executive board of Wessanen, Mr. Barnouin, will continue to serve as CEO and Chairman of the executive board following settlement of the Offer. Prior to launch of the Offer, the Consortium will determine whether any additional appointments to the executive board will be made.

### *Strategy*

The Consortium fully supports the vision, mission and strategy of Wessanen to (i) grow its brands in core categories, (ii) upgrade its operations, (iii) build a green, attractive and efficient company and (iv) make selective acquisitions and shall assist Wessanen in the realisation thereof.

### *Wessanen*

The Consortium subscribes to Wessanen’s three main objectives in order to upgrade its operations being ‘Support to Growth’, ‘Protect Margin’ and ‘Develop Sustainable Operations’.

The Consortium intends to ensure that Wessanen will operate in a sustainable way and continues to invest in leading sustainability initiatives for the long-term pioneer position of the Wessanen group and continue the current Wessanen ‘B-Corp’ certification of the whole group. The Consortium supports the United Nations Global compact and the UN sustainability goals addressed by the group’s strategy.

The Consortium will support the Company in pursuing acquisitions and will ensure that the Wessanen group will have the ability to finance further acquisitions.

The Consortium intends to maintain the Company’s business integrity and it will not on-sell any material assets of the group.

### *Leverage and costs*

The Consortium intends to put in place a debt structure in line with transactions of this size and nature, whereby the net debt position of the Wessanen group post settlement of the Offer corresponds to a maximum of 6x the estimated LTM Leverageable EBITDA, on a covenant-light structure.

### *Employees*

No material reductions of the total workforce are expected as a direct result of the Offer, completion thereof or the Merger. The Consortium intends to continue the production activities in the European factories of the group.

The Consortium will respect the existing rights and benefits of Wessanen's employees, including under their individual employment agreements, collective labour agreements, social plans, pension rights and including existing rights and benefits under existing covenants made with employee representative bodies. The Wessanen group's current employee consultation structure in the Netherlands will remain unchanged.

The Consortium will ensure it fosters a culture of excellence, where qualified employees are offered training and national and international career progression. The nomination, selection and appointment of staff for functions within the group will be based on the 'best person for the job' principle or on a non-discriminatory, fair and business-oriented transparent set of criteria.

### *Organisation*

Wessanen will remain a separate legal entity and will remain the holding company. Wessanen's governance structure remains a two-tier structure. Wessanen's corporate identity and culture are maintained, recognising its history and heritage, including as set out in the code of conduct.

In principle, Wessanen's headquarters, central management and its key support functions, including sales and marketing offices, from time to time, will remain at its current location.

### **Next steps**

Wessanen and the Consortium will seek to obtain all necessary approvals and competition clearances as soon as practical. Both parties are confident that the Consortium will secure all clearances within the timetable applicable to the Offer.

The Consortium expects to submit a request for review and approval of its Offer Memorandum with the AFM no later than early June and to publish the Offer Memorandum shortly after approval, in accordance with the applicable statutory timeline.

Wessanen will hold the EGM at least six business days prior to the closing of the offer period in accordance with Section 18 Paragraph 1 of the Decree to inform the shareholders about the Offer and to adopt certain resolutions that are conditions to the consummation of the Offer.

Based on the required steps and subject to the necessary approvals, Wessanen and the Consortium anticipate that the Offer will close in the second half of 2019.

### **Advisors**

Lazard is acting as financial advisor to Wessanen and Allen & Overy LLP is acting as legal advisor to Wessanen. ABN AMRO is acting as independent financial advisor to Wessanen's supervisory board. Hill+Knowlton Strategies is acting as communications advisor.

Credit Suisse is acting as financial advisor to the Consortium. Freshfields Bruckhaus Deringer LLP is acting as legal advisor to the Consortium. De Brauw Blackstone Westbroek N.V. is acting as legal

advisor to Charles Jobson. CFF Communications is acting as communications advisor to the Consortium.

## **Annex: further transaction details**

### **Pre-Offer and Offer conditions**

The commencement of the Offer is subject to the satisfaction or waiver of pre-offer conditions customary for a transaction of this kind, including:

- no material breach of the Merger Agreement having occurred
- no revocation or material amendment of the recommendation by the Boards
- no material adverse effect having occurred
- the AFM having approved the Offer Memorandum
- no Competing Offer having been announced or made
- no notification having been received from AFM pursuant to Article 5:80 of the Dutch financial supervision act (Wet op het financieel toezicht, “Wft”) stating that one or more investment firms will not be allowed to cooperate with the Offer
- no order, stay judgment or decree having been issued prohibiting the making of the Offer
- trading in the Shares on Euronext Amsterdam not having been suspended or ended as a result of a listing measure (*noteringsmaatregel*) by Euronext Amsterdam

If and when made, the consummation of the Offer will be subject to the satisfaction or waiver of the following Offer conditions customary for a transaction of this kind, including:

- minimum acceptance level of at least 95% of the Shares, which will be reduced to 80% in the event that the Wessanen shareholders have adopted the Merger resolution at the EGM, provided however that the Consortium may waive the minimum acceptance condition without the consent of Wessanen if the acceptance level is at least 76%
- competition clearance having been obtained
- no material breach of the Merger Agreement having occurred
- no revocation or material amendment of the recommendation by the Boards
- no material adverse effect having occurred
- no Competing Offer having been announced or made
- no notification having been received from AFM pursuant to Article 5:80 of the Wft stating that one or more investment firms will not be allowed to cooperate with the Offer
- no order, stay judgment or decree having been issued prohibiting the making of the Offer
- trading in the Shares on Euronext Amsterdam not having been suspended or ended as a result of a listing measure (*noteringsmaatregel*) by Euronext Amsterdam

The Offer Conditions will have to be satisfied or waived ultimately on 10 April 2020.

### **Exclusivity and Competing Offer**

Wessanen and the Consortium may terminate the Merger Agreement in the event a bona fide third-party offeror makes an offer which, in the reasonable opinion of the Boards, is a credible and more beneficial offer than the Offer specifically taking into account the identity and track record of such third party, the level and nature of consideration to be received by shareholders, the deal certainty

aspects and the likelihood of completion, the other terms and conditions of the competing offer, including non-financial covenants, compliance with antitrust laws and the interests of all stakeholders of Wessanen, exceeds the Offer Price by 7% and is launched or is committed to be launched within 12 weeks from announcement (a “Competing Offer”). As part of the agreement, Wessanen has entered into customary undertakings not to solicit third party offers.

### **Termination**

If the Merger Agreement is terminated because of a Competing Offer having been made or a material breach of the Merger Agreement by Wessanen, Wessanen will forfeit a EUR 8.8 million termination fee to the Consortium.

If the Merger Agreement is terminated because the competition clearance has not been obtained or because of a material breach of the Merger Agreement by the Consortium, the Consortium will forfeit a EUR 8.8 million termination fee to Wessanen. If the Merger Agreement is terminated because the Consortium is failing to commence or settle the Offer despite all conditions being satisfied or waived in accordance with the Merger Agreement, the Consortium will forfeit a EUR 17.6 million termination fee to Wessanen.

The foregoing termination fees are without prejudice to each party’s rights under the Merger Agreement to demand specific performance.

### **General restrictions**

The distribution of this press release may, in some countries, be restricted by law or regulation. Accordingly, persons who come into possession of this document should inform themselves of and observe these restrictions. To the fullest extent permitted by applicable law, the Consortium, the Offeror and Wessanen disclaim any responsibility or liability for the violation of any such restrictions by any person. Any failure to comply with these restrictions may constitute a violation of the securities laws of that jurisdiction. Neither the Consortium, nor Wessanen, nor any of their advisors assumes any responsibility for any violation by any of these restrictions. Any Wessanen shareholder who is in any doubt as to his or her position should consult an appropriate professional advisor without delay. This announcement is not to be published or distributed in or to Japan, Canada or the United States.

The information in the press release is not intended to be complete. This announcement is for information purposes only and does not constitute an offer or an invitation to acquire or dispose of any securities or investment advice or an inducement to enter into investment activity. This announcement does not constitute an offer to sell or the solicitation of an offer to buy or acquire the securities of Wessanen in any jurisdiction.

### **Forward looking statements**

Certain statements in this press release may be considered “forward-looking statements,” such as statements relating to the impact of this transaction on the Consortium and Wessanen. Forward-looking statements include those preceded by, followed by or that include the words “anticipated,” “expected” or similar expressions. These forward-looking statements speak only as of the date of this release. Although the Consortium and Wessanen believe that the assumptions upon which their respective financial information and their respective forward-looking statements are based are reasonable, they can give no assurance that these forward-looking statements will prove to be correct. Forward-looking

statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from historical experience or from future results expressed or implied by such forward looking statements. Potential risks and uncertainties include, but are not limited to, receipt of regulatory approvals without unexpected delays or conditions, the Consortium's ability to achieve the anticipated results from the acquisition of Wessanen, the effects of competition (in particular the response to the transaction in the marketplace), economic conditions in the global markets in which the Consortium and Wessanen operate, and other factors that can be found in the Consortium's and Wessanen press releases and public filings. Neither the Consortium or the Offeror, nor Wessanen, nor any of their advisors, accepts any responsibility for any financial information contained in this press release relating to the business, results of operations or financial condition of the other or their respective groups. Each of the Consortium, the Offeror and Wessanen expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

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**About Koninklijke Wessanen**

Koninklijke Wessanen is a leading company in the European market for healthy and sustainable food. In 2018, our revenue was €628 million and we employed on average 1,350 people. Our purpose is 'connect to nature' and we focus on organic, vegetarian, fair trade and nutritionally beneficial products. Our family of companies is committed to driving positive change in food in Europe. Our own brands include many pioneers and market leaders: Allos, Alter Eco, Bjorg, Bonneterre, Clipper, Destination, El Granero, Isola Bio, Kallø, Mrs Crimble's, Tartex, Whole Earth and Zonnatura.

**About PAI Partners**

PAI Partners is a leading European private equity firm with offices in Paris, London, Luxembourg, Madrid, Milan, Munich, New York and Stockholm. PAI manages €12.3 billion of dedicated buyout funds. Since 1994, the company has completed 69 transactions in 11 countries, representing over €50 billion in transaction value. PAI is characterised by its industrial approach to ownership combined with

its sector-based organisation. PAI Partners provide the companies they own with the financial and strategic support required to pursue their development and enhance strategic value creation. [www.paipartners.com](http://www.paipartners.com)

### **About Charles Jobson**

Charles Jobson, CFA, is Director at Good Times Restaurants Inc. (listed on NASDAQ) since May 24, 2018. He co-founded Delta Partners, LLC in 1999 and serves as its portfolio manager. Charles Jobson has been a long-term shareholder of Wessanen since 2009. Charles Jobson has shown strong support for current management of Wessanen and believes in the current strategy. He would like to continue investing in the business to unlock further potential as a growth company.

### **Notes to the press release**

This is a public announcement by Koninklijke Wessanen N.V. pursuant to section 17 paragraph 1 of the European Market Abuse Regulation (596/2014). This public announcement does not constitute an offer, or any solicitation of any offer, to buy or subscribe for any securities in Koninklijke Wessanen N.V.

### **10.3 Press release dated 2 May 2019**

*This is a press release by Koninklijke Wessanen N.V. (“Wessanen” or the “Company”) pursuant to the provisions of Sections 5 paragraph 4 and 6 paragraph 2 of the Dutch Decree on Public Takeover Bids (Besluit openbare biedingen Wft, the “Decree”) in connection with the intended public offer by Best of Nature Bidco B.V. (“the Offeror”), an entity controlled by PAI Partners SAS (“PAI”) and various entities (indirectly) affiliated to Charles Jobson and/or his family members (“Charles Jobson”, and together with PAI, the “Consortium”), for all the issued and outstanding ordinary shares in the capital of Wessanen. This announcement does not constitute an offer, or any solicitation of any offer, to buy or subscribe for any securities in Wessanen. Any offer will be made only by means of an offer memorandum approved by the AFM. This announcement is not for release, publication or distribution, in whole or in part, in or into, directly or indirectly, the United States, Canada and Japan.*

### **WESSANEN ANNOUNCES ISSUANCE OF SHARES TO EMPLOYEES TO MEET EXISTING OBLIGATIONS UNDER EMPLOYEE INCENTIVE PLANS AND OTHER DISCLOSURES**

Amsterdam, the Netherlands, 2 May 2019 - Following the announcement on 10 April 2019 that Wessanen and the Offeror reached conditional agreement on a recommended all-cash public offer for all issued and outstanding ordinary shares of Wessanen (the “Shares”), the Dutch public offer rules require Wessanen to announce in a press release all transactions by Wessanen relating to the Shares in its capital.<sup>5</sup> Accordingly Wessanen makes the disclosures below.

### **Transactions related to Wessanen’s Long Term Incentive Plan and Share Matching Plan**

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<sup>5</sup> Wessanen’s authorised share capital consists of one class of shares, being ordinary shares.

Today, in order to meet its obligations under its Long Term Incentive Plan (the “LTIP”) and its Share Matching Plan (the “SMP”), Wessanen issued a total number of 190,871 new Shares with a nominal value of EUR 1.00 each to 60 eligible employees. This group of eligible employees consists of a member of the executive board of Wessanen and certain managers and (senior) employees of Wessanen. The Shares were issued at par value, and, in accordance with the LTIP and SMP, with no consideration payable by the eligible employees.

Following the issuance of such new Shares the total number of issued and outstanding Shares is 76,735,499. Wessanen does not hold any Shares in its own capital.

In addition, Wessanen today, acting on behalf of the eligible employees, sold 85,604 of the 190,871 newly issued Shares (details can be found in table below). The reasons for selling such 85,604 newly issued Shares are twofold:

- pursuant to the LTIP and SMP, the Shares are delivered to the eligible employees net of any withholding taxes or other withholdings due to any authority. In connection with such withholdings, 74,942 newly issued Shares were sold. Wessanen will transfer the proceeds to the relevant (tax) authorities; and
- in addition, 10,662 newly issued Shares were sold at the request of eligible employees. Wessanen will transfer the proceeds to the relevant eligible employees.

<b>Date</b>	<b>Transaction type</b>	<b>Total number Shares</b>	<b>Type of Shares</b>	<b>Volume weighted average price (€)</b>
2 May 2019	Sale	85,604	Ordinary	11.48

The 85,604 newly issued Shares were sold in one transaction, therefore the highest price per Share paid in this transaction is equal to the volume weighted average price of EUR 11.48 per Share.

Wessanen does not hold any shares in the capital of the Offeror. Other than the shareholding described in the announcement of 10 April 2019, Wessanen is not aware of the Offeror, PAI or Jobson holding Shares in Wessanen).

Wessanen will make filings and/or further announcements in relation to aforementioned transactions in accordance with applicable laws.

#### **For information contact**

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#### **Company profile**

Wessanen is a leading company in the European market for healthy and sustainable food. In 2018, our revenue was €628 million and we employed on average 1,350 people. Our purpose is 'connect to nature' and we focus on organic, vegetarian, fair trade and nutritionally beneficial products.

Our family of companies is committed to driving positive change in food in Europe. Our own brands include many pioneers and market leaders: Allos, Alter Eco, Bjorg, Bonneterre, Clipper, Destination, El Granero, Isola Bio, Kallø, Mrs Crimble's, Tartex, Whole Earth and Zonnatura.

#### **10.4 Press release dated 8 May 2019**

*This is a joint press release by PAI Partners SAS ("PAI") and various entities (indirectly) affiliated to Charles Jobson and/or his family members ("Charles Jobson", and together with PAI, the "Consortium"), and Koninklijke Wessanen N.V ("Wessanen" or the "Company"), pursuant to the provisions of Section 7 Paragraph 1 sub a of the Decree on Public Takeover Bids (Besluit openbare biedingen Wft) (the "Decree") in connection with the intended public offer by the Consortium for all the issued and outstanding shares in the capital of Wessanen. This announcement does not constitute an offer, or any solicitation of any offer, to buy or subscribe for any securities. Any offer will be made only by means of an offer memorandum. This announcement is not for release, publication or distribution, in whole or in part, in or into, directly or indirectly, the United States, Canada or Japan or in any other jurisdiction in which such release, publication or distribution would be unlawful.*

#### **UPDATE ON INTENDED OFFER BY PAI AND CHARLES JOBSON FOR WESSANEN**

**Paris, France / Boston Massachusetts, U.S. / Amsterdam, the Netherlands - 8 May 2019**

Reference is made to the joint press release by Wessanen and the Consortium of PAI Partners and Charles Jobson dated 10 April 2019 in respect of the intended recommended public offer to be made by the Consortium for all the issued and outstanding shares of Wessanen (the "Shares") at an offer price of EUR 11.50 in cash per share (cum dividend) (the "Offer"). Taking into account that a EUR 0.14 dividend has been paid in respect of the Shares on 18 April 2019, the consideration to be received by the shareholders of Wessanen if and when the Offer is declared unconditional will be adjusted to EUR 11.36 per Share.

Pursuant to the provisions of Section 7, paragraph 1 sub a of the Decree, the Consortium is required to publish a public announcement that states whether the Consortium intends to submit an application for approval of the offer memorandum in relation to the Offer to the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*; the "AFM") within four weeks following its announcement of 10 April 2019. The Consortium and Wessanen hereby provide this joint update on the Offer.

The Consortium and Wessanen confirm that they are making good progress on the preparations for the Offer. The Consortium expects to submit a request for review and approval of the offer memorandum in relation to the Offer with the AFM and expects to do so in June 2019, before the applicable deadline under Dutch law.

In addition, the Consortium and Wessanen confirm that the process to obtain the required regulatory clearance for the Offer is proceeding. Based on the required steps and subject to the necessary approvals, the Consortium and Wessanen anticipate that the Offer will close in September 2019.



**Acceptance by board members**

All members of the executive board and supervisory board of Wessanen who hold Shares for their own account will tender those Shares into the Offer, if and when made, under the same terms and conditions as described in the Offer Memorandum.

**Other**

To the extent permissible under applicable law or regulation, the Offeror and its affiliates or brokers (acting as agents for the Offeror or its affiliates, as applicable) may from time to time after the date hereof, and other than pursuant to the intended Offer, directly or indirectly purchase, or arrange to purchase, shares in the capital of Wessanen, that are the subject of the intended Offer. Such purchases will be made in accordance with Dutch law and, if applicable, US rules and regulations.

## 11. DUTCH LANGUAGE SUMMARY

*Dit Hoofdstuk 11 is de Nederlandse samenvatting van het Biedingsbericht dat is uitgegeven ter zake van het openbaar bod dat door de Bieder is uitgebracht op alle Aandelen in het geplaatste en uitstaande kapitaal van Wessanen met inachtneming van de voorwaarden zoals beschreven in het Biedingsbericht.*

*De gedefinieerde termen in dit Hoofdstuk 11 (Dutch language summary) van het Biedingsbericht hebben de betekenis die daaraan is gegeven in Hoofdstuk 11.2 (Nederlandse definities). Deze Nederlandse samenvatting maakt deel uit van het Biedingsbericht, maar vervangt deze niet. Deze Nederlandse samenvatting is niet volledig en bevat niet alle informatie die voor de Aandeelhouders van belang is om zich een afgewogen oordeel te kunnen vormen omtrent het Bod.*

*Het lezen van deze Nederlandse samenvatting mag derhalve niet worden beschouwd als een alternatief voor het bestuderen van het volledige Biedingsbericht. Aandeelhouders wordt geadviseerd het volledige Biedingsbericht zorgvuldig door te lezen en zo nodig onafhankelijk advies in te winnen teneinde een afgewogen oordeel te kunnen vormen omtrent het Bod. Daarnaast zullen Aandeelhouders mogelijk hun belastingadviseur willen raadplegen met betrekking tot de fiscale gevolgen van het aanmelden van Aandelen onder het Bod.*

*Waar deze Nederlandse samenvatting afwijkt van de Engelse tekst van het Biedingsbericht, prevaleert de Engelse tekst.*

### 11.1 Belangrijke informatie

Het uitbrengen van het Bod, de verkrijgbaarstelling van het Biedingsbericht (inclusief deze Nederlandse samenvatting) en/of de verspreiding van enige andere informatie met betrekking tot het Bod, kan/kunnen in bepaalde jurisdicties aan restricties onderhevig zijn. Zie in dit verband Hoofdstukken 1 (*Restrictions*) en 2 (*Important Information*).

Het Bod wordt direct noch indirect gedaan in, en mag niet worden aanvaard door of namens Aandeelhouders vanuit een jurisdictie waarin het uitbrengen van het Bod of het aanvaarden daarvan niet in overeenstemming is met de in die jurisdictie geldende wet- en regelgeving. Het niet in acht nemen van deze restricties kan een overtreding van de effectenwet- en regelgeving van de desbetreffende jurisdictie opleveren. Wessanen en de Bieder en hun respectievelijke adviseurs aanvaarden geen aansprakelijkheid ter zake van overtreding van voornoemde restricties. Aandeelhouders dienen zo nodig onafhankelijk advies in te winnen omtrent hun positie dienaangaande.

De Bieder behoudt zich het recht voor om in het kader van het Bod de aanmelding van Aandelen te accepteren, zelfs indien dit niet gebeurt in overeenstemming met de bepalingen zoals uiteengezet in het Biedingsbericht.

De informatie die is opgenomen in de Hoofdstukken 1 tot en met 5 (met uitzondering van de informatie opgenomen in de Hoofdstukken 5.6, 5.8, 5.9, 5.15, 5.17 en 5.18), 7, 9, 10 en 11 is uitsluitend door de Bieder verstrekt. De informatie die is opgenomen in de Hoofdstukken 5.6, 5.8, 5.17, 6 en 12 is uitsluitend door Wessanen verstrekt. De informatie op het voorblad, bladzijden 2 tot en met 9, de laatste bladzijde en de informatie die is opgenomen in de

Hoofdstukken 5.9, 5.15, 5.18, 8, 13 en 14 is door de Bieder en Wessanen gezamenlijk verstrekt.

Uitsluitend de Bieder en Wessanen zijn verantwoordelijk voor de juistheid en volledigheid van de informatie die in het Biedingsbericht is verstrekt, ieder afzonderlijk voor de informatie die door henzelf is verstrekt, en gezamenlijk voor de informatie die door hen gezamenlijk is verstrekt.

De accountantsverklaringen opgenomen in Hoofdstuk 12.5 (*Independent auditor's report on the selected consolidated financial information of Wessanen*) en Hoofdstuk 12.6 (*Financial statements for the financial year 2018 including independent auditor's report of Deloitte*) zijn door Wessanen verkregen van Deloitte.

De Bieder en Wessanen verklaren ieder afzonderlijk ten aanzien van de informatie die door henzelf in het Biedingsbericht is verstrekt en gezamenlijk ten aanzien van de informatie die door hen gezamenlijk is verstrekt, dat de informatie in het Biedingsbericht voor zover hen, alle redelijkerwijs van hen te verwachten zorg in aanmerking nemende, redelijkerwijs bekend kan zijn, in overeenstemming is met de werkelijkheid en dat geen gegevens zijn weggelaten waarvan de vermelding de strekking van het Biedingsbericht zou wijzigen.

Getallen in het Biedingsbericht kunnen naar boven of beneden zijn afgerond en dienen derhalve niet als exact te worden beschouwd.

## 11.2 Nederlandse definities

Aanbeveling	heeft de betekenis daaraan gegeven in Hoofdstuk 11.9 ( <i>Besluitvorming en Aanbeveling</i> );
Aandeelhouder(s)	betekent de houder(s) van één of meer Aandelen;
Aandeelhoudersfinanciering	heeft de betekenis daaraan gegeven in Hoofdstuk 11.5 ( <i>Financiering van het Bod</i> );
Aandelen	betekent de geplaatste en uitstaande gewone aandelen in het kapitaal van Wessanen, elk met een nominale waarde van EUR 1,00 (één euro), van tijd tot tijd;
Aangemelde Aandelen	betekent de Aandelen die voorafgaand aan of op de Uiterste Dag van Aanmelding op juiste wijze zijn aangemeld (of op onjuiste wijze, indien de Bieder de Aanmelding desalniettemin heeft aanvaard) en geleverd onder het Bod (en elk, een <b>Aangemeld Aandeel</b> );
Aangesloten Instellingen	betekent de bij Euronext Amsterdam aangesloten instellingen;
Aanmelding	betekent de aanmelding van Aandelen door een Aandeelhouder ter aanvaarding van het Bod;

Aanmeldingstermijn	betekent de periode gedurende welke de Aandeelhouders hun Aandelen kunnen aanmelden bij de Bieder, beginnend op 12 juli 2019 om 09:00 uur MET en eindigend op de Uiterste Dag van Aanmelding om 17:40 uur MET;
AFM	betekent de Stichting Autoriteit Financiële Markten;
BAVA	betekent de buitengewone vergadering van aandeelhouders van Wessanen die zal worden gehouden in overeenstemming met artikel 18 paragraaf 1 van het Bob ten minste 6 (zes) Werkdagen voor de Uiterste Dag van Aanmelding;
Bidco	betekent Best of Nature Bidco B.V., een besloten vennootschap met beperkte aansprakelijkheid opgericht naar Nederlands recht, met statutaire zetel te Amsterdam, Nederland, kantoorhoudende te Prins Bernhardplein 200, 1097 JB Amsterdam, Nederland, en ingeschreven in het handelsregister van de Kamer van Koophandel onder nummer 74463101;
Biedingsbericht	betekent dit biedingsbericht dat de voorwaarden en beperkingen beschrijft die van toepassing zijn op het Bod;
Bieder	betekent Bidco, PAI, het PAI Fund, Farrell, Harborside GP en Co-Investeerder;
Bieder Groep	betekent de Bieder en de aan haar Gelieerde Partijen van tijd tot tijd;
Biedprijs	betekent een bedrag van EUR 11,36 (elf euro en zesendertig eurocent) in contanten cum dividend per Aandeel;
Bob	betekent het Besluit Openbare Biedingen Wft;
Bod	betekent het bod zoals in het Biedingsbericht beschreven;
Co-Investeerder	betekent Jobson, de Jobson Trust, de Jobson Foundation, de Jobson IRA en Harborside;
Concurrerend Bod	betekent een Potentieel Concurrerend Bod dat:  (i) is uitgebracht, of bindend is voor de biedende partij in de zin dat deze biedende partij (a) zich jegens Wessanen onder gebruikelijke voorwaarden heeft

verbonden om binnen de wettelijke termijnen een concurrerend bod uit te brengen en (b) de intentie tot het uitbrengen van een concurrerend bod openbaar heeft gemaakt, met daarbij de voorgenomen prijs per Aandeel en de relevante voorwaarden in verband met het concurrerende bod en het uitbrengen daarvan;

(ii) een biedprijs per Aandeel in contanten of in openbaar verhandelbare aandelen (gewaardeerd per de datum van de onder (i) hierboven genoemde verplichting) inhoudt, die de Biedprijs overstijgt met ten minste 7%. Voor zover het een bod betreft op de gehele of nagenoeg de gehele onderneming van Wessanen, zal de waardering van het bod per Aandeel worden gedaan op basis van de netto aan de Aandeelhouders uit te keren opbrengst (exclusief dividend en (bron)belasting) als gevolg van een dergelijke transactie (gewaardeerd per de datum van de eerste handelsdag op Euronext Amsterdam na ondertekenen van de Fusieovereenkomst). Indien de vergoeding voor de Aandelen geheel of gedeeltelijk zal worden voldaan met aandelen zal de aandelencomponent worden gewaardeerd op de gemiddelde prijs van de aangeboden aandelen gedurende de laatste 90 dagen voorafgaand aan de bekendmaking van het Potentieel Concurrerend Bod; en

(iii) het naar het oordeel van de Raden gunstiger is voor Wessanen en haar stakeholders dan het Bod, waarbij met name de identiteit en reputatie van deze derde partij, de door de Aandeelhouders te ontvangen vergoeding, de mate van zekerheid van gestanddoening van het bod, de overige voorwaarden en omstandigheden van het bod, waaronder de niet-financiële convenanten, en de belangen van alle stakeholders van Wessanen in acht zullen worden genomen;

Dag van Gestanddoening

heeft de betekenis daaraan gegeven in Hoofdstuk 11.7.2;

Dag van Overdracht

betekent de datum, die niet later zal zijn dan de vijfde (5<sup>de</sup>) Werkdag na de Dag van Gestanddoening, waarop, in overeenstemming met de bepalingen van het Bod, de Bieder de Biedprijs zal betalen aan Aandeelhouders voor elk Aangemeld Aandeel;

Deloitte

betekent Deloitte Accountants B.V.;

Euronext Amsterdam	betekent de beurs van Euronext Amsterdam N.V., de gereuleerde markt uitgevoerd door Euronext Amsterdam N.V.;
Farrell	betekent Donna Farrell, de echtgenote van Jobson, wonende te Boston, Verenigde Staten van Amerika;
Fusieovereenkomst	betekent de fusieovereenkomst tussen Wessanen en de Bieder zoals overeengekomen en ondertekend op 10 april 2019;
Gecommitteerde Aandelen	heeft de betekenis daaraan gegeven in Hoofdstuk 11.6.1(a);
Gelieerde Partij	betekent met betrekking tot de Bieder en/of Wessanen, elke dochter- of moedervennootschap van de Bieder en/of Wessanen en elke dochterverennootschap van een dergelijke moedervennootschap, van tijd tot tijd, met dien verstande dat Wessanen of enige dochter- of moedervennootschap van Wessanen op geen enkel moment als een aan de Bieder Gelieerde Partij zal worden aangemerkt (en vice versa);
Harborside	betekent Harborside Holdings LP, een commanditaire vennootschap opgericht naar het recht van de Kaaimaneilanden, met statutaire zetel in George Town, Grand Cayman, Kaaimaneilanden, kantoorhoudende te 190 Elgin Avenue, George Town, Grand Cayman, KY1-9005, Kaaimaneilanden;
Harborside GP	betekent Harborside GP Limited, een vennootschap met beperkte aansprakelijkheid opgericht naar het recht van de Kaaimaneilanden, met statutaire zetel in George Town, Grand Cayman, Kaaimaneilanden, kantoorhoudende te 190 Elgin Avenue, George Town, Grand Cayman, KY1-9005, Kaaimaneilanden
Hoofdstuk	betekent een hoofdstuk van het Biedingsbericht;
Jobson	betekent Charles E. Jobson, geboren op 10 februari 1960 in Illinois, Verenigde Staten van Amerika, wonende te Boston, Verenigde Staten van Amerika;
Jobson Foundation	betekent Jobson Family Foundation, een trust opgericht naar het recht van de Commonwealth of Massachusetts, Verenigde Staten van Amerika;

Jobson IRA	betekent een individuele pensioenrekening in de zin van Sectie 408 van de Internal Revenue Code van 1986 van de Verenigde Staten van Amerika, zoals gewijzigd van tijd tot tijd;
Jobson Trust	Betekent Charles E. Jobson Irrevocable Trust, een trust opgericht naar het recht van de Staat van Delaware, Verenigde Staten van Amerika;
Juridische Fusie	betekent de juridische driehoeks-fusie(s) in overeenstemming met artikel 2:309 e.v. van het Burgerlijk Wetboek tussen Wessanen als verdwijnende rechtspersoon en Wessanen Sub als verkrijgende rechtspersoon, als resultaat waarvan de Aandeelhouders gewone aandelen in Wessanen Holdco zullen verkrijgen;
Juridische Fusie Besluit	betekent het goedkeurende besluit met betrekking tot de Juridische Fusie welke zal worden voorgelegd aan de Aandeelhouders op de BAVA, onder de voorwaarde dat de Bieder en aan haar Gelieerde Partijen na de Dag van Overdracht ten minste 80% houden van het geplaatste en uitstaande gewone aandelenkapitaal van Wessanen op volledig verwaterde basis;
Materieel Negatief Effect	betekent elke verandering, gebeurtenis, aangelegenheid of omstandigheid (elk een <i>Effect</i> ) die bekend wordt na de datum van de Fusieovereenkomst (met dien verstande dat bij de bepaling in hoeverre een Materieel Negatief Effect heeft plaatsgevonden op de Dag van Gestanddoening, elke verandering, gebeurtenis, aangelegenheid of omstandigheid bekend voor de datum van dit Biedingsbericht alleen in aanmerking mag worden genomen in samenhang met elke verandering, gebeurtenis, aangelegenheid of omstandigheid dat bekend is geworden na de datum van dit Biedingsbericht), en die, individueel of in samenhang met alle andere Effecten, een voortdurend materieel negatief effect heeft of redelijkerwijs kan hebben op de onderneming, activa, passiva, financieringsstructuur of financiële positie van Wessanen en de aan haar Gelieerde Partijen tezamen, dat van zodanige aard is dat van de Bieder redelijkerwijs niet kan worden verwacht dat zij het Bod gestand zal doen, met dien verstande dat voor de vaststelling of sprake is of zal zijn van een Materieel Negatief Effect de volgende Effecten niet zullen worden meegenomen:

(a) veranderingen of omstandigheden die een algemeen effect hebben op de sectoren waarin Wessanen en de aan haar Gelieerde Partijen actief zijn, of op de economie of de financiële of kapitaalmarkten in Nederland, met uitzondering van een ineenstorting van de financiële markten of fundamenteel negatieve ontwikkelingen in de wereldwijde verzekeringsindustrie;

(b) enig(e) natuurramp, pandemie, uitbraak of escalatie van oorlog, sabotage, militair ingrijpen, force majeure, gewapende vijandelijkheden, daden van terrorisme, of enige escalatie of verslechtering van voornoemde situaties;

(c) veranderingen in economische, politieke of marktomstandigheden (met inbegrip van schommelingen in rentepercentages), waaronder begrepen enige nadelige ontwikkeling betreffende de Europese Unie, haar lidstaten (met inbegrip van vertrekkende lidstaten) en de Eurozone (met inbegrip van uit die zone vertrekkende lidstaten);

(d) wijzigingen of voorgestelde wijzigingen van wet- en regelgeving of algemeen geaccepteerde boekhoudprincipes, of de interpretatie of handhaving daarvan;

(e) enig tekortkomen van Wessanen of de Wessanen Groep aangaande het voldoen aan enig intern of gepubliceerd vooruitzicht, waaronder begrepen solvabiliteitsvooruitzichten, resultaatsverwachtingen of omzet- of winstvoorspellingen (met dien verstande dat de aan de desbetreffende tekortkoming ten grondslag liggende reden mag worden meegewogen bij het bepalen of mogelijk sprake is van een Materieel Negatief Effect);

(f) het krediet, de financiële draagkracht of andere beoordelingen (*ratings*) van Wessanen of de Wessanen Groep (met dien verstande dat de aan de desbetreffende tekortkoming ten grondslag liggende reden mag worden meegewogen bij het bepalen of mogelijk sprake is van een Materieel Negatief Effect);

(g) enig Effect als gevolg van een handelen of nalaten van de Bieder, zowel voor als na de datum van de Fusieovereenkomst, waaronder begrepen enig handelen



van Wessanen of een lid van de Wessanen Groep met de schriftelijke toestemming van de Bieder (of een niet-handelen in het geval de vereiste toestemming niet wordt verleend) of op instructie van de Bieder of in de nakoming van de Fusieovereenkomst;

(h) enig Effect als gevolg van (x) het aangaan, uitvoeren en nakomen van de Fusieovereenkomst (met inbegrip van acties die op grond daarvan zijn vereist of verboden), (y) het aankondigen van de Fusieovereenkomst, het Bod en de Transactie, of (z) het uitbrengen of uitvoeren van het Bod;

(i) een inbreuk op de Fusieovereenkomst of toepasselijke wetgeving door de Bieder;

(j) enig door aandeelhouders aanhangig gemaakte juridische procedure met betrekking tot de Transactie; of

(k) enig Effect (met inbegrip van maar niet beperkt tot juridische procedures) dat bij de Bieder bekend was of redelijkerwijs had moeten zijn op de datum van de Fusieovereenkomst,

met dien verstande dat de invloed van enig nadelig Effect zoals omschreven in (i), (ii), (iii) en (iv) hierboven zal worden meegewogen bij het bepalen of van een Materieel Negatief Effect sprake is of redelijkerwijs kan zijn indien het desbetreffende Effect een materieel disproportioneel negatief effect heeft op Wessanen en de aan haar Gelieerde Partijen, als geheel genomen en in vergelijking met gelijk gepositioneerde ondernemingen in de sectoren waarin Wessanen en de aan haar Gelieerde Partijen actief zijn;

Mededingingsrechtelijke Goedkeuring betekent de eerste fase of tweede fase mededingingsrechtelijke goedkeuring van de Europese Commissie met betrekking tot de Transactie, of, indien relevant, de goedkeuring van een EU lidstaat wanneer de zaak door de Europese Commissie is verwezen naar een nationale mededingingsautoriteit, welke goedkeuringen het de Bieder toestaan de per de Dag van Overdracht aangeboden Aandelen te verkrijgen en het daaraan verbonden stemrecht uit te oefenen;

MET

betekent Midden-Europese Tijd (*CET*);

Minimale Acceptatie Voorwaarde	heeft de betekenis daaraan gegeven in Hoofdstuk 11.6.1(a);
Na-aanmeldingstermijn	betekent een periode van twee (2) weken na afloop van de Aanmeldingstermijn gedurende welke aan Aandeelhouders die hun Aandelen nog niet hebben aangemeld onder het Bod de mogelijkheid wordt geboden dit alsnog te doen, op dezelfde wijze en onder dezelfde voorwaarden als opgenomen in het Biedingsbericht;
Omwissel- en Betaalkantoor	betekent ABN AMRO Bank N.V.;
PAI	betekent PAI Partners SAS, een frans portfoliomanagement bedrijf goedgekeurd en gereguleerd door de <i>Autorité des marchés financiers</i> (AMF) in Frankrijk en gereguleerd door de <i>Financial Conduct Authority</i> (FCA) in het Verenigd Koninkrijk;
PAI Fund	Betekent PAI Europe VII Finance S.à r.l, een vennootschap opgericht naar het recht van het groothertogdom Luxemburg, kantoorhoudende te 43-45 Allée Scheffer, 2539 Luxemburg, het groothertogdom Luxemburg en geregistreerd onder het nummer B224014;
Peildatum	betekent 13 maart 2019, de laatste handelsdag voor het eerste uitgebrachte persbericht in het kader van het voorgenomen Bod;
Potentieel Concurrerend Bod	betekent een ongevraagd schriftelijk voorstel om een (openbaar) bod uit te brengen op alle Aandelen of op de gehele of nagenoeg de gehele onderneming van Wessanen of een fusie of omgekeerde overname ( <i>reverse takeover</i> ) van Wessanen, gedaan door een <i>bona fide</i> derde partij en waarvan naar het redelijke oordeel van Wessanen (met inbegrip van de Raad van Commissarissen), na overleg met haar financiële en juridische adviseurs en na, onder andere, de hoogte en samenstelling van de biedprijs, de mate van zekerheid van financiering, de aan het bod verbonden voorwaarden, de integriteit van de onderneming en de positie van werknemers in overweging te hebben genomen, in redelijkheid kan worden verwacht dat het een Concurrerend Bod zal worden;
Raad van Bestuur	betekent de raad van bestuur van Wessanen;

Raad van Commissarissen	betekent de raad van commissarissen van Wessanen;
Raden	betekent de Raad van Bestuur en de Raad van Commissarissen;
Schuldfinanciering	heeft de betekenis daaraan gegeven in Hoofdstuk 11.5;
Standpuntbepaling	betekent de standpuntbepaling van de Raden met betrekking tot het Bod in overeenstemming met artikel 18 lid 2 van het Bob, die geen deel uitmaakt van het Biedingsbericht;
Toepasselijke Regelgeving	betekent alle toepasselijke wet- en regelgeving, inclusief maar niet beperkt tot de toepasselijke bepalingen van en alle nadere regelgeving en beleidsregels die zijn vastgesteld of anderszins gelding hebben onder de Wft en het Bob, de Europese Marktmisbruik Verordening (596/2014), de beleidsregels en instructies van de AFM, de Wet op de ondernemingsraden, het SER-Besluit Fusiegedragsregels 2015, de regelgeving en beleidsregels van Euronext Amsterdam, het Burgerlijk Wetboek, de relevante effecten- en medezeggenschapsregelgeving in andere relevante jurisdicties en alle relevante mededingingswetgeving die van toepassing is op de Transactie;
Transactie	betekent het Bod en alle in verband daarmee overwogen transacties (met inbegrip van de Juridische Fusie);
Uiterste Dag van Aanmelding	betekent de tijd en datum waarop het Bod afloopt, zijnde 17:40 uur MET op 6 september 2019, tenzij de Aanmeldingstermijn is verlengd in overeenstemming met Hoofdstuk 11.7.3, in welk geval de Uiterste Dag van Aanmelding zal zijn de dag waarop de verlengde Aanmeldingstermijn afloopt;
Uitkering	betekent elk (tussentijds) dividend (in contanten of in aandelen) of andere uitkering op de Aandelen;
Voorwaarden	betekent de opschortende voorwaarden met betrekking tot het Bod zoals uiteengezet in Hoofdstuk 11.6.1;
Werkdag	betekent een dag anders dan een zaterdag of zondag waarop banken in Nederland en Euronext Amsterdam open zijn voor hun reguliere bedrijfsvoering;

Wessanen	betekent Koninklijke Wessanen N.V., een naamloze vennootschap opgericht naar Nederlands recht, met statutaire zetel te Amsterdam, Nederland, kantoorhoudende te Hoogoorddreef 5, Atlas Arena, Gebouw Azië, Tweede Verdieping, 1101 BA Amsterdam, Nederland, en ingeschreven in het handelsregister van de Kamer van Koophandel onder nummer 33145851;
Wessanen Groep	betekent Wessanen en de aan haar Gelieerde Partijen van tijd tot tijd;
Wessanen Holdco	betekent de vennootschap waarin Wessanen het volledige aandelenbelang houdt en die is opgericht in verband met de Juridische Fusie;
Wessanen Sub	betekent de vennootschap waarin Wessanen Holdco het volledige aandelenbelang houdt en die is opgericht in verband met de Juridische Fusie; en
Wft	betekent de Wet op het financieel toezicht.

### 11.3 Uitnodiging aan de Aandeelhouders

Onder verwijzing naar de verklaringen, voorwaarden en beperkingen zoals opgenomen in Hoofdstuk 1 (*Restrictions*) en Hoofdstuk 2 (*Important Information*) worden Aandeelhouders uitgenodigd om hun Aandelen aan te bieden op de wijze en onder de voorwaarden zoals in het Biedingsbericht beschreven.

### 11.4 Het Bod

De Bieder doet een Bod tot koop van alle Aandelen, onder de voorwaarden en conform de bepalingen en beperkingen in het Biedingsbericht.

Op voorwaarde dat het Bod gestand wordt gedaan, zal aan de Aandeelhouders die hun Aandelen onder het Bod op geldige wijze hebben aangemeld (of op ongeldige wijze, indien de Bieder de Aanmelding daarvan desalniettemin aanvaardt) de Biedprijs worden betaald.

Op 10 april 2019 zijn Wessanen en de Bieder een biedprijs van EUR 11,50 (elf euro en vijftig eurocent) in contanten cum dividend per Aandeel overeengekomen. Op 11 april heeft de algemene vergadering van Aandeelhouders besloten tot goedkeuring van een dividenduitkering ter hoogte van EUR 0,14, welk bedrag op 18 april 2019 door Wessanen is uitgekeerd. Hierdoor vertegenwoordigt de Biedprijs op dit moment een waarde van **EUR 11,36 (elf euro en zesendertig eurocent) in contanten cum dividend per Aandeel**.

Indien op of tussen de datum van de Biedingsbericht en de Dag van Overdracht een (tussentijdse) uitkering in contanten, aandelen of een andersoortige uitkering wordt

vastgesteld, dan zal de Biedprijs per Aandeel worden verminderd met het bedrag per Aandeel gelijk aan de uitkering in contanten of in aandelen of andersoortige uitkering per Aandeel vóór enige toepasselijke belastinginhouding. Elke aanpassing van de Biedprijs ten gevolge van een dividendaankondiging of uitkering vastgesteld door Wessanen, zal door middel van een persbericht in overeenstemming met Hoofdstuk 4.11 (*Announcements*) kenbaar worden gemaakt.

Bij het vaststellen van de Biedprijs, heeft de Bieder zorgvuldig de historie en vooruitzichten van Wessanen in overweging genomen, waaronder een analyse van de historische financiële informatie, markt rapporten, persberichten evenals eventuele toekomstige ontwikkelingen met betrekking tot winstgevendheid, kasstromen en de balans. De Bieder heeft hierbij ook rekening gehouden met het risicoprofiel van Wessanen in vergelijking met vergelijkbare beursgenoteerde ondernemingen, evenals de risicogevoeligheden.

De Biedprijs vertegenwoordigt een premie van ongeveer:

- 21% ten opzichte van de slotkoers per Aandeel op Euronext Amsterdam op de Peildatum;<sup>6</sup>
- 30% ten opzichte van de gemiddelde slotkoers per Aandeel op Euronext Amsterdam gedurende dertig (30) dagen voorafgaand aan en inclusief de Peildatum;
- 29% ten opzichte van de gemiddelde slotkoers per Aandeel op Euronext Amsterdam gedurende negentig (90) dagen voorafgaand aan en inclusief de Peildatum;
- 27% ten opzichte van de gemiddelde slotkoers per Aandeel op Euronext Amsterdam gedurende zes (6) maanden voorafgaand aan en inclusief de Peildatum; en
- 0% ten opzichte van de gemiddelde slotkoers per Aandeel op Euronext Amsterdam gedurende twaalf (12) maanden voorafgaand aan en inclusief de Peildatum.

Ter vergelijking, de gemiddelde premie over de genormaliseerde aandelenprijs (de slotkoers één dag voorafgaand aan de dag voor aankondiging van de transactie of, indien dit eerder is, materiële, openbare speculatie over een transactie, indien van toepassing) is ongeveer 30% bij openbare biedingen van financiële investeerders op 100% (honderd procent) van het uitstaande aandelenkapitaal van Nederlandse beursgenoteerde vennootschappen die in een periode van vijf (5) jaar voorafgaand aan de Peildatum zijn aangekondigd. De geselecteerde transacties omvatten: Refresco/PAI Partners, Ten Cate/consortium geleid door Gilde Buy Out Partners, Nutreco/SHV Holdings, Exact/Apax Partners, DE Master Blenders 1753/JAB, Unit4/Advent International en Xeikon/Bencis.

## **11.5 Financiering van het Bod**

Onder verwijzing naar artikel 7 lid 4 van het Bob heeft de Bieder op 10 april 2019 aangekondigd over voldoende middelen te beschikken om het Bod te financieren.

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<sup>6</sup> De slotkoers van de Aandelen op de Peildatum was EUR 9,47 volgens Bloomberg.

Op 10 april 2019 (de dag waarop Wessanen en de Bieder gezamenlijk naar buiten brachten dat zij conditionele overeenstemming hadden bereikt) waardeerde het Bod 100% van de Aandelen op circa EUR 885 miljoen.

De Bieder zal het Bod, en indien van toepassing de Juridische Fusie, financieren door een combinatie van een aandeelhoudersfinanciering die namens de Bieder beschikbaar wordt gesteld en schuldfinanciering door derden. In deze context heeft de Bieder een bindende toezegging ontvangen met betrekking tot het eigen vermogen (*equity commitment letters*), van entiteiten die worden beheerd, gecontroleerd en/of geadviseerd door PAI voor een totaalbedrag van EUR 301 miljoen (de **Aandeelhoudersfinanciering**). De Bieder heeft ook een toezegging van de Co-Investeerder om Aandelen en contanten te (her)investeren voor een totaal bedrag van circa EUR 183 miljoen, tezamen neerkomend op een totaalbedrag van EUR 484 miljoen aan volledig toegezegde kapitaalfinanciering.

Daarnaast heeft de Bieder bindende lening documentatie met betrekking tot de schuldfinanciering afgesloten met een consortium van gerenommeerde banken, waardoor de Bieder de mogelijkheid heeft om schuldfinanciering aan te trekken voor een totaalbedrag van circa EUR 445 miljoen onderworpen aan de bepalingen en voorwaarden uiteengezet in deze bindende lening documentatie, die gebruikelijk zijn voor een dergelijke transactie (de **Schuldfinanciering**). De Bieder heeft geen reden om aan te nemen dat de voorwaarden voor de Aandeelhoudersfinanciering of de Schuldfinanciering niet zullen worden vervuld op of vóór de Dag van de Overdracht.

Met de Aandeelhoudersfinanciering en de Schuldfinanciering zal de Bieder in staat zijn om de aankoop van de Aandelen in het kader van het Bod te financieren, evenals de vergoeding voor de Wessanen Holdco aandelen onder de Juridische Fusie (indien van toepassing), de herfinanciering van de bestaande schuld van Wessanen en de betaling van vergoedingen en uitgaven in verband met het Bod.

## **11.6 Voorwaarden**

### **11.6.1 Voorwaarden**

De Bieder is verplicht het Bod gestand te doen indien aan elk van de volgende Voorwaarden wordt voldaan op of voor de Uiterste Dag van Aanmelding, tenzij daarvan afstand wordt gedaan overeenkomstig Hoofdstuk 11.6.2 (*Afstand*):

- (a) op de, al dan niet verlengde, Uiterste Dag van Aanmelding wordt een zodanig aantal Aandelen ter aanvaarding aangemeld dat dit, tezamen met (i) de Aandelen die rechtstreeks of indirect door de Bieder of een aan haar Gelieerde Partij op de Uiterste Dag van Aanmelding worden gehouden, (ii) de Aandelen die schriftelijk zijn toegezegd aan de Bieder of een aan haar Gelieerde Partij, en (iii) de Aandelen waartoe de Bieder of een aan haar Gelieerde Partij gerechtigd is (tezamen, de **Gecommitteerde Aandelen**), ten minste de Minimale Acceptatie Voorwaarde vertegenwoordigt,

waarbij de **Minimale Acceptatie Voorwaarde** ofwel betekent (i) 95% van het geplaatste en uitstaande gewone aandelenkapitaal van Wessanen op volledig verwaterde basis op de Uiterste Dag van Aanmelding, ofwel (ii) indien de algemene

vergadering van Aandeelhouders van Wessanen het Fusiebesluit heeft goedgekeurd en het Fusiebesluit op de Uiterste Dag van Aanmelding volledig geldig en van kracht is, 80% van het geplaatste en uitstaande gewone aandelenkapitaal van Wessanen op volledig verwaterde basis op de Uiterste Dag van Aanmelding;

- (b) Mededingingsrechtelijke Goedkeuring is verkregen;
- (c) Wessanen heeft geen inbreuk gemaakt op enige bepaling uit de Fusieovereenkomst, voor zover deze inbreuk (i) materieel negatieve consequenties heeft of redelijkerwijs kan hebben voor Wessanen, de Bieder of de Transactie en (ii) niet kan worden hersteld binnen tien (10) Werkdagen na ontvangst door Wessanen van een schriftelijke aanmaning van de Bieder of niet is hersteld binnen tien (10) Werkdagen na ontvangst door Wessanen van een schriftelijke aanmaning van de Bieder;
- (d) de Bieder heeft geen inbreuk gemaakt op enige bepaling uit de Fusieovereenkomst, voor zover deze inbreuk (i) materieel negatieve consequenties heeft of redelijkerwijs kan hebben voor Wessanen, de Bieder of de Transactie en (ii) niet kan worden hersteld binnen tien (10) Werkdagen na ontvangst door de Bieder van een schriftelijke aanmaning van Wessanen of niet is hersteld binnen tien (10) dagen na ontvangst door de Bieder van een schriftelijke aanmaning van Wessanen;
- (e) de Aanbeveling is niet ingetrokken, materieel gewijzigd of gekwalificeerd, anders dan is toegestaan op basis van Hoofdstuk 5.18.3 (*Commitment of Wessanen regarding Competing Offers*);
- (f) er heeft zich geen Materieel Negatief Effect voorgedaan dat naar verwachting zal voortduren na de Uiterste Dag van Aanmelding;
- (g) er is geen Concurrerend Bod aangekondigd of uitgebracht dat wordt aanbevolen door de Raden, en geen derde partij heeft het recht verkregen of ingestemd om Aandelen te nemen op een andere wijze dan overeenkomstig Hoofdstuk 6.10.1 (*Incentive Plans*);
- (h) er is geen mededeling ontvangen van de AFM waarin wordt gesteld dat, ingevolge artikel 5:80 Wft, het Bod in strijd is met enige bepaling van hoofdstuk 5.5 Wft (*Openbaar Bod op effecten*) of de Bob als grond waarvan effecteninstellingen niet zullen mogen meewerken aan het Bod;
- (i) geen vonnis of beschikking is uitgesproken en geen maatregel of onderzoek is bevolen, en is van kracht, door enige rechtbank, arbitraal college, regering, overheidsinstantie of andere toezichthoudende of administratieve instantie, en geen statuut, regel, wetgeving, overheidsbeschikking of maatregel is van toepassing verklaard, welke (in elk van voorgaande gevallen) het uitbrengen of afronden van het Bod en/of de Transactie op enige wezenlijke wijze kan beperken of verbieden; en
- (j) de handel van Aandelen genoteerd aan de Euronext Amsterdam is niet permanent geschorst wegens een noteringsmaatregel, genomen door Euronext Amsterdam overeenkomstig artikel 6901/2 of enig ander relevante bepaling van de Euronext Rulebook I (*Geharmoniseerde Regels*),

(tezamen, de **Voorwaarden**)

#### 11.6.2 Afstand

De Voorwaarden uiteengezet in Hoofdstukken 11.6.1(a), 11.6.1(c), 11.6.1(e), 11.6.1(f) en 11.6.1(g) zijn uitsluitend opgenomen ten behoeve van de Bieder en daarvan mag, voor zover toegestaan op grond van de wet, te allen tijde (geheel of gedeeltelijk) afstand worden gedaan door de Bieder middels een schriftelijke verklaring aan Wessanen. De Bieder kan alleen gebruik maken van haar recht om afstand te doen van de Voorwaarde uiteengezet in Hoofdstuk 11.6.1(a) met de toestemming van Wessanen indien de Gecommitteerde Aandelen op de Uiterste Dag van Aanmelding minder vertegenwoordigen dan 76% van het geplaatste en uitstaande gewone aandelenkapitaal van Wessanen op een volledig verwaterde basis.

De Voorwaarde uiteengezet in Hoofdstuk 11.6.1(d) is uitsluitend opgenomen ten behoeve van Wessanen en daarvan mag, voor zover toegestaan op grond van de wet, te allen tijde (geheel of gedeeltelijk) afstand worden gedaan door Wessanen middels een schriftelijke verklaring aan de Bieder.

De Voorwaarden uiteengezet in Hoofdstuk 11.6.1(b) en 11.6.1(j) zijn opgenomen ten behoeve van de Bieder en Wessanen en daarvan mag, voor zover toegestaan op grond van de wet, te allen tijde (geheel of gedeeltelijk) afstand worden gedaan door Wessanen en de Bieder gezamenlijk middels een schriftelijke verklaring, met dien verstande dat Wessanen zijn goedkeuring tot het afstand doen van de Voorwaarde uiteengezet in Hoofdstuk 11.6.1(b) niet op onredelijke gronden weerhouden gelet op de negatieve gevolgen voor Wessanen.

Van de Voorwaarden uiteengezet in Hoofdstukken 11.6.1(h) en 11.6.1(i) kan geen afstand worden gedaan.

#### 11.6.3 Vervulling van Voorwaarden

De vervulling van elk van de Voorwaarden hangt niet enkel af van de wil van de Bieder, overeenkomstig de in artikel 12, paragraaf 2 van het Bob opgenomen verbodsbepaling.

Zowel de Bieder als Wessanen zal haar best doen om zo snel als redelijkerwijs mogelijk de vervulling van de Voorwaarden te bewerkstelligen. Indien de Bieder of Wessanen op enig moment kennis neemt van een feit of omstandigheid dat/die de vervulling van een Voorwaarde mogelijk zal verhinderen, zal de Bieder Wessanen respectievelijk Wessanen de Bieder daarvan onmiddellijk schriftelijk op de hoogte stellen.

Ten aanzien van Voorwaarde uiteengezet in Hoofdstuk 11.6.1(b) zal de Bieder haar best doen om deze Voorwaarde zo snel als redelijkerwijs mogelijk in vervulling te doen gaan. De Bieder verwacht de notificatie bij de Europese Commissie nodig ter verkrijgen van de Mededingingsrechtelijke Goedkeuring op korte termijn in te dienen en goedkeuring te verkrijgen vóór afloop van de initiële Aanmeldingstermijn. Indien door een mededingingsautoriteit een vereiste mededingingsgoedkeuring of verklaring van geen bezwaar wordt gegeven onder bepaalde voorwaarden of verplichtingen, dan zal de Bieder, indien deze voorwaarden en/of verplichtingen redelijkerwijs aanvaardbaar zijn voor de Bieder, deze voorwaarden en/of verplichtingen aanvaarden.



Ten aanzien van Voorwaarde uiteengezet in Hoofdstuk 11.6.1(f) zijn de Bieder en Wessanen een bindend advies procedure overeengekomen, voor het geval dat de Bieder meent dat de Voorwaarde niet is vervuld en Wessanen het daar niet mee eens is.

## **11.7 Aanmelding**

### **11.7.1 Aanmeldingstermijn**

De aanmeldingstermijn vangt aan om 09:00 uur MET op 12 juli 2019 en eindigt op 6 september 2019 om 17:40 uur MET (de **Aanmeldingstermijn**), tenzij de Aanmeldingstermijn wordt verlengd in overeenstemming met Hoofdstuk 11.7.3 (*Verlenging*).

Indien aan alle voorwaarden van het Bod is voldaan of, voor zover van toepassing, daarvan afstand is gedaan, zal de Bieder alle Aandelen aanvaarden die op geldige wijze zijn aangemeld (of op ongeldige wijze, indien de Bieder de Aanmelding desalniettemin heeft aanvaard) en niet zijn ingetrokken, met inachtneming van de procedures zoals uiteengezet in Hoofdstuk 4.3 (*Withdrawal Rights*).

### **11.7.2 Gestanddoening**

Het Bod wordt gedaan onder voorbehoud van de vervulling van de Voorwaarden zoals uiteengezet in Hoofdstuk 11.6 (*Voorwaarden, afstand en vervulling*). Van de Voorwaarden kan afstand worden gedaan, voor zover wettelijk toegestaan, zoals uiteengezet in Hoofdstuk 11.6 (*Voorwaarden, afstand en vervulling*). Indien de Bieder of Wessanen voornemens is (geheel of gedeeltelijk) afstand te doen van één of meerdere Voorwaarden in overeenstemming met het bepaalde in Hoofdstuk 11.6.2 (*Afstand*), zal de Bieder daarvan kennis geven aan de Aandeelhouders zoals voorgeschreven door de Toepasselijke Regelgeving.

De Bieder zal niet later dan op de derde (3e) Werkdag na de Uiterste Dag van Aanmelding vaststellen of aan de Voorwaarden is voldaan dan wel daarvan (voor zover wettelijk toegestaan) afstand is gedaan als uiteengezet in Hoofdstuk 11.6, welke dag de **Dag van Gestanddoening** zal zijn. Bovendien zal de Bieder op de Dag van Gestanddoening een openbare mededeling doen inhoudende dat ofwel (i) het Bod gestand wordt gedaan, ofwel (ii) het Bod wordt verlengd in overeenstemming met artikel 15 van het Bob, ofwel (iii) het Bod wordt ingetrokken omdat niet is voldaan aan de Voorwaarden en daarvan geen afstand is gedaan, een en ander met inachtneming van artikel 16 van het Bob en de Fusieovereenkomst. Indien het Bod niet gestand wordt gedaan, zal de Bieder dat besluit motiveren.

Indien de Bieder aankondigt het Bod gestand te doen, zal de Bieder de Aangemelde Aandelen accepteren tegen betaling van de Biedprijs zoals uiteengezet in Hoofdstuk 11.7.5 (*Overdracht*).

### **11.7.3 Verlenging**

Indien één of meer van de Voorwaarden als uiteengezet in Hoofdstuk 11.6 (*Voorwaarden, afstand en vervulling*) niet is vervuld op de Uiterste Dag van Aanmelding en van de desbetreffende Voorwaarde(n) geen afstand is gedaan, kan de Bieder, in overeenstemming met artikel 15, paragraaf 1 en 2 van het Bob, de Aanmeldingstermijn verlengen voor een periode

van minimaal twee (2) weken en maximaal tien (10) weken, gerekend vanaf de Uiterste Dag van Aanmelding, teneinde deze Voorwaarden in vervulling te doen gaan of daarvan afstand te doen, op voorwaarde dat:

- (a) indien de Voorwaarde uiteengezet in Hoofdstuk 11.6.1(b) niet is vervuld of van deze Voorwaarde geen afstand is gedaan op de Uiterst Dag van Aanmelding, de Bieder de aanvankelijke Aanmeldingstermijn zal verlengen met tien (10) weken na de aanvankelijke Aanmeldingstermijn (of korter indien schriftelijk overeengekomen tussen de Bieder en Wessanen, met inachtneming van hetgeen naar verwachting een redelijke termijn zal zijn voor de vervulling van de Voorwaarde uiteengezet in Hoofdstuk 11.6.1(b));
- (b) indien de Voorwaarden uiteengezet in Hoofdstuk 11.6.1(a) en Hoofdstuk 11.6.1(d) niet zijn vervuld of van deze Voorwaarden geen afstand is gedaan op de Uiterste Dag van Aanmelding, de Bieder de aanvankelijke Aanmeldingstermijn zal verlengen met een termijn die de Bieder, na voorafgaand overleg met Wessanen, redelijkerwijs nodig acht om de desbetreffende Voorwaarde in vervulling te doen gaan.
- (c) indien de Voorwaarde uiteengezet in Hoofdstuk 11.6.1(b) niet is vervuld of van deze Voorwaarde geen afstand is gedaan op de verlengde Uiterste Dag van Aanmelding, de Bieder (voor zover daarvoor op verzoek van de Bieder goedkeuring is verleend door de AFM) de Aanmeldingstermijn zal verlengen voor zolang als de Bieder en Wessanen redelijkerwijs nodig achten om de desbetreffende Voorwaarde in vervulling te doen gaan.

De Bieder mag, in het geval dat een derde partij een Concurrerend Bod doet of aankondigt vóór het verstrijken van de Aanmeldingstermijn, de Aanmeldingstermijn verlengen in overeenstemming met artikel 14, paragraaf 5 van het Bob.

Verlenging van de Aanmeldingstermijn kan in ieder geval éénmalig. Verlenging van de Aanmeldingstermijn voor meer dan één periode is onder voorbehoud van goedkeuring van de AFM op verzoek van de Bieder, dat de voorafgaande schriftelijke goedkeuring van Wessanen vereist. Wessanen zal deze goedkeuring niet op onredelijke wijze onthouden of vertragen. Ingeval van een dergelijke verlenging zullen alle verwijzingen in het Biedingsbericht naar 17:40 uur MET op de Uiterste Dag van Aanmelding, wijzigen naar de laatste datum en tijd van de verlengde Aanmeldingstermijn, tenzij uit de context anderszins blijkt.

Indien de Aanmeldingstermijn wordt verlengd, zo dat de verplichting uit artikel 16 van de Bob om aan te kondigen of het Bob gestand wordt gedaan wordt uitgesteld, zal hiertoe een publieke aankondiging worden gemaakt op uiterlijk de derde (3<sup>e</sup>) Werkdag na de aanvankelijke Uiterste Dag van Aanmelding, in overeenstemming met artikel 1, paragraaf 1 en 2 van de Bob. Indien de Bieder de Aanmeldingstermijn verlengd, zal het Bod verlopen op het laatste tijdstip en de laatste datum waartoe de Bieder de Aanmeldingstermijn heeft verlengd.

Gedurende een verlenging van de Aanmeldingstermijn blijft elk Aandeel dat is aangemeld en niet is ingetrokken onderworpen aan het Bod, behoudens het wettelijke recht van elke Aandeelhouder uit hoofde van het Bob om de aanmelding van Aandelen die hij of zij reeds heeft gedaan, terug te trekken.

#### 11.7.4 Na-aanmeldingstermijn

Indien de Bieder aankondigt het Bod gestand te doen, zal de Bieder in overeenstemming met artikel 17, paragraaf 3 van het Bob binnen drie (3) Werkdagen na de Dag van Gestanddoening een Na-aanmeldingstermijn aankondigen van twee (2) weken, gedurende welke Aandeelhouders hun Aandelen die zij nog niet hadden aangemeld alsnog onder dezelfde voorwaarden onder het Bod mogen aanmelden.

De Bieder zal de resultaten van de Na-aanmeldingstermijn en het totale aantal en percentage van de door haar gehouden Aandelen uiterlijk op de derde (3e) Werkdag na afloop van de Na-aanmeldingstermijn publiekelijk bekend maken, in overeenstemming met artikel 17, paragraaf 4 van het Bob. Overdracht en betaling van Aandelen die zijn aangemeld en aanvaard gedurende de Na-aanmeldingstermijn zal plaatsvinden binnen vijf (5) Werkdagen na afloop van de Na-aanmeldingstermijn.

Gedurende de Na-aanmeldingstermijn hebben Aandeelhouders niet het recht hun Aandelen in te trekken, ongeacht of de desbetreffende Aandelen op geldige wijze zijn aangemeld (of op ongeldige wijze, indien de Bieder de Aanmelding desalniettemin heeft aanvaard) tijdens de Aanmeldingstermijn of tijdens de Na-aanmeldingstermijn.

#### 11.7.5 Overdracht

Indien de Bieder aankondigt het Bod gestand te doen, zullen Aandeelhouders die hun Aandelen hebben aangemeld en aan de Bieder hebben geleverd, binnen vijf (5) Werkdagen na de Dag van Gestanddoening (welke dag de **Dag van Overdracht** is) de Biedprijs ontvangen voor elk Aangemeld Aandeel. De Bieder kan niet garanderen dat de Aandeelhouders daadwerkelijk binnen deze periode de Biedprijs zullen ontvangen van de Aangesloten Instellingen die hun Aandelen houden.

### 11.8 Aanvaarding door Aandeelhouders

#### 11.8.1 Aanvaarding door Aandeelhouders via een Aangesloten Instelling

Aandeelhouders die hun Aandelen houden via Euronext Amsterdam (een **Aangesloten Instelling**) worden gevraagd om hun Aanmelding via hun bank of commissionair niet later dan op de Uiterste Dag van Aanmelding om 17:40 uur MET bekend te maken, tenzij de Aanmeldingstermijn is verlengd overeenkomstig Hoofdstuk 11.7.3 (*Verlenging*). De relevante bank of commissionair kan een eerdere deadline vaststellen voor Aanmelding door Aandeelhouders zodat deze bank of commissionair voldoende tijd heeft om de Aanmelding door te geven aan het Omwissel- en Betaalkantoor, aan welke deadline de desbetreffende Aandeelhouders zich dienen te houden. Aandeelhouders die Aandelen houden via een financieel tussenpersoon moeten zich houden aan de data zoals gecommuniceerd door die financieel tussenpersoon, aangezien zulke data kunnen verschillen van de data en tijdstippen genoemd in dit Biedingsbericht.

De desbetreffende Aangesloten Instellingen mogen de Aanmeldingen slechts schriftelijk indienen bij het Omwissel- en Betaalkantoor. Bij het indienen van de Aanmeldingen dient iedere Aangesloten Instelling te verklaren dat (i) zij de Aangemelde Aandelen in haar administratie heeft opgenomen, (ii) de betrokken Aandeelhouder onherroepelijk garandeert dat

(a) de Aanmelding wordt gedaan met inachtneming van alle restricties die worden genoemd in de Hoofdstukken 1 (*Restrictions*) en 2 (*Important Information*) en (b) zij niet, direct of indirect, onderwerp of doelwit is van enige economische of financiële sanctie opgelegd of afgedwongen door enige overheidsinstantie van de Verenigde Staten, de Europese Unie, enige lidstaat van de Europese Unie of van de Verenigde Naties, anders dan uitsluitend ten gevolge van de opname in of eigendom door een persoon die is opgenomen in de “*US Sectoral Sanctions Identifications (SSI) List*” of Bijlage III, IV, V of VI van de Verordening (EU) Nr. 833/2014 van de Raad van 31 juli 2014, als gewijzigd, en (iii) zij zich verplicht om de aangemelde Aandelen uiterlijk op de Dag van Overdracht te leveren aan de Bieder, onder de voorwaarde dat het Bod gestand is gedaan.

Alhoewel gebruikelijk is dat de Aangesloten Instelling zorg draagt dat de Aandelen op verzoek van de Aandeelhouder geleverd worden aan de Bieder, zal elke Aandeelhouder verantwoordelijk zijn voor de levering van de Aandelen aan de Bieder.

Onder voorbehoud van artikel 5b, lid 5, artikel 15, leden 3 en 8 en artikel 15a lid 3 van het Bob, zal de aanbieding van Aandelen ter aanvaarding van het Bod onherroepelijke instructies vormen (i) om elke poging tot overdracht van de aangeboden Aandelen te blokkeren, zodat op of vóór de Dag van Overdracht geen overdracht van dergelijke Aandelen kan plaatsvinden (behalve aan het Omwissel- en Betaalkantoor op of vóór de Dag van Overdracht als het Bod gestand wordt gedaan en de Aandelen zijn aanvaard voor aankoop, (ii) om de effectenrekening te deblokken waarin deze Aandelen worden aangehouden op de Dag van Overdracht met betrekking tot alle Aangeboden Aandelen, tegen betaling door het Omwissel- en Betaalkantoor van de Biedprijs per Aandeel en (iii) om de levering van die Aangeboden Aandelen aan de Bieder.

#### 11.8.2 Aanvaarding door Aandeelhouders individueel geregistreerd in het aandeelhoudersregister van Wessanen

Houders van Aandelen die individueel registreert in het aandeelhoudersregister van Wessanen en het Bod wensen te accepteren met betrekking tot deze Aandelen, moeten een compleet en ondertekend acceptatieformulier aanleveren aan het Omwissel- en Betaalkantoor, vóór 17:40 MET op de Uiterste Dag van Aanmelding. Het acceptatieformulier is op verzoek van de Aandeelhouder beschikbaar bij het Omwissel- en Betaalkantoor. Het acceptatieformulier zal ook dienen als de akte van levering van de Aandelen waarnaar in het acceptatieformulier wordt verwezen.

### 11.9 Besluitvorming en Aanbeveling

Sinds de eerste blijk van belangstelling van PAI en de Co-Investeerder, werd een speciale stuurgroep, bestaande uit de heer Van Oers (voorzitter van de Raad van Commissarissen), de heer Barnouin (de CEO van Wessanen) en de heer Merckx (de (voormalige) CFO van Wessanen) gevormd en, samen met alle belangrijke interne en externe adviseurs, hebben zij op zeer frequente basis (telefonische) vergaderingen gehad om op de hoogte te zijn van de laatste ontwikkelingen, het proces te volgen, het aanbod en de alternatieven te bespreken, evenals de overwegingen die ten grondslag liggen aan de belangrijkste beslissingen en resoluties in verband daarmee.

Bij het besluitvormingsproces hebben de Raden rekening gehouden met mogelijke belangenconflicten. De heer Kluiber, lid van de Raad van Commissarissen, die is voorgedragen voor benoeming door de Co-Investeerder, heeft niet deelgenomen aan besprekingen en besluitvorming met betrekking tot het Bod sinds PAI en de Co-Investeerder Wessanen begin februari 2019 benaderden. Daarnaast is rekening gehouden met het feit dat leden van de Raad van Bestuur kunnen worden uitgenodigd om (indirect) in Wessanen te beleggen na de Dag van Overdacht (zie Hoofdstuk 5.15.3 (*Management incentive plan*)).

De Raden zijn, na uitgebreid juridisch en financieel advies te hebben ontvangen en alle aspecten van de aanbieding op gepaste wijze te hebben overwogen, waaronder

- (a) de strategische beweegredenen van het Bod en andere alternatieven waarover Wessanen beschikt;
- (b) de financiële aspecten (zoals de vergoeding per Aandeel);
- (c) de niet-financiële aspecten (zoals operationeel en sociaal); en
- (d) dealzekerheid,

tot de conclusie gekomen dat, rekening houdend met alle omstandigheden, het Bod *fair* is voor de aandeelhouders van Wessanen vanuit financieel oogpunt en in het beste belang van Wessanen en al haar belanghebbenden.

Lazard B.V. heeft een *fairness opinion* afgegeven aan de Raad van Bestuur en ABN AMRO N.V. heeft een *fairness opinion* afgegeven aan de Raad van Commissarissen. Beide hebben geopinieerd dat per de datum van dergelijke opinies (i) de Biedprijs *fair* is, vanuit financieel oogpunt, voor de Aandeelhouders (met uitzondering van de Bieder, Wessanen of een aan hun Gelieerde Partij) en (ii) de koopprijs in het kader van de Juridische Fusie te betalen door Wessanen aan Wessanen Holdco *fair* is voor Wessanen Holdco vanuit financieel oogpunt. De volledige tekst van elke *fairness opinion*, waarin de gemaakte veronderstellingen, gevolgde procedures, overwogen kwesties en beperkingen van de beoordeling in verband met elke *fairness opinion* uiteen worden gezet, is opgenomen in de Standpuntbepaling.

Onder verwijzing naar het bovenstaande en onder voorbehoud van de bepalingen en voorwaarden van dit Biedingsbericht, geven de Raden aan dat zij (i) de Transactie ondersteunen, (ii) de Aandeelhouders aanraden om het Bod te accepteren en hun Aandelen aan te melden onder het Bod en (iii) de Aandeelhouders aanraden om voor alle besluiten tijdens de BAVA te stemmen (de **Aanbeveling**).

De Raden kunnen de Aanbeveling niet intrekken, wijzigen, wijzigen of kwalificeren, behoudens het intrekken in overeenstemming met paragraaf 5.18.3 (*Commitment of Wessanen regarding Competing Offers*).

#### **11.10 Aankondigingen**

Iedere aankondiging met betrekking tot het Bod zal worden gedaan door middel van het uitbrengen van een persbericht welke ter beschikking zal worden gesteld op de website van Wessanen (indien de Bieder en Wessanen de desbetreffende aankondiging doet) dan wel op de

website van PAI op [www.paipartners.com](http://www.paipartners.com) (indien de Bieder de desbetreffende aankondiging doet).

Onder voorbehoud van de wettelijke vereisten op grond van de Toepasselijke Regelgeving en zonder afbreuk te doen aan de keuzevrijheid van de Bieder ten aanzien van de wijze waarop de Bieder een publieke aankondiging doet, zal op de Bieder geen enkele verplichting rusten om een publieke aankondiging te doen anders dan zoals uiteengezet in het Biedingsbericht.

#### 11.11 Beoogd tijdschema

##### Verwachte datum en tijd

##### Gebeurtenis

17:40 uur MET, 11 juli 2019

Publicatie van het persbericht met betrekking tot de verkrijgbaarstelling van het Biedingsbericht en de aanvang van het Bod

09:00 uur MET, 12 juli 2019

Aanvang van de Aanmeldingstermijn

14:00 uur MET, 29 augustus 2019

BAVA, op welke vergadering onder andere het Bod zal worden besproken.

17:40 uur MET, 6 september 2019

Uiterste Dag van Aanmelding:

Uiterste datum waarop Aandeelhouders hun Aandelen kunnen aanmelden, tenzij de termijn wordt verlengd in overeenstemming met artikel 15 van het Bob of nadat goedkeuring is ontvangen van de AFM in overeenstemming met artikel 5:81, paragraaf 3 van de Wft

Uiterlijk drie (3) Werkdagen na de Uiterste Dag van Aanmelding

Dag van Gestanddoening:

De dag waarop de Bieder zal aankondigen of het Bod al dan niet gestand wordt gedaan in overeenstemming met artikel 16 van het Bob

Uiterlijk drie (3) Werkdagen na de Dag van Gestanddoening

Na-aanmeldingstermijn:

Indien het bod gestand is gedaan, zal de

Bieder de Na-aanmeldingstermijn afkondigen (voor een periode van twee (2) weken) in overeenstemming met artikel 17 van het Bob

Uiterlijk vijf (5) Werkdagen na de Dag van Gestanddoening

Dag van Overdracht:

De dag waarop, overeenkomstig de voorwaarden van het Bod, de Bieder de Biedprijs zal betalen voor elk Aangemeld Aandeel

## **12. SELECTED CONSOLIDATED FINANCIAL INFORMATION OF WESSANEN**

### **12.1 Introduction**

The selected consolidated financial information of Wessanen that has been prepared and included in this section 12 (*Selected consolidated financial information of Wessanen*), comprises summaries of the consolidated statements of financial position, consolidated income statements and the consolidated statements of cash flows for the financial years 2018, 2017 and 2016. The selected consolidated financial information for the financial year 2018 and the consolidated income statement for the financial year 2017 restated as if IFRS 15 had been applied from 1 January 2017 has been derived from the annual report for the financial year 2018 which has been audited by Deloitte. Reference is made to explanatory note (b) below. The selected consolidated financial information for the financial year 2017 has been derived from the annual report for the financial year 2017 which has been audited by Deloitte. The selected consolidated financial information for the financial year 2016 has been derived from the annual report for the financial year 2016, which has been audited by Deloitte.

Reading the selected consolidated financial information is not a substitute for reading the audited annual reports of Wessanen for the financial years 2018, 2017 and 2016.

The annual reports from which the selected consolidated financial information has been derived were prepared in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board, as adopted by the European Union, and Part 9 of Book 2 of the Dutch Civil Code.

As from 2018, Wessanen has implemented the following changes in its accounting policies. These changes are applicable to the consolidated financial statements for the financial year 2018.

- (a) IFRS 9 - Financial instruments became effective as from 1 January 2018. This standard includes revised guidance on classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. Wessanen has chosen to apply IFRS 9 using the modified retrospective approach, meaning that the comparative financial information is not restated.

Adoption of the new standard had no impact on the Groups accounting (classification, recognition and measurement) for financial assets and liabilities and hedge relationships. In addition, the implementation of the new impairment model (which requires recognition of impairment provisions based on expected credit losses rather than only incurred credit losses), on the Company's allowance for impairments on trade receivables (the Company's main financial asset) had no impact.

- (b) IFRS 15 - Revenue from Contracts with Customers became effective as from 1 January 2018. This standard establishes a single comprehensive model to use in accounting for revenue from contracts with customers. According to the new standard, revenue is recognised to depict the transfer of promised goods or services to a customer in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is recognised at a



single point in time when control over the products sold is transferred, respectively when products are delivered and accepted by the customer.

Wessanen has chosen to apply IFRS 15 using the full retrospective approach, which resulted in a reclassification of 'coupon expenses incurred and paid to customers' in the income statement from 'other operating expenses' to a 'reduction of revenue' as from 1 January 2018.

In addition to the consolidated income statement for the financial year 2017 as included in Wessanen's annual report for the financial year 2017, Wessanen has included in the comparative overview of consolidated income (see paragraph 12.3), the consolidated income statement for the financial year 2017 *restated as if IFRS 15 had been applied from 1 January 2017*. As a consequence of this restatement, 'Revenue' is reduced by the amount of €1.4 million for 2017. As this relates to a reclassification within the income statement, the net result is not impacted by the implementation of this standard. In addition, balance sheet positions are not impacted by the implementation of this new standard.

If the consolidated income statement for the financial year 2016 would be restated for IFRS 15, this would result in a reclassification of 'coupon expenses incurred and paid to customers' in the income statement from 'other operating expenses' to a 'reduction of revenue'. As a consequence, 'revenue' would be reduced with € 1 million. As this would relate to a reclassification within the income statement, the net result would not be impacted by the application of this standard. In addition, balance sheet positions would not be impacted by the application of this new standard. The information in this last paragraph is provided for information purposes only, is unaudited and is not derived from audited financial statements of Wessanen.

Reference is made to Section 12.6 (*Financial statements for the financial year 2018 including independent auditor's report of Deloitte*) for a summary of the significant accounting policies of Wessanen for the consolidated financial statements for the financial year 2018.

On 19 July 2019 Wessanen will publish its H1 and Q2 2019 interim results. These will be published in a press release, and made available on Wessanen's website ([www.wessanen.com](http://www.wessanen.com)). The interim results are, in line with Wessanen's past practice, not accompanied by an auditor's review statement. In connection with the Offer, Wessanen has arranged for the interim results to be reviewed by Deloitte, and it will publish Deloitte's auditor's review statement in a press release as soon as possible after 19 July 2019, but in any event no later than four Business Days before the EGM.

The selected consolidated financial information set out below contains summaries only of the consolidated statements of financial position, the consolidated income statements, and the consolidated statements of cash flows, excluding related note disclosures and a description of significant accounting policies. For a better understanding of Wessanen's financial position, income and cash flows, the selected consolidated financial information should be read in conjunction with the unabbreviated audited annual reports for the financial years 2018, 2017 and 2016, including the related notes and description of significant accounting policies that were applied for each of these years, which are available on the website of Wessanen at

[www.wessanen.com/investor-relations/annual-report-financial-information/annual-report/](http://www.wessanen.com/investor-relations/annual-report-financial-information/annual-report/) and the AFM register of financial reporting.

## 12.2 Comparative overview of consolidated statements of financial position for the financial years 2018, 2017 and 2016

In € millions, unless stated otherwise

	31 December 2018	31 December 2017	31 December 2016
<b>Assets</b>			
Property, plant and equipment	69.5	58.4	51.2
Intangible assets	212.3	206.6	203.3
Other investments	0.3	0.2	0.6
Deferred tax assets	7.0	7.0	8.8
<b>Total non-current assets</b>	<b>289.1</b>	<b>272.2</b>	<b>263.9</b>
Inventories	68.4	76.5	68.5
Income tax receivables	1.0	0.8	0.4
Trade receivables	95.1	98.8	101.0
Other receivables and prepayments	15.0	14.9	15.5
Cash and cash equivalents	17.3	13.8	9.4
<b>Total current assets</b>	<b>196.8</b>	<b>204.8</b>	<b>194.8</b>
<b>Total assets</b>	<b>485.9</b>	<b>477.0</b>	<b>458.7</b>
<b>Equity</b>			
Share capital	76.5	76.1	76.0
Share premium	103.4	102.8	102.9
Reserves	(17.7)	(17.5)	(20.1)
Retained earnings	94.9	66.3	32.4
<b>Total equity</b>	<b>257.1</b>	<b>227.7</b>	<b>191.2</b>
<b>Liabilities</b>			
Interest-bearing loans and borrowings	61.4	61.1	81.2
Employee benefits	7.9	7.9	7.7
Provisions	1.0	2.3	3.0
Deferred tax liabilities	13.9	13.1	10.9
<b>Total non-current liabilities</b>	<b>84.2</b>	<b>84.4</b>	<b>102.8</b>
Bank overdrafts	0.1	8.8	8.7
Interest-bearing loans and borrowings	3.8	3.8	3.0
Provisions	3.6	4.6	12.1
Income tax payables	2.3	1.4	2.6
Trade payables	74.6	84.8	80.5
Non-trade payables and accrued expenses	60.2	61.5	57.8
<b>Total current liabilities</b>	<b>144.6</b>	<b>164.9</b>	<b>164.7</b>
<b>Total liabilities</b>	<b>228.8</b>	<b>249.3</b>	<b>267.5</b>
<b>Total equity and liabilities</b>	<b>485.9</b>	<b>477.0</b>	<b>458.7</b>

### 12.3 Comparative overview of consolidated income statement for the financial years 2018, 2017 and 2016

	2018	2017	2017	2016
		restated as if IFRS 15 applied from 1 January 2017 <sup>1</sup>		
Revenue	628,4	624,4	625,8	570,0
Raw materials and supplies	(365,8)	(365,9)	(365,9)	(335,6)
Personnel expenses	(95,7)	(96,5)	(96,5)	(91,7)
Depreciation, amortisation and impairments	(15,0)	(9,9)	(9,9)	(7,8)
Other operating expenses	(100,8)	(103,4)	(104,8)	(100,6)
Operating expenses	(577,3)	(575,7)	(577,1)	(535,7)
Operating result	51,1	48,7	48,7	34,3
Interest expenses	(0,5)	(0,9)	(0,9)	(0,4)
Other financial income and expenses	(0,6)	(1,0)	(1,0)	(1,4)
Net financing costs	(1,1)	(1,9)	(1,9)	(1,8)
Profit before income tax	50,0	46,8	46,8	32,5
Income tax expense	(14,0)	(10,8)	(10,8)	(9,7)
Profit for the period	36,0	36,0	36,0	22,8
Attributable to equity holders of Wessanen	36,0	36,0	36,0	22,8
Earnings per share attributable to equity holders of Wessanen (in €)				
Basic	0,47	0,47	0,47	0,30
Diluted	0,47	0,47	0,47	0,30
Average number of shares (in thousands)				
Basic	76.343	75.790	75.790	75.594
Diluted	76.710	76.738	76.738	76.116

<sup>1</sup> Please see section 12.1.

## 12.4 Comparative overview of consolidated cash flow statement relating to the financial years 2018, 2017 and 2016

In € millions, unless stated otherwise

	2018	2017	2016
<b>Cash flows from operating activities</b>			
Operating result	51.1	48.7	34.3
<i>Adjustments for:</i>			
Depreciation, amortisation and impairments	15.0	9.9	7.8
Provisions created	0.8	4.1	11.0
Equity-settled share-based payments	2.4	5.0	1.2
Loss on disposals	0.4	-	-
<b>Cash generated from operations before changes in working capital and provisions</b>	<b>69.7</b>	<b>67.7</b>	<b>54.3</b>
Changes in working capital	1.2	1.2	3.5
Payments from provisions	(2.8)	(11.8)	(6.4)
Changes in employee benefits	(0.3)	(0.3)	(0.2)
<b>Cash generated from operations</b>	<b>67.8</b>	<b>56.8</b>	<b>51.2</b>
Interest paid	(0.8)	(1.2)	(0.8)
Income tax paid	(12.6)	(13.5)	(12.4)
<b>Net cash from operating activities</b>	<b>54.4</b>	<b>42.1</b>	<b>38.0</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment	(11.7)	(10.0)	(5.2)
Proceeds from sale of property, plant and equipment	0.3	0.3	0.3
Acquisition of intangible assets	(1.6)	(2.3)	(2.1)
Repayments from other investments	(0.1)	0.4	0.3
Acquisition of subsidiaries, net of cash acquired	(7.7)	-	(114.3)
<b>Net cash flow from investing activities</b>	<b>(20.8)</b>	<b>(11.6)</b>	<b>(121.0)</b>
<b>Cash flows from financing activities</b>			
Net proceeds from/(repayments of) interest-bearing loans and borrowings	(11.3)	(23.6)	72.1
Net payments of finance lease liabilities	(0.3)	(0.7)	(0.3)
Cash receipts/(payments) of derivatives	(1.0)	1.3	(0.7)
Sale/(purchase) of own shares	-	5.9	(2.1)
Share capital increase	1.0	-	-
Dividends paid	(9.9)	(9.1)	(8.3)
<b>Net cash from financing activities</b>	<b>(21.5)</b>	<b>(26.2)</b>	<b>60.7</b>
<b>Net cash flow</b>	<b>12.1</b>	<b>4.3</b>	<b>(22.3)</b>

## 12.5 Independent auditor's report on the selected consolidated financial information of Wessanen



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### Independent auditor's report

To the Executive Board and Supervisory Board of Koninklijke Wessanen N.V.

#### Our opinion

The financial information for the years 2018, 2017 and 2016 of the selected consolidated financial information as included in sections 12.2, 12.3 and 12.4 of this Offer Memorandum (hereafter: 'the summary financial statements') of Koninklijke Wessanen N.V., based in Amsterdam, is derived from the audited consolidated annual reports of Koninklijke Wessanen N.V. for the years 2018, 2017 and 2016.

In our opinion the accompanying summary financial statements are consistent, in all material respects, with the audited annual reports 2018, 2017 and 2016 of Koninklijke Wessanen N.V., on the basis of preparation as described in section 12.1 of this Offer Memorandum.

The summary financial statements comprise:

1. The summary consolidated statement of financial position at 31 December 2018, 31 December 2017 and 31 December 2016.
2. The following consolidated summary statements over 2018, 2017 and 2016: the income statement and statement of cash flows. For 2017 the consolidated income statement is also presented on a restated basis as if IFRS 15 has been applied from January 1, 2017. This financial information has been derived from the audited consolidated annual report of Koninklijke Wessanen N.V. for the year 2018.

#### Summary financial statements

The summary financial statements as included in sections 12.2, 12.3 and 12.4 do not contain all the disclosures required by International Financial Reporting Standards as adopted by the European Union and by Part 9 of Book 2 of the Dutch Civil Code. Reading the summary financial statements and our report thereon, therefore, is not a substitute for reading the audited consolidated annual reports of Koninklijke Wessanen N.V. and our independent auditor's reports thereon. The summary financial statements and the audited consolidated annual reports do not reflect the effects of events that occurred subsequent to the dates of our independent auditor's reports on those consolidated annual reports.

#### The audited annual reports and our auditor's report thereon

We expressed an unqualified audit opinion on the consolidated annual reports 2018, 2017 and 2016 of Koninklijke Wessanen N.V. in our independent auditor's reports dated 11 February 2019, 12 February 2018 and 14 February 2017.

#### Responsibilities of the Executive Board and the Supervisory Board for the summary financial statements

The Executive Board is responsible for the preparation of the summary financial statements on the basis of preparation as described in section 12.1 of this Offer Memorandum. The Supervisory Board is responsible for overseeing the company's financial reporting process.

Deloitte Accountants B.V. is registered with the Trade Register of the Chamber of Commerce and Industry in Rotterdam number 24362853. Deloitte Accountants B.V. is a Netherlands affiliate of Deloitte NWE LLP, a member firm of Deloitte Touche Tohmatsu Limited.

Member of  
Deloitte Touche Tohmatsu Limited



#### **Our responsibilities**

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects with the audited consolidated financial statements, based on our procedures, which we conducted in accordance with Dutch law, including the Dutch Standard 810 'Engagements to report on summary financial statements'.

#### **Restriction on use**

The summary financial statements as included in sections 12.2, 12.3 and 12.4 and our independent auditor's report thereon are intended solely for enclosure in the Offer Memorandum in connection with the recommended cash offer of Best of Nature Bidco B.V. and cannot be used for other purposes.

Amsterdam, July 11, 2019

Deloitte Accountants B.V.

Initials for identification purposes:

Signed on the original: R.A. Graaf

## **12.6 Financial statements for the financial year 2018 including independent auditor's report of Deloitte**

The other information included in Wessanen's integrated annual report for 2018 is not included in these financial statements. The other information consists of:

- report of the Executive Board;
- report of the Supervisory Board;
- other information as required by Part 9 Book 2 of the Dutch Civil Code; and
- other information included in the integrated annual report.

The other information is incorporated by reference in this Offer Memorandum and available free of charge at the offices of Wessanen and the Settlement Agent and on the website of Wessanen (<https://wessanen.com/investor-relations/annual-report-financial-information/annual-report/>).



## Financial statements

### Consolidated financial statements

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# Consolidated income statement

Building a new kind of food company	Growing our brands in core categories	Upgrade our operations	Building a green, attractive and efficient company	Making selective acquisitions	Business Review, Risk & Governance	Report of the Supervisory Board	Financial statements	Other information
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REPORT OF THE EXECUTIVE BOARD

In € millions, unless stated otherwise

	Notes	2018	2017 <sup>1</sup>
<b>Revenue</b>	7	<b>628.4</b>	<b>624.4</b>
Raw materials and supplies		(365.8)	(365.9)
Personnel expenses	8, 9	(95.7)	(96.5)
Depreciation, amortisation and impairments	13, 14	(15.0)	(9.9)
Other operating expenses		(100.8)	(103.4)
<b>Operating expenses</b>		<b>(577.3)</b>	<b>(575.7)</b>
<b>Operating result</b>		<b>51.1</b>	<b>48.7</b>
Interest expenses		(0.5)	(0.9)
Other financial income and expenses		(0.6)	(1.0)
<b>Net financing costs</b>	10	<b>(1.1)</b>	<b>(1.9)</b>
<b>Profit before income tax</b>		<b>50.0</b>	<b>46.8</b>
<b>Income tax expense</b>	11	<b>(14.0)</b>	<b>(10.8)</b>
<b>Profit for the period</b>		<b>36.0</b>	<b>36.0</b>
<b>Attributable to equity holders of Wessanen</b>		<b>36.0</b>	<b>36.0</b>
<b>Earnings per share attributable to equity holders of Wessanen (in €)</b>	12		
Basic		0.47	0.47
Diluted		0.47	0.47
<b>Average number of shares (in thousands)</b>	12		
Basic		76,343	75,790
Diluted		76,710	76,738
<b>Average GBP exchange rate (GBP per Euro)</b>		<b>0.8860</b>	<b>0.8757</b>

<sup>1</sup> 2017: 'Revenue' and 'Other operating expenses' have been restated for a reclassification of 'coupon expenses incurred and paid to consumers' following the adoption of IFRS 15 'Revenue from contracts with customers'. As a consequence, 'Revenue' has been reduced by the amount of €1.4 for 2017.

# Consolidated statement of comprehensive income

Building a  
new kind  
of food  
company

Growing  
our brands  
in core  
categories

Upgrade  
our  
operations

Building a  
green, attractive  
and efficient  
company

Making  
selective  
acquisitions

Business  
Review,  
Risk &  
Governance

Report  
of the  
Supervisory  
Board

Financial  
statements

Other  
information

REPORT OF THE EXECUTIVE BOARD

In € millions

	Notes	2018	2017
<b>Profit for the period</b>		<b>36.0</b>	<b>36.0</b>
<b>Other comprehensive income/(loss)</b>			
Remeasurements of post employment benefit obligations, net of income tax	11, 21	0.1	–
<b>Other comprehensive income/(loss) that will not be reclassified to profit or loss</b>		<b>0.1</b>	<b>–</b>
Foreign currency translation differences, net of income tax	11, 24	(0.3)	(1.3)
Effective portion of changes in fair value of cash flow hedges, net of income tax	11, 24	0.1	–
<b>Other comprehensive income/(loss) that may be reclassified to profit or loss</b>		<b>(0.2)</b>	<b>(1.3)</b>
<b>Total other comprehensive income/(loss)</b>		<b>(0.1)</b>	<b>(1.3)</b>
<b>Total comprehensive income</b>		<b>35.9</b>	<b>34.7</b>
<b>Attributable to equity holders of Wessanen</b>		<b>35.9</b>	<b>34.7</b>

Building a new kind of food company	Growing our brands in core categories	Upgrade our operations	Building a green, attractive and efficient company	Making selective acquisitions	Business Review, Risk & Governance	Report of the Supervisory Board	Financial statements	Other information
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Financial statements    Other information

In € millions, unless stated otherwise	Notes	31 December 2018	31 December 2017
<b>Equity</b>			
Share capital		76.5	76.1
Share premium		103.4	102.8
Reserves		(17.7)	(17.5)
Retained earnings		94.9	66.3
<b>Total equity</b>	19	<b>257.1</b>	<b>227.7</b>
<b>Liabilities</b>			
Interest-bearing loans and borrowings	20	61.4	61.1
Employee benefits	21	7.9	7.9
Provisions	22	1.0	2.3
Deferred tax liabilities	15	13.9	13.1
<b>Total non-current liabilities</b>		<b>84.2</b>	<b>84.4</b>
Bank overdrafts	18	0.1	8.8
Interest-bearing loans and borrowings	20	3.8	3.8
Provisions	22	3.6	4.6
Income tax payables		2.3	1.4
Trade payables	23	74.6	84.8
Non-trade payables and accrued expenses	23	60.2	61.5
<b>Total current liabilities</b>		<b>144.6</b>	<b>164.9</b>
<b>Total liabilities</b>		<b>228.8</b>	<b>249.3</b>
<b>Total equity and liabilities</b>		<b>485.9</b>	<b>477.0</b>
End of period GBP exchange rate (GBP per Euro)		0.8945	0.8872

# Consolidated statement of changes in equity

Building a new kind of food company	Growing our brands in core categories	Upgrade our operations	Building a green, attractive and efficient company	Making selective acquisitions	Business Review, Risk & Governance	Report of the Supervisory Board	Financial statements	Other information
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REPORT OF THE EXECUTIVE BOARD

In € millions	Notes	Issued and paid-up share capital	Share premium	Treasury shares	Translation reserve	Reserves Hedging reserve	Retained earnings	Total equity
<b>2017</b>								
Balance of beginning of year		76.0	102.9	(3.9)	(16.2)	–	32.4	191.2
<b>Comprehensive income and expense for the period</b>								
Profit/(loss) for the period		–	–	–	–	–	36.0	36.0
Foreign currency translation differences <sup>1</sup>	11, 24	–	–	–	(1.3)	–	–	(1.3)
Remeasurements of post employment benefit obligations <sup>1</sup>	11, 21	–	–	–	–	–	–	–
Effective portion of changes in fair value of cash flow hedges <sup>1</sup>	11, 24	–	–	–	–	–	–	–
<b>Total comprehensive income and expense for the period</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>(1.3)</b>	<b>–</b>	<b>36.0</b>	<b>34.7</b>
<b>Contributions by and distributions to owners</b>								
Shares issued	19	0.1	(0.1)	–	–	–	–	–
Shares delivered	19	–	–	0.5	–	–	(0.5)	–
Dividends	19	–	–	–	–	–	(9.1)	(9.1)
Sale of own shares	19	–	–	3.4	–	–	2.5	5.9
Share-based payments	9	–	–	–	–	–	5.0	5.0
<b>Total contributions by and distributions to owners</b>		<b>0.1</b>	<b>(0.1)</b>	<b>3.9</b>	<b>–</b>	<b>–</b>	<b>(2.1)</b>	<b>1.8</b>
<b>Balance at year end</b>		<b>76.1</b>	<b>102.8</b>	<b>–</b>	<b>(17.5)</b>	<b>–</b>	<b>66.3</b>	<b>227.7</b>
<b>2018</b>								
Balance of beginning of year		76.1	102.8	–	(17.5)	–	66.3	227.7
<b>Comprehensive income and expense for the period</b>								
Profit/(loss) for the period		–	–	–	–	–	36.0	36.0
Foreign currency translation differences <sup>1</sup>	11, 24	–	–	–	(0.3)	–	–	(0.3)
Remeasurements of post employment benefit obligations <sup>1</sup>	11, 21	–	–	–	–	–	0.1	0.1
Effective portion of changes in fair value of cash flow hedges <sup>1</sup>	11, 24	–	–	–	–	0.1	–	0.1
<b>Total comprehensive income and expense for the period</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>(0.3)</b>	<b>0.1</b>	<b>36.1</b>	<b>35.9</b>
<b>Contributions by and distributions to owners</b>								
Shares issued	19	0.4	0.6	–	–	–	–	1.0
Shares delivered	19	–	–	–	–	–	–	–
Dividends	19	–	–	–	–	–	(9.9)	(9.9)
Sale of own shares	19	–	–	–	–	–	–	–
Share-based payments	9	–	–	–	–	–	2.4	2.4
<b>Total contributions by and distributions to owners</b>		<b>0.4</b>	<b>0.6</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(7.5)</b>	<b>(6.5)</b>
<b>Balance at year end</b>		<b>76.5</b>	<b>103.4</b>	<b>–</b>	<b>(17.8)</b>	<b>0.1</b>	<b>94.9</b>	<b>257.1</b>

<sup>1</sup> Net of income tax.

# Consolidated statement of cash flows

REPORT OF THE EXECUTIVE BOARD

In € millions	Notes	2018	2017
<b>Cash flows from operating activities</b>			
<b>Operating result</b>		<b>51.1</b>	<b>48.7</b>
Adjustments for:			
Depreciation, amortisation and impairments	13, 14	15.0	9.9
Provisions created	21, 22	0.8	4.1
Equity-settled share-based payments	9	2.4	5.0
Loss on disposals		0.4	–
<b>Cash generated from operations before changes in working capital and provisions</b>		<b>69.7</b>	<b>67.7</b>
Changes in working capital	28	1.2	1.2
Payments from provisions	22	(2.8)	(11.8)
Changes in employee benefits	21	(0.3)	(0.3)
<b>Cash generated from operations</b>		<b>67.8</b>	<b>56.8</b>
Interest paid		(0.8)	(1.2)
Income tax paid		(12.6)	(13.5)
<b>Net cash from operating activities</b>		<b>54.4</b>	<b>42.1</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment	13	(11.7)	(10.0)
Proceeds from sale of property, plant and equipment		0.3	0.3
Acquisition of intangible assets	14	(1.6)	(2.3)
Repayments from other investments		(0.1)	0.4
Acquisition of subsidiaries, net of cash acquired	5	(7.7)	–
<b>Net cash flow from investing activities</b>		<b>(20.8)</b>	<b>(11.6)</b>
<b>Cash flows from financing activities</b>			
Repayments of interest-bearing loans and borrowings	20	(11.3)	(23.6)
Net payments of finance lease liabilities	20	(0.3)	(0.7)
Cash receipts/(payments) of derivatives		(1.0)	1.3
Sale of own shares	19	–	5.9
Share capital increase	19	1.0	–
Dividends paid	19	(9.9)	(9.1)
<b>Net cash from financing activities</b>		<b>(21.5)</b>	<b>(26.2)</b>
<b>Net cash flow</b>	28	<b>12.1</b>	<b>4.3</b>

## 1. The Company and its operations

Koninklijke Wessanen N.V. ('Wessanen' or 'the Company') is a public limited company domiciled in the Netherlands. It is a leading company in the European market for healthy and sustainable food. Our focus is on organic, vegetarian, fair trade and natural ingredients as these are healthier and more sustainable. Operating mainly in the Benelux, France, Germany, Italy, Spain and the UK, we manage and develop well-known local brands such as Bjorg, el Granero, Whole Earth, Zonnatura, Kallø, Alter Eco, Gayelord Hauser, Allos and Bonneterre and European brands such as Clipper, Isola Bio, Tartex, Destination and Mrs. Crimble's.

The consolidated financial statements of Wessanen for the year ended 31 December 2018, comprise Wessanen and its subsidiaries (together referred to as 'the Group'). Wessanen's subsidiaries as at 31 December 2018 are listed in Note 29. The address of the Company's registered office is Hoogoorddreef 5, Amsterdam Zuidoost, the Netherlands.

## 2. Basis of preparation

### Statement of compliance

The consolidated financial statements for the year ended 31 December 2018 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and also comply with the financial reporting requirements included in Part 9 of Book 2 of the Dutch Civil Code.

The financial statements were signed and authorised for issuance by the Supervisory Board and the Executive Board on 11 February 2019, and will be submitted for adoption to the Annual General Meeting of Shareholders on 11 April 2019.

### Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention, unless otherwise indicated, including the following assets and liabilities that are stated at their fair value: assets and liabilities acquired in a business acquisition, (derivative) financial instruments and defined benefit plan assets. The methods used to measure fair value are disclosed in Note 4.

### Functional and presentation currency

The functional currency of Wessanen is the Euro. These consolidated financial statements are presented in millions of Euro.

### Use of estimates and judgements

The preparation of Wessanen's consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, of revenues and expenses and the disclosure of contingent assets and liabilities. Although these estimates and associated assumptions are based on management's best knowledge of current events and actions, actual results may ultimately differ materially from these estimates and assumptions.

The estimates and underlying assumptions are reviewed on an ongoing basis. 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 periods.

The estimates and assumptions, that management considers most critical and that have a significant inherent risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are disclosed hereinafter.

### Impairment of non-current assets

Determining whether non-current assets are to be impaired requires an estimation of the recoverable amount of the asset (or cash-generating unit), which is the greater of fair value less cost to sell and value in use. The value in use calculation requires management to estimate the future cash flows expected to arise from the asset (or cash-generating unit) and an appropriate discount rate, in order to calculate the present value of the expected future economic benefits of an asset (or cash-generating unit). See Note 14 for specific information on the carrying amounts of goodwill and brands, the cash-generating units affected and the estimates and assumptions applied.

### Useful lives of non-current assets

The useful lives of non-current assets (excluding goodwill) are required to be reviewed at least at each financial year-end. As the dietetic market continued to lose consumer relevance in France, the estimated useful life of the Gayelord Hauser brand was changed from indefinite to finite at year-end 2018. The remaining book value will be amortised on a straight-line basis over ten years (resulting in an annual amortisation charge of €0.4 as from 2019).

### Customer incentives

Judgements and estimates are required regarding the timing and the amount of outflow of resources in respect of customer incentives, including trade promotions and customer rebates. Estimated customer incentives are calculated and recorded at the time related sales are made based on contractual arrangements, and subsequently monitored carefully, as settlement only takes place periodically.

### Provisions and contingencies

The recognition of provisions requires estimates and judgement regarding the timing and the amount of outflow of resources.

The main estimates are as follows:

- Restructuring: the provisions are based on formal and approved plans using the best information available at the time. The amounts that are ultimately incurred may change as the plans are executed.
- Claims and legal disputes: management, supported by internal and external legal counsel, where appropriate, determines whether it is more likely than not that an outflow of resources will be required to settle an obligation. If this is the case, the best estimate of the outflow of resources is recognised.

See Notes 22 and 25 for specific information on provisions and contingencies.

## Pensions

The calculation of the defined benefit obligations and, in relation to that, the net periodic benefit costs for the periods presented, requires management to estimate, amongst others, future benefit levels, discount rates, investment returns on plan assets and life expectancy. Due to the long-term nature of these plans such estimates are subject to considerable uncertainties and may require adjustments in future periods, impacting future liabilities and expenses. See Note 21 for specific information on the estimates and assumptions applied in respect of the calculation of the defined benefit obligations.

## Financial risk management and financial instruments

Judgements and estimates are required regarding the contingent consideration payable in respect of the acquisition of Abbot Kinney's (see Notes 5 and 24).

## Income tax

Wessanen is subject to income tax in several jurisdictions. The ultimate tax effects of transactions may be uncertain for a considerable amount of time, requiring management to estimate the related current and deferred tax positions. Judgement is required in determining whether deferred tax

assets are realisable. The Group has tax loss carry-forward positions whereby the realisation of deferred tax assets will be largely dependent upon the availability of future taxable income, as estimated from time to time by management and the availability of tax planning. The Group recognises liabilities for uncertain tax positions when it is more likely than not that additional tax will be due. See Notes 11 and 15 for specific information on income tax and deferred tax assets and liabilities.

## Acquisition of subsidiaries

Wessanen has a process in place to identify all assets and liabilities acquired, including intangible assets. The judgements made in identifying all acquired assets, determining the estimated fair value assigned to each class of assets acquired and liabilities assumed, as well as asset lives, can materially impact the results of operations. Estimated fair values are based on information available around the acquisition date and on expectations and assumptions of anticipated discounted cash flows that have been assessed as reasonable by Wessanen.

## New and revised IFRSs applied

The following new IFRS standards are effective for annual periods that begin on or after 1 January 2018 and have been adopted in preparing these condensed consolidated financial statements.

## IFRS 9: 'Financial Instruments'

IFRS 9 includes revised guidance on classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. Wessanen has chosen to apply IFRS 9 using the modified retrospective approach, meaning that the 2017 comparative financial information is not restated.

Adoption of the new standard had no impact on the Groups accounting (classification, recognition and

measurement) for financial assets and liabilities and hedge relationships. In addition, the implementation of the new impairment model (which requires recognition of impairment provisions based on expected credit losses rather than only incurred credit losses), on the Company's allowance for impairments on trade receivables (the Company's main financial asset) had no impact. The expected loss rates for trade receivables are based on the payment profiles of sales over a period of 12 months before 31 December 2018 or 1 January 2018 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information affecting the ability of the customers to settle the receivables. No further adjustment of the loss rates were needed (see Note 24).

## IFRS 15: 'Revenue from contracts with customers'

IFRS 15 establishes a single comprehensive model to use in accounting for revenue from contracts with customers. According to the new standard, revenue is recognised to depict the transfer of promised goods or services to a customer in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is recognised at a single point in time when control over the products sold is transferred, respectively when products are delivered and accepted by the customer.

Wessanen has chosen to apply IFRS 15 using the full retrospective approach, which resulted in a reclassification of 'coupon expenses incurred and paid to customers' in the income statement from 'other operating expenses' to a 'reduction of revenue' as from 1 January 2018; the 2017 comparatives have been restated accordingly. Balance sheet positions have not been impacted by the implementation of this new standard, therefore no third statement of financial position as per the beginning of the preceding period has been presented.



IFRS 15 also includes guidance on the disaggregation of revenue from contracts with customers and the presentation of contract balances, that is, assets and liabilities arising from contracts with customers, depending on the relationship between the entity's performance and the customer's payment. See Note 7 for specific information on revenue.

### 3. Significant accounting policies

The accounting policies set out below have been consistently applied to all periods presented in these consolidated financial statements, and have been applied consistently by all Group entities.

#### Basis of consolidation

##### Subsidiaries

The consolidated financial statements incorporate the financial statements of Wessanen and all entities that are controlled by Wessanen ('subsidiaries'). Wessanen controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

##### Transactions eliminated on consolidation

Intra-group balances and transactions and any unrealised gains and losses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

#### Foreign currency

##### Foreign currency transactions

Transactions in foreign currencies (not being the functional currency) are translated to the functional currency using the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Euro at the exchange rates ruling at the balance sheet date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities denominated in foreign currencies that are stated at historical cost are translated into Euro at foreign exchange rates ruling at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated into Euro at foreign exchange rates ruling at the dates the fair value was determined.

##### Financial statements of foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Euro at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated into Euro at annual average exchange rates (the average is calculated based on 12 month-end closing rates). The resulting foreign exchange differences arising on translation are recognised directly in a separate component of equity, the translation reserve.

##### Net investment in foreign operations

Foreign exchange differences arising from the translation of the net investment in foreign operations, and of related hedges, are taken to the translation reserve. Such differences are recognised in the income statement upon disposal of the foreign operation or settlement of the net investment.

The principal exchange rates against the Euro used in the statement of financial position and income statement are:

Currency per €	Statement of financial position		Income statement	
	31 December 2018	31 December 2017	2018	2017
£	0.8945	0.8872	0.8860	0.8757

#### Derivative financial instruments

Wessanen uses derivative financial instruments to hedge its exposure to foreign exchange arising from operating, investing and financing activities. These instruments are initially recognised in the statement of financial position at fair value on a settlement date basis and are subsequently remeasured at their fair value. Gains and losses resulting from the fair value remeasurement are recognised directly in the income statement, unless the derivative qualifies and is effective as a hedging instrument in a designated hedging relationship. Derivatives that are designated as hedges are accounted for as either cash flow hedges or fair value hedges. In both 2018 and 2017 Wessanen did not enter into any fair value hedges.

Gains and losses on derivative financial instruments are (ultimately) recognised in the income statement under financial income and expenses, except for the effective portion of those derivative financial instruments that are designated as hedges and entered into to mitigate operational risks. This portion is recognised in operating result.

#### Hedging

##### Cash flow hedges

If a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised liability, a firm commitment or a highly probable forecasted transaction, the effective part of any gain or loss on the

derivative financial instrument is recognised directly in other comprehensive income. When the firm commitment or forecasted transaction results in the recognition of an asset or liability, the cumulative gain or loss is removed from other comprehensive income and included in the initial measurement of the asset or liability. Otherwise, the cumulative gain or loss is removed from other comprehensive income and recognised in the income statement at the same time as the hedged transaction. The ineffective part of any gain or loss is immediately recognised in the income statement.

When a hedging instrument or hedge relationship is terminated, but the hedged transaction still is expected to occur, the cumulative gain or loss at that point remains in other comprehensive income and is recognised in the income statement in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in other comprehensive income is recognised immediately in the income statement.

#### Hedge of net investment in a foreign operation

The portion of the gain or loss on an instrument used to hedge a net investment in a foreign operation that is determined to be an effective hedge is recognised directly in other comprehensive income. The ineffective portion is recognised in the income statement.

#### Segment reporting

An operating segment is a component of Wessanen that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components.

The operating segment's operating result (EBIT) is reviewed regularly by the Executive Board of Wessanen to make decisions about resources to be allocated to the segment

and assess the performance, and for which discrete financial information is available. The 'Branded' operating segment is managed by the 'Executive Leadership Team (ELT)'. The members of the ELT are the Executive Board members, selected country General Managers and Functional Heads (Marketing & Sustainability, Operations and Human Resources).

Segment results that are reported to the Executive Board of Wessanen include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise part of the overhead expenses (corporate costs being shareholder and stewardship costs), financial income and expenses and income tax gains and losses. Corporate assets and liabilities and income tax assets and liabilities are excluded from segment assets and liabilities. Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

#### Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition or construction of the asset.

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately, including major inspection and overhaul expenditure, is capitalised. Other subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of property, plant and equipment. All other expenditure is recognised in the income statement as an expense as incurred.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives. Land is not depreciated. Where an item of property, plant or

equipment comprises major components having different useful lives, these are accounted for as separate items of property, plant and equipment. Depreciation methods, useful lives, as well as residual values are re-assessed annually.

Assets not in use are recorded at the lower of their book value and recoverable amount.

The estimated useful lives of property, plant and equipment for the current and comparative period are as follows:

Buildings and offices	15 – 30 years
Machinery and equipment	5 – 20 years
IT equipment	3 – 5 years
Other	3 – 5 years

Assets not in use and assets classified as held for sale are not depreciated.

#### Intangible assets

##### Goodwill

All business combinations are accounted for by applying the acquisition method as at the acquisition date. Goodwill represents amounts arising on acquisition of subsidiaries.

Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets and liabilities and contingent liabilities at the date of acquisition (measured based on methods as described in Note 4). Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that Wessanen incurs in connection with a business combination are expensed as incurred.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised but tested annually for impairment.

## Brands and customer lists

Capitalised brands and customer lists are measured at cost less accumulated amortisation and impairment losses. Brands and customer lists acquired in business acquisitions are initially measured at fair value.

The useful lives of brands have been determined on the basis of certain factors such as the economic environment, the expected use of the asset and related assets or groups of assets and legal or other provisions that might limit the useful life. Based on this assessment, the useful life is in principle determined to be indefinite, since there is no foreseeable limit to the period of time over which the brands are expected to contribute to the cash flows of the Group. Capitalised brands with an indefinite life are not amortised, but tested annually for impairment. Facts and circumstances could require reassessment of this position, and result in assignment of a finite useful life. Brands with a finite life are subject to straight-line amortisation calculated over the estimated useful lives.

Customer lists are amortised over their estimated useful lives of maximum 20 years.

## Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technological knowledge and understanding, is recognised in the income statement as an expense when incurred.

Expenditure on development activities is capitalised if the appropriate criteria are met. The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the assets for its intended use. Other development expenditure is recognised in the income statement as an expense when incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and accumulated impairment losses.

## Other intangible assets

Other intangible assets that are acquired by Wessanen, which have finite useful lives, are stated at cost less accumulated amortisation and impairment losses.

## Subsequent expenditure

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

## Amortisation

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets are amortised from the date these are available for use. Residual useful life is re-assessed annually.

## Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories is based on the weighted average principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Inventory is valued net of vendor allowances if applicable.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

## Trade and other receivables

Trade and other receivables are stated at their amortised cost less impairment losses. Amortised cost is determined using the effective interest rate.

## Cash and cash equivalents and bank overdrafts

Cash and cash equivalents comprise cash and bank balances and call deposits with original maturities of three months or less. Cash equivalents are only recognised when control over the possibility to convert to cash is transferred to or from Wessanen.

Bank overdrafts that are repayable on demand and form an integral part of Wessanen's cash management are included as a component of net cash and cash equivalents for the purpose of the statement of cash flows.

Net cash and cash equivalents represent cash and cash equivalents, net of bank overdrafts.

Bank accounts are netted if the Company has a legal enforceable right to offset and offsetting takes place on a regular basis.

## Impairment of assets

The carrying amounts of Wessanen's assets, other than inventories, financial assets and deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

For intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the income statement.

Goodwill and brands with indefinite useful lives are (in addition) subject to annual impairment testing, irrespective of whether indications of impairment exist.

## Calculation of recoverable amount

The recoverable amount is the greater of an asset's fair value less cost to sell and the asset's 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 an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

## Reversal of impairment

An impairment loss in respect of goodwill is not reversed. In respect of other assets, an impairment loss is reversed when there is an indication that the impairment may no longer exist and when there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

## Equity

### Issued and paid-up capital

Wessanen's issued capital comprises of €1.00 par value common shares and is stated at nominal value.

### Dividends

Dividends are recognised as a liability in the period in which they are declared.

## Interest-bearing loans and borrowings

Interest-bearing loans and borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost (excluding attributable transaction costs)

and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis. Capitalised transaction respectively financing costs are amortised on a straight-line basis over the term of the syndicated credit facility.

Contingent considerations are recognised at fair value; changes in fair value are recognised in the income statement as part of 'net financing costs'.

## Employee benefits

### Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement as incurred.

### Defined benefit plans

For defined benefit retirement benefit plans, 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. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be classified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. 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 gains and losses on curtailments and settlements);
- Net interest expense or income;
- Remeasurement.

Wessanen presents the first two components of defined benefit costs in profit or loss in the line item 'personnel expenses' and 'other financial income and expense' respectively. Curtailment gains and losses are accounted for as past service costs. The retirement benefit obligation recognised in the consolidated statement of financial position represents the actual deficit or surplus in Wessanen's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

### Long-term service benefits

Wessanen's net obligation in respect of long-term service benefits, other than pension plans, is the amount of the future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to its present value while the fair value of any related assets is deducted. The discount rate is the yield at balance sheet date on high-quality corporate bonds that have maturity dates approximating the terms of Wessanen's obligations.

### Share-based payment transactions

The performance shares and matching shares programme grants conditional rights to receive shares to members of the Executive Board and other designated senior executives of Wessanen (equity-settled share-based payment transactions). As from 2017, the performance shares programme also grants conditional rights to receive shares to other eligible employees of Wessanen. In the fourth quarter of 2017, the terms and conditions of the running performance incentive right plans 2015 and 2016 were modified that changed the classification of these plans from cash-settled to equity-settled.

For equity-settled share-based payment transactions, the grant date fair value of share-based compensation

plans is expensed, with a corresponding increase in equity, on a straight-line basis over the vesting periods of the grants. The cumulative expense recognised at each balance sheet date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of shares that will eventually vest. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition (e.g. total shareholder return), which are treated as vested irrespective of whether or not the market condition is satisfied, provided that all non-market conditions (e.g. continued employment) are satisfied.

### Provisions

A provision is recognised in the statement of financial position if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A restructuring provision is recognised when certain criteria are met. Such criteria include the existence of a detailed formal plan that identifies at least the business or part of the business concerned, the principal location(s) affected, the approximate number of employees whose employment contracts will be terminated, the estimated costs and the timing of when the plan will be implemented. Furthermore, the Company must have raised a valid expectation with those affected that it will carry out the restructuring, by starting to implement that plan or announcing its main features to those affected by it. Future operating costs are not provided for.

### Trade and other payables

Trade and other payables are stated at amortised cost. Amortised cost is determined using the effective interest rate.

### Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer. Revenue excludes any value-added tax or other sales tax. Revenue is recognised in the income statement at a single point in time when control over the products sold is transferred to the customer respectively when products are delivered and accepted. Customer deductions, coupons, rebates, and sales returns and discounts are recorded as reductions to sales and are included in revenue in the consolidated income statement.

When applicable, the Group allocates a portion of the consideration received to award credits. The amount allocated to the award credits is deferred, and is recognised as revenue when award credits are redeemed or the likelihood of the customer redeeming the award credits becomes remote. The deferred revenue is included in 'Non-trade payables and accrued expenses'.

### Expenses

#### Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease.

#### Net financing costs

Net financing costs comprise interest payable on borrowings calculated using the effective interest rate method, commitment, utilisation and agency fees, amortisation of capitalised financing costs, losses on unwinding the discount on provisions, interest expense related to defined benefit plans, foreign exchange gains and losses, gains and losses on hedging instruments and

changes in fair value of contingent considerations that are recognised in the income statement.

### Income tax

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

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustments to current tax payable in respect of previous years. Provisions for uncertain tax positions are reported under the income tax payables.

Deferred tax is recognised using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets and liabilities are not recognised for temporary differences arising from the initial recognition of goodwill. Deferred tax is measured at tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets, including deferred tax assets for tax loss carry-forwards, are recognised to the extent that the Company has sufficient taxable temporary differences or it is probable that future taxable profits will be available (over a five-year horizon) against which deductible temporary differences can be utilised and deferred tax assets realised. The recoverable amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable income will



be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset in the balance sheet when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax is levied by the same fiscal authority.

## Statement of cash flows

### Cash flows from operating activities

Cash flows from operating activities are calculated by the indirect method, by adjusting the consolidated operating result of Wessanen for expenses that are not cash flows (such as amortisation, depreciation and impairments, provisions created and equity-settled share-based payment expenses), and for autonomous movements in consolidated working capital (respectively excluding the impact from acquisitions, divestments and foreign currency differences). Cash payments to employees and suppliers are all recognised as cash flows from operating activities. Operating cash flows also include costs of financing operating activities, income tax paid on all activities, and spending on restructuring and other provisions.

### Cash flows from investing activities

Cash flows from investing activities are those arising from net capital expenditure and from the acquisition and sale of subsidiaries and businesses. Cash and cash equivalents (net of bank overdrafts) available at the time of acquisition or sale are deducted from the related payments or proceeds.

Cash flows related to the acquisition of property, plant and equipment and intangible assets can differ from 'additions' to property, plant and equipment and intangible assets in Note 13 and 14 respectively, due to timing of actual payments made.

### Cash flows from financing activities

Cash flows from financing activities comprise the cash receipts and payments from shares issued, dividends, debt instruments and derivatives. Cash flows from short term financing are also included.

Cash receipts and payments from derivative financial instruments are classified in the same manner as the cash flows of the hedged items. Cash flows in foreign currencies are translated into Euro at foreign exchange rates ruling at the date of transaction.

### New standards and interpretations not yet effective

A number of new standards, amendments to standards and interpretations is effective for annual periods beginning after 1 January 2018, and have not been applied in preparing these consolidated financial statements. IFRS 16 'Leases' was issued by the IASB in January 2016 and is effective for annual periods beginning on or after 1 January 2019; early application is permitted.

IFRS 16 'Leases', eliminates the current dual accounting model for lessees under IAS 17, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, IFRS 16 requires a lessee to recognise a right-of-use asset and a lease liability at lease commencement for all leases, except for short-term leases and leases of low value assets.

Wessanen decided not to make use of the early adoption option, but to adopt IFRS 16 'Leases' as from 1 January 2019 and to apply the modified retrospective approach, meaning that the 2018 comparatives in the 2019 financial statements will not be restated.

Wessanen will apply the short-term and low value lease exemptions as from 1 January 2019. At transition, Wessanen makes use of the option not to include leases with a short remaining contract period, and will measure

the right-of-use asset based on the lease liability recognised.

Based on the contract database as at 31 December 2018, the estimated impact of IFRS 16 is an increase in total assets and total liabilities of €21.6, including the recognition of right-of-use-assets of €21.6, lease liabilities of €21.3 and a dismantling provision of €0.3. The related operating lease expenses are estimated to decrease by €4.4 in 2019 and replaced by depreciation expenses on the right-of-use assets of €4.3 and interest expenses on the lease liabilities of €0.5. Accordingly, the net impact on operating result (EBIT) is estimated to be €0.1 positive, and on profit after income taxes €0.3 negative. Cash flows from operating activities are estimated to increase and cash flows from financing activities are estimated to decrease by approximately €5. As the estimated impact is based on the contract database as at 31 December 2018, actual results will differ as a result of new lease contracts entered into in 2019, as well as reassessments and modifications of existing contracts.

The adoption of IFRS 16 will not affect the Group's ability to satisfy the bank covenants, as described in Note 20.

## 4. Determination of fair value

A number of the Group's accounting policies and disclosures requires the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

### Property, plant and equipment

The fair value of property, plant and equipment recognised as a result of a business combination is based on market prices for similar items when available, and replacement cost when appropriate.

## Intangible assets

The fair value of brands acquired in a business combination is based on the 'relief from royalty' method, whereby estimated royalty payments that have been avoided as a result of the brand being owned are discounted, or determined using the multi-period excess earnings method. The fair value of customer lists acquired in a business combination is determined using the multi-period excess earnings method, whereby the subject asset is valued after deducting a fair return on all other assets that are part of creating the related cash flows. The fair value of other intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

## Inventories

The fair value of inventories acquired in a business combination is determined based on its estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

## Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

## Derivatives

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

## Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

## Share-based payment transactions

The fair value of performance shares is recognised as personnel expense over the vesting period of the performance shares with a corresponding increase in equity. The fair value of performance shares is measured at grant date and spread over the period during which the employees become unconditionally entitled to the performance shares.

The fair value of the performance shares granted is:

(a) for the portion of the grant (= 50%) subject to the Total Shareholder Return ('TSR') performance condition measured using a Monte Carlo simulation model, taking into account the terms and conditions upon which the instruments were granted.

(b) for the portion of the grant (= 50%) subject to the Return on Invested Capital ('ROIC') performance condition measured based on the Wessanen share price at grant date.

## 5. Acquisitions

In 2018 Wessanen made the following acquisition:

### Branded

On 10 September 2018, Wessanen acquired Abbot Kinney's through the acquisition of 100% of the shares of 'AK Food' and its 100% subsidiaries 'Abbot Kinney's' and 'Plantly'. Abbot Kinney's is a young and very dynamic innovation leader in organic almond and coconut based yoghurt alternatives and ice-cream. Founded in 2014, Abbot Kinney's already built a leading position in its category in Health Food Stores in the Netherlands and has started to build a strong presence in key markets across Europe.

Abbot Kinney's has been acquired on 10 September 2018, but it has been included in the Group's consolidation as from 1 September 2018 onwards. As the transaction volumes between these two dates were limited the impact on the Group's consolidation is considered not material. In the year to 31 December 2018 Abbot Kinney's contributed €1.2 to the consolidated revenue and €0.0 to the consolidated operating profit for the period. If the acquisition had occurred on 1 January 2018, the acquired business would have contributed €3.1 to the consolidated revenue and €0.3 to the consolidated operating profit. Acquisition costs amounted to €37 thousand.

The acquisition had the following total effect on Wessanen's assets and liabilities:

In € millions	Carrying amounts
Property, plant and equipment	0.1
Inventories	0.3
Trade and other receivables, and prepayments	0.5
Cash and cash equivalents	0.2
Interest-bearing loans and borrowings	(0.3)
Income tax payables	(0.1)
Trade and non-trade payables, and accrued expenses	(0.4)
<b>Net identifiable assets and liabilities</b>	<b>0.3</b>
Goodwill on acquisition	12.5
<b>Total consideration transferred</b>	<b>12.8</b>
<b>Contingent consideration</b>	<b>4.9</b>
<b>Consideration paid</b>	<b>7.9</b>
Net cash and cash equivalents acquired	(0.2)
<b>Net cash outflow</b>	<b>7.7</b>

The consideration transferred amounts to €12.8, including a cash consideration of €7.9 (including cash and cash equivalents acquired) and a contingent consideration of €4.9.

Wessanen agreed to pay the selling shareholders an earn-out in 2021 based on revenue and operating profit targets set for the full year 2020. Depending on actual target realisation, the earn-out can vary between €0.0 and €7.0 (maximum). Wessanen has included €4.9 as contingent consideration, which represents the fair value of the earn-out at the date of acquisition (at a discount rate of 9%). At 31 December 2018, the contingent consideration had increased by €0.2 to €5.1.

The goodwill initially recognised on the acquisition amounts to €12.5, as the allocation of the purchase consideration is still in process. The Abbot Kinney's brand is the main (intangible) asset identified, of which the useful life is determined to be indefinite. Accordingly, the amounts recorded for the transaction are still provisional and subject to adjustments during the measurement period if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date.

Goodwill arose on the acquisition of Abbot Kinney's, as the total consideration transferred effectively included amounts in relation to the benefit of revenue growth by the addition of the segments of plant based yoghurt alternatives and ice-cream to Wessanen's Dairy Alternatives category, which until now for the larger part consisted of ambient drinks. None of the goodwill recognised is expected to be deductible for tax purposes.

Abbot Kinney's is initially considered to be a separate cash-generating unit, however, is expected to be integrated with the cash-generating unit Wessanen Benelux in the near future.

## 6. Segment information

The accounting policies used for the segments are the same as the accounting policies applied in the consolidated financial statements as described in Note 3.

Segment	Significant operating companies
Branded	Bjorg et Compagnie, Bonneterre et Compagnie, Destination, Wessanen Benelux, Kallø Foods, Bio Slyn, Abafoods, Allos Hof-Manufaktur, Allos Schwarzwald, Allos, Biogran, Abbot Kinney's.
Non-Allocated	Corporate entities

### 2017

In € millions

#### Income statement information

	Branded	Non allocated <sup>3</sup>	Total Wessanen
Revenue	624.4	–	<b>624.4</b>
Operating result (EBIT)	52.0	(3.3)	<b>48.7</b>
Net financing costs			<b>(1.9)</b>
<b>Profit/(loss) before income tax</b>			<b>46.8</b>

#### Statement of financial position

##### Assets

Assets related to operations	460.8	8.4	<b>469.2</b>
Deferred and current income tax	2.8	5.0	<b>7.8</b>
<b>Total assets</b>	<b>463.6</b>	<b>13.4</b>	<b>477.0</b>

##### Liabilities

Liabilities related to operations	164.7	70.1	<b>234.8</b>
Deferred and current income tax	14.5	–	<b>14.5</b>
<b>Total liabilities</b>	<b>179.2</b>	<b>70.1</b>	<b>249.3</b>

#### Other information

Investments in PP&E and IA <sup>1</sup>	9.9	2.4	<b>12.3</b>
Depreciation, amortisation	7.0	2.0	<b>9.0</b>
Impairments	0.9	–	<b>0.9</b>
Total other non-cash items <sup>2</sup>	3.6	5.5	<b>9.1</b>
Average capital employed	304.9	4.1	<b>309.0</b>
Average number of employees <sup>4</sup>	1,233	63	<b>1,296</b>

<sup>1</sup> Investments in property, plant and equipment ('PP&E') and intangible assets ('IA').

<sup>2</sup> Total of provisions recognised, results from disposals, and equity-settled share-based payment expenses as reflected in the consolidated statement of cash flows.

<sup>3</sup> Non-allocated consists of corporate entities.

<sup>4</sup> 2017 restated for alignment on the definitions.



## 2018

In € millions

### Income statement information

	Branded	Non allocated <sup>3</sup>	Total Wessanen
Revenue	628.4	–	<b>628.4</b>
Operating result (EBIT)	53.6	(2.5)	<b>51.1</b>
Net financing costs			<b>(1.1)</b>
<b>Profit/(loss) before income tax</b>			<b>50.0</b>

### Statement of financial position

#### Assets

Assets related to operations	464.6	13.3	<b>477.9</b>
Deferred and current income tax	3.0	5.0	<b>8.0</b>

#### Total assets

**467.6 18.3 485.9**

#### Liabilities

Liabilities related to operations	158.4	54.2	<b>212.6</b>
Deferred and current income tax	16.2	–	<b>16.2</b>

#### Total liabilities

**174.6 54.2 228.8**

### Other information

Investments in PP&E and IA <sup>1</sup>	10.6	2.7	<b>13.3</b>
Depreciation, amortisation	7.7	1.7	<b>9.4</b>
Impairments	5.6	–	<b>5.6</b>
Total other non-cash items <sup>2</sup>	1.0	2.6	<b>3.6</b>
Average capital employed	315.0	5.6	<b>320.6</b>
Average number of employees	1,251	69	<b>1,320</b>

<sup>1</sup> Investments in property, plant and equipment ('PP&E') and intangible assets ('IA').

<sup>2</sup> Total of provisions recognised, results from disposals, and equity-settled share-based payment expenses as reflected in the consolidated statement of cash flows.

<sup>3</sup> Non-allocated consists of corporate entities.

## Geographical information

In € millions	Revenue		Average number of FTEs <sup>1</sup>		Non-current assets <sup>2</sup>	
	2018	2017	2018	2017	31 December 2018	31 December 2017
The Netherlands (country of domicile)	43.7	46.0	122	114	31.9	17.6
France	370.0	356.3	518	517	56.2	53.5
United Kingdom	78.4	80.0	180	162	54.0	51.1
Germany	45.4	46.3	186	205	18.3	19.1
Italy	19.8	21.0	176	166	52.7	54.7
Spain	36.8	37.6	138	132	68.7	69.0
Other countries	34.3	37.2	–	–	–	–
<b>Total Group</b>	<b>628.4</b>	<b>624.4</b>	<b>1,320</b>	<b>1,296</b>	<b>281.8</b>	<b>265.0</b>

<sup>1</sup> 2017 restated for alignment on fte definitions.

<sup>2</sup> Property, plant and equipment and intangible assets.

## Revenue by product category

For revenue by product category, see Note 7.

## 7. Revenue

The effect of initially applying IFRS 15 on the Group's revenue from contracts with customers is described in Note 2.

### Revenue streams, performance obligations and revenue recognition policies

The Group generates revenue from the sale of healthy and sustainable food.

Revenue is recognised at a single point in time when control over the products sold is transferred, respectively when products are delivered and accepted. It is the Group's policy to allow customers to return products for replacement or refund.

### Disaggregation of revenue from contracts with customers

In the tables below, revenue from contracts with customers is disaggregated by primary geographical markets, product categories and type of customers.

#### Revenue by geographical market

In € millions	2018	2017
The Netherlands (country of domicile)	43.7	46.0
France	370.0	356.3
United Kingdom	78.4	80.0
Germany	45.4	46.3
Italy	19.8	21.0
Spain	36.8	37.6
Other countries	34.3	37.2
<b>Total Group</b>	<b>628.4</b>	<b>624.4</b>

#### Revenue by product category

In € millions	2018	2017
Core categories	484.0	472.2
Other categories	144.4	152.2
<b>Total Group</b>	<b>628.4</b>	<b>624.4</b>

Wessanen defined the following six core product categories: Dairy Alternatives, Sweet in Between, Bread and Biscuits Alternatives, Veggie Meals, Breakfast Cereals and Hot Drinks. Core categories have been defined to give focus in product development and to allow to leverage successful mixes across countries and brands. In both 2018 and 2017 the following (core) product categories represent more than 10% of Wessanen's total revenue: Dairy Alternatives, Sweet in Between, Hot Drinks and Veggie Meals.

## Revenue by type of customers

In € millions

	2018	2017
Supermarkets	405.7	392.2
Health food stores	175.1	181.6
Other customers	47.6	50.6
<b>Total Group</b>	<b>628.4</b>	<b>624.4</b>

Wessanen has no customers that represent revenue of greater than 10% of Wessanen's total revenue.

## Contract balances

The following table provides information on receivables, revenue related accruals and contract liabilities from contracts with customers.

In € millions

	2018	2017
Trade receivables	95.1	98.8
Customer incentives, which are included in 'Non-trade payables and accrued expenses'	(32.2)	(30.8)
Deferred revenue, which is included in 'Non-trade payables and accrued expenses'	(0.2)	(0.4)

Trade receivables are shown net of impairment losses in the amount of €1.7 (2017: €1.7) arising from identified doubtful receivables from customers. The Group's exposure to credit and currency risks and impairment losses related to trade and other receivables and prepayments is disclosed in Note 24.

## 8. Personnel expenses and remuneration key management

### Personnel expenses

In € millions

	2018	2017
Salaries and wages	58.1	55.6
Severance payments and termination benefits <sup>1</sup>	0.9	3.0
Social security	13.3	12.7
Defined contribution plans <sup>2</sup>	3.7	3.5
Defined benefit plans <sup>2</sup>	0.3	0.4
Share-based payment expenses <sup>3</sup>	2.4	4.5
Other personnel expenses	17.0	16.8
<b>Total personnel expenses</b>	<b>95.7</b>	<b>96.5</b>

<sup>1</sup> In 2017, severance payments and termination benefits mainly comprised additions to restructuring provisions as described in Note 22.

<sup>2</sup> See Note 21.

<sup>3</sup> See Note 9.

The average number of full-time employees in 2018 amounted to 1,320 (2017: 1,296). In the Netherlands, Wessanen employed on average 122 (2017: 114) full-time employees.

Severance payments and termination benefits in 2018 of €0.9 relate to multiple locations. Severance payments and termination benefits in 2017 of €3.0 mainly related to the announced relocation of the distribution centre of Bonneterre et Compagnie (France).

## Remuneration of key management

Key management are those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company determined that key management consist of the members of the Executive Board and the members of the Supervisory Board. The total remuneration of key management in 2018 amounts to €2,427 thousand (2017: €2,513 thousand). The total remuneration of the members of the Executive Board and Supervisory Board is specified in the tables below.

## Executive Board remuneration expenses

In € thousands

	Direct remuneration				Deferred remuneration		Total
	Salary	Short term bonuses <sup>1</sup>	Other <sup>2</sup>	Total direct remuneration	Share-based compensation <sup>3</sup>	Pension costs	Total remuneration
<b>2017</b>							
<b>Remuneration expenses</b>							
C.P.J. Barnouin	419	251	92	<b>762</b>	455	54	<b>1,271</b>
R.J.J.B. Merckx	367	175	56	<b>598</b>	306	95	<b>999</b>
<b>Total</b>	<b>786</b>	<b>426</b>	<b>148</b>	<b>1,360</b>	<b>761</b>	<b>149</b>	<b>2,270</b>
<b>2018</b>							
<b>Remuneration expenses</b>							
C.P.J. Barnouin	438	211	100	<b>749</b>	429	60	<b>1,238</b>
R.J.J.B. Merckx	376	144	53	<b>573</b>	273	105	<b>951</b>
<b>Total</b>	<b>814</b>	<b>355</b>	<b>153</b>	<b>1,322</b>	<b>702</b>	<b>165</b>	<b>2,189</b>

<sup>1</sup> Short term bonuses relate to the performance in the year reported and are to be paid in the subsequent year. Each member of the Executive Board may choose to invest part of the short term bonus in shares; these shares will be matched in accordance with the Share Matching plan.

<sup>2</sup> Other compensation mainly includes social security charges, contributions to health and medical insurances, company car expenses, fixed expense allowances for business purposes and housing.

<sup>3</sup> Share-based compensation represents the share-based compensation expense calculated under IFRS 2 related to share rights granted to the Executive Board. The fair value of the share-based compensation grants at the grant date is expensed on a straight-line basis over the vesting period of the grants. The share-based payment expenses relating to Mr Barnouin of €429 thousand (2017: €455 thousand) can be specified into expenses relating to performance share rights granted of €226 thousand (2017: €252 thousand), matching shares granted of €100 thousand (2017: €100 thousand) and extraordinary (one-off) share rights granted of €103 thousand (2017: €103 thousand). The share-based payment expenses relating to Mr Merckx in 2018 of €273 thousand (2017: €306 thousand) can be specified into expenses relating to performance share rights granted of €158 thousand (2017: €182 thousand) and matching shares granted of €115 thousand (2017: €124 thousand).

The remuneration for the members of the Executive Board comprises a base salary and related pension benefits, and, subject to meeting performance criteria, a short term bonus and a long-term equity based component. The short term bonus can be paid out in cash or as an investment in matching shares. The main elements of the Remuneration Policy are described in the Remuneration Report (pages 83-85).

The members of the Executive Board participate in the Wessanen Pension Plan. The Wessanen Pension Plan for corporate staff in the Netherlands comprises a basic scheme (with a maximum pension salary of €85 thousand) and a surplus scheme (above the amount of €85 thousand). Both schemes qualify as a defined contribution system.

Short term bonuses to members of the Executive Board are granted according to performance criteria which in 2018 were based on earnings before interest, taxation and exceptional items ('EBITE'), revenue, primary working capital days and personal targets (for 30%, 30%, 10% and 30% respectively).

As the minimum EBITE target for 2018 was met, both Mr Barnouin and Mr Merckx will be awarded a pay-out related to the financial targets of 50.2%. As personal targets of both Mr Barnouin and Mr Merckx were fully met, the pay-out related to personal agenda items will be 150% of the total target incentive, being 45%. In total the 2018 target realisation amounts to 95.2% (2017: 118.8%). Accordingly, the short term bonus pay-out to Mr Barnouin and Mr Merckx amounted to 47.6% (based on the incentive reward at target of 50% of base salary) and 38.1% (based on the incentive reward at target of 40% of base salary) respectively.

Share rights were granted in 2018 under vesting conditions based on a three-year service period and performance hurdles for the total test period of three years. Based on this plan, Wessanen granted share rights to members of the Executive Board in 2018. Further reference is made to Note 9: Share-based payments and the Remuneration Report (pages 83-85).

In the Annual General Meeting on 14 April 2016, Mr Barnouin was granted a one-off award of 42,917 share rights. This share grant will vest on 1 April 2020 in case (i) Mr Barnouin is still, on that date, member of the Executive Board in the position of Chief Executive Officer and (ii) Mr Barnouin has not given notice to terminate the relationship with Wessanen on or before 1 April 2020.

## Supervisory Board remuneration expenses

In € thousands

	Fixed		Other compensation <sup>1</sup>		Total	
	2018	2017	2018	2017	2018	2017
R.K. Kluiber <sup>2</sup>	60	60	3	3	63	63
P.E.M. Mispolet <sup>3</sup>	50	55	3	3	53	58
F. van Oers <sup>4</sup>	65	65	4	4	69	69
I.M.C.M. Rietjens <sup>5</sup>	50	50	3	3	53	53
<b>Total</b>	<b>225</b>	<b>230</b>	<b>13</b>	<b>13</b>	<b>238</b>	<b>243</b>

<sup>1</sup> Other compensation includes expense allowances.

<sup>2</sup> R.K. Kluiber was appointed as Chairman of the Audit Committee on 24 January 2014, and as Chairman of the SARC on 27 November 2015.

<sup>3</sup> P.E.M. Mispolet was appointed as member of the Supervisory Board on 14 April 2016. In 2017, Mr Mispolet received fixed compensation of €5 thousand relating to 2016.

<sup>4</sup> F. Van Oers was appointed as Chairman of the Supervisory Board on 24 January 2014.

<sup>5</sup> I.M.C.M. Rietjens was appointed as Chairman of the NFSC on 17 April 2012.

Members of the Supervisory Board each received a fixed compensation of €45 thousand in both 2018 and 2017, excluding expenses. The Chairman of the Supervisory Board was awarded an additional fee of €20 thousand, the Chairman of the Audit Committee was awarded an additional fee of €10 thousand and the Chairman of the SARC and NFSC were each awarded an additional fee of €5 thousand in both 2018 and 2017 as well.

No loans, advances or related guarantees were provided to the present or former members of the Executive Board or the Supervisory Board.

## 9. Share-based payments

### Main characteristics

The purpose of the share-based compensation plans is to reward eligible employees for their contribution, loyalty and commitment to Wessanen and to align the interests of eligible employees with those of shareholders by providing incentives to improve the Company's performance on a long-term basis, thereby increasing shareholder value.

In 2017, it was decided by the Selection, Appointment and Remuneration Committee (SARC) to modify the running (extraordinary) performance incentive rights plans for the years 2015 and 2016 from cash-settled to equity-settled share-based compensation plans effectively as from 1 October 2017. Accordingly, the Company has the following running plans as from that date:

- Performance share plan: rights to receive shares in the future based on performance and service conditions (equity-settled share-based payments).
- Share matching plan: rights to receive matching shares in the future based on performance and service conditions (equity-settled share-based payments).
- Extraordinary performance share plan: rights to receive shares in the future based on service conditions only (equity-settled share-based payments).

In 2015, the share matching plan was introduced following the implementation of share ownership guidelines for executives. In order to increase the alignment of the members of the Executive Board and designated other senior executives with the interest of shareholders, members of the Executive Board and other senior executives are required to build up share ownership of Wessanen, equal to the value of 100% respectively 50% of their annual gross base salary, within four years. Based on the share matching plan, members of the Executive Board and other senior executives can invest part of their short term incentives in Wessanen shares, which under certain conditions, may have such shares matched by the Company.

Delivery of shares generally depends on the achievement of performance hurdles (for a three-year test period ending at 31 December in the third year), in addition to a three year service condition (as from grant date). If a participant ceases to be employed by the Group for any other reason than death, disability or retirement, before the vesting date, all shares granted lapse automatically unless otherwise decided by the Supervisory Board or Executive Board.

The two equally weighted performance conditions for the Long Term Incentive Plan 2016, 2017 and 2018 are (a) relative Total Shareholder Return (TSR) (= 50%) and (b) the Return on Invested Capital (ROIC) (= 50%). The performance condition for the Share Matching plans 2016, 2017 and 2018 is a (non-market) financial performance condition, defined as an EBITE (= Operating result before exceptional items) percentage of revenue realised in the third year.

At target performance, 100% of the awarded rights vests. At threshold performance, 50% of the awarded rights vests. At maximum performance, 150% of the awarded rights vests.

All costs of the plans are borne by the Group; any and all tax which arise are for the sole risk and account of the eligible employee.



## Fair value of performance shares and matching shares

Performance shares are, in principle, granted under service conditions and (non-)market conditions. Only market conditions are taken into account in the fair value measurement of the share rights at grant date. The fair value of services received in return for performance shares granted to the Executive Board and Other employees are partly (for 50%) measured by reference to the fair value of Wessanen's shares. The estimate of the fair value of the services received is measured based on a Monte Carlo simulation model. The model inputs for the valuation of the share rights granted to the members of the Executive Board and Other employees can be specified as follows:

	2018 <sup>5</sup>	2017 <sup>4</sup>	2017 <sup>3</sup>	2017 <sup>2</sup>
Date of grant respectively modification	1 May 2018	1 October 2017	1 October 2017	1 May 2017
Share price at grant respectively modification date	16.80	15.90	15.90	13.70
Expected volatility	28.0%	25.0%	21.0%	30.0%
Term (in years) <sup>1</sup>	3.0	1.6	0.7	3.0
Expected dividend	0.14 - 0.16	0.13 - 0.14	0.13	0.13 - 0.15
Risk free interest rate	0.04%	-0.17%	-0.24%	-0.04%
Fair value at measurement date	12.82	16.97	21.40	9.44

<sup>1</sup> Best practice provision II.2.5, which provides that shares granted without financial consideration must be retained for at least 5 years or until at least the end of the employment, will not be applied. In view of the parallel requirement to build up and hold on to a significant portfolio of Wessanen shares under Wessanen's amended remuneration policy, members of the Executive Board may, at all times sell shares provided that the share ownership guidelines are met. Furthermore, members of the Executive Board may sell shares if to pay wage withholding taxes in connection with the delivery of shares related to such grant of shares.

<sup>2</sup> Performance share plan 2017.

<sup>3</sup> Performance incentive right plan 2015 modified from cash-settled to equity-settled as per 1 October 2017.

<sup>4</sup> Performance incentive right plan 2016 modified from cash-settled to equity-settled as per 1 October 2017.

<sup>5</sup> Performance share plan 2018.

The expected volatility has been determined based on the historic volatility, adjusted for any expected changes to future volatility due to publicly available information.

The fair value of matching shares is based on the share price at the date of the share investment.

## Main conditions Long Term Incentive and Share Matching plans

Based on the Long Term Incentive and Share Matching plans 2018, Wessanen granted 91,024 share rights and 4,512 matching share rights to the Executive Board and Other employees.

The main conditions of the performance share plans and matching share plans issued can be summarised as follows:

Performance share plans	Number of instruments	Vesting conditions	Contractual life <sup>1</sup>
2015 <sup>2</sup>	237,907	Three years of service, Relative TSR over three years (50%) and ROIC (50%) (share rights granted to Executive Board and Other employees)	3 years
2016 <sup>3</sup>	181,165	Three years of service, Relative TSR over three years (50%) and ROIC (50%) (share rights granted to Executive Board and Other employees)	3 years
2017	103,715	Three years of service, Relative TSR over three years (50%) and ROIC (50%) (share rights granted to Executive Board and Other employees)	3 years
2018	91,024	Three years of service, Relative TSR over three years (50%) and ROIC (50%) (share rights granted to Executive Board and Other employees)	3 years
Share matching plans	Number of instruments	Vesting conditions	Contractual life <sup>1</sup>
2015	48,002	Three years of service, financial performance target defined as an EBITE percentage of revenue realised in the third year (share rights granted to Executive Board and other senior executives)	3 years
2016	61,205	Three years of service, financial performance target defined as an EBITE percentage of revenue realised in the third year (share rights granted to Executive Board and other senior executives)	3 years
2017	19,066	Three years of service, financial performance target defined as an EBITE percentage of revenue realised in the third year (share rights granted to Executive Board and other senior executives)	3 years
2018	4,512	Three years of service, financial performance target defined as an EBITE percentage of revenue realised in the third year (share rights granted to Executive Board and other senior executives)	3 years

<sup>1</sup> Best practice provision II.2.5, which provides that shares granted without financial consideration must be retained for at least 5 years or until at least the end of the employment, will not be applied. In view of the parallel requirement to build up and hold on to a significant portfolio of Wessanen shares under Wessanen's amended remuneration policy, members of the Executive Board may, at all times sell shares provided that the share ownership guidelines are met. Furthermore, members of the Executive Board may sell shares if to pay wage withholding taxes in connection with the delivery of shares related to such grant of shares.

<sup>2</sup> Including 111,168 rights granted based on the Performance incentive right plan 2015, which plan was modified from cash-settled to equity-settled as per 1 October 2017.

<sup>3</sup> Including 90,417 rights granted based on the Performance incentive right plan 2016, which plan was modified from cash-settled to equity-settled as per 1 October 2017.

The total shareholder return ('TSR') performance involves a comparison between the TSR of a peer group of leading multinational food companies over the same period. The Wessanen peer group for the 2016, 2017 and 2018 plans consists of the following companies: Cranswick, La Doria, Frоста, Raisio, Bonduelle, Corbion, Ebro Foods, Lotus Bakeries and Premier Foods.

## Performance shares and matching shares

The movement in the number of outstanding performance and matching shares is as follows:

	31 December 2017	Granted	Delivered	Forfeited	Per- formance adjust- ment <sup>2</sup>	31 December 2018	To be delivered in <sup>1</sup>
<b>Members of the Executive Board</b>							
<b>C.P.J. Barnouin</b>							
2015	50,870	–	(50,870)	–	–	–	
2016 <sup>2</sup>	26,126	–	–	–	(6,531)	<b>19,595</b>	May 2019
2016 <sup>5</sup>	42,917	–	–	–	–	<b>42,917</b>	April 2020
2016 – Share Matching <sup>3</sup>	18,265	–	–	–	9,133	<b>27,398</b>	April 2019
2017	15,316	–	–	–	–	<b>15,316</b>	May 2020
2018	–	12,056	–	–	–	<b>12,056</b>	May 2021
<b>R.J.J.B. Merckx</b>							
2015	35,609	–	(35,609)	–	–	–	
2015 – Share Matching	14,330	–	(14,330)	–	–	–	
2016 <sup>2</sup>	18,288	–	–	–	(4,572)	<b>13,716</b>	May 2019
2016 – Share Matching <sup>3</sup>	9,150	–	–	–	4,575	<b>13,725</b>	April 2019
2017	10,721	–	–	–	–	<b>10,721</b>	May 2020
2017 – Share Matching	7,654	–	–	–	–	<b>7,654</b>	April 2020
2018	–	8,440	–	–	–	<b>8,440</b>	May 2021
<b>Total members of the Executive Board</b>	<b>249,246</b>	<b>20,496</b>	<b>(100,809)</b>	<b>–</b>	<b>2,605</b>	<b>171,538</b>	
<b>Other (former) employees</b>							
2015	231,971	–	(222,962)	(9,009)	–	–	
2015 <sup>4</sup>	36,285	–	(36,285)	–	–	–	
2015 – Share Matching	40,663	–	(36,111)	(4,552)	–	–	
2016 <sup>2</sup>	121,690	–	(5,522)	(9,595)	(28,776)	<b>77,797</b>	May 2019
2016 <sup>4</sup>	21,150	–	–	(4,500)	–	<b>16,650</b>	April 2019
2016 – Share Matching <sup>3</sup>	26,261	–	(9,173)	(1,109)	12,577	<b>28,556</b>	April 2019
2017	77,678	–	(1,919)	(8,801)	(1,305)	<b>65,653</b>	May 2020
2017 <sup>4</sup>	6,000	–	–	(6,000)	–	–	
2017 – Share Matching	11,412	–	(3,567)	(1,189)	1,189	<b>7,845</b>	April 2020
2018	–	70,528	(638)	(3,676)	(600)	<b>65,614</b>	May 2021
2018 – Share Matching	–	4,512	–	–	–	<b>4,512</b>	April 2021
<b>Total other (former) employees</b>	<b>573,110</b>	<b>75,040</b>	<b>(316,177)</b>	<b>(48,431)</b>	<b>(16,915)</b>	<b>266,627</b>	
<b>Total</b>	<b>822,356</b>	<b>95,536</b>	<b>(416,986)</b>	<b>(48,431)</b>	<b>(14,310)</b>	<b>438,165</b>	

<sup>1</sup> Best practice provision II.2.5, which provides that shares granted without financial consideration must be retained for at least 5 years or until at least the end of the employment, will not be applied. In view of the parallel requirement to build up and hold on to a significant portfolio of Wessanen shares under Wessanen's amended remuneration policy, members of the Executive Board may, at all times sell shares provided that the share ownership guidelines are met. Furthermore, members of the Executive Board may sell shares if to pay wage withholding taxes in connection with the delivery of shares related to such grant of shares.

<sup>2</sup> As the TSR- and ROIC performance hurdles for the Long Term Incentive Plan 2016 were partly met (TSR ranking at 31 December: 7th; ROIC ranking at 31 December: 1st), the conditional share rights granted to the members of the Executive Board and other (former) employees under this plan will vest at 75.0%. In the table, this has been reflected as a 'performance adjustment'. In addition, the performance adjustments include the impact of an early settlement in 2018 of share rights granted.

<sup>3</sup> As the EBITE as percentage of revenue hurdle of the Share Matching Plan 2016 was met to the maximum (ranking: 1st), the matching share rights granted to the members of the Executive Board and other (former) employees under this plan will vest at 150%. In the table, this has been reflected as a 'performance adjustment'.

<sup>4</sup> Only service condition, no performance hurdles.

<sup>5</sup> One-off award of 42,917 share rights. The share grant will vest on 1 April 2020 in case (i) Mr Barnouin is still, on that date, member of the Executive Board in the position of Chief Executive Officer and (ii) Mr Barnouin has not given notice to terminate the relationship with Wessanen on or before 1 April 2020.

### Actual performance and share-based payment expenses

As the TSR-performance hurdle for the Long Term Incentive Plan 2015 was met (TSR ranking at 31 December 2017: 1st), the performance share rights granted to the Executive Board and Other employees under this plan vested at 150%.

As only the ROIC-performance hurdle for the Long Term Incentive Plan 2016 was met as at 31 December 2018 (TSR ranking: 7th; ROIC ranking: 1st), the performance shares granted to the Executive Board and Other employees under this plan vested at 75%. In addition, as the EBITE performance hurdle for the Share Matching plan 2016 was met at the maximum, this plan vested at 150%.

As at 31 December 2018, Wessanen's TSR is ranking at number 10 (= vesting at 0%) in respect of both the Long Term Incentive Plan 2017 and 2018.

In 2018, total expenses arising from transactions accounted for as equity-settled and cash-settled share-based compensation transactions amounted to €2.4 and €0.0 respectively (2017: €5.0 and €(0.5) respectively). Social security costs relating to share-based compensation amounted to €0.3 in 2018 (2017: €1.0). As at 31 December 2018, other provisions include a provision for social security costs relating to share-based compensation in the amount of €0.4 (2017: €1.0). Of this provision €0.3 has been classified as current representing the social security costs liability related to the performance and matching shares vested (Long Term Incentive Plan and Share Matching Plan 2016).

## 10. Net financing costs

In € millions

	2018	2017
<b>Interest expenses</b>	<b>(0.5)</b>	<b>(0.9)</b>
Net foreign exchange loss	–	(0.4)
Interest expense defined benefit plans	(0.1)	(0.1)
Commitment and agency fee	(0.2)	(0.2)
Change in fair value of contingent consideration	(0.2)	–
Other <sup>1</sup>	(0.1)	(0.3)
<b>Total other financial income and expenses</b>	<b>(0.6)</b>	<b>(1.0)</b>
<b>Net financing costs</b>	<b>(1.1)</b>	<b>(1.9)</b>

<sup>1</sup> Other includes amortisation of capitalised finance costs of €0.1 (2017: €0.1).

Interest expenses in 2018 of €0.5 (2017: €0.9) originate from Wessanen's credit facilities, finance leases and other long-term loans and borrowings. See Note 20 for more information on the interest-bearing loans and borrowings.

Foreign exchange results on financing transactions and on financial assets and liabilities are presented as part of total net foreign exchange loss. Wessanen mitigates its foreign currency exchange exposure by entering into various financial instruments. For more information on Wessanen's foreign currency exposure and financial risk management reference is made to Note 24.

Change in fair value of contingent consideration includes an unwind discount of €0.2 related to the earn-out liability regarding the acquisition of Abbot Kinney's (see Note 5).

## 11. Income tax expense

### Income tax expense

The income tax expense for the year 2018 amounted to €14.0 (2017: €10.8) and can be specified into current and deferred tax components as follows:

In € millions

	2018	2017
<b>Current income tax gain/(expense)</b>		
Current income tax expense	(13.9)	(13.0)
Adjustment for prior years	0.6	0.8
<b>Total current income tax expense</b>	<b>(13.3)</b>	<b>(12.2)</b>
<b>Deferred income tax gain/(expense)</b>		
Change in income tax rate	–	1.0
Deferred taxation relating to temporary differences	(0.5)	0.8
Utilisation of income tax losses	(1.8)	(1.8)
Benefit from previously unrecognised income tax losses	1.3	2.0
Under provided in prior years and other	0.3	(0.6)
<b>Total deferred income tax gain/(expense)</b>	<b>(0.7)</b>	<b>1.4</b>
<b>Total income tax expense</b>	<b>(14.0)</b>	<b>(10.8)</b>

### Effective income tax rate

The Group's operating activities are subject to income tax in various countries with statutory income tax rates between 19% and 34%.

The following table reconciles the domestic income tax rate (=25%) as a percentage of profit before income tax with the effective income tax rate as shown in the consolidated income statement.

## Reconciliation of effective income tax rate

In € millions

	2018	2017
<b>Profit before income tax</b>	<b>50.0</b>	<b>46.8</b>
Income tax using the domestic income tax rate	(12.5)	(11.7)
Effect of income tax rates in foreign jurisdictions	(3.4)	(2.4)
Change in income tax rate	–	1.0
Non-deductible expenses, tax exempt income and other permanent differences	(0.2)	1.0
Recognition of unrecognised income tax losses	1.3	2.0
Unrecognised income tax losses for the year	–	(0.9)
Over/(under) provided in prior years and other	0.8	0.2
<b>Income tax expense in income statement</b>	<b>(14.0)</b>	<b>(10.8)</b>
<b>Effective income tax rate</b>	<b>28.0%</b>	<b>23.1%</b>

The income tax gain in 2017 relating to the change in income tax rate of €1.0 is mainly the result of the reassessment of the deferred tax position as at 31 December 2017 based on the lower enacted future income tax rates in France. The enacted tax rate in France will decrease from 34% to 26% as from 1 January 2022. As the impact of the lower enacted future income tax rates in the Netherlands on the deferred tax asset related to tax losses carried forward as at 31 December 2018 of €(0.7) is fully offset by the recognition of unrecognised income tax losses of €0.7, these movements have been netted in the effective income tax rate reconciliation above.

Non-deductible expenses, tax exempt income and other permanent differences include a tax credit received in Italy of €0.3 (2017: €1.2). Non-deductible expenses include the tax impact of non-deductible equity-settled share based payment expenses of €(0.4) (2017: €(0.5)).

The recognition of unrecognised income tax losses in 2018 relates to (estimated future) taxable profits (to be) realised in the Netherlands and Germany (2017: France and the Netherlands).

Unrecognised income tax losses in 2017 fully relate to income tax losses incurred in Germany, mainly as a result of the execution of restructuring plans announced late 2016.

Prior year adjustments in 2018 mainly include differences between initial and final tax assessments and the impact of timing differences materialising in a different year (at a different income tax rate) as assumed. In 2018, there were no additions to/ releases from the provision for uncertain tax positions (2017: €(0.1)).

## Income tax on other comprehensive income

In € millions

	2018			2017		
	Amount before tax	Tax	Amount net of tax	Amount before tax	Tax	Amount net of tax
Remeasurements of post employment benefit obligations	0.1	–	0.1	–	–	–
Foreign currency translation differences	(0.3)	–	(0.3)	(1.3)	–	(1.3)
Effective portion of changes in fair value of cash flow hedges	0.1	–	0.1	–	–	–
<b>Total other comprehensive income</b>	<b>(0.1)</b>	<b>–</b>	<b>(0.1)</b>	<b>(1.3)</b>	<b>–</b>	<b>(1.3)</b>

## 12. Earnings per share

### Basic earnings per share

Basic earnings per share are calculated by dividing the profit attributable to equity holders by the weighted average number of outstanding shares, which can be specified as follows:

In € millions

	2018	2017
<b>Profit attributable to equity holders of Wessanen</b>		
Profit after income tax	36.0	36.0
<b>Profit for the period attributable to equity holders of Wessanen</b>	<b>36.0</b>	<b>36.0</b>

In thousands

	2018	2017
<b>Number of ordinary shares</b>		
Issued ordinary shares	76,545	76,067
Own shares, held by the Company	–	–
<b>Number of ordinary shares at year end</b>	<b>76,545</b>	<b>76,067</b>

In thousands, unless stated otherwise

	2018	2017
<b>Weighted average number of ordinary shares</b>	<b>76,343</b>	<b>75,790</b>
<b>Earnings per share in €</b>	<b>0.47</b>	<b>0.47</b>

## Diluted earnings per share

In the calculation of diluted earnings per share, the applicable profit and the weighted average number of outstanding shares are adjusted for the potential impact of delivery of share rights granted.

In thousands, unless stated otherwise

	2018	2017
<b>Weighted average number of ordinary shares (diluted)</b>		
Weighted average number of ordinary shares	76,343	75,790
Effect of delivery of share rights granted	367	948
<b>Weighted average number of ordinary shares (diluted)</b>	<b>76,710</b>	<b>76,738</b>
<b>Diluted earnings per share in €</b>	<b>0.47</b>	<b>0.47</b>

## 13. Property, plant and equipment

In € millions	Land and buildings	Machinery and equipment	Other	Under construction and pre-payments	Total
<b>2017</b>					
Carrying value at beginning of year	24.6	19.9	3.6	3.1	51.2
Effect of movements in foreign exchange rates	(0.1)	(0.2)	–	–	(0.3)
Additions	0.1	5.1	0.5	4.2	9.9
Finance leases	–	–	–	5.0	5.0
Acquisitions through business combinations	–	–	–	–	–
Completed construction	0.1	2.5	0.1	(2.7)	–
Reclassifications	–	–	–	–	–
Disposals	–	–	(0.1)	–	(0.1)
Depreciation	(1.4)	(4.1)	(0.9)	–	(6.4)
Impairments	(1.0)	(0.1)	–	0.2	(0.9)
<b>Carrying value at year end</b>	<b>22.3</b>	<b>23.1</b>	<b>3.2</b>	<b>9.8</b>	<b>58.4</b>
Accumulated depreciation and impairment losses	20.5	38.8	10.3	–	69.6
<b>Cost at year end</b>	<b>42.8</b>	<b>61.9</b>	<b>13.5</b>	<b>9.8</b>	<b>128.0</b>



In € millions	Land and buildings	Machinery and equipment	Other	Under construction and pre- payments	Total
<b>2018</b>					
Carrying value at beginning of year	22.3	23.1	3.2	9.8	58.4
Effect of movements in foreign exchange rates	–	(0.1)	–	(0.1)	(0.2)
Additions	2.3	5.6	0.3	4.0	12.2
Finance leases	–	–	–	6.4	6.4
Acquisitions through business combinations <sup>1</sup>	–	–	0.1	–	0.1
Completed construction	13.7	2.5	0.8	(17.0)	–
Reclassifications	–	0.3	–	–	0.3
Disposals	(0.3)	(0.3)	(0.1)	(0.1)	(0.8)
Depreciation	(1.5)	(4.3)	(1.1)	–	(6.9)
Impairments	0.2	0.1	–	(0.3)	–
<b>Carrying value at year end</b>	<b>36.7</b>	<b>26.9</b>	<b>3.2</b>	<b>2.7</b>	<b>69.5</b>
Accumulated depreciation and impairment losses	21.4	34.6	8.1	0.3	64.4
<b>Cost at year end</b>	<b>58.1</b>	<b>61.5</b>	<b>11.3</b>	<b>3.0</b>	<b>133.9</b>

<sup>1</sup> See Note 5.

## Impairments

In 2018 impairments on property, plant and equipment have been recognised in the amount of €0.0, comprising an impairment of a machine under construction in the amount of €0.3 entirely offset by partial reversals of impairments related to the distribution centre of Bonneterre et Compagnie (Rungis, France) in the amount of €0.2 and machinery and equipment in the amount of €0.1. In 2017 impairments were recognised in the amount of €0.9, comprising an impairment of a building in the amount of €1.0 and machinery and equipment in the amount of €0.1 following the decision to relocate the distribution centre of Bonneterre et Compagnie (Rungis, France). In addition, a reversal of impairment was been recognised in the amount of €0.2 concerning a building construction project in France.

The present value of estimated future cash flows has been calculated using a pre-tax discount rate of 9.6% (2017: 9.7%) in respect of our UK business and within the range between 9.3% and 13.3% (2017: range between 9.0% and 12.3%) in respect of our other European businesses.

## Finance leases

Property, plant and equipment include a carrying value of €12.5 (2017: €7.2) in respect of assets held under finance leases, mainly related to the new office in France of €11.4 (2017: €5.0), other land and buildings of €0.4 (2017: €0.5) and machinery and equipment of €0.7 (2017: €1.6).

## Security

No restrictions on title exist and no property, plant and equipment are pledged as security for liabilities.

## 14. Intangible assets

In € millions	Goodwill	Brands	Customer lists	Software	Development expenses and Other	Total
<b>2017</b>						
Carrying value at beginning of year	144.5	49.8	4.8	0.8	3.4	203.3
Effect of movements in foreign exchange rates	(0.8)	(0.7)	–	–	–	(1.5)
Additions	–	–	–	–	2.1	2.1
Acquisitions through business combinations	(16.8)	18.2	3.9	–	–	5.3
Reclassifications	–	–	–	–	–	–
Amortisation	–	–	(1.0)	(0.3)	(1.3)	(2.6)
Impairments	–	–	–	–	–	–
<b>Carrying value at year end</b>	<b>126.9</b>	<b>67.3</b>	<b>7.7</b>	<b>0.5</b>	<b>4.2</b>	<b>206.6</b>
Accumulated amortisation and impairment losses	90.7	8.0	2.4	12.7	1.1	114.9
<b>Cost at year end</b>	<b>217.6</b>	<b>75.3</b>	<b>10.1</b>	<b>13.2</b>	<b>5.3</b>	<b>321.5</b>

<b>2018</b>						
Carrying value at beginning of year	126.9	67.3	7.7	0.5	4.2	206.6
Effect of movements in foreign exchange rates	(0.1)	(0.1)	–	–	–	(0.2)
Additions	–	–	–	0.1	1.7	1.8
Acquisitions through business combinations <sup>1</sup>	12.5	–	–	–	–	12.5
Reclassifications	–	–	–	–	(0.3)	(0.3)
Amortisation	–	–	(1.1)	(0.3)	(1.1)	(2.5)
Impairments	–	(5.6)	–	–	–	(5.6)
<b>Carrying value at year end</b>	<b>139.3</b>	<b>61.6</b>	<b>6.6</b>	<b>0.3</b>	<b>4.5</b>	<b>212.3</b>
Accumulated amortisation and impairment losses	90.6	13.5	3.5	12.9	2.2	122.7
<b>Cost at year end</b>	<b>229.9</b>	<b>75.1</b>	<b>10.1</b>	<b>13.2</b>	<b>6.7</b>	<b>335.0</b>

<sup>1</sup> See Note 5.

### Acquisition through business combinations

In 2018, intangible assets from acquisitions through business combinations of €12.5 consists of the goodwill capitalised related to the acquisition of Abbot Kinney's.

In 2017, the allocation of the purchase consideration paid in respect of the Biogran acquisition in December 2016 was completed. Accordingly, part of the goodwill amount recognised of €62.8 has been allocated in 2017 to other identifiable

intangible assets, being brands and customer lists in the amount of €18.2 and €3.9 respectively and the related deferred tax liabilities in the amount of €(5.5).

## Impairments

In 2018 impairments on brands have been recognised in the amount of €5.6, comprising of impairments on the brands Gayelord Hauser (€5.2, part of cash-generating unit Branded - France) and Amaranth (€0.4, part of cash-generating unit Branded - Germany). As Gayelord Hauser sales strongly declined in the first half of 2018 compared to target as the Dietetic market continued to lose consumer relevance, an impairment test was performed in respect of the Gayelord Hauser brand based on data input from the strategic plan 2019-2021. Based on the impairment test, it has been concluded, to recognise an impairment loss of €5.2, resulting in a remaining book value of the brand of €4.0.

## Impairment testing for cash-generating units containing goodwill and brands

Goodwill and brands with an indefinite life are tested for impairment annually, or more frequently if there are indications that a particular cash-generating unit might be impaired.

The following cash-generating units have significant carrying values of goodwill and brands:

In € millions	31 December 2018			31 December 2017		
	Goodwill	Brands	Total	Goodwill	Brands	Total
Branded – Italy	18.5	8.6	27.1	18.5	8.6	27.1
Branded – France	21.3	13.0	34.3	21.3	18.2	39.5
Branded – UK <sup>1</sup>	20.8	17.2	38.0	20.9	17.3	38.2
Branded – Germany	9.3	2.9	12.2	9.3	3.3	12.6
Branded – Benelux	10.7	1.7	12.4	10.7	1.7	12.4
Branded – Spain	46.2	18.2	64.4	46.2	18.2	64.4
Branded – Abbot Kinney's <sup>2</sup>	12.5	–	12.5	–	–	–
<b>Carrying value at year end</b>	<b>139.3</b>	<b>61.6</b>	<b>200.9</b>	<b>126.9</b>	<b>67.3</b>	<b>194.2</b>

<sup>1</sup> 2018 change in carrying values at Branded-UK relate entirely to foreign currency changes.

<sup>2</sup> The cash-generating unit Abbot Kinney's is initially considered to be a separate cash-generating unit, however, is expected to be integrated with the cash-generating unit Wessanen Benelux in the near future.

## 2018 annual impairment test

The recoverable amount of each cash-generating unit, used in the annual impairment tests performed in the fourth quarter, is based on its value in use. Key assumptions used in the impairment tests for the cash-generating units in the table above were sales growth rates, gross profit (margin) and the rates used for discounting the projected cash flows. These cash flow projections were determined using management's internal forecasts that cover a period of 5 years, based on financial plans as approved by the Company's management, after which a terminal value was calculated. For terminal value calculation, growth rates were capped at an average long-term inflation rate of 1.7% (2017: 1.6%). For cash generating unit Branded-Abbot

Kinney's the annual impairment test is based on the acquisition business case as the annual test date was very close to the acquisition date.

Due to the expected continuation of high growth in Spain, especially of the Grocery channel, we projected cash flows for Branded-Spain over a 10 years period to better reflect the growth expectations in sales, profitability and cash generation as this business has not yet reached a steady stage. The cash flow projections that cover the period of the first 5 years were determined using management's internal forecasts, based on financial plans as approved by the Company's management. The cash flow projections that cover the period of the second 5 years were determined by applying a gradual declining growth, after which a terminal value was calculated. For terminal value calculation, growth rates were capped at an average long-term inflation rate of 1.7% (2017: 1.6%).

The present value of estimated future cash flows has been calculated using a pre-tax discount rate of 9.6% (2017: 9.7%) in respect of our UK business and within the range between 9.3% and 13.3% (2017: range between 9.0% and 12.3%) in respect of our other European businesses. The pre-tax discount rate reflects the current market assessment of the time value of money and the specific risks of the cash-generating unit.

Based on the 2018 annual impairment test the recoverable amounts for all cash-generating units were estimated to be higher than the carrying amounts, and therefore no impairment losses were identified (2017: €0.0).

The results of the annual impairment tests of Branded-Italy, Branded-France, Branded-UK, Branded-Germany, Branded-Benelux and Branded-Abbot Kinney's have indicated that a reasonably possible change in key assumptions would not cause the value in use to fall to the level of the carrying value.

Consistent to previous year, the annual impairment test of Branded-Spain resulted in a limited headroom due to the fact that the test date is still very close to the acquisition date. As a consequence, the outcome of the test is sensitive to changes in some of the key assumptions. A 112 basis points decline in the compound sales growth rate, a 98 basis points decline in the gross profit margin or an increase of 72 basis points in the pre-tax discount rate would cause its value in use to fall to the level of its carrying value. Goodwill and brands allocated to Branded-Spain at 31 December 2018 amount to €46.2 and €18.2 respectively.

The results of the annual impairment test of the Italian brand Isola Bio has indicated that the outcome of the test is sensitive to changes in some of the key assumptions. A 173 basis points decline in the compound sales growth rate, a 33 basis points decline in the gross profit margin or an increase of 75 basis points in the pre-tax discount rate would cause its value to fall to the level of its carrying value, which per 31 December 2018 amounts to €8.6 (31 December 2017: €8.6).

## Security

No restrictions on title exist and no intangible assets are pledged as security for liabilities.

## 15. Deferred tax assets and liabilities

### Recognised deferred tax assets and liabilities

The significant components of deferred tax assets and liabilities can be specified as follows:

In € millions	Balance 1 January 2017	Effect of movement in foreign exchange rates	Acquisitions through business combinations	Recognised in profit or loss	Recognised in other com- prehensive income	Balance 31 December 2017
Provisions	1.5	–	–	0.4	–	1.9
Trade and other payables and accrued expenses	1.0	–	–	0.1	–	1.1
Tax of loss carried forward	7.4	–	–	0.2	–	7.6
Other	0.8	–	–	(0.2)	–	0.6
<b>Total deferred tax assets</b>	<b>10.7</b>	<b>–</b>	<b>–</b>	<b>0.5</b>	<b>–</b>	<b>11.2</b>
Property, plant and equipment	(1.9)	–	–	0.2	–	(1.7)
Intangible assets	(11.0)	0.1	(5.5)	1.2	–	(15.2)
Other	0.1	–	–	(0.5)	–	(0.4)
<b>Total deferred tax liabilities</b>	<b>(12.8)</b>	<b>0.1</b>	<b>(5.5)</b>	<b>0.9</b>	<b>–</b>	<b>(17.3)</b>
<b>Net deferred tax assets</b>	<b>(2.1)</b>	<b>0.1</b>	<b>(5.5)</b>	<b>1.4</b>	<b>–</b>	<b>(6.1)</b>

	Balance 1 January 2018	Effect of movement in foreign exchange rates	Acquisitions through business combinations	Recognised in profit or loss	Recognised in other com- prehensive income	Balance 31 December 2018
Provisions	1.9	–	–	–	–	1.9
Trade and other payables and accrued expenses	1.1	–	–	–	–	1.1
Tax of loss carried forward	7.6	–	–	(0.5)	–	7.1
Other	0.6	–	–	(0.1)	–	0.5
<b>Total deferred tax assets</b>	<b>11.2</b>	<b>–</b>	<b>–</b>	<b>(0.6)</b>	<b>–</b>	<b>10.6</b>
Property, plant and equipment	(1.7)	–	–	–	–	(1.7)
Intangible assets	(15.2)	–	–	(0.2)	–	(15.4)
Other	(0.4)	–	–	–	–	(0.4)
<b>Total deferred tax liabilities</b>	<b>(17.3)</b>	<b>–</b>	<b>–</b>	<b>(0.2)</b>	<b>–</b>	<b>(17.5)</b>
<b>Net deferred tax assets</b>	<b>(6.1)</b>	<b>–</b>	<b>–</b>	<b>(0.8)</b>	<b>–</b>	<b>(6.9)</b>

Net deferred tax assets/(liabilities) are presented as follows:

In € millions	31 December 2018	31 December 2017
Deferred tax assets presented under non-current assets	7.0	7.0
Deferred tax liabilities presented under non-current liabilities	(13.9)	(13.1)
<b>Net deferred tax assets/(liabilities)</b>	<b>(6.9)</b>	<b>(6.1)</b>

## Tax losses carried forward/(un)recognised deferred tax assets

The tax losses carried forward per expiration date<sup>1</sup>, and their recognition can be specified as follows:

In € millions	31 December 2018		
	Recognised	Unrecognised	Total
Expiration date 2020	0.7	–	0.7
Expiration date 2022	22.3	15.3	37.6
Expiration date 2023 and future years	–	96.7	96.7
Indefinite and timing differences	6.7	10.8	17.5
<b>Total tax losses carried forward (nominal value)</b>	<b>29.7</b>	<b>122.8</b>	<b>152.5</b>
<b>Total tax losses carried forward (tax value)</b>	<b>7.1</b>	<b>26.1</b>	<b>33.2</b>

<sup>1</sup> As from the expiration date, tax losses carried forward are not available anymore for offset against future taxable profits.

The unrecognised deferred tax assets related to tax losses carried forward decreased by €7.0 from €33.1 as at 31 December 2017 to €26.1 as at 31 December 2018. This decrease can mainly be explained by the utilisation/recognition of unrecognised income tax losses incurred in the Netherlands and Germany and lower enacted future income tax rates in the Netherlands.

## 16. Inventories

In € millions	31 December 2018	31 December 2017
Finished products	49.4	56.9
Semi-finished products	0.8	1.3
Raw materials and supplies	18.0	18.2
Prepayments on inventories	0.2	0.1
<b>Total inventories</b>	<b>68.4</b>	<b>76.5</b>

Inventories are shown net of impairment losses in the amount of €2.5 (2017: €2.3). The net write off in the amount of €2.5 (2017: €2.3) is included in the cost of raw materials and supplies.

## 17. Trade and other receivables and prepayments

Trade receivables are shown net of impairment losses in the amount of €1.7 (2017: €1.7) arising from identified doubtful receivables from customers.

The Group's exposure to credit and currency risks and impairment losses related to trade and other receivables and prepayments is disclosed in Note 24.

## 18. Net cash and cash equivalents

In € millions	31 December 2018	31 December 2017
Cash and cash equivalents	17.3	13.8
Bank overdrafts	(0.1)	(8.8)
<b>Net cash and cash equivalents</b>	<b>17.2</b>	<b>5.0</b>

Cash and cash equivalents are at Wessanen's free disposal as at 31 December 2018.

In 2014 we introduced ABN AMRO Bank as our main cash management provider and created a cross border European zero balancing cash pool. Through the cash pool, all balances are concentrated on a daily basis to the bank account of Wessanen Finance B.V. Next to that ING was implemented in 2016 as cash management provider in Italy and in 2017 in Spain. The cash and cash equivalents balance at Wessanen Finance B.V. as per 31 December 2018 amounts to €3.5 (31 December 2017: €1.9). As at both 31 December 2018 and 31 December 2017 there are no bank balances that have been offset.

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 24.

## 19. Equity attributable to equity holders of Wessanen

### Issued and paid-up share capital

The authorised share capital of the Company as at 31 December 2018 consists of 300 million ordinary shares (2017: 300 million shares) with a nominal value of € 1.00, of which 76.5 million shares were issued and paid-up (2017: 76.1 million shares). Shares issued in 2018 relate to the execution of share-based compensation plans (see Note 9).

The holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at the shareholders' meetings of Wessanen.

### Reserve for own shares

The reserve for the Company's own shares comprises the cost of the Company's shares, held by Wessanen. As at both 31 December 2018 and 31 December 2017 Wessanen held no shares. In 2017 the Company realised a net gain of €2.5 on the sale of 402 thousand own shares.

The movements in the reserve for own shares can be summarised as follows:

In € millions, unless stated otherwise

	2018		2017	
	Number of shares x 1,000	Amount	Number of shares x 1,000	Amount
Balance at beginning of the year	–	–	460	(3.9)
Sale of shares	–	–	(402)	3.4
Shares delivered	–	–	(58)	0.5
<b>Balance at year end</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

### Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations as well as from the translation of intercompany loans of permanent nature.

### Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments (foreign currency forward contracts) related to hedged transactions that have not yet occurred.



## Dividends

The Executive Board, with the approval of the Supervisory Board, proposes that a dividend of 14 eurocent per share will be paid in 2019 with respect to 2018. This dividend is subject to approval by the General Meeting of Shareholders and has not been included as a liability in the consolidated statement of financial position as per 31 December 2018. The payment of this dividend will not have income tax consequences for the Company.

In € millions

	2018	2017
Dividends declared and paid in the year	(9.9)	(9.1)

## 20. Interest-bearing loans and borrowings

Interest-bearing loans and borrowings can be specified as follows:

2018 In € millions	Syn- dicated loans	Finance leases	Other long-term loans and bor- rowings	Conti- nent conside- ration	Total
Non-current	54.7	5.2	1.2	–	61.1
Current	–	0.4	3.4	–	3.8
<b>Balance at beginning of year</b>	<b>54.7</b>	<b>5.6</b>	<b>4.6</b>	<b>–</b>	<b>64.9</b>
New finance lease liabilities	–	6.4	–	–	6.4
Other non cash movements	0.1	–	–	5.1	5.2
Acquisitions through business combinations	–	–	0.3	–	0.3
Net payments of finance lease liabilities	–	(0.3)	–	–	(0.3)
Net proceeds from/(repayments of) interest-bearing loans and borrowings	(10.2)	–	(1.1)	–	(11.3)
<b>Balance at year end</b>	<b>44.6</b>	<b>11.7</b>	<b>3.8</b>	<b>5.1</b>	<b>65.2</b>
Non-current	44.6	10.7	1.0	5.1	61.4
Current	–	1.0	2.8	–	3.8
<b>Balance at year end</b>	<b>44.6</b>	<b>11.7</b>	<b>3.8</b>	<b>5.1</b>	<b>65.2</b>

The current portion of the interest-bearing loans and borrowings as at 31 December 2018 is included in current liabilities as at 31 December 2018.

## Syndicated loans

The Group has an unsecured, committed €125 revolving credit facility in place, provided by ABN AMRO and ING. In April 2017, the initial termination date of the credit facility was extended for an additional period of two years, that is to 23 July 2022. The pricing grid over the relevant floating rate (EURIBOR or LIBOR) is based on the leverage ratio (Net debt to EBITDAIE of total Wessanen). The maximum aggregate amount which can be drawn under the 'accordion facility' (optional increase of the credit facility) is €25.

Under its financial covenants Wessanen has to ensure that total net debt does not exceed 3.0 times consolidated EBITDAIE. A spike up to 3.5 times consolidated EBITDAIE is allowed under specific conditions for a maximum duration of two (consecutive) quarters. At 31 December 2018 our net debt level amounted to 0.7 times consolidated EBITDAIE; our net debt amounted to €48.0 (2017: €59.9). The facility has various other general and financial covenants that are customary for its type, amount and tenor. For example, Wessanen is not permitted to declare or pay a dividend exceeding 45% of its net results, excluding any non-recurring items, and there are certain restrictions in place in case of acquisitions. A violation of any of these covenants constitutes an event of default under our credit facility, which would, unless waived by our lenders, provide our lenders with the right to request for immediate repayment of the outstanding loan without the requirement of notice or any other formality.

The Group has the ability to draw loans from the syndicated credit facility with maturities ranging between 1 day and 9 months. When a loan expires, this is, ceteris paribus, refinanced with a new loan drawn from the facility.

The average interest rate on drawings for 2018 was 0.6% (2017: 0.7%).

## Finance leases

Non-cancellable finance leases are payable as follows:

In € millions	31 December 2018			31 December 2017		
	Total lease payments	Interest	Carrying value	Total lease payments	Interest	Carrying value
Less than 1 year	1.2	0.2	1.0	0.5	0.1	0.4
Between 1 and 5 years	4.2	0.6	3.6	2.0	0.3	1.7
More than 5 years	7.6	0.5	7.1	3.8	0.3	3.5
<b>Total</b>	<b>13.0</b>	<b>1.3</b>	<b>11.7</b>	<b>6.3</b>	<b>0.7</b>	<b>5.6</b>

Finance leases mainly relate to the new, green office of Bjorg Bonnetterre et Compagnie in France of €11.4.

## Other long-term loans and borrowings

Other long-term loans and borrowings as per 31 December 2018 consist of reverse factoring of €2.8 (2017: €3.4) and other long-term loans of €1.0 (2017: €1.2).

## Contingent consideration

The contingent consideration relates entirely to the earn-out that Wessanen agreed to pay the selling shareholders of Abbot Kinney's (see Note 5). The earn-out payable in 2021 is based on revenue and operating profit targets set for the full year 2020. Depending on actual target realisation, the earn-out can vary between €0.0 and €7.0 (maximum). Wessanen has included €4.9 as contingent consideration, which represents the fair value of the earn-out at the date of acquisition (at a discount rate of 9%). At 31 December 2018, the contingent consideration had increased by €0.2 to €5.1 (31 December 2017: €0.0).

## 21. Employee benefits

### Defined benefit plans

In 2018 Wessanen and its subsidiaries made contributions to defined benefit plans in the Netherlands and France, that provide pension benefits for employees upon retirement. Wessanen pays benefits directly to employees upon retirement in Germany. These are final-pay plans, based on the employees' years of service and compensation near retirement. The schemes in the Netherlands and France are administered by industry pension funds and life insurance companies. The schemes in Germany are administered by Wessanen.

In Italy Wessanen made contributions to a legal employee leaving entitlement. Each employee is entitled to a deferred compensation ('TFR') which is paid upon retirement or upon leaving the Company. The entitlement is accrued for an amount equal to approximately one month's salary for each year of service and is adjusted for inflation every year. The main part of the scheme is administered by Wessanen and is qualified as a career average defined benefit scheme. In accordance with a change in Italian law in 2007, part of the scheme has been transferred since to an external pension fund and is qualified as a defined contribution scheme.

Wessanen's net liability for defined benefit obligations as at 31 December 2018 amounts to €7.3 and relates mainly to the pension plan in Germany (in the amount of €4.6) and the part of the above mentioned TFR scheme in Italy that qualifies as a defined benefit scheme (in the amount of €1.5). Both the German and Italian schemes are administered by Wessanen and are unfunded. Wessanen pays benefits directly to employees upon retirement or, in case of the TFR, upon leaving the Company. The German plan is closed to new participants and has an expected duration of 16.8 years. The TFR scheme is open to new participants and has an expected duration of 15.8 years. The weighted average duration of the total net liability for defined benefit obligations of Wessanen is 15.6 years.

The net liability for defined benefit obligations is calculated separately for each plan by calculating the amount of future benefits that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine the present value, and the fair value of any plan asset is deducted. The discount rate used is the yield on high-quality corporate bonds of a currency and maturity consistent with the currency and maturity of the post employment defined benefit obligations.

The calculations are performed by qualified actuaries using the projected unit credit method.

### Multi-employer plans

One of the Dutch companies is engaged in a multi-employer plan with 'Bedrijfstakpensioenfondsen Foodservice & Groothandel in Levensmiddelen' ('Bpf Foodservice'). This multi-employer plan is a defined benefit plan, though accounted for as if it was a defined contribution plan because it is not possible to identify Wessanen's share of the underlying financial position and performance of the plan with sufficient reliability for accounting purposes. This is due to the fact that the plan exposes the participating entities to actuarial risks associated with the current and former employees of other entities. Surpluses or deficits for the mentioned plans are determined on the basis of the pension law 'Pensioenwet' and the regulatory framework 'Financieel Toetsingskader'.

Both per December 2018 and 2017 Bpf Foodservice showed a deficit compared to the minimum required coverage. Following the deficit reported by Bpf Foodservice per December 2015 a recovery plan was submitted to De Nederlandsche Bank (DNB) in January 2016, who accepted the plan and considered it specific and feasible. The recovery plan requires Bpf Foodservice to achieve a coverage rate of 122.1% per December 2026. More detailed information concerning the financial position of Bpf Foodservice is publicly available on the website of the industry pension fund ([www.bpffoodservice.nl](http://www.bpffoodservice.nl)).

Wessanen's level of participation in the plan compared with other participating entities is relatively low with 45 active members (total plan: approximately 16,000 members), 56 deferred members (total plan: approximately 38,000 members) and no retired members (total plan: approximately 9,000 members).

The expected contributions for this multi-employer plan in 2019 amount to €0.4.

### Defined contribution plans

Wessanen and its subsidiaries make contributions to defined contribution plans in the Netherlands, France and the UK. The expected contributions for these plans in 2019 amount to €3.3.

### Defined benefit plans

The components of the employee benefits for the years ending 31 December 2018 and 2017 respectively are shown in the following tables.

In € millions	31 December 2018	31 December 2017
<b>Present value of obligations</b>	<b>7.7</b>	<b>7.7</b>
Fair value of plan assets	(0.4)	(0.4)
<b>Net liability for defined benefit obligations</b>	<b>7.3</b>	<b>7.3</b>
Other employee benefits	0.6	0.6
<b>Total liability employee benefits</b>	<b>7.9</b>	<b>7.9</b>

## Movement in the liability for defined benefit obligations

In € millions

	2018	2017
Liability for defined benefit obligations at beginning of year	7.7	7.5
Benefits paid	(0.3)	(0.3)
Current service costs	0.4	0.4
Interest costs	0.1	0.1
Past service costs	(0.1)	–
Remeasurement gains	(0.1)	–
<b>Liability for defined benefit obligations at year end</b>	<b>7.7</b>	<b>7.7</b>

## Movement in plan assets

In € millions

	2018	2017
Fair value of plan assets at beginning of year	0.4	0.4
<b>Fair value of plan assets at year end</b>	<b>0.4</b>	<b>0.4</b>

## Plan assets

The pension plan asset allocation can be specified as follows (on a weighted average basis):

	31 December 2018	31 December 2017
Equity securities	8.9%	8.8%
Bonds	85.9%	86.3%
Other quoted securities	5.2%	4.9%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

All plan assets have a quoted market price in an active market.

## Expense recognised in the income statement

In € millions

	2018	2017
Current service costs	0.4	0.4
Past service costs, curtailments and settlements	(0.1)	–
Net interest costs	0.1	0.1
<b>Total expense</b>	<b>0.4</b>	<b>0.5</b>

The expense is recognised in the following line items in the income statement:

In € millions	2018	2017
Personnel expenses	0.3	0.4
Net financing costs	0.1	0.1
<b>Total expense</b>	<b>0.4</b>	<b>0.5</b>

Remeasurement effects of total Wessanen recognised in other comprehensive income in respect of defined benefit plans are as follows:

In € millions	2018	2017
Actuarial (gain)/loss due to experience adjustments	–	0.1
Actuarial (gain)/loss due to changes in demographic and financial assumptions	(0.1)	(0.1)
<b>Total remeasurement effects recognised in other comprehensive income, before income tax</b>	<b>(0.1)</b>	<b>–</b>

In € millions	2018	2017
Actual return on plan assets	–	–

The expected contributions for defined benefit plans in 2019 amount to €0.0.

## Actuarial assumptions

Principal actuarial assumptions at the balance sheet date:

	2018	2017
Discount rate at year end	1.5-1.8%	1.5-1.8%
Future general salary increases	1.7-3.2%	1.7-3.2%
Price inflation	1.7-1.8%	1.6-1.7%
Future pension increases	1.8%	1.7%

## Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, future general salary increases and future pension increases. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant:

- A reduction in the discount rate by 25 basis points would result in an increase in the liability for defined benefit obligations of €0.3 as per 31 December 2018 (2017: €0.3);
- An increase in the future general salary increases by 100 basis points would result in an increase in the liability for defined benefit obligations of €0.4 as per 31 December 2018 (2017: €0.5);
- An increase in the future pension increases by 100 basis points would result in an increase in the liability for defined benefit obligations of €0.6 as per 31 December 2018 (2017: €0.6).

The sensitivity analysis presented above may not be representative for the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the statement of financial position.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Assumptions regarding future mortality are based on published statistics and mortality tables.

## Present value of the defined benefit obligation, fair value of plan assets and deficit as at 31 December

In € millions	2018	2017	2016	2015	2014
Defined benefit obligation	7.7	7.7	7.5	6.6	10.3
Fair value of plan assets	(0.4)	(0.4)	(0.4)	(0.5)	(4.5)
Deficit in the plan	7.3	7.3	7.1	6.1	5.8

## Experience adjustments arising on plan liabilities and plan assets as at 31 December

In € millions	2018	2017	2016	2015	2014
Plan liabilities	–	(0.1)	–	(0.3)	0.3
Plan assets	–	–	–	0.3	0.5

Experience adjustments are defined as all gains/(losses) due to changes other than changes to financial and demographic assumptions.

## 22. Provisions

Movements in provisions can be specified as follows:

### 2017

In € millions

	Restructuring	Other provisions	Total
Non-current	–	3.0	<b>3.0</b>
Current	5.5	6.6	<b>12.1</b>
<b>Balance at beginning of year</b>	<b>5.5</b>	<b>9.6</b>	<b>15.1</b>
Additions charged against result	2.7	1.2	<b>3.9</b>
Used during the year	(4.0)	(7.8)	<b>(11.8)</b>
Released to result	(0.3)	–	<b>(0.3)</b>
<b>Balance at year end</b>	<b>3.9</b>	<b>3.0</b>	<b>6.9</b>
Non-current	1.2	1.1	<b>2.3</b>
Current	2.7	1.9	<b>4.6</b>
<b>Balance at year end</b>	<b>3.9</b>	<b>3.0</b>	<b>6.9</b>

### 2018

In € millions

	Restructuring	Other provisions	Total
Non-current	1.2	1.1	<b>2.3</b>
Current	2.7	1.9	<b>4.6</b>
<b>Balance at beginning of year</b>	<b>3.9</b>	<b>3.0</b>	<b>6.9</b>
Additions charged against result	–	0.8	<b>0.8</b>
Used during the year	(1.6)	(1.2)	<b>(2.8)</b>
Released to result	(0.3)	–	<b>(0.3)</b>
<b>Balance at year end</b>	<b>2.0</b>	<b>2.6</b>	<b>4.6</b>
Non-current	–	1.0	<b>1.0</b>
Current	2.0	1.6	<b>3.6</b>
<b>Balance at year end</b>	<b>2.0</b>	<b>2.6</b>	<b>4.6</b>



## Restructuring

In 2018, no additions were made to the restructuring provision. In 2017, additions to the restructuring provision amounted to €2.7, mainly including severance payments related to the relocation of the distribution centre of Bonneterre et Compagnie (France).

The additions to the restructuring provision included severance payments and termination benefits, and required management judgement in estimating the expected cash outflows based on detailed plans. For all restructuring provisions a detailed formal plan exists and the implementation of the plan has started or the plan has been announced before the balance sheet date.

## Other provisions

Other provisions as at 31 December 2018 of €2.6 (2017: €3.0) mainly comprise (a) provisions for social security costs related to equity-settled share-based payment transactions of €0.4 (2017: €1.1), (b) provisions for onerous contracts of €0.5 (2017: €0.2) and (c) provisions for legal, litigation and contract risks of €1.7 (2017: €1.7). The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

Additions in 2018 of €0.8 mainly include share-based payment related social security expenses of €0.3 and an addition to the provision for onerous contracts related to the relocation of the distribution centre of Bonneterre et Compagnie (France) of €0.4. In 2018, payments of €(1.2) were made against the other provisions, including share-based payment related social security expenses of €(1.0) after vesting of the Long Term Incentive Plan 2015 in June 2018.

The release from the restructuring provision of €0.3 is mainly the result of favourable settlements and revised estimates relating to various individual cases. Releases of prior year provisions are accounted for in operating result. The Company expects the provisions at year-end to be utilised within the next year.

## 23. Trade and non-trade payables and accrued expenses

In € millions	31 December 2018	31 December 2017
<b>Total trade payables – third party</b>	<b>74.6</b>	<b>84.8</b>
Customer incentives	32.2	30.8
Personnel expenses	10.8	10.9
Pensions	3.9	4.6
Social securities and other tax	6.3	6.3
Derivatives	–	1.2
Other liabilities	7.0	7.7
<b>Total non-trade payables and accrued expenses</b>	<b>60.2</b>	<b>61.5</b>
<b>Total trade and non-trade payables and accrued expenses</b>	<b>134.8</b>	<b>146.3</b>

The Group's exposure to currency and liquidity risk related to trade and other payables is disclosed in Note 24.

## 24. Financial instruments and risk management

This note presents information about Wessanen's exposure to liquidity risk, market risk (currency risk, interest rate risk and commodity risk) and credit risk, Wessanen's objectives, policies and processes for measuring and managing risk, and Wessanen's management of capital, as well as quantitative disclosures (before income tax) in addition to those included throughout these consolidated financial statements.

The Executive Board has overall responsibility for the establishment and oversight of Wessanen's Risk Management and Internal Control Framework. The framework is designed to enable the Executive Board to achieve its strategic objectives within a managed risk profile. The Executive Board is responsible for setting risk management policies and strategies. Senior management and operating companies conduct a risk assessment to create action plans and comply with internal control procedures. As a Committee of the Supervisory Board, the Audit Committee monitors risk management and control activities and provides the Supervisory Board with a clear overview of the entire risk management and internal control process. Any significant changes and improvements to the Risk Management and Internal Control Framework are discussed with the Audit Committee and the Supervisory Board.

Wessanen does business in the UK, through its subsidiary Kallø Foods. The consequences of the UK people's vote to leave the European Union (Brexit) are as yet not clear, but has had an impact on the Pound Sterling and its volatility. The assessment of potential accounting and financial reporting implications did not (yet) result into any specific actions other than those that are already taken in the ordinary course of business; e.g. currency risks are being mitigated in accordance with our foreign exchange policy, and where possible, through customer price negotiations.

## Liquidity risk

Liquidity risk is the risk that Wessanen will not be able to meet its financial obligations as they fall due. A material and sustained shortfall in Wessanen's cash flow could undermine overall investor confidence and could restrict the Group's ability to raise funds. Operational cash flow provides the funds to service the Group's financing obligations. The Group's objective to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its financial obligations when due, without incurring unacceptable losses or risking damage to the Group's reputation.

Wessanen manages its liquidity by monitoring and forecasting cash flows of its operating companies, debt servicing requirements, dividends to shareholders and other obligations. The Group's syndicated credit facility allows to draw in maturities ranging between 1 day and 9 months. When a loan expires, this is ordinarily refinanced with a new loan drawn from the facility. In addition to the syndicated loan facility, Wessanen has no other uncommitted credit facilities.

The table below summarises the maturity profile of Wessanen's financial liabilities including estimated interest payments at 31 December 2018 and at 31 December 2017 based on undiscounted contractual cash flows.

In € millions	Note	Undiscounted contractual cash flows						
		Carrying amount	Total cash flows	6 months or less	6–12 months	1–2 years	2–5 years	More than 5 years
<b>2017</b>								
<b>Non-derivative financial liabilities</b>								
Syndicated loans	20	floating	(54.7)	(56.9)	(0.2)	(0.2)	(0.7)	(55.8)
Other long-term loans	20	floating	(4.6)	(4.8)	(3.5)	(0.1)	(0.2)	(0.5)
Finance lease liabilities	20	fixed	(5.6)	(6.3)	(0.1)	(0.4)	(0.6)	(1.4)
		non-interest bearing						
Contingent consideration	20		–	–	–	–	–	–
		non-interest bearing						
Trade and other payables <sup>1</sup>	23		(145.1)	(145.1)	(145.1)	–	–	–
Bank overdrafts	18	floating	(8.8)	(8.8)	(8.8)	–	–	–
<b>Subtotal</b>			<b>(218.8)</b>	<b>(221.9)</b>	<b>(157.7)</b>	<b>(0.7)</b>	<b>(1.5)</b>	<b>(57.7)</b>
<b>Derivative financial instruments</b>								
Other forward contracts used for hedging			(1.2)	(1.2)	(1.2)	–	–	–
<b>Subtotal</b>			<b>(1.2)</b>	<b>(1.2)</b>	<b>(1.2)</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>			<b>(220.0)</b>	<b>(223.1)</b>	<b>(158.9)</b>	<b>(0.7)</b>	<b>(1.5)</b>	<b>(57.7)</b>

<sup>1</sup> Excluding derivatives.

In € millions	Note		Undiscounted contractual cash flows					
			Carrying amount	Total cash flows	6 months or less	6–12 months	1–2 years	2–5 years
<b>2018</b>								More than 5 years
<b>Non-derivative financial liabilities</b>								
Syndicated loans	20	floating	(44.6)	(45.5)	(0.1)	(0.1)	(0.3)	(45.0)
Other long-term loans	20	floating	(3.8)	(4.0)	(2.9)	(0.1)	(0.2)	(0.5)
Finance lease liabilities	20	fixed	(11.7)	(13.0)	(0.6)	(0.6)	(1.1)	(3.1)
Contingent consideration	20	non-interest bearing	(5.1)	(6.3)	–	–	–	(6.3)
Trade and other payables <sup>1</sup>	23	non-interest bearing	(134.8)	(134.8)	(134.8)	–	–	–
Bank overdrafts	18	floating	(0.1)	(0.1)	(0.1)	–	–	–
<b>Subtotal</b>			<b>(200.1)</b>	<b>(203.7)</b>	<b>(138.5)</b>	<b>(0.8)</b>	<b>(1.6)</b>	<b>(54.9)</b>
<b>Derivative financial instruments</b>								
Other forward contracts used for hedging			–	–	–	–	–	–
<b>Subtotal</b>			<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>			<b>(200.1)</b>	<b>(203.7)</b>	<b>(138.5)</b>	<b>(0.8)</b>	<b>(1.6)</b>	<b>(54.9)</b>

<sup>1</sup> Excluding derivatives.

## Currency risk

Wessanen conducts business in foreign currencies but publishes its financial statements, and measures its performance, in Euros. These foreign currencies mainly include the Pound Sterling and US dollar. Because of the Group's international presence, it is subject to risks from changes in foreign currency values that could affect earnings and capital.

The Group has a foreign exchange policy in order to mitigate the impact of foreign currencies to functional currencies and is based on the following principles:

- Transactions arising from operational and financing activities, in currencies other than the functional currency, are hedged in order to mitigate income statement volatility. All operating companies conduct their hedging transactions internally through the centralised corporate treasury department. Wessanen provides operational funding to its operating companies in their functional currency.
- Translation results on capital invested in foreign subsidiaries are recorded as a movement in the translation reserve in equity. Capital invested in, and net income from foreign subsidiaries are not hedged to the Euro.

Further, hedging foreign exchange risk is achieved through the use of forward foreign exchange contracts and forward foreign exchange swaps. Hedge accounting is applied for transactions that exceed certain thresholds.

The Group's balance sheet exposure to foreign currency risk was as follows based on notional amounts:

In € millions	31 December 2018				31 December 2017			
	€	US\$	£	Other <sup>1</sup>	€	US\$	£	Other <sup>1</sup>
Trade and other receivables	5.5	0.1	–	–	5.2	0.1	–	–
Cash and bank overdrafts	–	1.2	3.2	0.2	–	2.5	0.9	0.3
Trade payables	(5.0)	(0.7)	(0.2)	(0.1)	(5.0)	(1.3)	–	(0.1)
Financial assets/(liabilities), excluding investments in subsidiaries	–	–	(15.5)	–	–	–	(17.2)	–
Derivatives <sup>2</sup>	7.8	–	–	–	13.9	–	–	–
<b>Net exposure</b>	<b>8.3</b>	<b>0.6</b>	<b>(12.5)</b>	<b>0.1</b>	<b>14.1</b>	<b>1.3</b>	<b>(16.3)</b>	<b>0.2</b>

<sup>1</sup> In €.

<sup>2</sup> Represents forward foreign exchange contracts related to future purchase commitments, as well as foreign exchange swaps.

At year end 2018 the Group designated £17 (2017: £17) of intercompany loan financing as part of its net investment in its UK operations. Foreign currency results on this intercompany loan financing of €0.2 negative (net of income tax) in 2018 (2017: €0.7 negative (net of income tax)) are recorded in the translation reserve in equity .

In 2018, the movement of the translation reserve of €(0.3) (2017: €(1.3)) relates entirely to the depreciation of the GBP.

## Currency sensitivity analysis

A 10% strengthening of the Euro against the Pound Sterling currency in 2018 would have had hypothetical impact on equity and net result by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

In € millions	2018	2017
<b>10% strengthening of the Euro</b>		
Equity <sup>1</sup>	(5.0)	(5.5)
Net result	(0.2)	(0.5)

<sup>1</sup> Including impact on net result.

## Interest rate risk

Wessanen's debt funding is primarily achieved through its syndicated credit facility. Loan draw-downs bear interest at short term rates. These may fluctuate and cause income statement volatility. The Group aims to contain income statement volatility and, at the same time, minimise its financing costs. We manage our interest rate risk through closely monitoring short term and long-term interest rates and where necessary modifying the interest rate exposure of debt and cash positions through the use of interest rate derivatives.

## Interest rate sensitivity analysis

A change of 100 basis points (bp) in variable interest rates in 2018 would have had a hypothetical impact on equity and profit by the amounts shown below. The analysis assumes that all other variables, in particular foreign currency rates, remain constant.

In € millions	Profit or loss		Equity <sup>1</sup>	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
<b>2017</b>				
Variable rate instruments	(0.7)	0.7	(0.7)	0.7
<b>Net impact</b>	<b>(0.7)</b>	<b>0.7</b>	<b>(0.7)</b>	<b>0.7</b>
<b>2018</b>				
Variable rate instruments	(0.6)	0.6	(0.6)	0.6
<b>Net impact</b>	<b>(0.6)</b>	<b>0.6</b>	<b>(0.6)</b>	<b>0.6</b>

<sup>1</sup> Including impact on net result.

## Commodity risk

Wessanen requires a wide range of agricultural and other commodities for its products. Fluctuations in commodity prices may lead to volatility in net income. In addition, increases in commodity prices may lead to a reduction in margin and net income when corresponding or selling prices can not be raised. The Group uses a large variety of commodities and is not exposed to a significant concentration in one single category. In general, Wessanen aims to mitigate volatility in commodity prices by frequently entering into term price agreements with suppliers, providing sufficient time to increase the selling prices of our products.

## Credit risk

Credit risk is the risk of financial loss to Wessanen if a customer or any other counterparty to a transaction fails to meet its contractual obligations. As the exposure to credit risk is influenced mainly by the individual characteristics of each customer, the spread in Wessanen's customer base reduces the impact of the credit risk. Moreover, a customer's creditworthiness is analysed frequently using benchmarks and external rating information. As a preventive control Wessanen manages credit risk by applying credit limits for its customers. The creditworthiness of a financial institution is assessed by their credit rating, which should be at least A (Standard & Poor's).

Wessanen establishes an allowance for impairment of trade receivables based on expected credit losses rather than incurred credit losses only. The expected loss rates for trade receivables are based on the payment profiles of sales over a period of 12 months before 31 December 2018 or 1 January 2018 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information affecting the ability of the customers to settle the receivables. No further adjustment of the loss rates were needed.

The maximum exposure to credit risk for trade receivables by type of customer can be specified as follows:

In € millions	31 December 2018	31 December 2017
Supermarkets	61.4	62.2
Health food stores	26.5	28.7
Other customers	7.2	7.9
<b>Total</b>	<b>95.1</b>	<b>98.8</b>

The aging of trade receivables at balance sheet date can be specified as follows:

In € millions	31 December 2018			31 December 2017		
	Gross	Impairments	Net	Gross	Impairments	Net
Not past due	89.9	–	89.9	91.8	–	91.8
Past due 0–30 days	4.6	–	4.6	6.3	–	6.3
Past due 31–180 days	1.0	(0.3)	0.7	1.1	(0.4)	0.7
Past due 181–360 days	(0.1)	–	(0.1)	–	–	–
More than 360 days	1.4	(1.4)	–	1.3	(1.3)	–
<b>Total</b>	<b>96.8</b>	<b>(1.7)</b>	<b>95.1</b>	<b>100.5</b>	<b>(1.7)</b>	<b>98.8</b>

The movement in the allowance for impairments in respect of trade receivables during the year was as follows:

In € millions	2018	2017
Balance at beginning of year	1.7	1.8
Addition charged/(released) against result	0.1	0.1
Write offs	(0.1)	(0.2)
<b>Balance at year end</b>	<b>1.7</b>	<b>1.7</b>

The allowances relating to trade receivables are used to record impairment losses until the Group is satisfied that no recovery of the amount owing is possible. At that point the amounts are considered irrecoverable and are written off against the financial asset directly.

## Recurring fair value measurements versus carrying amounts

Fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position are as follows:

In € millions	31 December 2018		31 December 2017	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Assets carried at fair value</b>				
Foreign exchange swap contracts used for hedging	0.1	0.1	–	–
<b>Total</b>	<b>0.1</b>	<b>0.1</b>	<b>–</b>	<b>–</b>
<b>Assets carried at amortised cost</b>				
Other investments	0.3	0.3	0.2	0.2
Trade receivables	95.1	95.1	98.8	98.8
Other receivables and prepayments <sup>1</sup>	14.9	14.9	14.9	14.9
Cash and cash equivalents	17.3	17.3	13.8	13.8
<b>Total</b>	<b>127.6</b>	<b>127.6</b>	<b>127.7</b>	<b>127.7</b>
<b>Liabilities carried at fair value</b>				
Contingent consideration	5.1	5.1	–	–
Forward exchange contracts used for hedging	–	–	1.2	1.2
<b>Total</b>	<b>5.1</b>	<b>5.1</b>	<b>1.2</b>	<b>1.2</b>
<b>Liabilities carried at amortised cost</b>				
Syndicated loans	44.6	44.6	54.7	54.7
Other long-term loans	3.8	3.8	4.6	4.6
Finance lease liabilities	11.7	11.7	5.6	5.6
Trade payables	74.6	74.6	84.8	84.8
Non-trade payables and accrued expenses <sup>1</sup>	60.2	60.2	60.3	60.3
Bank overdrafts	0.1	0.1	8.8	8.8
<b>Total</b>	<b>195.0</b>	<b>195.0</b>	<b>218.8</b>	<b>218.8</b>

<sup>1</sup> Excluding derivatives, which are shown separately.



## Fair value of financial assets and liabilities

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 Company 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 (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3 inputs are unobservable inputs for the asset or liability.

The carrying amounts of cash and cash equivalents, trade receivables, other receivables and prepayments, trade payables, non-trade payables and accrued expenses and bank overdrafts approximate their fair values because of the short-term nature of these instruments. The carrying amounts of the amounts owed to credit institutions approximate their fair values, as the amounts are floating interest-bearing. The fair value of derivatives has been determined by Wessanen using available market information and appropriate valuation methods (Level 2 only). Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts. The fair value of the derivatives as at 31 December 2018 (as specified in the table in this note under paragraph 'currency risk') amounts to €0.1 (2017: €1.2). These derivatives have been entered into with financial institutions. An assessment has been made of a potential credit valuation adjustment, however, has not been recorded as the adjustment is deemed to be not material. The fair value of the contingent consideration, which represents the fair value of the earn-out at the date of the acquisition (at a discount rate of 9%) is based on management's estimate of the extent at which financial targets for the year 2020 will be realised (Level 3).

## Capital management

Wessanen's financing strategy is built around the following objectives:

- Ongoing access to debt and equity markets;
- Sufficient flexibility to fund add-on acquisitions;
- Optimal weighted average cost of capital;
- Mitigating financial risks.

The capital structure of the Company balances these objectives in order to meet the Company's strategic objectives and day-to-day needs. Our targeted net debt level is aimed to be below 2.5 times consolidated EBITDAIE of total Wessanen, but our actual net debt levels can be higher or lower depending on acquisitions and divestments, access to capital markets and the timing of cash flows. At 31 December 2018 our net debt level amounted to 0.7 times consolidated EBITDAIE (2017: 1.0). As a consequence the gearing ratio (net debt/shareholders' equity) as at 31 December 2018 amounted to 18.7% (31 December 2017: 26.3%).

## 25. Commitments and contingencies

### Operating lease commitments

Operating lease commitments are payable as follows:

In € millions	31 December 2018 <sup>1</sup>	31 December 2017 <sup>1</sup>
Less than 1 year	7.0	4.8
Between 1 and 5 years	16.1	11.3
More than 5 years	13.0	4.5
<b>Total operating lease commitments</b>	<b>36.1</b>	<b>20.6</b>

<sup>1</sup> Operating lease commitments as per 31 December 2018 are based on the reasonably certain end dates, whereas the operating lease commitments as per 31 December 2017 are based on the non-cancellable lease periods. Accordingly, 2017 figures have not been restated.

Wessanen leases a number of office, warehouse and factory facilities, machinery and installations, office equipment, computer software and hardware and vehicles under operating leases. The leases typically run between 3 and 15 years, with an option to renew after that date. Lease payments are adjusted annually to reflect market rentals. None of the leases include contingent rentals. Wessanen does, in principle, not act as a lessor.

During the year ended 31 December 2018, €5.7 (2017: €5.2) was recognised as an expense in the income statement.

### Capital commitments

Commitments to purchase property, plant and equipment as at 31 December 2018 amounted to €2.7 (2017: €10.5). The commitment per 31 December 2017 included the construction of a green office building in Saint Genis Laval (France). The gross investment value (total investment excluding proceeds from the sale of a piece of land) amounted to about €13.1. The construction is funded by a financial institution and is accounted for as a financial lease. The non-cash investment value of this project as at 31 December 2017 amounted to €5.0; the remaining balance of €8.1 was included in the reported commitments of €10.5.

Commitments to purchase intangible assets as at 31 December 2018 amounted to €0.3 (2017: €0.3).

### Purchase commitments

Wessanen has purchase commitments with vendors in the ordinary course of business at market-related terms. Wessanen has letters of credit outstanding in the amount of €0.7 related to these purchase commitments.

### Guarantees

Wessanen has various letters of credit and guarantees outstanding to third parties amounting to US\$8.6 as at 31 December 2018 (2017: US\$11.7). Letters of credit amounting to US\$2.0 (2017: US\$2.2) are provided in favour of workers compensation insurers and are reduced as the workers compensation claims, on the divested operations ABC and Tree of Life, Inc., are settled and closed. Wessanen has also provided guarantees amounting to US\$6.6 (2017: US\$9.6) relating to lease obligations

of Tree of Life, Inc. which are reduced when the underlying lease contracts expire during a maximum period of up to five years. Kehe Food Distributors Inc. has indemnified Wessanen for calls of third parties under such guarantees and, to the extent these claims are related to Tree of Life, Inc., letters of credit.

For guarantees provided, a provision has been made in the amount of €0.5 as at 31 December 2018 (2017: €0.6). Reference is made to Note 22.

Bank guarantees have been issued in the amount of €0.1 (2017: €0.3).

## Contingent assets and liabilities

Wessanen is subject to certain other loss contingencies arising from claims by various parties. Management believes that any reasonable possible loss related to such claims and possible litigation is properly provided for when recognition criteria are met. These estimates and associated assumptions are based on management's best knowledge of current events and actions.

## 26. Related parties

Wessanen has a related party relationship with its subsidiaries (see Note 29) and key management. Transactions with key management are described in Notes 8 and 9.

In 2018 no transactions were made with related parties, other than described above.

## 27. Principal auditor's remuneration

Principal auditor's remuneration for audit and other services incurred can be specified as follows:

In € millions	2018			2017		
	Deloitte Accountants B.V.	Other Deloitte Network	Total	Deloitte Accountants B.V.	Other Deloitte Network	Total
Audit of annual accounts	0.2	0.3	0.5	0.2	0.3	0.5
Other assurance services	–	–	–	–	–	–
Other non-audit services	–	–	–	–	–	–
<b>Total principal auditor's remuneration</b>	<b>0.2</b>	<b>0.3</b>	<b>0.5</b>	<b>0.2</b>	<b>0.3</b>	<b>0.5</b>

## 28. Cash flow

The following table presents a specification of changes in working capital:

In € millions	2018	2017
Inventories	8.3	(8.3)
Trade receivables	3.9	1.5
Other receivables and prepayments	0.2	0.2
Trade payables	(11.1)	5.2
Non-trade payables and accrued expenses	(0.1)	2.6
<b>Total changes in working capital</b>	<b>1.2</b>	<b>1.2</b>

The following table presents a reconciliation of the change in cash and cash equivalents (net of bank overdrafts) as presented in the balance sheet to the net cash flow from operating, investing and financing activities in the period:

In € millions	2018	2017
<b>Net cash and cash equivalents at beginning of year<sup>1</sup></b>	<b>5.0</b>	<b>0.7</b>
Net cash from operating, investing and financing activities	12.1	4.3
Effect of exchange rate differences on cash and cash equivalents <sup>1</sup>	0.1	–
<b>Net cash and cash equivalents at year end<sup>1</sup></b>	<b>17.2</b>	<b>5.0</b>

<sup>1</sup> Net of bank overdrafts.

## 29. List of subsidiaries

The following are Wessanen's significant subsidiaries categorised into operating companies and holding companies:

Company name	Principal activity	Country of incorporation	Ownership interest (%) 31 December 2018	Ownership interest (%) 31 December 2017
<b>Operating companies</b>				
Bjorg et Compagnie S.A.S.	Marketing and Sales	France	100.0	100.0
Bjorg Bonneterre et Compagnie S.A.S.	Marketing and Sales	France	100.0	100.0
Bonneterre et Compagnie S.A.S.	Marketing and Sales	France	100.0	100.0
Destination S.A.S.	Production/Marketing and Sales	France	100.0	100.0
Allos GmbH	Production	Germany	100.0	100.0
CoSa Naturprodukte GmbH	Marketing and Sales	Germany	100.0	100.0
Allos Schwarzwald GmbH	Production	Germany	100.0	100.0
Allos Hof-Manufaktur GmbH	Marketing and Sales	Germany	100.0	100.0
Abafoods S.r.L.	Production/Marketing and Sales	Italy	100.0	100.0
Bio Slyn S.r.L.	Production/Marketing and Sales	Italy	100.0	100.0
Biogran S.L.	Production/Marketing and Sales	Spain	100.0	100.0
Abbot Kinney's B.V. <sup>1</sup>	Marketing and Sales	the Netherlands	100.0	–
Wessanen Benelux B.V.	Marketing and Sales	the Netherlands	100.0	100.0
Kallø Foods Ltd	Production/Marketing and Sales	United Kingdom	100.0	100.0
<b>Holding companies</b>				
Wessanen France Holding S.A.S.	Holding	France	100.0	100.0
Wessanen Deutschland GmbH	Holding	Germany	100.0	100.0
Wessanen Italia S.r.L.	Holding	Italy	100.0	100.0
Wessanen Espana S.L. <sup>2</sup>	Holding	Spain	100.0	100.0
Wessanen Finance B.V.	Holding	the Netherlands	100.0	100.0
Wessanen Nederland Holding B.V.	Holding	the Netherlands	100.0	100.0
Wessanen Great Britain Holdings Ltd	Holding	the Netherlands	100.0	100.0

<sup>1</sup> Acquired as per 10 September 2018.

<sup>2</sup> Founded as per 20 December 2017.

At 31 December 2018 and 31 December 2017 all subsidiaries of Wessanen are wholly owned and there are no significant restrictions on the Company's or its subsidiaries' ability to access or use the assets and settle the liabilities of the Group.

## Income statement of the Company

In € millions	Notes	2018	2017
Personnel expenses	2	(2.5)	(2.7)
Other operating income	3	1.9	2.1
<b>Operating result</b>		<b>(0.6)</b>	<b>(0.6)</b>
Net financing costs	4	–	(0.6)
<b>Profit/(loss) before income tax</b>		<b>(0.6)</b>	<b>(1.2)</b>
Income tax	5	–	–
<b>Profit/(loss) after income tax</b>		<b>(0.6)</b>	<b>(1.2)</b>
Income from subsidiaries, net of income tax	6	36.6	37.2
<b>Profit/(loss) for the period</b>		<b>36.0</b>	<b>36.0</b>

## Balance sheet of the Company

(before appropriation of current year's result)

In € millions	Notes	31 December 2018	31 December 2017
<b>Assets</b>			
Financial assets	6	255.3	218.8
Deferred tax assets	5	5.0	5.0
<b>Total non-current assets</b>		<b>260.3</b>	<b>223.8</b>
Current assets	7	2.2	6.1
<b>Total assets</b>		<b>262.5</b>	<b>229.9</b>
<b>Shareholders' equity</b>			
Share capital		76.5	76.1
Share premium		103.4	102.8
Legal reserves		(17.7)	(17.5)
Retained earnings		58.9	30.3
Profit for the period		36.0	36.0
<b>Total shareholders' equity</b>	8	<b>257.1</b>	<b>227.7</b>
Current liabilities	9	5.4	2.2
<b>Total shareholders' equity and liabilities</b>		<b>262.5</b>	<b>229.9</b>

## 1. Principles of valuation and income determination

### General

The Company financial statements are part of the 2018 financial statements of Wessanen.

In accordance with Section 379, Part 9, of Book 2 of the Dutch Civil Code, a list of consolidated group companies will be deposited at the Trade Register of the Amsterdam Chamber of Commerce, together with the financial statements (the Company is registered with number 33145851).

### Principles for the measurement of assets and liabilities and the determination of the result

For establishing the principles for the recognition and measurement of assets and liabilities and determination of the result for its Company financial statements, Wessanen makes use of the option provided in Section 362, Part 9, of Book 2 of the Dutch Civil Code. This means that the principles for the recognition and measurement of assets and liabilities and determination of the result (hereinafter referred to as principles for recognition and measurement) of the Company financial statements of Wessanen are the same as those applied for the consolidated financial statements (see Note 3 of the consolidated financial statements). The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

## 2. Personnel expenses

Personnel expenses amount to €2.5 (2017: €2.7) and include remuneration expenses of the Executive and Supervisory Board of €2.4 (2017: €2.5). Reference is made to Note 8 of the consolidated financial statements of Wessanen.

## 3. Other operating income

Other operating income includes recharged expenses to Wessanen Nederland Holding B.V. for services rendered in 2018 of €1.9 in total (2017: €2.1).

## 4. Net financing costs

Net financing costs amount to €0.0 (2017: €0.6, consisted of interest expenses on payables to subsidiaries. In 2017 significant redemptions were made on these payables to subsidiaries).

## 5. Income tax

In 2018 income tax amounts to €0.0 (2017: €0.0).

The deferred tax asset as at 31 December 2018 of €5.0 fully relate to income tax losses carried forward recognised (2017: €5.0).

## 6. Financial assets

In € millions	2018	2017
Balance at beginning of year	218.8	534.3
Remeasurement of post employment benefit obligations <sup>1</sup>	0.1	–
Effect of movements in foreign exchange <sup>1</sup>	(0.3)	(1.3)
Cash flow hedges <sup>1</sup>	0.1	–
Dividends from subsidiaries	–	(377.3)
Capital contributions to subsidiaries	–	25.9
Income from subsidiaries <sup>1</sup>	36.6	37.2
<b>Balance at year end</b>	<b>255.3</b>	<b>218.8</b>

<sup>1</sup> Net of income tax.

Financial assets include investments in subsidiaries. In 2017 the Company received a dividend in the amount of €377.3 from Wessanen Finance B.V. and made a capital contribution to Wessanen Nederland Holding B.V. in the amount of €25.9.

## 7. Current assets

In € millions	31 December 2018	31 December 2017
Receivables from subsidiaries	2.2	6.0
Other current assets	–	0.1
<b>Total current assets</b>	<b>2.2</b>	<b>6.1</b>

## 8. Shareholders' equity

For a specification of shareholders' equity, see the consolidated statement of changes in equity (page 90) and Note 19 to the consolidated financial statements. Legal reserves (translation reserve, hedging reserve and other legal reserves) are not available for distribution to the Company's equity holders. If the translation reserve, hedging reserve or other legal reserves have a negative balance, distribution to the Company's equity holders is restricted to the extent of the negative balance.

As at 31 December 2018, the freely distributable reserves amount to €180.5 (2017: €151.6), before distribution of dividends.

## 9. Current liabilities

In € millions	31 December 2018	31 December 2017
Payables to subsidiaries	4.7	1.4
Trade and other payables	0.7	0.8
<b>Total current liabilities</b>	<b>5.4</b>	<b>2.2</b>

## 10. Commitments and contingencies

The Company is part of the fiscal unity with its Dutch subsidiaries. Based on this, the Company is liable for the tax liability of the fiscal unity in the Netherlands as a whole.

The Company has also assumed liability for the Dutch Group companies of which the financial statements have been included in the consolidated financial statements, as provided for in Section 403, sub 1, Part 9, of Book 2 of the Dutch Civil Code. This implies that these Group companies are not required to prepare their financial statements in every respect in accordance with Part 9, of Book 2 of the Dutch Civil Code or to publish them.

## 11. Remuneration Executive Board and Supervisory Board

For the remuneration of the Executive Board and Supervisory Board reference is made to Note 8 to the consolidated financial statements. The average number of full-time employees in 2018 amounted to 2 (2017: 2).

## 12. Principal auditor's remuneration

For the principal auditor's remuneration reference is made to Note 27 of the consolidated financial statements.

## 13. Appropriation of result 2018

The profit for the year 2018 attributable to the equity holders of Wessanen amounted to €36.0 (2017: €36.0). The profit has been added to the retained earnings, respectively the distributable part of shareholders' equity.

## 14. Dividend proposal

The dividend policy of the Company aims at creating value in the long-term. The objective of the dividend policy is to maintain a healthy financial structure and to retain sufficient earnings in order to execute Wessanen's four pillar strategy. Wessanen aims at paying out a dividend that is stable or growing over time. Before deciding to pay out dividend, Wessanen will assess whether more value could be created by (i) investing profit in the execution of Wessanen's strategy (such as investments in R&D, capital expenditures or acquisitions), (ii) improving Wessanen's financial position (debt repayment), or (iii) improving the position of its shareholders (share repurchasing). Accordingly, it may be decided not to pay dividend or to pay a lower dividend in any year in the future.

In line with the dividend policy, it is proposed to the Annual General Meeting of Shareholders to pay a dividend of 14 eurocent per share. The dividend will be paid wholly in cash.

## 15. Subsequent events

Subsequent to 31 December 2018 no material events occurred that require disclosure.

Amsterdam, 11 February 2019

### Supervisory Board

F. van Oers, Chairman  
R.K. Kluijber  
P.E.M. Mispolet  
I.M.C.M. Rietjens

### Executive Board

C.P.J. Barnouin, CEO  
R.J.J.B. Merckx, CFO



## Other information

To the Shareholders and Supervisory Board of Koninklijke Wessanen N.V.

## Report on the audit of the financial statements 2018

### Our opinion

We have audited the accompanying financial statements 2018 as set out on pages 86 to 149 of the integrated annual report of Koninklijke Wessanen N.V. ('the Company') based in Amsterdam. The financial statements include the consolidated financial statements and the Company financial statements.

In our opinion:

- The accompanying consolidated financial statements give a true and fair view of the financial position of Koninklijke Wessanen N.V. as at 31 December 2018, and of its results and cash flows for 2018 in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS-EU') and with Part 9 of Book 2 of the Dutch Civil Code.
- The accompanying Company financial statements give a true and fair view of the financial position of Koninklijke Wessanen N.V. as at 31 December 2018, and of its results for 2018 in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS-EU') and with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:

1. The consolidated statement of financial position as at 31 December 2018.
2. The following statements for 2018: the consolidated income statement, the consolidated statements of comprehensive income, changes in equity and cash flows.
3. The notes comprising a summary of the significant accounting policies and other explanatory information.

The Company financial statements comprise:

1. The Company balance sheet as at 31 December 2018.
2. The Company income statement for 2018.
3. The notes comprising a summary of the significant accounting policies and other explanatory information.

### Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our Responsibilities for the Audit of the financial statements" section of our report.

We are independent of Koninklijke Wessanen N.V. in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

### Materiality

Based on our professional judgement we determined materiality for the financial statements at €3.5 million. The materiality is based on a percentage of 6.1% of normalized operating result (i.e. 'EBITE') from continuing operations. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

To address the aggregation risk of identified misstatements exceeding the materiality we have applied lower materiality levels for the audits of group entities in a range between €1.5 million to €2.7 million.

We agreed with the Supervisory Board that misstatements in excess of €100 thousand, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

### Scope of the group audit

Koninklijke Wessanen N.V. is at the head of a group of entities. The financial information of this group is included in the consolidated financial statements of Koninklijke Wessanen N.V.

Our group audit mainly focused on significant group entities in terms of size and financial interest or where significant risks or other complexities were present, leading to the completion of the group audit in accordance with the following scope:

- We have performed audit procedures ourselves at Wessanen entities in the Netherlands. Furthermore, we performed audit procedures at group level on the areas that to a large extent are monitored centrally by Wessanen such as: consolidation, disclosures, goodwill impairment analysis, financial instruments, taxation, pensions and treasury.
- Deloitte specialists were involved to assist the audit teams with expertise in the areas of taxation, business combinations, valuation, information technology and pensions.
- We have used the work of other auditors, part of Deloitte's network, when auditing group entities in France, United Kingdom, Germany, Italy and Spain.
- For the remaining group entities not in our group scope we performed, amongst others, analytical procedures

at group level to corroborate our assessment that there were no risks of material misstatements within those components.

- In the context of the Company's consolidated financial reporting we have considered its Internal Control Framework, including the IT environment. We focused particularly on relevant controls addressing significant risks of material misstatement and relied on controls where we deemed this to be the most efficient and effective audit approach. We evaluated Wessanen's response and mitigating actions to address any ineffective elements identified in their system of internal controls as disclosed on page 58 of the integrated annual report.

The group audit team provided detailed instructions to all auditors of the significant group entities, including details about the relevant significant audit risks of material misstatement, and set out the information required to be reported to the group audit team. We developed a plan for overseeing each audit team based on its relative significance to the Company. This included procedures such as visiting the significant foreign Wessanen group entities and local audit teams (France and United Kingdom). We performed file reviews and joined closing meetings for all group entities.

By performing the procedures mentioned above at group entities, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion about the consolidated financial statements.

## Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements. We have communicated the key audit matters to the Supervisory Board. The key

audit matters are not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Accounting for customer incentives and reported net revenues

### Key audit matter

Auditing standards require us to consider a presumed fraud risk associated with the Company's revenue recognition. The accounting for customer incentives, including trade promotions and volume rebates, require management judgement to determine the timing of subsequent settlement with customers.

### Our audit response and observation

We addressed this presumed fraud risk by focusing on the estimates of customer incentive allowances at year-end, which impact net revenues recognized during the period. We evaluated the Company's internal controls relating to management's process for determining their estimates of customer incentive allowances. In addition, we performed substantive testing and analytical procedures to test the accuracy and completeness of the underlying calculations of the recorded accruals as at year-end. These procedures included challenging the appropriateness of management's assumptions, agreeing input data to underlying customer arrangements and back testing to assess the accuracy of prior period accruals retrospectively. Without any further observations to report, revenue recognition policies and the level of judgement required are adequately disclosed in the notes to the consolidated financial statements (Notes 2 and 3), which includes the impact of adopting IFRS 15 "Revenue recognition" as of 1 January 2018.

## Discounted cash flow projections used for annual impairment testing of goodwill and brands

### Key audit matter

Through acquisitions the consolidated balance sheet includes a significant amount of goodwill and brands. These assets are not amortized, but are tested for impairment at least annually. Management's annual impairment test was significant to our audit because this assessment process is complex and a certain degree of judgement is applied using various assumptions in respect of future market and economic conditions such as revenue growth, gross margin developments, discount rates and long-term inflation.

### Our audit response and observation

Our audit procedures focused, amongst others, on the robustness of the projected cash flows prepared by management. We have challenged management's assumptions based on the approved 2019 budget and consistency with historical trends in financial performance, market developments and specific business plans. We also analysed the sensitivity in the available headroom for the cash generating units ('CGU'), evaluating whether a reasonable change in assumptions could cause the carrying amount to exceed its recoverable amount. Corporate finance experts were consulted to assist us in validating the methodologies and certain assumptions applied by management to determine the recoverable amounts for goodwill and brands. We assessed the adequacy of the disclosure about those assumptions for the CGU's Branded-Spain and an Italian brand (Note 14) to which the outcome of the impairment test is most sensitive.

## Acquisition of Abbot Kinney's

### Key audit matter

On 10 September 2018 Wessanen acquired 100% of the shares of Abbot Kinney's. As a non-routine transaction this acquisition was significant to our audit. The recognition and measurement of the acquired assets and assumed liabilities are subject to management judgement. The allocation of the purchase consideration remains provisional as of 31 December 2018 and a total amount of €12.5 million of goodwill was recognized. The acquisition includes an expected pay out for contingent consideration in 2021, ('Earn-out'), which is considered an important estimate to determine the total purchase price as the valuation depends on realizing certain future revenue and ebitda thresholds.

### Our audit response and observation

We have examined, amongst others, the purchase agreement and assessed whether the correct accounting treatment has been applied and appropriate disclosures (Note 5) have been provided. We specifically challenged the robustness of the projected growth by Abbot Kinney's which is leading in management's assumptions to determine the Earn-out liability. In consultation with our corporate finance experts we validated the methodology and assumptions used by management to satisfy ourselves with their estimate of the fair value of this liability as per year- end.

## Report on the other information included in the integrated annual report

In addition to the financial statements and our auditor's report, the integrated annual report contains other information that consists of:

- Report of the Executive Board.
- Report of the Supervisory Board.
- Other information as required by Part 9 Book 2 of the Dutch Civil Code.

- Other information included in the integrated annual report.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements.
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope those performed in our audit of the financial statements.

The Executive Board is responsible for the preparation of other information, including the Report of the Executive Board and the Report of the Supervisory Board in accordance with Part 9 of Book 2 of the Dutch Civil Code, and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

## Report on other legal and regulatory requirements

### Engagement

We were engaged by the Supervisory Board as auditor of Koninklijke Wessanen N.V. on 12 April 2017 for the audit for the year 2018 and have been the statutory auditor since the year 2010.

## No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

## Description of responsibilities for the financial statements

### Responsibilities of Executive Board and Supervisory Board for the financial statements

The Executive Board is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS-EU and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Executive Board is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Executive Board is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Executive Board should prepare the financial statements using the going concern basis of accounting unless the Executive Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Executive Board should disclose events and circumstances that may cast significant doubt on the Company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

## Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all errors and fraud during our audit. In this respect we also submit an additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

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 or users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- 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 Company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or analytical procedures had to be carried out on the complete set of financial information or specific items.

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit. In this respect we also submit an additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Supervisory Board, we determine that key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Amsterdam, 11 February 2019

**Deloitte Accountants B.V.**

R.A. Graaf

## 13. WESSANEN ARTICLES OF ASSOCIATION

### 13.1 Wessanen Articles of Association after delisting

#### articles of association

##### 1. interpretations

*general meeting* the corporate body formed by shareholders and others entitled to vote;  
*annual accounts* a balance sheet with profit and loss account and the explanatory notes thereto, drawn up in accordance with applicable legislation and regulations;  
*in writing* (or *written*) includes electronic means of communication that can be reproduced;  
*holders of meeting rights* shareholders, holders of depository receipts to whom meeting rights accrue, as well as usufructuaries and pledgees to whom meeting rights accrue; and  
*meeting rights* the right to attend and address the general meeting either in person or by means of a written proxy.

##### 2. name and official seat

1. The name of the company is:  
**Wessanen B.V.**
2. The company has its official seat in Amsterdam, the Netherlands.

##### 3. objects

The object of the company is to engage in industrial and commercial activities, in particular in the field of food products, to have a notable positive influence on society and the environment in general through the engagement in these activities, and to manage and participate in companies and enterprises active in those fields, to finance such companies and enterprises, including the provision of security for the debts of and services to such companies and enterprises, to borrow, to lend and to raise funds, including the issue of securities and to render guarantees; and further to engage in any activity which may be related or conducive to the above object in the widest sense.

##### 4. capital

The capital is divided into shares with a nominal value of one euro (€ 1) each, numbered consecutively from 1 onwards.

##### 5. shares

1. All shares are registered. No share certificates shall be issued.
2. The management board shall keep a register including the names and addresses of all shareholders. Shareholders shall promptly inform the management board in writing of any changes thereof.
3. All shares shall bear the right to vote and the right to receive distributions of profits and reserves.

##### 6. right of usufruct and right of pledge

1. The shares may be encumbered with a right of usufruct or right of pledge.
2. The management board shall include the names and addresses of all usufructuaries and pledgees in the register. Usufructuaries and pledgees shall promptly inform the management board in writing of any changes thereof.
3. Upon creation of the right, or afterwards if so agreed in writing between the shareholder and the usufructuary or pledgee, the right to vote may be vested in the usufructuary or pledgee.

4. The shareholder not having the right to vote due to a right of usufruct or right of pledge as well as the usufructuary and pledgee to whom the voting rights accrue, shall have the rights which the law attributes to holders of depository receipts to whom meeting rights accrue. These rights shall also accrue to the usufructuary and pledgee not having the right to vote, unless stipulated otherwise at the creation or transfer of the right of usufruct or right of pledge.

**7. depository receipts**

1. If depository receipts have been issued, the holders thereof shall not have meeting rights. The general meeting is authorised to grant meeting rights to holders of depository receipts and to deprive them of these rights.
2. The management board shall include the names and addresses of all holders of depository receipts to whom meeting rights accrue in the register. Holders of depository receipts to whom meeting rights accrue shall promptly inform the management board in writing of any changes thereof.

**8. issuance of shares**

1. The general meeting is authorised to issue shares and to grant rights to subscribe for shares. The general meeting may delegate that authority to another corporate body and remains authorised to revoke any such delegation. The resolution to issue shares or to grant rights to subscribe for shares shall stipulate the price and further conditions.
2. The company cannot subscribe to its own shares (or depository receipts thereof) upon issuance. The company cannot grant itself rights to subscribe for its own shares.
3. The issue of shares requires a deed to be drawn for that purpose and executed by the relevant parties in the presence of a civil law notary officiating in the Netherlands.
4. The nominal amount of each share shall be paid-up upon issuance. Parties may agree that the nominal amount (or part thereof) shall only be paid-up upon lapse of a specified term or after the company demands payment.
5. Shares shall be paid up in cash. The management board is authorised to enter into legal acts for contributions on shares other than in cash.

**9. pre-emptive rights**

1. Upon issuance of shares, each shareholder shall have pre-emptive rights proportionate to the aggregate nominal amount of his shares.
2. The pre-emptive rights may be restricted or excluded by the corporate body authorised to issue shares prior to each issuance.
3. The provisions of this article apply accordingly to the issuance of rights to subscribe for shares. Shareholders shall not have pre-emptive rights in case of issuance of shares to a person exercising its previously acquired right to subscribe for shares.

**10. transfer of shares and creation of limited rights on shares**

1. The transfer of shares (and the creation of a limited right on shares) requires a deed to be drawn up for that purpose and executed by the relevant parties in the presence of a civil law notary officiating in the Netherlands.
2. The rights attached to a share can only be exercised after the company has acknowledged the legal act or the deed has been served upon it, unless the company is a party to the legal act.

3. The company may acquire its own shares (or depository receipts thereof). The acquisition of non-fully paid-up shares (or depository receipts thereof) is null and void.

**11. no share transfer restrictions**

Transfer of shares may occur freely. Share transfer restrictions as referred to in Section 2:195 of the Dutch Civil Code do not apply.

**12. management board**

1. The management board of the company shall consist of one or more directors. The number of directors shall be determined by the supervisory board.
2. The general meeting shall appoint the directors upon a binding nomination prepared by the supervisory board. The general meeting may at all times deprive such a nomination of its binding character, following which the supervisory board shall draw up a new binding nomination.
3. Each director may at any time be suspended or dismissed by the general meeting.
4. Each director may at any time also be suspended by the supervisory board. The suspension may at any time be lifted by the general meeting. Any suspension by the supervisory board may be extended one or more times, but may not last longer than three months in the aggregate. If at the end of that period no decision has been taken on termination of the suspension, or on dismissal, the suspension shall end.
5. The supervisory board shall grant titles to the directors, including but not limited to, chief executive officer and chief financial officer.
6. The supervisory board shall determine the remuneration of the directors.

**13. procedures management board**

1. The management board manages the company with due observance of the articles of association. In performing their duties, the directors shall act in the interest of the company and its affiliated enterprise.
2. In performing its duties, the management board will be guided by the corporate interests of the company and its enterprise, and will consider the social, economic, legal or other consequences of the business of the company as relating to (i) its employees, subsidiaries and suppliers, (ii) the interests of customers of the company and its subsidiaries, (iii) the communities and societies in which the company, its subsidiaries and its suppliers operate, (iv) the local and global environment and (v) the short and long term interests of the company and its enterprise
3. The management board may draw up board rules further governing their internal division of tasks, procedures and decision-making process. The board rules and any change of such rules require approval of the supervisory board.
4. The management board shall in principle adopt resolutions in a meeting. Such meeting can be held physically, by phone or through other means of communication, provided each participant can be identified, directly participate in the proceedings and exercise its voting rights.
5. Each director is authorised to call a meeting by written notice, setting out the items for the agenda.
6. Each director is entitled to cast one vote (whereby blank votes do not count as being cast). The management board shall adopt resolutions with a majority of the votes cast in a meeting where at least half of the directors in office (in respect of whom no conflict of

interest exists as referred to in paragraph 8) is represented. The board rules may provide for a further and more restrictive quorum or majority requirement.

7. Resolutions of the management board may also be adopted outside of a meeting in writing, provided that all directors in office (in respect of whom no conflict of interest exists as referred to in paragraph 9) have consented in writing to this manner of decision-making.
8. A director may only grant a proxy to a co-director to represent him in a meeting or in the event of a written resolution. The proxy shall have to be in writing. A director may not act as representative for more than one co-director.
9. A director having a direct or indirect personal interest that conflicts with the interest of the company and its affiliated enterprise has a conflict of interest; he shall inform all other directors and the supervisory board thereof without delay. A director shall not participate in the deliberations and decision-making process in relation to an item if he has a conflict of interest with respect thereto. In such case, the other directors shall resolve the item. If all directors have a conflict of interest, the supervisory board shall resolve the item.

#### **14. approval management board resolutions and instruction**

1. The supervisory board is entitled to require resolutions of the management board to be subject to its approval, provided that these are clearly specified and notified to the management board in writing. The approval has internal effect only; the lack of approval does not affect the authority of the management board or the directors to represent the company.
2. The supervisory board is authorised to give instructions to the management board. The management board shall adhere to the instructions to the extent these are not violating the interest of the company and its affiliated enterprise.

#### **15. absence or prevention directors**

If a director is absent or prevented from performing his duties, the other director(s) shall be temporarily entrusted with the management of the company. If all directors are absent or prevented from performing their duties, the management of the company shall be entrusted to the supervisory board or to the person designated for this purpose by the supervisory board for as long as indicated.

#### **16. representation**

1. The authority to represent the company shall accrue to the management board. Two directors acting jointly, one director and one proxy holder as mentioned in paragraph 2 below acting jointly and two proxy holders as mentioned in paragraph 2 below acting jointly shall also be authorised to represent the company.
2. The management board is authorised to appoint proxy holders with a general or limited authority to represent the company. The management board shall determine their titles. A director may also be appointed as a proxy holder.

#### **17. supervisory board**

1. The supervisory board of the company shall consist of one or more supervisory directors A, one or more supervisory directors B, one supervisory director CA and one supervisory director CB. Supervisory directors must be individuals.



2. The supervisory director CA and the supervisory director CB shall be considered independent supervisory directors within the meaning of the Dutch Corporate Governance Code.
3. The supervisory directors A and the supervisory directors B shall be appointed by the general meeting and the general meeting shall determine their title.
4. The supervisory director CA will be appointed by the general meeting upon a binding nomination of Best of Nature Bidco B.V. (registered with the trade register of the Dutch Chamber of Commerce under number: 74463101) (**Bidco**). Prior to making a nomination, Bidco shall consultate with the individuals who were member of the supervisory board on the tenth day of April two thousand and nineteen other than Mr Kluiber (the **Committee**). The nomination by Bidco requires the prior approval of a resolution of the Committee, which can only be adopted with an absolute majority of the votes validly cast. In case of a tie of votes, the member of the Committee with the longest tenure as a supervisory director of the company at the time the supervisory director CA will be appointed, will decide. If and when the Committee will have voted down three (3) nominations proposed by Bidco, an independent firm mutually acceptable to Bidco and the Committee will be requested to draw-up a list of potential candidates out of which Bidco shall nominate the individual.  
The general meeting may at all times deprive such a nomination of its binding character, following which Bidco shall draw up a new binding nomination.
5. The supervisory director CB will be appointed by the general meeting with the prior consent of the supervisory board, including the affirmative vote of the supervisory director CA.
6. The supervisory board shall elect its own chairman from among its members.
7. Each supervisory director may at any time be suspended or dismissed by the general meeting.
8. The general meeting may grant a remuneration to supervisory directors.

#### **18. procedures supervisory board**

1. The supervisory board supervises the activities of the managing board and the general course of affairs of the company with due observance of the articles of association. The supervisory board assists the managing board with advice. In performing their duties, the supervisory directors shall act in the interest of the company and its associated business.
2. The managing board shall provide the supervisory board in a timely manner with the information as required for the performance of its duties. Once each financial year, the managing board will present a written report on the main aspects of the company's strategy, the overall risks and financial risks and the company's risk management and control system.
3. The supervisory board may draw up supervisory board rules providing for further rules on their internal division of tasks, procedures and decision-making.
4. The supervisory board shall appoint from among its members an audit committee, a remuneration and nomination committee and a sustainability committee. Each committee shall comprise of at least one (1) supervisory board director A. In addition, the audit committee and the remuneration and nomination committee shall also comprise of at least one (1) supervisory board director B. The supervisory board shall have power to

appoint any further committees. The supervisory board shall lay down committee rules for the procedures of each such committee.

5. The supervisory board shall meet at least once every month for the proper and effective supervision of the company and to discuss performance of the business of the company and any significant business topics. The directors shall be invited to attend the meetings of the supervisory board.
6. The supervisory board shall in principle take its decisions in a meeting. Such meeting can be held physically, by phone or through other means of communication, provided each participant can be identified, directly take note of the proceedings and actively participate.
7. Each supervisory director is authorised to call a meeting, by sending written notice specifying the time, place and date of the meeting to the other supervisory directors, accompanied by the agenda for the meeting. Notice for a meeting shall be given at least five (5) business days in advance, unless the urgency of a relevant matter requires a shorter notice period. Each supervisory director may add additional items to the agenda by giving at least three (3) calendar days' notice to the other supervisory directors
8. In principle, each supervisory director is entitled to cast one vote (whereby blank votes do not count as being cast). In the event that the supervisory board directors A do not form the majority on the supervisory board, each supervisory board director A is entitled to cast two votes, while the supervisory directors B, the supervisory director CA and the supervisory director CB are each entitled to cast one vote.
9. The supervisory board shall take its decisions with a majority of the votes cast. The supervisory board rules may provide for further quorum or majority requirements.
10. Decisions of the supervisory board may also be taken outside a meeting in writing, provided all supervisory directors in office (in respect of whom no conflict of interest exists as referred to in paragraph 12) have consented to this way of decision-making in writing.
11. A supervisory director may only grant a proxy to a co-supervisory director to represent him in a meeting or in case of written decision-making. The proxy shall have to be in writing. A supervisory director may act as representative for more than one co-supervisory director.
12. A supervisory director having a direct or indirect personal interest that conflicts with the interests of the company and its associated business has a conflict of interest. Each supervisory director is obliged to inform all other supervisory directors of a conflict of interest without delay. A supervisory director shall not participate in the deliberations and decision-making process in relation to a topic if he has a conflict of interest with respect to that topic. In such case the other supervisory directors shall participate in the deliberations and take a decision. If all supervisory directors have a conflict of interest, the general meeting shall take the decision.

**19. absence or prevention supervisory directors**

If a supervisory director is absent or prevented from performing his duties, the other supervisory director(s) shall be temporarily entrusted with the tasks and duties of the supervisory board. If all supervisory directors are absent or prevented from performing their duties, the tasks and duties of the supervisory board shall be entrusted to the person designated for this purpose by the general meeting for as long as indicated.

**20. general meeting**

1. Each financial year at least one general meeting shall be held.  
Other general meetings shall be held as often as the management board or the supervisory board deems necessary.
2. The management board or the supervisory board shall call a general meeting by means of a convocation notice to the holders of meeting rights, observing a notice period of eight days (excluding the day of the meeting) and setting out the items for the agenda. Subject to the consent of the relevant holder of meeting rights, the management board or the supervisory board, as the case may be, may send him the convocation notice electronically.
3. A general meeting shall be held in the municipality where the company has its official seat or in the municipality of Haarlemmermeer (including Schiphol Airport). A general meeting may be held elsewhere, provided that all holders of meeting rights consented thereto and the directors and the supervisory directors have been given the opportunity to render their advice prior to such meeting.

**21. decision-making shareholders**

1. The general meeting shall be chaired by the chairman of the supervisory board. In his absence, the general meeting shall be chaired by a supervisory director. In their absence, the general meeting shall be chaired by a director or by a person designated by the general meeting.
2. Each holder of meeting rights is authorised, either in person or by means of a written proxy, to attend the general meeting, address that meeting and, to the extent applicable, exercise his right to vote.
3. The directors and supervisory directors, in their capacity, shall have the right to give advice in the general meeting.
4. Each share bears the right to cast one vote.
5. To the extent the law does not prescribe otherwise, all resolutions shall be adopted by a majority of the votes cast irrespective of the part of the nominal share capital represented at the meeting. In case of a tie of votes, the proposal is rejected.
6. The management board shall keep a record of the resolutions adopted.
7. If the prerequisites set by law or the articles of association in respect of the convocation and holding of general meetings have not been complied with, valid resolutions may nevertheless be adopted provided that all holders of meeting rights have consented thereto and the directors and supervisory directors have been given the opportunity to render their advice prior to such meeting.
8. Resolutions of the general meeting, including the annual general meeting, may be adopted outside a meeting in writing, provided that all holders of meeting rights have consented thereto in writing and the directors and supervisory directors have been given the opportunity to render their advice prior to such resolutions.

**22. financial year and annual accounts**

1. The financial year of the company shall be the calendar year.
2. Each year, within five months after the end of the financial year, the management board shall draw up the annual accounts, unless this period is extended by the general meeting by not more than five months due to special circumstances. Within this period the

management board shall make the annual accounts, including the board report, if so required, available for the shareholders.

3. The annual accounts shall be signed by each director and each supervisory director. If the signature of one or more directors or supervisory directors is missing, this shall be indicated in the annual accounts together with an explanation.
4. The company may, and if the law so requires shall, appoint an auditor as referred to in Section 2:393 of the Dutch Civil Code to audit the annual accounts.
5. The general meeting shall adopt the annual accounts.
6. The company shall publish the annual accounts within eight days following the adoption. The adopted annual accounts shall in any event be published within twelve months upon lapse of the financial year. The provisions of this paragraph do not apply in case of a statutory exemption.

**23. distributions**

1. All shares are equally entitled to the profits and reserves of the company.
2. The general meeting is authorised to, in whole or in part, distribute the profits as they appear from the adopted annual accounts, to declare (interim) distributions on account of a reserve and to declare a distribution in kind.
3. Distributions can only occur to the extent the company's equity exceeds the reserves that must be maintained by law.
4. A resolution to declare distributions shall have no effect as long as the management board has not approved it. The management board may only withhold its approval if it is aware, or should reasonably foresee, that the company will not be able to continue to satisfy its matured debts.
5. A claim of a shareholder for payment of distributions shall expire after five years.

**24. amendment of the articles of association**

1. The general meeting is authorised to amend the articles of association. Each director is authorised to execute the notarial deed of amendment of the articles of association.
2. If a proposal to amend the articles of association is submitted to the general meeting, the verbatim text of the proposal shall be included in the convocation notice and be kept at the offices of the company for inspection by the holders of meeting rights.

**25. dissolution and liquidation**

1. The general meeting is authorised to dissolve the company. The directors shall be charged with the liquidation of the assets and liabilities of the company. Alternatively, the general meeting is authorised to appoint another party as liquidator. The supervisory directors shall in that case be charged with the supervision on the liquidation and to assist with advice.
2. During the liquidation procedure, the provisions of the articles of association shall remain in force to the extent possible. The liquidation shall occur with due observance of the statutory objection period.
3. The general meeting shall designate a custodian who shall keep the books, records and other data carriers of the company for a seven-year term after the company has ceased to exist.
4. In case of a liquidation surplus, this shall be distributed to the shareholders in a manner proportionate to the aggregate nominal amount of their shares.

**26. transitional provision**

As per the moment of filing of a statement with the trade register of the Dutch Chamber of Commerce by any director or supervisory director of the company, article 11 of these articles of association will be amended and read as follows:

**“11. no share transfer restrictions**

1. Each transfer of shares shall require the approval of the general meeting. Such approval is not required if all other shareholders have, prior thereto, consented in writing to the transfer or if a shareholder is required by law to transfer its shares to a former shareholder.
2. A shareholder wishing to transfer its shares shall notify the management board in writing, stating the number of shares he wishes to transfer, the proposed transferee(s) and the agreed price and other material terms.
3. The approval shall be deemed to have been granted, if:
  - a. the general meeting does not adopt a resolution regarding the request for approval within three months; or
  - b. the approval has been denied without the general meeting simultaneously disclosing one or more parties interested in purchasing all shares included in the request for approval for a cash consideration.
4. If the shareholder and the interested party(ies) designated by the general meeting and accepted by him cannot agree on the price or the price determination, the price of the shares shall be determined by one or more independent experts to be appointed by the management board. The expert shall be authorised to review all books and records of the company to the extent useful for his assignment.
5. The costs of the price determination shall be for the account of:
  - a. the shareholder if he withdraws;
  - b. the shareholder for half and the interested party(ies) for the other half, whereby each purchaser shall bear the costs proportionate to the number of shares purchased by him; or
  - c. the company in case a. or b. do not apply.
6. The company shall comply with the provisions of this article in case of a disposal of its own shares.”

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## **14. ADVISORS**

### **14.1 Advisors to the Offeror**

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