

Vos Logistics Beheer B.V. **Integrated Financial & Sustainability Report 2022**



Information & Contact

This report provides a cohesive insight into Vos Logistics' financial and non-financial performance. It has been prepared in accordance with the Global Reporting Initiative Standards (G4 Core).

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Vos Logistics' General Terms and Conditions

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Entered in the Trade Registry of the Dutch Chamber of Commerce under number 34054561 Vos Logistics' Integrated Report presents the company's financial and sustainability performance and customer appreciation during the year in a single integrated report.

Contents

4	Letter from the Board of Management	34	KPI dashboard 2018-2022
		35	KPI dashboard definition table
6	About Vos Logistics	36	Glossary
6	Profile		
7	Key numbers		
9	Strategic framework		
10	Report of the Board of Management	37	Financial statements
11	Our divisions	38	Consolidated balance sheet
11	Solutions	39	Consolidated profit and loss account for 2022
11	Home Delivery	39	Consolidated comprehensive income statement for 2022
12	Benelux Distribution	40	Consolidated cash flow statement
13	Warehousing	41	General notes
13	International Freight Management	42	Notes to the consolidated balance sheet
13	Warehousing	44	Notes on income and expenses
13	Bulk Specialties	45	Notes to the consolidated balance sheet
13	International Transport	53	Notes to the consolidated profit and loss account
13	Mega	56	Company balance sheet
14	High Volume	57	Company profit and loss account for 2022
15	Bulk Network & Storage	58	Notes to the company balance sheet and the company profit and loss account
16	Financial performance		
18	Growth, investments, and innovation	61	Other information
18	Digital transformation	62	Independent auditor's report on the audit of the financial statements 2022 included in the financial report
20	Sustainability & environment	65	Result appropriation
22	People	66	Principal participating interests on 31 December 2022
24	Society		
25	Prospects		
26	Risk management		
28	Governance		
30	Composition of the group's Board of Management		
31	About this report		
31	Stakeholder engagement		
32	Materiality and strategy		
34	Vos Logistics' contribution to the Sustainable Development Goals		

Letter from the Board of Management

Powered by our *shared network*, Vos Logistics navigated the challenges of 2022 and steered towards a satisfying year. Our revenue grew considerably due to increased business activities and compensation of higher costs. At the same time, the war in Ukraine and its consequences persist. But at Vos Logistics, we take care of each other.

In many ways, 2022 was a challenging year for the company. Covid lockdowns in the winter were immediately followed by soaring diesel prices because of the war in Ukraine and the new European Mobility Package that puts a strain on the efficiency and cost of international transport.

High demand, tight labour market

Demand for transport and storage remained high, which allowed us to compensate for increased costs of mainly fuel and labour. Our Solutions division benefited from strong growth in e-commerce, while re-opening after lockdowns also saw an uptick in retail distribution and warehousing. As a result of driver shortages some of our trucks stood idle. Moreover our International Transport division was confronted with disruptions

in automotive logistics chains and volatile order patterns. From October onwards, we saw the demand for transport decrease while warehouses are full as a result of slowing economies.

Aid for Ukraine

From a human perspective, the relief after the lifting of Covid measures was soon muted by the Russian invasion of Ukraine. We are proud of the efforts of our Polish colleagues in relocating families of many of our 150 Ukrainian drivers and of the many initiatives launched throughout the organisation to collect relief goods for refugees and transport them to the Ukrainian border.

Team talks

The consequences of the war affected everyone in Europe and do so until this day. We made an effort to talk to our staff in person in Team Talks at our branches across Europe. It was very inspiring to meet so many colleagues across the company and experience their positive mindset, despite all the uncertainties we are facing. As a company, we put a lot of weight behind facing these challenges together, and we are ready to help employees who find themselves in difficulties because of the current situation.

Prospects

As economic prospects remain uncertain, challenges will continue into 2023. At the same time, we expect further growth in Solutions, while we consolidate our position in International Transport. With our strong strategy, a relentless commitment to service customers and the *Power of our Shared Network*, we believe that we are well-positioned to face the uncertainties that lie ahead, and to thrive.

We thank our employees, our customers and our partners for their trust and for their collaboration.

Frank Verhoeven - Ben Vos

Board of Management



The Power of our Shared Network

Today's world demands logistics that are smart, efficient and sustainable with the threshold being raised considerably every year. At Vos Logistics, we are fully committed to remaining well ahead of our competitors, relying on the biggest brain available: our network. Because every day, our vast network of people, clients, trucks, warehouses and systems are connected, working as one, doing one simple and highly potent thing: sharing.



At Vos Logistics, we believe that sharing is the answer to the questions of our time. By sharing knowledge, new ideas, facilities, equipment, data, technology, resources and so on, we become stronger as a group, as a network of collaborating people and business units across countries.

Here at Vos Logistics, we share to create that powerful network. The challenges of our time are shared challenges: efficiency, speed, lower costs and more sustainable logistics. That's why we share the power of a shared network with all our stakeholders. We are here to find solutions. Together.



About Vos Logistics



Ranking 8th in the top 100 of Dutch transport and logistics service providers, Vos Logistics is one of Europe's leading enterprises in the field. Operating across a network of 30 group-owned locations in Europe, we deliver supply chain services, warehousing and transport across a wide range of industries.

Profile

Solutions

Solutions offers a range of supply chain related services.

Warehousing: inbound, storage and outbound logistics serving order fulfilment, shipping and value-added logistics (e.g., repacking, labelling, assembly, repair and building displays).

Benelux Distribution: fine-meshed B2B and consumer deliveries (odd-sized/shaped shipments and parcels) including customer-specific solutions.

Home Delivery: a customer-focused handling and delivery service. Modern cross-docks and trucks equipped to capably serve small villages and big cities.

International Freight Management: organised global goods flows (FTLs, part loads and groupage).

Bulk specialties: dedicated and customised transport with

specialised or custom-built equipment. Products include liquids, dangerous goods (ADR), cement, concrete, lime, and gases.

International Transport

Cargo (Mega and High Volume): the international transport of full and part truck loads for high-volume transport and mobile storage. We operate trailers, CuBoLiners®, swap bodies, multimodal transport and CuBoTainers®.

Bulk Network & Storage: the international transport, storage, and handling of mainly dry bulk goods (both granulates and powders). Services include differentiated multimodal concepts (rail and road combinations), site-to-site transport, silo storage and handling, and tank cleaning. Products include chemicals, foodstuffs, animal feed, starch, minerals, and waste.



To learn more, please visit our website:
voslogistics.com or scan the QR-code.

Key numbers 2022

Total turnover

408mln

Solutions

194mln

Int. Transport

214mln



Workforce

FTEs

Incl. temporary employees



Solutions

1,410

Int. Transport

1,625

Total

3,035

Safety



LTIR

2022: ▼ 23%

0.59

Combined LWC

2022: 36

▲ 6%

2021: 34

Combined Incident Reporting

2022: 65

▼ 27%

2021: 89

Training & Development

Time Invested



Indirect

5,311

Direct

23,953

Total

29,264

Per own employee

11.11 hrs

Programmes

Percentage of time invested in programmes



Driving

55%

Safety/Health

15%

Management/Lean

5%

Logistical

14%

Other

11%

Key numbers 2022

Fleet

Loading Units



Solutions	875
Int. Transport	3,600
Total	4,475

Trucks



Solutions	470
Int. Transport	830
Total	1,300

Warehousing

Premises



Solutions	295,000 m²
Int. Transport	30,000 m²
Total (average)	325,000 m²

Carbon footprint

Fleet

Emission per ton/km
0.0323



8.3%

Reduction in CO₂ emission since 2018

Fleet investments 2022

Euro6 trucks	101
LNG trucks	9
Loading units	83

Premises

Emission per ton/m²
1.91



51.5%

Reduction in CO₂ emission since 2018

Strategic framework

Why

At Vos Logistics, we take care of the logistics needs of our customers and their clients. We take care of the needs of society, making sure consumers can obtain what they need when they need it. We take care of our employees. And we take care of this planet that we share.

- ✓ Warehousing and distribution in the Benelux
- ✓ Local business in the countries in which we have a presence
- ✓ Exploring new solutions and geographical areas for and with our customers

How

We utilise the Power of our Shared Network. Vos Logistics embraces the concepts of the sharing economy, including the sharing of our knowledge, new ideas, network, facilities, equipment and technology. By joining forces, we stand stronger together, both internally and externally.

Operational excellence – we improve continuously for maximum efficiency

We strive for the most effective way to provide our customers with sustainable transport and logistics services to create maximum value. To continuously improve our processes, reduce cost and generate value, we work according to Lean principles.

What

We work together with our customers to offer them innovative and sustainable transport and logistics services. Joining forces enables us to create maximum value. Our standard services are high quality. Thanks to our advanced digital systems, we offer far-reaching flexibility in a wide range of bespoke solutions.

Lean

Lean is a guideline for operational excellence at all levels in the organisation. Working as a Lean organisation improves quality, reduces waste and keeps the focus on customer demand. It helps us develop smarter and more efficient ways of working so we can achieve more with the same resources.

Transformation – we invest to ensure we are future-proof

Aiming to stay ahead of the curve in transport and logistics, we invest in four drivers:

- ✓ Digitalisation and data analytics.
- ✓ The energy transition toward zero-emission transport
- ✓ The significant effects of e-commerce on supply chains
- ✓ Constraints on the labour market

We want to exceed customer expectations and create an environment where information can be seamlessly exchanged. We connect intelligent planning with efficient execution. In this way, we ensure we continually become faster, better and more efficient, while reducing our environmental footprint.

Organic growth – we expand in a focused and innovative way

To become a leading provider in selected market segments, we will grow our business organically and, where feasible, through acquisitions. We have identified the following areas for growth.



In 2022, several colleagues were trained in Lean Yellow and Orange belts. Three major projects were executed as part of one Orange belt training in Solutions, yielding substantial annual savings. Throughout Vos Logistics, the Lean philosophy of continuous improvement remained strong.

In 2023, we will continue to train where necessary to help people perform at their best and achieve positive results.



Report of the Board of Management

For the larger part of 2022, demand for logistics and transport services was high, while capacities were tight. This enabled us to recover quickly after the run-out of Covid and to deal with the consequences of the Ukraine war and supply chain disruptions in the (automotive) industry. Towards the end of the year, we felt the consequences of a slowing economy. Despite this, we grew our business profitable and followed our strategic roadmap.

Faced by rising diesel prices and a tight labour market, we acted decisively to keep providing effective solutions to our customers. Existing strong partnerships expanded, while we put off new business intake to consolidate gains of the previous years. The company made significant investments in fleet and premises, further strengthening our position as a market leader in the Benelux.

We saw turnover up 13% against the previous year. This growth is predominantly driven by fuel compensation, higher rates and increased warehouse activity.

<u>Profile in key numbers</u>	<u>Solutions</u>	<u>International Transport</u>	<u>Total</u>
Turnover (x 1,000 euro)	194,000	214,000	408,000
FTEs involved	1,410	1,625	3,035
Own operational truck capacity	470	830	1,300
Own loading units capacity	875	3,600	4,475
Warehouse (in m ²)	295,000	30,000	325,000
EBITDA (euro x 1,000)	10,600	4,200	14,800
EBIT (euro x 1,000)	5,100	(1,100)	4,000



Our divisions

Vos Logistics comprises two divisions: International Transport and Solutions. International Transport (Mega, High Volume and Bulk Network) continued to be affected by the pandemic and pandemic related challenges.

Solutions (including Bulk Specialties) experienced varied results across the different business areas we serve. While this division was also impacted by the pandemic and pandemic related challenges, Solutions successfully transitioned to meet sizeable new business and is strongly positioned for the future.

Solutions

Solutions saw positive developments of turnover and profitability. The volume increases from newly onboarded customers in 2021 have caused implementation inefficiencies. In the first half of 2022, we initiated efforts to optimise and redesign operational processes. These efforts are ongoing and have been prioritised over further growth in 2022.



Vogel's

As an international manufacturer of highly distinctive mounts and support systems for audio/video and multimedia equipment, Vogel's is a key player in its market. In 2022, Vos Logistics became Vogel's logistics partner supporting their full European distribution.

Vogel's was looking for a logistics partner who could handle both long-term growth ambitions and short-term fluctuations. From our new, state-of-the-art DC in Oss, Vos Logistics took up the challenge.

Here, we hold the complete inventory of all European operations of Vogel's and subsidiaries. As Vogel's has a multichannel sales strategy, Vos Logistics fulfils a wide range of orders, from full pallet replenishments and multi-line shop-orders to direct-to-consumer shipments. Vos Logistics handles the full picking, shipping and delivery process, as well as VAL services such as product assembly.

Bart van Middelkoop, Operations Manager at Vogel's Products: "We wanted a partner with the same mentality. Being able to cooperate closely, while keeping flexibility, was an important criterium for us. The process was up and running quickly, which I find impressive. Together, we are tackling challenges as they arise."



"The fit in mindset is key to our successful cooperation. Both companies are proactive; we both believe digitalisation is essential for creating a scalable and flexible logistics operation."

Marcel van Etten, Business Development
Manager at Vos Logistics



Home Delivery

Home Delivery volumes were about 35% higher than in the previous year. This volume increase came largely from furniture business. Business growth in combination with workforce shortages forced focus on the bottlenecks in our processes, operational structure and sourcing. In order to improve quality of service and efficiency, we took action to enhance our operations and back-office.

Benelux Distribution

Adapting the diesel clauses to the rapidly rising price levels was a major factor in the 20% growth in turnover of Benelux Distribution in the first three quarters, as well as general rate increases.

The DC in Woerden, formerly the base of SNEL Shared Logistics, was fully integrated into the Vos Logistics structure and systems in 2022. This enables better internal collaboration and will improve efficiency in 2023.

In response to lower distribution volumes towards the end of the year, we reduced subcontracted capacity and rented trailer fleet and implemented further operational efficiencies and improvements. All in all, Distribution delivered a good performance.

GRS

Garden Retail Services is a major franchise organisation for garden centres in the Netherlands and Belgium.

Vos Logistics operates a backhaul cross-dock delivery concept for GRS. Affiliated garden centres receive their hardware in a single delivery truck, loaded at our cross-dock facility in Woerden. This approach replaces dozens of deliveries from individual suppliers, saving significant costs and carbon emissions.

Lex van Ewijk, Director at GRS Inkoop BV: "Since 2016, all 150 GRS affiliated garden centres around the Benelux receive their hardware deliveries cross-dock via SNEL/Vos Logistics. It has taken considerable time and energy to get our 175 suppliers to adapt their flows of goods. Thanks to a coordinated effort of GRS and SNEL/Vos Logistics, everyone got on board. Today, the operation runs smoothly, and everyone involved is content. A fine example of how close collaboration leads to great results."



"With our finely meshed distribution network as a backbone and our expertise in automated consolidation concepts and cross-docking, we provide added value to GRS, as we are familiar with most of their suppliers already. That way, we are unburdening GRS by managing a great deal of their supply chain smoothly."

Peter de Vries, Commercial Director Solutions



Warehousing

Our Warehousing business line enhanced results in 2022. Customers kept high inventory levels, resulting in a high filling rate of our warehouses. Inbound and outbound volumes were also high but dropped off towards the end of the year.

Many improvements were made across our DCs, offering our customers optimal performance. Efficiency increased significantly in our Woerden warehouse after migrating to Vos Logistics systems and processes. The Oevel warehouse was closed at the start of the year. Redirecting its business to Meer allowed us to offer better and more efficient services.

International Freight Management

International Freight Management performed very well. Despite multiple challenges in the market, we were able to offer our customers excellent services and adequate solutions. Cost increases resulting from the Mobility Pack and high diesel prices were passed on in higher rates. As volumes increased as well, our International Freight Management business line booked satisfying results.

Bulk Specialties

Within Bulk Specialties, results were mixed. Cetra, our joint-venture company for cement distribution, delivered satisfying results. A high share of total activity consisted of round trips, increasing loading efficiency. The Specialties operation in Woerden wound down gasses distribution activities in April. The construction and ADR transport operations were confronted with a combination of fluctuating demand and driver shortages.

International Transport

International Transport faced a challenging year. The EU Mobility Pack regulations and changes in wage taxation in Poland not only created uncertainty but also led to inefficiencies and cost increases. Customers understood our position and realised the cost increases of these changes needed to be absorbed. In addition to that, the market needed to absorb the fuel price exploding in the first quarter. In general, demand for international transport services remained high, while capacity of drivers and equipment was scarce. This resulted in higher prices in spot markets. As most of our business is confirmed in contracts, our ability to benefit from these market circumstances was limited. Toward the end of the year the market turned. Fuel prices came down yet remained at historically high levels while market demand relaxed.



Conquering the Swedish market

Vos Logistics has great interest in the Swedish market. Therefore, we were happy and proud to present ourselves at the Logistik & Transport trade fair 2022 in Gothenburg to operate a booth.

We welcomed over 1,000 visitors at our booth, representing more than 400 companies, and many spontaneous visitors. Our participation in the event yielded new and valuable market insights in the Swedish transport and logistics landscape, including a vast array of opportunities for further expansion in the country. Our team will return to the Gothenburg trade fair in 2023 to continue setting foot in the Swedish market.

Mega

Besides general cargo, construction materials and retail, the automotive sector represents an important share of our Mega FTL volumes. Throughout 2022, supply chain volatility and production stops in this sector led to lower kilometre production and less efficiency in our operations. We could only partly compensate these losses by spot market freight as we had to keep our capacity available to fulfil our contractual obligations. Expectations are that supply chains will stabilise in 2023. We benefitted from the positive market sentiment in the other markets we serve. During most of the year, we enhanced loading efficiency, despite various disturbances and the loss of some automotive lanes.

HVO insetting for Scania



Truck manufacturer Scania aims high in setting sustainability goals. Their efforts are diverse and innovative. Since late 2022 Scania and Vos Logistics engage in the so-called 'insetting' of biofuel to reduce emissions from transport.

Insetting refers to the financing of climate protection projects along a company's own value chain, in this case replacing regular diesel by sustainable fuels, actively reducing emissions instead of offsetting them. Vos Logistics uses HVO equivalent to the amount of fuel necessary to run an increasing number of flows for Scania.

HVO stands for hydrotreated vegetable oil. It is produced from a wide variety of waste products. Using HVO reduces CO₂ emissions by 60 to 90% compared to regular diesel. For Scania and Vos Logistics, this advantage outweighs the higher price of HVO.

Henk-Jan van der Molen, Commercial Director International Transport at Vos Logistics: "Trucks on Scania lanes may or may not have HVO in their tanks, but we make sure that we use an equivalent amount of HVO across our fleet. We have developed an accounting system over the past year to provide proof for the use in every month. Using this system, specific information can be disclosed per client."

Claudia Ferrari, Sustainability Business Developer at Scania: "Scania aims to be leader in sustainable transports. This means developing the most efficient vehicle and putting it on the road, while at the same time being a sustainable transport buyer. Insetting offers the possibility to scale up the use of sustainable technologies and fuels such as HVO, biogas and electric vehicles, while allowing the necessary flexibility for the carrier to run their network in the most efficient way, cutting emissions by optimising the loads and minimising empty running. Our ambitious sustainability goals drive everyday decision making, and we are happy to see carriers like Vos Logistics being part of and sharing this journey towards a sustainable transport network."

"We are glad that we have such forward-thinking clients. This gives us the chance to develop alongside each other, but also to make insetting accessible for other customers aiming to reduce their emissions fast."

Henk-Jan van der Molen,
Commercial Director International Transport



High Volume

Performance of High Volume substantially improved compared to 2021. We enhanced efficiency in operations by integrating the mobile storage operation from Pittem into the Woerden business unit. This enables optimised planning and better adaptation to the new EU Mobility Pack regulations. Pittem converted into a regional logistics hub with focus on automotive activities. As a specialist in warehousing and LTL/FTL services in the Germany and Benelux region, Kerkrade delivered a good performance over the year.

Bulk Network & Storage

In Bulk Network, we service the European petrochemical industry with transport, storage and repacking services. Road transport volumes in this segment decreased. The high energy prices made petrochemical customers replace production

volumes to the USA and the Middle East, supported by falling container shipping rates. Now these goods are imported instead of being produced locally, requiring transport modalities beyond our scope. Our Silo storage & cleaning activities in Lyon benefitted from these market changes, performing well in receiving these overseas goods, which require value added services before final delivery.

Other market segments, like minerals, organic plastics and starches, were stable. Spot markets yielded insufficient alternative loads, pushing kilometre productivity down. However, increased rates enhanced the average revenue per loaded kilometre against 2021.

DAF

Vos Logistics Kerkrade handles LTL and FTL shipments for DAF, making it a true one-stop-shop for the truck manufacturer.

While DAF produces their truck cabins in Belgium, the trucks are assembled in Eindhoven. Vos Logistics Kerkrade runs mega trailers on daily FTL and LTL lanes from suppliers in the south of Germany. In collaboration with Vos Logistics Distri in Oss, several FTL lanes are operated in the Netherlands.

Marc Schols, Business Unit Manager of Vos Logistics Kerkrade: "We are proud to have built this strong and long-term relationship with DAF and Paccar. Stemming from Gehlen Schols, the volumes have increased significantly after the merger with Vos Logistics. By making use of our shared network, we are collaborating



within the organisation to optimise our services. DAF has factories in Brazil and the US as well, to which parts are shipped overseas. We collect the parts in Eindhoven and bring them to the harbour for further transport. A great example of how we profit from our shared network."

By partnering with DAF, we benefit from our combined strength in working together on improvements and digitalisation.



Morssinkhof

Morssinkhof – Rymoplast is a pioneer and industry leader in plastic recycling. A customer demanded food-grade quality transport for recycled PET. Morssinkhof did not have to look far for a capable logistics partner.

Since 2019, food company Danone buys recycled PET from Morssinkhof for packaging production. For the transport of these raw materials, Danone requires specific procedures for tank cleaning and sealing, equivalent to food standards.

Vos Logistics is certified for transport of food grade materials.

"Danone has been a Vos Logistics customer for many years. We are thoroughly familiar with their procedures and requirements, which is a big advantage for Morssinkhof. From the start, the cooperation has been running smoothly for all parties involved. We are slowly expanding business together."

Berny Voortman, Business Development Manager Bulk

morssinkhof-plastics.com



Financial performance

2022 revenues and results were substantially enhanced against previous year.

Turnover increased to over € 408 million, up from € 360 million in 2021. This growth is predominantly driven by fuel compensation, higher selling rates and increased warehouse activities. In line with our strategy, Solutions business grew faster than International Transport and accounts for almost 50% of our turnover. Higher diesel prices account for € 22 million revenue growth, predominantly attributable to International Transport.

Earnings

Consolidated earnings before interest and taxation (EBIT)

enhanced to just over € 4 million, leading to a net result of just over € 1 million.

The contribution margin remained stable at 23%. The negative effect on EBIT from energy price developments amounts to € 1.7 million (2021: € 3.2 million minus). After the sudden diesel price surge in the first quarter, total impact turned out less severe as prices decreased again after summer. Also, our LNG trucks, warehouses and offices were confronted with significantly higher costs for natural gas and electricity.

Indirect costs grew. Most of the increases are found in Solutions and ICT to cater for future business growth and strategy development.



<u>Group results</u>	<u>2022</u>		<u>2021</u>	
	€ (x 1.000)	%	€ (x 1.000)	%
Total net turnover	408,143		361,356	
Subcontracted work	97,380	23.9	90,214	25.0
Added value	310,763	76.1	271,142	75.0
Total direct costs excl. equipment & housing	216,779	53.1	187,926	52.0
Contribution margin	93,984	23.0	83,216	23.0
Total indirect costs	49,639	12.2	42,406	11.7
EBITDA before direct equipment & housing costs	44,345	10.9	40,810	11.3
Total depreciations & leases	40,320	9.9	40,100	11.1
EBIT	4,025	1.0	711	0.2
EBT	2,141	0.5	(857)	(0.2)



Earnings before taxes and interest recovered from last year. Chiefly Solutions accounted for the enhancement. International Transport has experienced a challenging year.

Following increased interest rates, financial expenses went up. Corporate income tax burden is relatively high, as in some countries no further deferred tax assets are recognised following increased net operating losses.

Liquidity & balance sheet developments

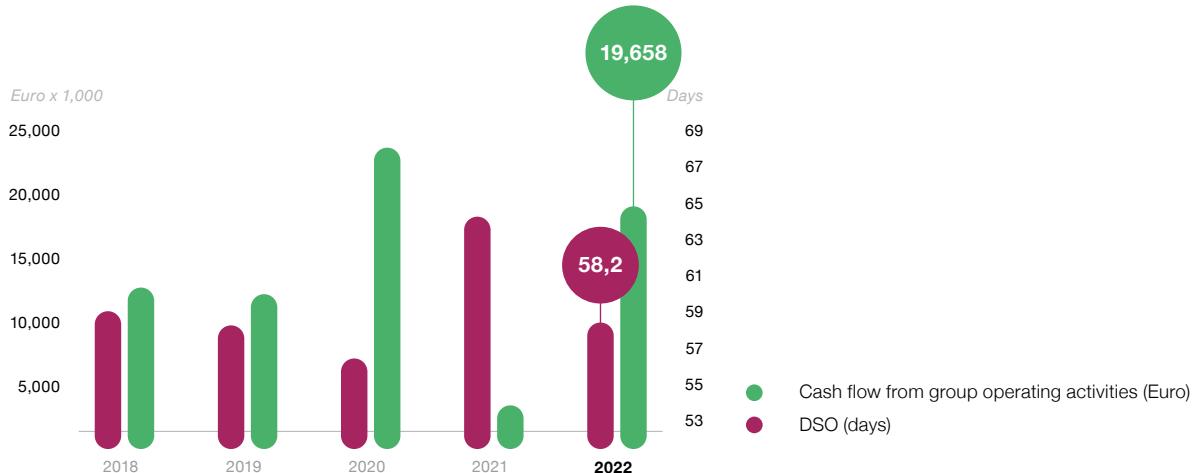
Liquidity (cash + available not utilised factoring facility) amounted to € 22.6 million on 31 December, versus € 30 million last year. This sum includes € 14 million of repayable pandemic supports, mainly Dutch taxes and NOW subsidies. At the end of 2021, total repayable supports amounted to € 18 million.

Cash flow from operations resurged from higher EBIT and tighter management of working capital.

Despite a better EBIT result, liquidity decreased due to repayment of Covid supports and higher cash-out investments in used trucks and real estate. Net debt, including the repayable pandemic supports, amounts to € 50 million versus € 54 million at the end of 2021, mainly caused by fewer newly financed investments.

Fixed financial assets increased forthcoming loans to the holding company to facilitate real estate acquisitions. Due to fewer investments in pulled transport equipment, fixed tangible assets decreased, despite truck acquisitions.

Solvency slightly increased to just over 23%.



Growth, investments and innovation

Total investments amounted to € 27.5 million.

Investments include:

- ✓ 100 new trailers
- ✓ 10 new LNG trucks
- ✓ 110 new conventional trucks
- ✓ 120 used trucks upon expiring lease contracts
- ✓ Real estate in Kerkrade and Lyon
- ✓ Warehouse equipment

We also invested in various ICT software, hardware and infrastructure items.

Digital transformation

Digital transformation is a key factor in our efforts to create greater efficiency, increase resilience of the company and improve service to our customers. In 2022, we took important steps in several areas.

Cybersecurity

Data are at the core of our operations, including our interactions with subcontractors and customers (and their clients). Whether

they are personal, or business related, data are always highly sensitive, and we guard them accordingly. In 2022, we took multiple steps to fortify security across our infrastructure and applications, deploying new tools and implementing updated processes. These efforts are part of our ongoing, systematic push to continually improve data and infrastructure security.

Cross-dock digitalisation

In 2022, we rolled out automated cross-dock processes for several large customers of our distribution and warehouse facilities in Woerden. In 2023, rollout for more customers will follow.

A major advantage of digital transformation at cross-docking facilities is the availability of real-time status information of all goods entering, moving through and leaving the facility. This information can be made available to our customers, providing live tracking opportunities and other valuable insights. Another advantage is that digitalisation enhances the efficiency of our operations.

SNEL integration

Two years after acquiring SNEL Shared Logistics, we phased out the SNEL application portfolio in 2022 and integrated operations in the Vos Logistics systems and infrastructure. While





the technical implementation has been smooth, actual adoption of the full spectrum of systems and processes across this part of the organisation is ongoing. We are closely monitoring progress. In 2023, we expect implementation to merge with the ongoing company-wide efforts to continually improve.

WMS integration

By the end of 2021, Vos Logistics started the selection process for a new warehouse management system (WMS). In May 2022, a partner was selected. Contract negotiations are ongoing, and we expect to sign an agreement early 2023. Part of this agreement is the aim to transfer all customers and sites in the coming years.

The new WMS will allow Vos Logistics to make significant improvements in the organisation in terms of quality, efficiency and communication with our customers. It will also provide better functionalities to service e-commerce and multichannel business, and it will enable us to take further steps into warehouse automation.

Sign on glass & e-CMR

Since early 2022, consumers served by our Solutions services sign the proof of delivery on a digital device. This approach, called sign on glass, leads to elimination of paperwork and real-time reception of the proof of delivery by our customers.

In international transport, EU regulations require that signatures on electronic CMR (or e-CMR) are digitalised by an accredited third party. In 2022, Vos Logistics has partnered with Collect + Go to fulfil this requirement. One customer has adopted our e-CMR solution; in 2023, we plan to roll out e-CMR for other International Transport customers.

Sustainability and environment



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ECTA

Vos Logistics is an active member of the European Clean Trucking Alliance (ECTA). This alliance of leading businesses calls for clear roadmaps and binding targets to decarbonise transport and logistics fast. As a representative of ECTA, we participated in debates with top EU decision makers and business leaders on the importance and the challenges of shifting to greener, cleaner and more energy-efficient solutions in the road transport sector. A focus was electrification of fleets.

Up to February 2023, EU plans have failed to lock in a date at which all new trucks should be zero-emission. Without such a



clear-cut goal, Europe's industry lacks the investment certainty that is sorely needed to reach climate goals. ECTA keeps calling for a definitive date at which all new trucks should be zero-emission and for significantly higher intermediate targets in 2030 and 2035.

HVO100

In the coming years, Vos Logistics is aiming to transition to zero-emission transport and logistics, driven by electricity and hydrogen. Currently, these energy carriers are not yet technically and economically feasible on the scale we operate on. Therefore, we adopted HVO as an intermittent solution to reduce our carbon emissions significantly. HVO stands for hydrotreated vegetable oil, a diesel alternative produced from organic waste. HVO is available in various blends with regular diesel. For several customers, we are using HVO100, the purest form available. This yields a reduction in CO₂ emissions of about 90%. HVO100 can be used in Euro6 trucks without any adaptations. Among clients we have an agreement for using HVO100 with are Technische Unie, for whom we operate five trucks out of our Strijen DC and Scania (see insert on page 14 in this report).

BREEAM 5-star certificate

Our latest distribution centre (DC) in Oss received the BREEAM 5-star certificate in 2022, marking our building as *outstanding*.

What makes a building stand out in sustainability? The list is long. "Our new DC runs on power from 5,520 solar panels on the roof", says Theo van der Maazen, Manager Real Estate at Vos Logistics. "We use this to charge our electric fleet and drive heat pumps for cooling and heating. The surplus is fed into the power grid."

Water and energy consumption of the building are constantly monitored. Van der Maazen: "We use water-saving taps and toilets. The 12-metre-high green wall in the office part

BREEAM® NL
★★★★★

is nurtured by rainwater only. Rainwater from the roof is infiltrated in the ground instead of flushed into the sewer. We installed bird and bat houses around the building."

Frank Verhoeven, CEO at Vos Logistics: "We have created a pleasant and inspiring environment to work and to meet, where everybody should feel welcome. The building reflects the DNA of the company in terms of transparency and sustainability. It reflects the power of our shared network and shows how we work as a team in collaboration with customers and suppliers. We create visibility on our warehouse as well as transport operations."

CO₂ Emission (Premises)

Emission per ton/m²



- Based on electricity usage
- Nett CO₂ emission after compensation (Green electricity and supplying solar energy to the grid)

LED energy savings

To reduce energy consumption and create a better and safer working environment, we have installed LED lighting systems with motion detectors at various premises in the Netherlands. LED exterior lighting at our Woerden facility is expected to save about 15,000 kWh annually. A combination of motion detection and LED lamps at our workshop at Waalkade in Oss is expected to bring about a reduction of 20,000 kWh per year, while replacement of all fluorescent lights with LED in our Helmond warehouse will save about 45,000 kWh per year.

Multimodal transport

Percentage of total transport

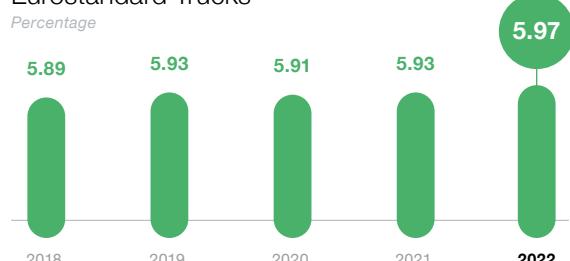


EcoVadis

As part of the Vos Logistics focus on providing the most effective and sustainable solutions, we partner with EcoVadis, a global leader in business sustainability rating. The methodology used by EcoVadis provides clear sustainability and carbon scorecards across four themes: environment, ethics, labour and human rights and sustainable procurement. In 2022, we retained the EcoVadis silver rating we earned in 2021.

Eurostandard Trucks

Percentage



HyTrucks

HyTrucks is one of Europe's largest consortia aimed at developing hydrogen-powered trucks and the associated infrastructure. Launched in 2020, the initiative brings together hydrogen suppliers, truck manufacturers, fuel station operators and transport companies in the Netherlands, Belgium and Germany. The idea is to have at least a thousand hydrogen trucks on the road by 2025. A necessary condition is a sufficient network of refuelling stations. The project leads to improved air quality and a reduction in CO₂ emissions of an estimated 100,000 tonnes, the equivalent of 110 million truck-kilometres.

Pieter Derkzen, lead of the Energy Transition Board at Vos Logistics: "The transition to zero-emissions transport is one of the greatest tasks facing the transport sector. Vos Logistics has been working intensively for years on reducing emissions. The whole sector will have to work on it. Along with battery-electric, the application of hydrogen plays an important role. Given our experience with the use of LNG twelve years ago, we know that the implementation of an entirely new fuel like hydrogen is complex. Through this experience we have learned that we can only realise this ambition by collaborating intensively with all parties involved in the chain. That is our rationale for participating in HyTrucks."



People

At Vos Logistics, we take care of our employees. This put us in a good position to deal with the strained labour markets during most of 2022. As usual, we took important steps on different levels to remain attractive to potential employees. It goes without saying that we also took measures to improve the engagement of current employees. We stimulated internal job rotation, lateral entry, training and development, workplace improvements and increasing flexibility for individuals.

Humanitarian aid

When Russia invaded Ukraine early 2022, our Polish colleagues immediately took action to support our Ukrainian drivers and their families. Two of our training facilities in Poland were converted to shelters for families of drivers. Over time, staff helped relocate colleagues and their families and assisted in finding housing in Poland.

Colleagues in many locations organised and coordinated collection of a wide array of goods to support Ukrainians both abroad and at home. From all over Europe, shipments of clothes, medicines, bedding, food, helmets and much more were sent to locations in Poland and Romania, from where our trucks delivered them to Ukrainian checkpoints at the border in Poland.

Learning and development

In 2022, Vos Logistics is as committed as ever to staff retention. We invested in training and development, safety, quality and

various other fields, for all direct and indirect employees.

Faced with staff shortages, existing programmes to boost careers and encouraging career changes within the company intensified, such as the Vos Logistics Young Professional programme, launched in 2019.

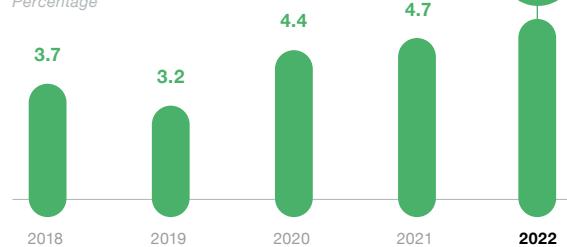
As part of our recruitment and retention efforts, we stepped up our Future Driver programme, offering current and prospective employees full training toward obtaining their driving licenses for trucks (C or CE).

In Romania, we launched our Leadership Development programme, aimed at the young cohort of middle managers at our locations to facilitate them in exchanging experience in leadership and learning from each other.

Workforce

Sickness absence

Percentage



Vos Logistics Future-Proof

What will transport look like in the future? We asked children of Vos Logistics employees this question at our Future Proof Day. Their replies are intriguing and will shape part of our new Inspiration Centre in Oss.

Flying trucks, hyperloops, supersonic space travel – according to the children of Vos Logistics employees, the future of transport and logistics is unbelievably exciting. A bunch of them, aged between 3 and 14 years old, were very eager to share their visions on camera, contributing to a video that will feature in our Vos Logistics Inspiration Centre.

The name of the Inspiration Centre says it all. At Vos Logistics, we know that our business is dynamic and highly innovative,

and that is exactly what we want to show. When the centre opens in 2023, it will give an inspiring glimpse of what working in transport and logistics is like and what it may be like, according to our youngest ambassadors.

Located on the mezzanine of our distribution centre in Oss, the Inspiration Centre will welcome current and future employees, officials and (prospective) business relations.

Health

The 2022 sickness rate was 5.02%, up from 4.76% in 2021. The overall increase of 0.26% can be divided into a 0.74% increase for indirect personnel and a minimal 0.12% increase for direct personnel.

A big driver of this increase in sickness rate was the pandemic, which made itself felt in the first quarter of 2022. After that, Covid measures could be abandoned safely and overall sickness rates decreased, albeit not to pre-pandemic levels. Only in the last quarter of the year did absenteeism rates decrease further.

The health and well-being of our staff is key to us. In the first quarter of 2023 we launched several programmes to improve the health and well-being of our employees. We expect these will lead to a decrease in sickness rates.

Safety Rates

The lost time injury rate decreased from 0.77 in 2021 to 0.59 in 2022.

Incident Reporting

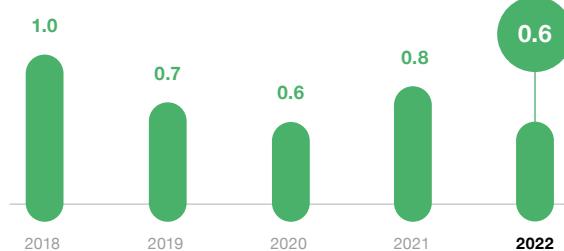
Incident reporting decreased from 89% in 2021 to 65% in 2022.



Damage Ratio

The 2022 score for third-party liability (TPL) accidents was 51.2%, a reduction of over 6 percentage points from the 2021 rate of 57.3%. Most business units improved their results. At the beginning of 2022, with the pandemic behind us, we restarted the awareness trainings aimed at prevention of TPL accidents for our Drivers and Fleet Managers. These trainings were given in cooperation with our insurer TVM. We will continue to offer these in 2023, extending the programme to encompass training the trainers (the Mentor Drivers and MQT team).

Lost Time Injury Rate (LTIR)



Employees in the spotlight

"Since I started at Vos Logistics, I changed roles several times. For over two years, I have been a Driver for Home Delivery. But I have always been ambitious to further development. I was very happy when Vos Logistics offered me the opportunity to move forward and become a Team Leader in the Home Delivery department. I was trained in the best way there is: doing the work with full support from a few experienced colleagues. The combination of this training and my experience as Driver helps me a lot in my new role. What me and my team have in common is the drive to perform and to grow together. At Vos Logistics, there is a clear vision that does not change, but the way we execute that vision is different every day."

Jeroen van Bogget
Team Leader Home Delivery

"I started at Vos Logistics in 2004 as a Junior Fleet Manager. Today, I am Operational Manager in the Bulk department. When the role became available 2.5 years ago, I considered taking it and management expressed their confidence in me. It was really good to receive that trust from management and to get this opportunity to grow within the company. I received a lot of help and support from my team, too. There are three reasons for me to work for Vos Logistics. Number one: the people. We are different people from different nationalities and cultures, but we have one goal. Second reason: it is never boring. So many different things pop up all the time! And third is stability. Vos Logistics is a big, international company, so working here gives safety."

Michał Sikorski
Operational Manager Bulk

Society

In 2022, Vos Logistics continued to contribute to the communities the company works in through a range of initiatives and social programmes.

Corporate social responsibility (CSR)

As part of our commitment to a sustainable future, Vos Logistics is an active participant in Operation Clean Sweep. The initiative aims to ensure that any plastic waste used in transport is disposed of responsibly. Since 2021, Vos Logistics takes part by equipping drivers across the company with the knowledge and tools they need to clean up properly. Regular audits are done to support the team and ensure the success of the operation.

Social workplace

In Helmond, we continued the collaboration with Senzer, offering people with disabilities the opportunity to work in adapted roles in our DC. Peter Billekens, all-round logistics employee at Senzer: "Working at Vos Logistics means team spirit and a great work environment. Working together and supporting each other in order to create a perfect result for our clients, that's our goal. While doing so, we also get the chance to learn more about ourselves. Worry-free workdays, in which we can take the time to work thoroughly and finish what we start."

Humanitarian aid

In response to the war in Ukraine, several humanitarian aid initiatives were started by employees and branches of Vos Logistics in all countries. Vos Logistics real estate and trucks were used for gathering donations of goods and transporting them to the Ukrainian forces at the border for further distribution. Especially the Polish branches have been very active in offering and coordinating humanitarian aid.

Sponsoring & donations

Vos Logistics is sponsoring a wide range of local sports clubs, events and NGOs in most countries we are active in.

Romania

Vos Logistics sponsored Casuta Bucuriei (House of Joy) Organisation, a non-profit oriented towards the development and socio-professional recovery of children, contributing to the acquisition of one apartment for the young people who can no longer be institutionalised because they turned 18.

We sponsored AS Alfa Group for 80 Christmas gifts for disadvantaged children. We continued with the 40 telephone



SIMs with subscription paid for telephones donated previous year (in collaboration with Vodafone) for disadvantaged children from rural areas.

Poland

In December, right before Christmas, Vos Logistics in collaboration with Action participated in regional charity event Road Santas, aimed at orphanages and youth centres in the Lower Silesia region. As one of the sponsors, Vos Logistics provided transport and goods such as long-term food, sweets, personal hygiene products and art supplies.

We also participated in an apiary (bee yard) through the BeeDiversity project. The goal is to reverse negative changes in biodiversity. Our participation contributes to meeting demands for the EU Biodiversity Strategy 2030.

The Netherlands

From various locations, we have donated personal care items and food that was about to hit expiration date to local food banks. We sponsored the anniversary celebrations of the city of Woerden. We supported the building and dismantling of 'Sinterklaas' Castle' in Helmond by allocating people and materials.

Germany

In Goch, we worked together with a local workshop for blind people. We ordered and shipped clothing relief packages for Ukraine and bought cleaning supplies for use at the DC canteen.

Prospects

Over the course of 2023, uncertainties lie ahead. How will inflation impact confidence of consumers and industry? How will this level of confidence, combined with a tight labour market, impact the economy in general and our business in particular? At the beginning of the year, the economy is expected to slow. Reflecting this to our business, we are anticipating a short dip, soon followed by stabilisation or a modest recovery. The war in Ukraine poses an additional factor of economic uncertainty.

An important focus will be expanding our Solutions division, in particular the business lines Warehousing, Benelux Distribution but also including Home Delivery and International Freight Management. We are looking to ramp up acquisition for Warehousing and Distribution in the Benelux area to boost growth on our solid foundations.

In International Transport, we are taking a consolidating approach at start, monitoring the impacts of the Mobility Package, volatile supply chains in the automotive industry and changing balances between production and imports in the petrochemical industry as a result of energy costs and container rates.

Although the economy is expected to initially be slower, labour shortages are expected to endure and possibly grow. Vos Logistics will continue to attract, train and retain co-workers, in particular drivers and warehouse staff.

Reducing the environmental impact of our business through energy transition remains a priority. Both in Solutions and in International Transport, we are deploying electric vehicles. Under the Mobilize programme, we are mapping current and future charging infrastructure requirements around our real estate. We will work with customers to inset more HVO100 synthetic fuel to replace diesel, cutting emissions fast.

Another aspect of sustainable operations is to further improve efficiency on all fronts. We will keep developing our warehouse management system. Pilots are being launched around the traceability of trailers, with the aim to deploy equipment more efficiently.

Digitalisation and connectivity will also lead to higher efficiency and improvement of our quality of service, taking steps toward paperless logistics for smoother processes with a smaller margin for errors. As in previous years, we will keep focusing relentlessly on improving safety in the work environment and security of our digital infrastructure and data.



Unforeseen circumstances aside, we plan to invest approximately € 50 million in 2023 in replacing of transport equipment, warehousing equipment and ICT. Employment is expected to remain stable throughout the year, subject to the prevailing business environment.

While the market and political and economic environments remain challenging for Vos Logistics, we are confident that we are well-equipped to remain robust and solid in 2023.

Risk management

Policy

We seek to mitigate the risks in our everyday activities by maintaining a robust professional organisation and high-quality services. Service and efficiency levels are assured by ensuring consistent working methods, staff training and education, administrative procedures, as well as transparency in costs and turnover. Our organisation is supported by integrated communication and information systems. The group's risk management policy is supported by a code of ethics.

Risk

Market risks

Vos Logistics provides transport and logistics services across many industries, and our market is mainly based in Western Europe.

Our company is vulnerable to fluctuations in economic activity and is affected by the ebb and flow of volumes generated by our customers. The different product-market combinations are subject to different dynamics. This partly mitigates our sensitivity to market fluctuations.

Economic developments and changes in the overall volume of international goods flows can vary by country and industry, impacting not only turnover but also the capacity balance in our networks. Agility, one of our Values of Service, relates to these changes. We deploy our own vehicle fleet and external capacity as best serves our customers. We can effectively respond to changing demands in volumes and destinations.

Market risks can potentially have a major impact on Vos Logistics' results and/or financial position.

Political and regulatory changes

European and national transport legislation and taxation are subject to continuous change, entailing operational uncertainties and extra costs. We actively track these developments and adapt our operations to remain compliant with regulations and to take changed cost settings into account. The potential impact on results and the financial position is expected to be low.

Operational risks

Liability

Liability for direct and indirect losses is limited or excluded through our general terms and conditions of trade and/or

specific agreements with customers or suppliers. Remaining risks are mitigated through internal procedures and insurance coverage. We have drawn up strict internal procedures to limit liability risks arising from non-conformity with local legislation or customs clearance activities. Compliance is continuously monitored, and our staff is trained accordingly.

Fuel prices

Fuel prices are a major component of transport costs. Fuel prices have fluctuated in recent years. We actively manage our fuel consumption and offer more multimodal transport solutions to reduce fuel consumption. We also apply fuel clauses in most of our sales agreements so that fuel cost fluctuations are transferred to customers as quickly as possible.

IT systems' continuity and integrity

Vos Logistics relies on several IT systems to safeguard the efficiency and effectiveness of its operations. We have an external backup facility, built-in redundancy and a recovery facility that enables the continuity of IT systems that are deemed critical. Several data and access protection systems and procedures, and 35 security systems are in place to prevent unauthorised access to sensitive data and resources. We continuously work on improving data security and our internal procedures on data access and protection.

Safety

Our operating activities carry the risk of accident, physical injury and breach of health and safety regulations and/or loss of reputation.

Our focus is on prevention, and our safety policy recognises that one of the highest risk factors is human awareness. We put a great deal of energy into training staff on safety awareness and skills. We enforce strict safety measures.

Staff availability

The availability of qualified employees is essential to operate efficiently and effectively. We manage this risk through training and retention programmes and active recruitment. We consider the potential impact of operational risks on the results and financial position of the company to be low to moderate.

Financial risks

Debtor risk

Vos Logistics is vulnerable to two types of debtor risk: the risk

that a debtor cannot fulfil its obligations and the cash flow risks of late payments. We mitigate these risks by doing credit checks, taking out credit insurance and by actively monitoring our trade receivables and collection processes.

Liquidity risk

Vos Logistics is capital intensive with a fairly fixed cost base. Transport and logistics markets are cyclical. We mitigate liquidity risk by maintaining liquidity buffers and factoring arrangements (until the end of 2024). Liquidity risks are further mitigated by managing debtor risk (see above), using temporary workers and using periodic exit options for our own capacity.

Financing of the asset base is secured by long-term leasing. Financing arrangements are in place for intended investment programmes.

Foreign exchange risk

As the group includes Polish and Romanian companies, our balance sheet may be influenced by movements in Polish and Romanian currencies against the euro. We are also exposed to foreign exchange risks arising from purchase and sales transactions denominated in a currency other than the group's functional currency. Our policy is not to hedge these risks. The potential impact of financial risks on the results and financial position is low

Interest rate fluctuations

Euro interest rates are currently fluctuating at a low level. Vos Logistics has several financing arrangements that could be impacted by interest rate fluctuations. Financing from factoring includes a Euribor rate base. The interest rate risk to Vos Logistics as part of lease financing is limited as leases are based on a fixed rate. The Euribor rate is not hedged. The potential impact of financial risks on our results and financial position is considered low.

Internal control system

Vos Logistics' internal control system controls the risks inherent in our business operations. The system oversees the effectiveness and efficiency of business processes and consistency in accounting procedures. The system was designed to control significant risks, attain operational and financial objectives and ensure compliance.

The Board of Management is responsible for implementing, operating and monitoring the internal control system.

In control statement

To the best of our knowledge, Vos Logistics' risk management and control systems:

- ✓ provide reasonable assurance that the financial reporting is free of material misstatement; and,
- ✓ have functioned effectively over the financial year.

The aforementioned risks had no material negative effects in 2022. Clearly, Vos Logistics has been, and is still being, impacted by the tight labour market in many countries, supply chain disruptions and the fallout of the war in Ukraine. Effects of the tight labour market could be largely mitigated by agility in capacity, outsourcing and work force. In some cases, we have had to re-evaluate customer contracts that involved overly capricious demand. The initial sharp rise in diesel prices was mitigated by activation and adaptation of diesel clauses. We consider the risk probability of war as extremely incidental and rare for which no other structural risk management, control systems and risk mitigation measures are required other than what is already in place to address the risks mentioned previously in this chapter. There are currently no indications that the risk management and control systems will not function effectively in 2023.

Oss, 14 April 2023

Board of Management,

F.J.M. (Frank) Verhoeven, CEO

G. (Ben) Vos, CFO



Governance

Legal structure

Vos Logistics Beheer B.V., a limited liability company incorporated under Dutch law, is Vos Logistics Group's top holding company. It is not a listed company and therefore under no obligation to adhere to the Dutch Corporate Governance Code. Nevertheless, we strongly endorse the principles underlying the Code and strive to comply with its best practice provisions wherever possible.

Vos Logistics Beheer B.V. does not meet the criteria of the "two-tier" (structuurvennootschap) regime under Dutch law due to the applicability of exemption grounds under Section 2:263 (3b) of the Dutch Civil Code. The Board of Management and shareholders continue to periodically evaluate the status of, and possible changes to, this domain of the governance structure.

Shareholders

All shares in Vos Logistics Beheer B.V. are held by Vos Logistics B.V. The ordinary shares in Vos Logistics B.V. are divided among Scheybeek Investments III B.V., Frank Verhoeven (CEO) and Ben Vos (CFO).

Organisation of the company

Management

Vos Logistics Beheer B.V. is managed by a Board of Management consisting of a CEO (Frank Verhoeven) and a CFO (Ben Vos). The Board of Management is responsible for the transparent management of the company. It defines and sets the vision and the corresponding mission, strategy and goals in close consultation with the shareholders' meeting. Members may be appointed, suspended and dismissed by a two-thirds majority of the shareholders' votes.

The Shareholders' Agreement contains reporting and consulting structures for the Board of Management and the shareholders. The shareholders' agreement also contains a list of management resolutions that may be adopted only with prior approval at the annual general meeting. Furthermore, the shareholders' agreement states that certain shareholder resolutions may be adopted only by a qualified majority of shareholders' votes. The Articles of Association of Vos Logistics B.V. and those of Vos Logistics Beheer B.V. were drawn up accordingly.

Management regulations have been drawn up and approved by the shareholders. They list all the resolutions that must be unanimously adopted by the members of the Board of

Management and stipulate that in the event of a difference of opinion amongst the members on specific issues barring them from adopting resolutions, the annual general meeting may be requested to provide a binding recommendation.

The Board of Management exercises its duties in the interests of the company. It continuously and whenever required provides the shareholders with the information they need to complete their tasks. We are aware of the new legislation regarding balanced gender representation in management (Evenwichtige man-vrouwverhouding in de top van het bedrijfsleven) as of 1 January 2022. We are also aware that there are currently no women on the Board of Management.

We are striving to bring an improved gender balance to our Board of Management as well as our Management team. Gender will be one of the assessment criteria for future appointments, and we will seek qualified female candidates should there be a vacancy on the Board of Management. Our long term goal is to increase the female share in the management team to at least 25%.

The shareholders of Vos Logistics B.V. have entered into a shareholders' agreement, setting out their internal arrangements with regard to, inter alia, decision-making and reporting structures.

Conflicts of interest

Any conflicts of interest between members of the Board of Management, the external auditor and the company will be resolved at the annual general meeting. There were no conflicts of interest in 2022.

The shareholders appointed an Advisory Board consisting of two persons, Mr Ruud Sondag and Mr Dick Burger. The Advisory Board consults with and advises the Board of Management upon request or on its own initiative on policy and business developments. The Advisory Board can be requested to advise on subjects such as acquisitions, strategy, organisation and investments. The prime focus of the Advisory Board is the interest of Vos Logistics and its shareholders. The Advisory Board consults with and advises the shareholders upon request or on its own initiative on the aforementioned subjects and the decisions as outlined in the shareholders' agreement.

Both the shareholders and the Board of Management are confident that this governance structure contains sufficient

checks and balances to ensure the proper functioning of the organisation.

Financial reporting

External auditor

An external auditor is appointed at the annual general meeting. The external auditor reports to the shareholders and to the Board of Management. The shareholders, the Advisory Board and the Board of Management held one meeting with the external auditor, the CFO and the Group Controller in 2022.

Annual integrated reporting

This annual integrated report combines our financial report and our sustainability report. Integrated reporting is part of how we demonstrate that sustainability is an essential part of Vos Logistics' operational management on behalf of its stakeholders. The report is supported by monthly integrated review meetings.

Governance

Sound business practices, integrity, respect, transparent reporting and accountability are the cornerstones of Vos Logistics' corporate governance policy. Our corporate governance is determined by applicable national and European legislation, codes of best practice in the countries in which we operate and our Values of Service.

We have implemented several sets of regulations regarding the performance of the various bodies and the rules applicable within Vos Logistics. The regulations are reviewed from time to time and amended as and when necessary. They are:

- ✓ the Articles of Association of the Company;
- ✓ the Articles of Association of Vos Logistics B.V.;
- ✓ the Shareholders' Agreement;
- ✓ Vos Logistics' policy;
- ✓ Values of Service;
- ✓ the Code of Ethics;
- ✓ the Whistleblower Policy;
- ✓ Management Regulations.

Code of Ethics

We act in accordance with our Values of Service and ethical principles. The Vos Logistics Code of Ethics provides our organisation and our suppliers with detailed guidelines on conduct. The Code contains ethical principles and explains what we expect from our organisation and our suppliers. The

Values of Service represent what we stand for and guide all the processes in our organisation.

Whistleblower Policy

Vos Logistics has a Whistleblower Policy as part of its corporate compliance framework. This Policy creates an environment in which employees and external business partners feel confident in raising concerns with Vos Logistics. The Policy includes a reporting mechanism that is objective, confidential and independent, and it protects whistleblowers from reprisal or disadvantage resulting from raising concerns. The Policy was not used by employees or business partners in 2022.

The Code of Ethics, Values of Service, Whistleblower Policy and the other regulations listed above embody Vos Logistics' policies regarding environmental, social and staff matters, respect for human rights as well as the combating of corruption and bribery.

Values Of Service



Ethical code

Ethical Principles

Respect for human life and dignity

Respect for diversity

Respect for the environment

Integrity

Composition of the group's Board of Management

Board of Management

Frank Verhoeven (b. 1966)

CEO

Nationality: Dutch

Joined Vos Logistics: April 2007

Supervisory Board membership:

Secure Logistics (since 2020)

Previous positions:

From 2015 until 2022, several (Supervisory) Board memberships at NDL/HIDC, Munckhof Groep. Between 2006 and 2007, CEO of Biegelaar. From 1994 to 2006, senior management positions at the Royal Frans Maas Group (currently DSV). Before 1994, marketeer at Lease Plan.

Ben Vos (b. 1966)

CFO

Nationality: Dutch

Joined Vos Logistics: March 2008

Other position: Member of the municipal council of Moerdijk

Previous positions:

Since 2000, senior financial management positions at Wilson Logistics (currently Geodis Wilson) and Brunel International. Before 2000, auditor (registered accountant) at Deloitte and PwC.

Advisory board

Ruud Sondag (NL)

Dick Burger (NL)

Management team

Board of Management

Frank Verhoeven CEO (NL)

Ben Vos CFO (NL)

International Transport

Marc van Alphen (*Managing Director Bulk*)

Henk-Jan van der Molen (*Commercial Director Mega*)

Marton Dozsa (*Business Unit Manager Romania*)

Wojciech Cybulski (*Business Unit Manager Polska*)

Management Solutions

Toine van Gils (*Managing Director*)

Peter de Vries (*Commercial Director*)

Niels van den Berg (*Finance Director*)

Corporate Staff

Twan Haerkens (*Controller*)

Corné Geerts (*CIO*)

Paul van den Brink (*HR Manager*)

Bernadette Benjamins (*Legal Manager*)

About this report

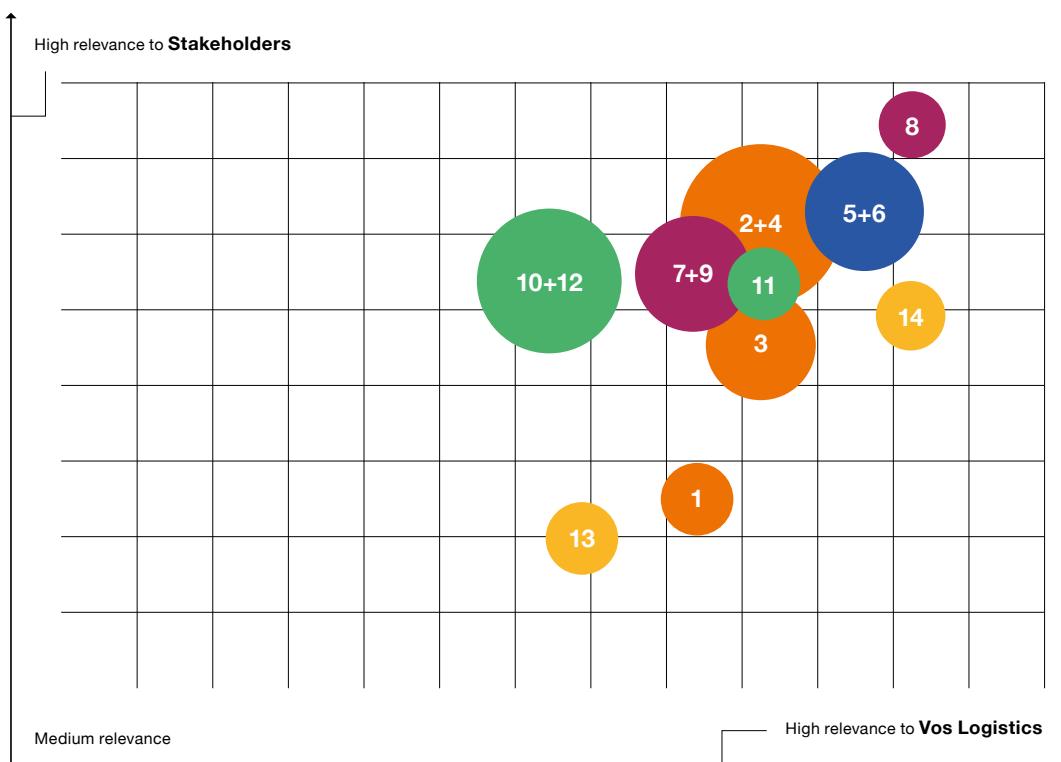
Stakeholder engagement

Vos Logistics is a responsible logistics service provider. The company identifies five stakeholder groups: customers, staff, suppliers, society and shareholders. We identified these groups in accordance with the value chain and an impact analysis of our activities. The table below shows Vos Logistics' most important strategic themes according to our stakeholder

groups. We have used the outcome of the materiality analysis as a reporting framework and as a guideline for strategic decision-making as well as a source of dialogue with our stakeholders. The table also shows the other communication channels we have used for stakeholder engagement.

<u>Stakeholder</u>	<u>Expectations</u>	<u>Main forms of dialogue</u>
Customers	Value for money Optimal service Innovation Corporate sustainability Responsibility Reliability Prompt complaint handling	Client relationship Visits Performance measurements Complaint management Customer satisfaction survey Panel meetings Company updates
Staff	Safe workplace Personal development and training opportunities Attractive terms of employment Pleasant working conditions and atmosphere Career perspectives	Personal development plans Appraisal/performance interviews Newsletters, social media Staff satisfaction survey CEO roadshows to meet colleagues Staff exchange programs Internal and external training courses
Suppliers	Reliability Long-term relationship Competitive pricing Compliance with laws and regulations Sustainability	Day-to-day practice Regular visits Supplier assessments Benchmarking
Society (civil society organisations + public authorities/ supervisors)	Support for civil society organisations (sponsorships, donations, charity work, knowledge sharing etc.) No activities that harm society Increasing accountability for how we create societal value Compliance with legislation and regulations Commitment to local community activities/ local sustainability initiatives	Participation in/membership of alliances Bilateral consultation with various organisations Active participation in local initiatives Meetings Website
Shareholders	Value creation Financial solidity Solid risk policy, including reputation management Adherence to our values, including sustainability ambitions	Shareholder meetings Management letters Annual report

Materiality matrix 2022



Market

1. Innovations
2. Operational excellence
3. Sustainable transport solutions
4. Client focus

Environment

10. Clean vehicle technologies
11. Energy efficiency
12. Supplier assessment

As per recent survey conducted, it appeared that our stakeholders put much emphasis on staff matters, such as training and a safe work environment. Safety still holds great importance for the respondents and for Vos Logistics. Also energy efficiency and community engagement have become increasingly relevant, while sustainability, financial performance and risk management score slightly lower.

Society

13. Community engagement
14. Integrity

Financial

5. Financial performance
6. Risk management

Staff

7. Training & communication
8. Safety
9. Labour conditions / working climate

Materiality and strategy

While the concept of materiality is not clear-cut and is subject to interpretation, the official definition of 'materiality' according to the Global Reporting Initiative is:

'Those topics that have a direct or indirect impact on an organisation's ability to create, preserve or erode economic, environmental and social value for itself, its stakeholders and society at large.'

A topic may be considered material if it is important to

stakeholders, whether internal or external, even if the relative significance of the impacts on the economy, environment or society is lower than for other topics. In 2022, Vos Logistics assessed the operating environment, defined the above material topics and consulted relevant stakeholders.

This materiality matrix shows the value of the strategic themes of our stakeholders and the priority they have given them, against the value of the strategic themes for Vos Logistics.

Material - Theme	Strategy	Goal	KPI
Market - Controlled growth			
Innovations	<ul style="list-style-type: none"> Invest in innovation and quality of services Develop innovative logistics and transport solutions and equipment 	<ul style="list-style-type: none"> Act as a frontrunner with new developments Clean and efficient supply chain solutions 	<ul style="list-style-type: none"> Impact (people - profit - planet)
Operational excellence	<ul style="list-style-type: none"> Maintain state-of-the-art infrastructure and equipment 	<ul style="list-style-type: none"> Reduce logistics costs for customers Efficient and effective operation 	<ul style="list-style-type: none"> Customer satisfaction
Sustainable transport solutions	<ul style="list-style-type: none"> Reduce CO₂ footprint together with customers and logistics partners Develop sustainable transport concepts 	<ul style="list-style-type: none"> Reduce CO₂ footprint of transport and warehousing Lasting and close alliances Contracts with sustainability features 	<ul style="list-style-type: none"> Multimodal solutions % Kg CO₂ emission, fleet per tonne/km Kg CO₂ emission, warehouses per m²
Client Focus	<ul style="list-style-type: none"> Provide added value and increased quality of revenue for customers Establish organic growth, using proven and new logistics and transport concepts Establish growth by selective acquisitions 	<ul style="list-style-type: none"> Focus on long-term relationships Strengthen market position Growth in the quality of revenue 	<ul style="list-style-type: none"> Growth in turnover and volume of shipments Profitability growth
Financial - Quality improvement in profit			
Financial performance	<ul style="list-style-type: none"> Ensure long term continuity by focusing on value added activities Optimise costs 	<ul style="list-style-type: none"> Improve quality of turnover 	<ul style="list-style-type: none"> Development of the margin
Risk management	<ul style="list-style-type: none"> Focus on lasting and close alliances 	<ul style="list-style-type: none"> Growth of added value activities Financial health and scope for investment 	<ul style="list-style-type: none"> Growth in selected business segments Working capital efficiency
Staff - Responsible employer			
Training & communication	<ul style="list-style-type: none"> Facilitate training and development for employees 	<ul style="list-style-type: none"> Well-educated employees 	<ul style="list-style-type: none"> Training hours per FTE
Safety	<ul style="list-style-type: none"> Create a safe and healthy workplace 	<ul style="list-style-type: none"> Safety at work as part of the business culture Fewer accidents 	<ul style="list-style-type: none"> Lost Time Injury Rates Damage ratio
Labour conditions / working climate	<ul style="list-style-type: none"> Ensure good labour conditions Support personal development Create an inspiring working environment 	<ul style="list-style-type: none"> Strengthen staff employability High retention rate and personal development Increase job rotation and mobility 	<ul style="list-style-type: none"> Retention rate Staff satisfaction
Environment - Sustainable business operation			
Clean vehicle technologies	<ul style="list-style-type: none"> Application of techniques and innovations in transport (replacement and expansion measures) Increase use of alternative transport modes 	<ul style="list-style-type: none"> Reduce CO₂ emissions 	<ul style="list-style-type: none"> Kg CO₂ emission, fleet per tonne/km Multimodal solutions %
Energy efficiency	<ul style="list-style-type: none"> Energy management 	<ul style="list-style-type: none"> Reduce CO₂ emissions of warehouses 	<ul style="list-style-type: none"> Kg CO₂ emission, warehouses per m²
Supplier assessment	<ul style="list-style-type: none"> Act as a sustainable operation in the value chain 	<ul style="list-style-type: none"> Sustainable procurement policy Innovating in collaboration with suppliers 	<ul style="list-style-type: none"> Supplier assessment % unloading and loading at the same site
Society - Responsible and involved			
Clean vehicle technologies	<ul style="list-style-type: none"> Develop the logistics sector by working with educational institutions, public authorities and interest groups 	<ul style="list-style-type: none"> Corporate Social Responsibility Social added value Labour participation, room for less abled employees 	<ul style="list-style-type: none"> Social projects carried out Participation in management bodies / engagements
Integrity	<ul style="list-style-type: none"> Work with integrity 	<ul style="list-style-type: none"> Act in accordance with the Vos Logistics Ethical Code Code of conduct for suppliers 	<ul style="list-style-type: none"> Breaches of Ethical Code Number of claims to Ethical Code

Vos Logistics' contribution to the Sustainable Development Goals

SDG	Definition	Reference in the report	Link to strategic pillar	contribution or alignment with SDS goal
 3 Good health and well-being	<p>Ensure healthy lives and promote well-being for all at all ages</p> <p>3.6 halve the number of global deaths and injuries from road traffic accidents by 2023</p>	<ul style="list-style-type: none"> Health and safety 	<ul style="list-style-type: none"> Responsible employer 	<ul style="list-style-type: none"> Health and safety programmes
 4 Quality education	<p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities</p> <p>4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship</p> <p>4.7 By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development</p>	<ul style="list-style-type: none"> Training and development Labour conditions / working climate 	<ul style="list-style-type: none"> Responsible employer 	<ul style="list-style-type: none"> Encourage training and education of workforce Share knowledge and professional skills
 8 Decent work and economic growth	<p>Decent work and economic growth</p> <p>8.8 Protect labour rights and promote safe secure working environments for all workers</p>	<ul style="list-style-type: none"> Quality & innovation Labour conditions / working climate 	<ul style="list-style-type: none"> Controlled growth 	<ul style="list-style-type: none"> Offer opportunities to enter the transport and logistics sector Invest in innovation and quality of services Strengthen staff employability
 13 Climate action	<p>Climate change</p> <p>13.2 Action to improve climate change</p>	<ul style="list-style-type: none"> Clean vehicle technologies Energy efficiency Innovation 	<ul style="list-style-type: none"> Sustainable business operation 	<ul style="list-style-type: none"> Clean and efficient supply chain solutions Reduce CO₂ footprint of transport and warehousing Develop innovative logistics and transport solutions and equipment
 17 Partnerships for the goals	Partnerships	<ul style="list-style-type: none"> Sustainable transport solutions 	<ul style="list-style-type: none"> Controlled growth Sustainable business operation 	<ul style="list-style-type: none"> Clean and efficient supply chain solutions Reduce CO₂ footprint with customers and logistic partners

KPI dashboard 2018-2022

Vos Logistics has defined six key performance indicators (KPIs) with which to measure its sustainability goals. We have consistently measured KPIs across all our business units since 2009. All KPIs are consolidated at group level. The sustainability goals and results are summarised in the KPI dashboard below. As we track progress on the KPIs, we monitor our sustainability policy. Performance is measured each month and since 2014, the KPIs have been incorporated in the monthly financial report.

Each month, the Board of Management and cluster directors discuss the financial results and the sustainability, quality and safety results. The sustainability KPIs, the quality audits and the safety incidents form specific steering instruments for group and cluster management. The charts in this report show the results from 2018-2022. We are pleased with the progress we have made since our sustainability program began in 2009.

KPI dashboard definition table

KPI	Definition	Scope	Measurement, calculation and estimation method
Kg CO₂ emission per tonne/km	The CO ₂ in kilograms emitted by our trucks per tonne/kilometer plus the CO ₂ emission per tonne/km of multimodal transport	Vos Logistics Group, including joint venture Cetra	<ul style="list-style-type: none"> - Road Transport: Greenhouse Gas Protocol; Guidance on measuring and reporting Greenhouse Gas (GHG) emissions from freight transport operations. - Shipments reported are actual loaded weight where data is available. Other shipments are estimated at 24 tonnes. Approx. 85% of the locations record their loaded kilometers in LOVOS. The loaded kilometers of the location that do not use LOVOS (approx. 15%) are estimated (varying from 50% to 85%) based upon prior experience and actual data in TMS). - Multimodal transport: ((Number of multimodal shipments x average loaded weight) x average number of kilometers) x unit in accordance with 'Measuring and managing CO₂ emissions of European Chemical Transport' by Professor Alan McKinnon and Maja Piecyk.
Kg CO₂ emission premises per m²	The CO ₂ emissions from our premises	Vos Logistics warehouse operations in the Netherlands + Goch (DE) + Oevel (BE)	Greenhouse Gas Protocol (in accordance with DEFRA 2018). Number of KwH x GHG protocol unit divided by number of square meters. The measurement relates to the consumption of electricity; gas consumption is not concluded (limited to '0' use of gas in warehouse operations). The number of m ² per building is determined by lease contracts, measurement certificates and floor plans.
Multimodal	Transport using more than one modality, such as rail and short-sea	Vos Logistics International Transport: Cargo, Bulk and High Volume	Number of multimodal shipments (rail and short-sea), derived from the invoices of the rail and short-sea companies divided by the total number of shipments (road, rail and short-sea) from the LOVOS/Chainware planning system.
Fleet average	The average Euro standard of the fleet	Vos Logistics Group, including joint ventures, Cetra, Lutz, Gehlen Schols and Nedex	The number of trucks times the Euro standard divided by the number of trucks. The Euro standard for EEV (Energy Efficient Vehicles) is 5.5. PM levels at 0.02g/kWh, measured on the European transient test cycle, reduction in exhaust smoke opacity compared to Euro V.
Sickness absence	The absenteeism rate indicates the percentage of working times that is not worked owing to sickness or incapacity for work	Vos Logistics Group, including joint ventures Cetra and Lutz	Total number of days reported in a given period divided by the number of calendar days in the same period x number of FTEs x 100%
LTIR (Lost Time Injury Rate)	Number of reported accidents with one or more lost working days + number of fatal accidents involving Vos Logistics' staff relative to the number of hours worked in a given period	Vos Logistics Group, including joint venture Cetra	Number of reported Lost Workday Cases + number of fatalities x 1,000,000/number of man-hours worked/12 (153 per month). Reported Lost Workday Cases and fatalities are registered and recorded centrally and checked against data at the HR department. Vos Logistics is confident that the data underlying the number Lost Workday Cases and the LTIR are reliable. Vos Logistics works on increasing safety awareness, including the reporting of incidents.

Glossary

ADR - Accord européen relatif au transport international des marchandises Dangereuses par Route. 'ADR' is derived from the French title of the European treaty regarding international road transport of hazardous goods.

APS - Advanced planning and scheduling system such as SmartFox to optimise capacity planning and making real time freight arrival information available.

BREEAM - Building Research Establishment Environmental Assessment Method. A method to assess the sustainability performance of buildings.

Business Unit - Subsidiary of Vos Logistics.

DIY - Do It Yourself

DSO - Days Sales Outstanding

DTA - Deferred Tax Asset

e-CMR - Electronic management of the United Nations Convention for the carriage of goods, known as the CMR (Convention relative au contrat de transport international de Marchandises par Route).

EBIT - Earnings Before Interest and Taxes

EBITDA - Earnings Before Interest, Taxes, Depreciation and Amortisation

ECTA - European Clean Truck Alliance

EEV - enhanced-environmentally-friendly-vehicle
A classification of European emission standards.
The euro standard for an EEV is 5.5.

EMEA - Europe, the Middle East and Africa

EPT - Electric Pallet Truck Training

ETB - Energy Transition Board

FTL - Full Truck Load

FTE - Full-time equivalent. A unit to express the size of the workforce or number of employees.

HVO100 - HVO is a premium fossil free diesel product made of 100% renewable raw materials. HVO100 is pure HVO and can

be used in diesel engines without modification and is approved for all heavy vehicles of market leading engine manufacturers.

ISO - International Standards Organisation. An international standard-setting organisation. ISO has a membership made up of national standards bodies.

KPI - Key Performance Indicator. Variables used to quantify and analyze performance.

LBG - Liquefied Bio Gas. Similar to LNG made from feedstocks.

LHV - Longer Heavier Vehicle

LNG - Liquefied Natural Gas. Natural gas stored as a liquid at a temperature of -162°C.

LOVOS - Transport Management System developed by Vos Logistics.

LTL - Less than Truck Load

LTIR - Lost Time Injury Rate Number of reported accidents with one or more lost working days and the number of fatal accidents involving Vos Logistics' staff, relative to the number of hours worked in a given period.

LWC - Lost Workday Cases. Number of working days that were lost due to reported accidents.

LZV - Langere en Zwaardere Vrachtautocombinatie (longer and heavier vehicle combination)

Multimodal - Transport using more than one modality, such as rail and short-sea.

NGVA - Europe Natural Gas Vehicle Association Europe

OEM - Original Equipment Manufacturer

POD - Payable on Demand

SEC - Super Eco Combi

TMS - Transportation Management System

TPL - Third Party Logistics. Outsourcing logistics services by using a third party.

Financial statements

CONSOLIDATED BALANCE SHEET

(After appropriation of the result)

in thousands of euros

	Ref. note	31 December 2022	31 December 2021
ASSETS			
Fixed assets			
Intangible fixed assets	1	2,734	3,154
Tangible fixed assets	2	59,065	61,958
Financial fixed assets	3	14,302	9,477
		76,101	74,589
Current assets			
Inventories		1,827	1,885
Receivables	4	74,571	75,033
Cash at bank and on hand	5	4,815	6,184
		81,213	83,102
Total assets		157,314	157,691
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity	6		
Shareholders' equity		35,230	34,298
Minority interest		1,283	1,251
Group equity		36,513	35,549
Provisions			
Deferred tax liabilities	7	668	704
Other provisions	8	2,314	2,307
Long-term liabilities	9	23,017	31,303
Current liabilities			
Liabilities to financial institutions	10	31,423	26,291
Trade creditors		39,658	36,627
Other liabilities	11	23,721	24,910
		94,802	87,828
Total equity and liabilities		157,314	157,691

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR 2022

<i>in thousands of euros</i>	Ref. note	2022	2021
NET TURNOVER	12	408,143	361,356
Subcontracted work and other external costs		97,380	90,214
Personnel costs	13	150,173	134,697
Depreciation and amortisation	14	10,810	12,888
Bookprofit disposals	14	-	(974)
Release revaluation reserve	20	(76)	(19)
Other operating expenses	15	<u>145,831</u>	<u>123,839</u>
TOTAL OPERATING EXPENSES		<u>404,118</u>	<u>360,645</u>
EARNINGS BEFORE INTEREST AND TAX		4,025	711
Financial income & expenses	16	<u>(1,884)</u>	<u>(1,568)</u>
		(1,884)	(1,568)
PROFIT/(LOSS) BEFORE TAXATION		<u>2,141</u>	<u>(857)</u>
Income taxes gain/(loss)	17	(915)	1,129
Share in profit/(loss) of participating interests		<u>-</u>	<u>-</u>
		(915)	1,129
NET GROUP RESULT		<u>1,226</u>	<u>272</u>
Minority interests		<u>(216)</u>	<u>(185)</u>
		(216)	(185)
NET COMPANY RESULT		<u>1,010</u>	<u>87</u>

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT FOR 2022

<i>in thousands of euros</i>	Ref. note	2022	2021
NET RESULT		1,010	87
Release revaluation reserve	20	(76)	(19)
Currency translation difference for the year	20	<u>(2)</u>	<u>15</u>
		(78)	(4)
COMPREHENSIVE INCOME		<u>932</u>	<u>83</u>

CONSOLIDATED CASH FLOW STATEMENT

(Indirect method)

<i>in thousands of euros</i>	Ref. note	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Earnings before interest and tax		4,025	711
ADJUSTMENTS FOR:			
Depreciation			
and amortisation (in)tangible fixed assets	14	10,810	12,888
Bookprofit disposals	14	-	(974)
Movements in equity	6	(78)	(4)
Movement provisions	8	55	374
		10,787	12,284
CHANGES IN WORKING CAPITAL:			
Receivables		462	(8,617)
Inventories		58	(408)
Current liabilities		4,750	444
		5,270	(8,581)
Paid from provisions	8	(48)	(761)
Corporate income tax paid		(376)	(722)
		(424)	(1,483)
Cash flow from Group operating activities		19,658	2,931
CASH FLOW FROM INVESTING ACTIVITIES			
Additions tangible fixed assets		(7,790)	(5,551)
Additions intangible fixed assets		(309)	(339)
Disposals tangible fixed assets		527	777
Changes financial fixed assets		(4,516)	(1,642)
Cash flow used in investing activities		(12,088)	(6,755)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid to minority interests	6	(184)	-
Increase / Repayment loans	9	(4,270)	(1,165)
Repayment lease	9	(8,168)	(8,239)
Factoring	10	5,625	14,324
Interest paid	16	(1,942)	(1,573)
Cash flow from financing activities		(8,939)	3,347
NET CASH INFLOW (OUTFLOW)		(1,369)	(477)
Cash and cash equivalents			
Cash and cash equivalents at 1 January		6,184	6,661
Cash and cash equivalents at 31 December		4,815	6,184
INCREASE/(DECREASE) IN CASH AT BANK AND ON HAND		(1,369)	(477)

General notes

The Company and its operations

Vos Logistics Beheer B.V. ('Vos' or the 'Company'), which is registered in Oss, the Netherlands, that operates throughout Europe. The activities include transportation services of packed goods and bulk goods, warehousing, value added services, forwarding, distribution services and supply chain management. Vos Logistics B.V. directly holds 100% of the shares in Vos Logistics Beheer B.V. Vos Logistics B.V. is the ultimate parent company of Vos Logistics Beheer B.V. and includes the financial data of Vos Logistics Beheer B.V. in its consolidated financial statements, copies of which are available at cost from the Trade Registry of the Chamber of Commerce.

Statement of compliance

The accounting policies applied relate to both the consolidated financial statements and the Company financial statements. The consolidated financial statements have been prepared on a historical cost basis, unless stated otherwise. The consolidated financial statements are presented in euros and all values are rounded to the nearest thousand (€ 000) except when otherwise indicated. The financial statements have been prepared in accordance with the statutory provisions of Part 9, Book 2, of the Dutch Civil Code and the firm pronouncements in the Guidelines for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board. The financial statements are prepared on the going concern assumption. In general, assets and liabilities (except for Group equity) are stated at the amounts at which they are acquired or incurred, or fair value. If not specifically stated otherwise, they are recognised at the amounts at which they were acquired or incurred. The balance sheet, income statement and cash flow statement include references to the notes.

Basis of consolidation

The financial statements were prepared on April 14, 2023. The consolidated balance sheet and the profit and loss account comprise the financial statements of the Company and its subsidiaries as reported in the Principal Participating Interests chapter at 31 December 2022. All intra-group transactions, balances, income and expenses and profits and losses resulting from intra-group transactions that are recognised in assets, are eliminated in full. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. Minority interests represent the portion of profit and loss and net assets in participating interests not held by the Group and are presented separately in the income statement and within equity in the consolidated balance sheet separately from parent shareholders' equity. Group companies are defined as participating interests which are part of the economic entity of Vos Logistics Beheer B.V., which are directly or indirectly

controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Financial figures of participating interests are included in the consolidation from the effective date of acquisition or the date at which control is achieved. Goodwill is recognised for the difference between historical cost and fair value of the acquired participating interests. Since the financial data of Vos Logistics Beheer B.V. are included in the Group financial statements, the Company profit and loss account is presented in abbreviated form in accordance with the exemption permitted in Section 402 of Book 2 of the Dutch Civil Code.

Mergers and acquisitions

Acquisitions are recognised in the financial statements according to the purchase accounting method. This means that any assets and liabilities acquired are carried at fair value as at the acquisition date. The difference between cost and the company's share of the fair value of the identifiable assets and liabilities acquired at the time of the transaction of a participating interest is recognised as goodwill.

Foreign currency

Transactions in foreign currencies are initially recorded in the functional currency rate prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to profit or loss except for translation differences on investments. These are taken directly to equity until the disposal of the net investment at which time they are recognised in the profit and loss account.

Financial instruments

Financial instruments include both primary financial instruments, such as receivables, securities and payables, and derivative financial instruments. All purchases and sales of financial assets made according to standard market conventions are recognised as at the transaction date, being the date on which the group enters into a binding agreement. For the accounting policies applicable to primary financial instruments, please refer to the treatment of individual balance sheet items.

Judgments, estimates, assumptions and uncertainties

The management of the group makes various judgments and estimates when applying the accounting policies and rules for preparing the financial statements. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the consolidated financial statements in future periods.

Notes to the consolidated balance sheet

Intangible fixed assets

Intangible fixed assets are carried at historical cost net of straight-line amortisation. Allowance is made for any impairment losses expected at the balance sheet date; a loss qualifies as an impairment loss if the carrying amount of the asset (or the cash-generating unit to which it belongs) exceeds its recoverable amount. Fair value less costs to sell is determined based on the active market. An impairment loss is directly expensed in the profit and loss account. Goodwill and software are capitalised and amortised on a straight-line basis over the estimated useful economic life of 20 or 10 years and 10 years respectively. The assessment of the useful economic life relating to goodwill of 20 or 10 years is based upon the assumptions made at the time of each acquisition.

Tangible fixed assets

Land and buildings are stated in the balance sheet at cost less accumulated depreciation. Transport equipment and other tangible fixed assets are measured at cost less accumulated depreciation. Depreciation is calculated on a straight-line basis over the estimated useful life of the assets. Maintenance which increases the useful life of assets is capitalised, however the carrying value of the asset will not exceed the fair value. An allowance is made for any impairment losses if expected on the balance sheet date.

Financial fixed assets

The Group's investments in its subsidiaries are valued according to the equity method on the basis of net asset value. Minority interests are valued at historical cost or the lower recoverable amount. Loans are carried at amortised cost. The minority interests on participations are valued at cost price or a lower absolute value. Financial assets held for trading are valued at cost.

Inventories

Inventories are valued at the lower of cost and net realisable value. Inventories consist of raw materials and consumables.

Receivables

Trade receivables, amounts receivable from participating interests and other amounts receivable are carried at face value net of a provision for doubtful debts.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank balances and deposits held at call with maturities of less than 12 months. Bank overdrafts are shown within borrowing in current liabilities on the balance sheet.

Impairment of non-financial assets

The group assesses, at each reporting date, whether a non-financial asset or group of non-financial assets is impaired. The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, the Group estimates the asset's recoverable amount. If it is not possible to determine the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

Impairment of financial assets

The group assesses at each balance sheet date whether a financial asset or group of financial assets is impaired. If there is objective evidence of impairment, the amount of the impairment loss is determined and recognised in the income statement for all categories of financial assets carried at amortized cost.

Revaluation

The revaluation reserve is stated net of tax for assets recognised at fair value, the amount recognised in profit and loss account is determined on a gross basis. The tax amount that is connected with the decrease in the revaluation reserve is expensed in the profit and loss account within the income tax expense.

Minority interest

Minority interests in consolidated subsidiaries are carried at net asset value. Minority interests are presented separately in the consolidated financial statements. Minority interests in group companies are part of group equity. Minority interests in the income statement of group companies are deducted from result after tax. If the losses attributable to the minority interest exceed the minority interest in equity of the group companies, the balance as well as any further losses are charged in full to the Company, unless and to the extent that the holder of the minority interest is liable for, and able to bear these. If the group companies subsequently achieve profits, those profits accrue in full to the Company until the losses borne by the Company have been fully compensated.

Pensions

Within the Vos Logistics Group pension plans are present for Dutch employees and for a part of the employees abroad. The basic pension plan for Dutch employees is administered by an industrial pension fund. This concerns a collective pension plan that is classified as a defined benefit plan which is administered by the industrial pension fund 'PVF Nederland Stichting

Bedrijfstakpensioenfonds Vervoer over de weg'. This defined benefit plan is therefore recognised as a defined contribution scheme in the financial statements, as the Company is not liable for the deficit in the pension scheme other than by means of adjustments to pension premiums. The other pension plans concern state pension plans and excedent pension plans which are classified as defined contribution schemes and are recognised as such. Outside the Netherlands there are immaterial pension obligations.

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that the Group will be required to settle that obligation. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to the present value where the effect is material.

Long-term liabilities

Long-term liabilities include commitments with a term of more than one year. The amount payable on the inception of a finance lease is recognised in the balance sheet at the fair value of the asset leased on the date upon which the lease agreement is entered into or, if lower, the present value of the minimum lease payments based on the implicit rate of interest.

Leases

Finance lease (as a lessee)

The Company leases certain property, plant and equipment, of which it has substantially all the risks and rewards incidental to the ownership. These assets are capitalised and recognised in the balance sheet at the lower of the fair value of the asset and the present value of the minimum lease payments, each determined at the inception of the lease. Each lease payment is allocated between the liability and finance charge so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance costs is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

Operating lease (as a lessee)

Leases in which a significant portion of the risks and rewards incidental to the ownership are retained by the lessor are

classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Current liabilities

Current liabilities include commitments with a term of one year. On initial recognition, current liabilities are carried at fair value. In case the liabilities are not carried at fair value through the income statement after initial recognition, the fair value on initial recognition must be reduced by the directly attributable transaction costs. Financial liabilities forming part of the trading portfolio follow initial measurement carried at fair value without any deduction of transaction costs on disposal. Gains or losses arising from changes in the fair value are recognised in the income statement. After initial measurement, other current liabilities are carried at amortised cost using the effective interest method. Gains or losses are recognised in the income statement when the liabilities are derecognised, as well as through the amortisation process.

Amortised cost

Amortised cost is the amount at which a financial asset or liability is measured at initial recognition less repayments of the principal, plus or less the cumulative amortisation using the effective interest method for any difference between this initial amount and the maturity amount, and less any reductions (effected directly or through a provision being recognised) for impairment and doubtful debts.

Derecognition of financial assets and liabilities

A financial instrument is derecognised if a transaction results in the transfer, to a third party, of all or nearly all rights to economic benefits and of all or nearly all the risks attached to the position.

Offsetting

Assets and liabilities are only offset in the financial statements if and to the extent that:

- ✓ an enforceable legal right exists to offset the assets and liabilities and settle them simultaneously; and
- ✓ the positive intention is to settle the assets and liabilities on a net basis or simultaneously.

Off-balance sheet commitments

This item includes commitments arising from contracts usually with a term of more than one year (operating leases and rental contracts).

Notes on income and expenses

General information

Profit or loss is determined as the differences between the realisable value of the goods delivered and services rendered versus the costs and other charges for the year. Gains or losses on transactions are recognised in the year in which they are realized; losses are taken as soon as they are foreseeable.

Foreign currencies

Transactions denominated in foreign currencies are translated at the exchange rates ruling as at transaction date.

Net turnover

Net turnover comprises invoiced amount to third parties for provided services during the financial year, net of sales related taxes and after elimination of intercompany transactions within the financial year.

Direct costs

Direct costs include costs of transportation charged by third parties, the costs of own and external means of transport (excluding depreciation and interest) and all other costs directly related to net turnover for the year under review.

Government grants related to income

Government grants related to income are recognised in the income statement in the year in which the subsidised expenditure is incurred, in which the reduction of income is recognised, or in which the operating loss is incurred for which the grant was received.

Personnel

Wages, salaries and social security charges are recognised in the income statement according to the terms of employment to the extent they are due to either employees or the tax authorities.

Depreciation and amortisation

Depreciation of tangible fixed assets and amortisation of intangible fixed assets are based on a fixed percentage of the cost of the assets concerned.

Interest

Interest income is recognised pro rata in the income statement. The effective interest rate for the asset concerned is taken into account, provided the income can be measured and the income is likely to be received.

Taxation

The Company and its Dutch subsidiaries form a fiscal unity for

corporate income taxes. All taxes are reported separately by the participants after allocation. The Company accounts for corporate income taxes on a stand-alone basis. Transactions within the Group are based on arm's length principles.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date. Current income tax relating to items recognised directly in equity is recognised in equity and not in the income statement.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences of the balance sheet date between the tax bases of assets and liabilities and their carrying amount for financial reporting purposes.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates expected to apply to the year in which the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to offset current tax assets against current income tax liabilities and the deferred income tax relates to the same taxable entity and the same taxation authority. Deferred tax liabilities and deferred tax assets are carried at non-discounted value.

Income from minority interests

Includes the pro rata share in the results of minority interests owned by the Company after deduction of applicable taxes. Dividend income is recognised as soon as the right to that income is obtained.

Cash flow statement

The indirect method is used in preparing the cash flow statement. Bank overdrafts are presented as current liability.

Dividends received from minority participating interests and profits after tax are presented under cash flow from operating activities. Non-cash transactions relating to financial leases have been excluded from the cash flow statement. This presentation reflects cash flows from continuing operations and from discontinued operations to the extent the proceeds have been received.

NOTES TO THE CONSOLIDATED BALANCE SHEET

1. Intangible fixed assets

Changes in intangible fixed assets are mentioned below.

<i>in thousands of euros</i>	Goodwill	Other	Total
Historical cost value at 31 December 2021	5,762	6,295	12,057
Accumulated amortisation at 31 December 2021	(3,823)	(5,080)	(8,903)
Net book value at 31 December 2021	1,939	1,215	3,154
<hr/>			
Movements			
Additions	-	307	307
Amortisation	(376)	(351)	(727)
	<hr/>	<hr/>	<hr/>
	(376)	(44)	(420)
	<hr/>	<hr/>	<hr/>
Net book value at 31 December 2022	1,563	1,171	2,734
<hr/>			
Historical cost value at 31 December 2022	5,762	6,602	12,364
Accumulated amortisation at 31 December 2022	(4,199)	(5,431)	(9,630)
Net book value at 31 December 2022	1,563	1,171	2,734
<hr/>			
Amortisation rate	5%-10%	10%	

Management has assessed the valuation of the goodwill and concluded that there are no impairment triggers. Other intangible fixed assets relate to capitalised software costs. No impairment charge was deemed necessary. The other movement in Goodwill relates to an estimation adjustment of the purchase price of an acquisition.

2. Tangible fixed assets

Movements in tangible fixed assets are mentioned below.

<i>in thousands of euros</i>	Land and buildings	Transport equipment	Other tangible fixed assets	Total
Historical cost value at 31 December 2021	14,954	97,494	26,476	138,924
Accumulated depreciation at 31 December 2021	(9,072)	(48,116)	(19,778)	(76,966)
Net book value at 31 December 2021	5,882	49,378	6,698	61,958
<hr/>				
Movements				
Additions	2,554	4,475	2,839	9,868
Depreciation	(1,963)	(5,365)	(2,755)	(10,083)
Disposals	-	(2,285)	(308)	(2,593)
Realisation in revaluation	(85)	-	-	(85)
	506	(3,175)	(224)	(2,893)
Net book value at 31 December 2022	6,388	46,203	6,474	59,065
<hr/>				
Historical cost value at 31 December 2022	16,178	96,452	25,655	138,285
Accumulated depreciation at 31 December 2022	(9,790)	(50,249)	(19,181)	(79,220)
Net book value at 31 December 2022	6,388	46,203	6,474	59,065
Depreciation rate	2.5-4 5-10	5.9 to 20	10-20	

Tangible fixed assets are depreciated on a straight-line basis over their estimated useful economic lives, taking into account the residual value. The net carrying amount of transport equipment under finance lease contracts amounts to € 33.1 million as of 31 December 2022 (31 December 2021: € 41.9 million).

3. Financial fixed assets

Changes in intangible fixed assets are mentioned below.

<i>in thousands of euros</i>	Receivable on Shareholder	Other	Deferred tax assets	Total
Balance at 31 December 2021	2,116	1,348	6,013	9,477
Net payments/receipts	4,699	(183)	(165)	4,351
Other movements and reclassifications	-	-	474	474
Balance at 31 December 2022	6,815	1,165	6,322	14,302

On the shareholders loan an interest is charged of 3% (note 18).

Other financial fixed assets contain mainly guarantees and long term receivables.

Deferred tax assets

in thousands of euros

The deferred tax asset results from net operating loss carry-forwards, withholding tax and timing differences incurred in the Netherlands, France, Romania, Belgium and Poland (for France including Abondances a meilleure fortune). The forecastable taxable profits for the next 9 years are included in this assessment. Total tax loss carry forward available amounts to € 35 million. These can be broken down as follows:

<i>Country</i>	Tax losses available	Tax rate	Tax loss eligible for recognition	Amount recognized
Netherlands	11,147	25.8%	2,876	2,870
France	14,579	25.0%	3,645	1,230
Romania	8,923	16.0%	1,428	200
Belgium	468	25.0%	117	110
Poland	160	19.0%	30	30
Total	35,277		8,096	4,440
Timing differences				1,882
				6,322
Estimated amounts to be realised within 1 year				1,000
Estimated amounts to be realised after 1 year				5,322
				6,322

Based upon projections Company should be able to partly offset the available accumulative fiscal losses against future taxable income over the years from 2023 through 2031, taking into account local national terms for utilisation. These projections imply further continuation of the Company's profitability. Current expected taxable profits in this time frame justify a recognition of tax losses carry forward of at least € 4.4 million.

Projections of future (fiscal) results are by nature uncertain. Market as well as other external or internal circumstances influence the Company's ability to realise its projections in due course. As the valuation of the deferred tax assets depends on said projections, uncertainty is also applicable to the assessed value of the deferred tax asset itself.

4. Receivables

<i>in thousands of euros</i>	31 December	31 December
	2022	2021
Trade debtors	63,332	64,474
Corporate income tax	881	1,195
Value added tax	5,553	5,687
Other receivables, prepayments and accrued income	4,805	3,677
	74,571	75,033

The term of settlement of receivables is less than one year. The provision for bad debts amounting to € 1.3 million in 2022 (2021: € 2.3 million) is deducted from trade debtors.

5. Cash at bank and on hand

<i>in thousands of euros</i>	31 December	31 December
	2022	2021
Cash	56	123
Current accounts with banks	4,759	6,061
	4,815	6,184

Cash at bank and on hand is at the Company's free disposal.

6. Group equity and minority interest

<i>in thousands of euros</i>	Shareholders' equity	Minority interest	Group equity
Balance at 31 December 2021	34,298	1,251	35,549
Realisation revaluation reserve	(76)	-	(76)
Net result	1,010	216	1,226
Dividends	-	(184)	(184)
Other movements	(2)	-	(2)
Balance at 31 December 2022	35,230	1,283	36,513

For further details of Group equity, reference is made to the Company financial statements (note 20). Minority interests mainly relate to shares not owned by the Group in Nederlands Cement Transport Cetra B.V.

7. Deferred tax liabilities

in thousands of euros	2022
Carrying amount at 1 January	704
Addition	(36)
Carrying amount at 31 December	668

Deferred tax liabilities mainly refer to differences between the valuation of property for financial reporting and for tax purposes.

8. Provisions

in thousands of euros	31 December 2022	31 December 2021
Pensions	410	428
Reorganisation	110	67
Other provisions	1,794	1,812
	2,314	2,307

Movements in provisions were as follows:

	Pensions	Reorganisation	Other provisions	Total
Carrying amount at 1 January	428	67	1,812	2,307
Addition	22	103	455	580
Release	-	-	(163)	(163)
Usage	(40)	(60)	(310)	(410)
Carrying amount at 31 December	410	110	1,794	2,314
Estimated amounts to be paid within 1 year	36	110	310	456
Estimated amounts to be paid after 1 year	374	-	1,484	1,858
Carrying amount at 31 December	410	110	1,794	2,314

Other provisions relate mainly to costs for periodic maintenance of property and redelivery of equipment.

9. Long-term liabilities

in thousands of euros

	Total	Term until 5 years	Term more than 5 years	Interest rates 2022	31 December 2022	31 December 2021
Bank loans	1,038	788	250	2-3%	1,245	
Lease contracts	13,434	12,540	894		17,807	
Other long-term liabilities	8,545	8,545	-	0-4%	12,251	
	23,017	21,873	1,144		31,303	

Short-term repayments of the loans and the leases amounting to € 11.8 million are recognised at the current liabilities. The Company has concluded financial lease and hire-purchase arrangements for trucks and trailers. The lower of the fair value of the asset and the present value of the minimum lease payments (including residual value) under those arrangements are mentioned above. The residual value subject to purchase options amounts to € 1.4 million.

Other long-term liabilities mainly concerns Covid-19 support provided by the Dutch state.

10. Liabilities to financial institutions

in thousands of euros

	31 December 2022	31 December 2021
Factoring	19,592	13,967
Lease contracts	7,002	10,686
Other short-term liabilities	4,829	1,638
	31,423	26,291

Factoring concerns financing in the Netherlands, Belgium and France against a pledge of trade receivables. Interest rates are based upon Euribor plus a surcharge from 0.8% to 1.35%. Also a factoring fee over the pledged revenues is applicable. The current Dutch and Belgian factoring arrangement of € 40.0 million ends December 2024. The company is meeting its 2022 covenants of a minimum EBITDA of € 12.0 million and a minimum solvency of 20%. A bank guarantee facility is made available by ABN AMRO Bank N.V. amounting to € 3.6 million, of which € 3.4 million is used.

11. Other liabilities

<i>in thousands of euros</i>	31 December 2022	31 December 2021
Taxes and social insurance contributions	13,448	10,032
Pension fund	940	838
Other liabilities, accruals and deferred income	9,333	14,040
	23,721	24,910

The basic pension plan for Dutch employees is administered by an industrial pension fund. This concerns a collective pension plan that is classified as a defined benefit plan which is administered by the industrial pension fund 'PVF Nederland Stichting Bedrijfstakpensioenfonds Vervoer over de weg'. On 31 December 2022 the pension fund had a coverage ratio of 110.8%. The required coverage ratio is 116.6%
The premium payable by the employer will remain the same in 2023.

Commitments not disclosed in the balance sheet

The Company forms part of a fiscal unity for corporate income tax purposes, of which the parent Company is Vos Logistics Beheer B.V. Under the standard conditions, the Company is jointly and severally liable for the corporate income tax and VAT due by the fiscal unity.

In order to acquire vehicles, several operational lease commitments have been agreed upon. Future minimum rental payments for these lease commitments with a term of more than one year as of 31 December 2022, are as follows:

< 1 year	€ 13,614
> 1 year but within 5 years	€ 17,426
> 5 years	€ 315
<hr/>	
Total obligations	€ 31,355

Among the long-term rental commitments are those for the property at Oss (NL), Helmond (NL), Kerkrade (NL), Woerden (NL), Goch (DE) and Lyon (F).

Future minimal rental payments for these properties and other objects with a term of more than one year as of 31 December 2022 are as follows:

< 1 year	€ 12,008
> 1 year but within 5 years	€ 23,621
> 5 years	€ 9,871
<hr/>	
Total obligations	€ 45,500

In 2022 Company contracted an investment and lease agreement for new trucks, trailers and other equipment. Total remaining obligations amount to € 58.0 million.

In March 2020 Vos Logistics became aware of an investigation by Belgian authorities (Arbeidsauditoraat) regarding our international operations executed in Belgium. No formal charges have been brought against the Company or any of its group companies. The inspectorate imposed preserving measures including a mortgage on our premises in Pittem and a cash deposit of € 500,000. Vos Logistics is in dialogue with the Belgian inspectorate. It is unclear if, how and to what extent the investigation and/or dialogue will proceed. Given the current uncertainty, no impact can be assessed or estimated. Management is confident that Vos Logistics' operations are compliant with legislation throughout the various countries of the European Union.

Financial Risks

Interest rate fluctuations

The euro interest rates are currently fluctuating at a low level. Vos Logistics has several forms of financing which could be impacted by the interest rate fluctuations. Financing from factoring includes an Euribor base. The interest rate risk to Vos Logistics for financing from leasings is limited as they are based on a fixed rate. The Euribor rate is not hedged.

Debtor risks

Vos Logistics faces two types of debtor risk. The risk that the debtor cannot fulfill its obligations and the cash flow risks of late payments. Vos Logistics mitigates these risks by means of credit checks, credit insurance and active monitoring and collection.

Liquidity risk

Transport in general, and Vos Logistics in particular, is capital intensive with a fairly fixed cost base. The transport and logistics markets are cyclical. Liquidity risks are mitigated by maintaining liquidity buffers and factoring arrangements (until the end of 2024). Financing of the asset base is secured by long-term leasing. The financing required for the intended investment programs is secured. Management of debtor risks (see above), utilisation of a flexible non-committed capacity shell, use of temporary workers as well as periodic exit possibilities of own capacity further mitigate liquidity risks.

Foreign exchange risk

As the Group includes Polish and Romanian companies, its balance sheet may be influenced by movements in the Polish złoty and the Romanian leu against the euro. The Group is also exposed to foreign exchange risks arising from purchase and sales transactions denominated in a currency other than the Group's functional currency. It is our policy to not hedge these risks. The potential impact of financial risks on the result and financial position is low.

NOTES TO THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

12. Net turnover

<i>in thousands of euros</i>	2022	2021
International Transport	213,670	194,815
Solutions	194,473	166,541
	408,143	361,356

The segmentation of net turnover is based on the organisational structure of the Company.

Geographical segment information	2022	2021
The Netherlands	217,955	186,205
Romania	132,972	122,751
Belgium	28,618	27,301
Poland	12,568	8,901
France	11,301	10,490
Other	4,729	5,708
	408,143	361,356

13. Personnel costs

<i>in thousands of euros</i>	2022	2021
Wages and salaries	124,311	111,746
Social security charges	13,351	11,790
Pension expenses	6,801	6,332
Other personnel costs	5,710	4,829
	150,173	134,697

14. Depreciation and amortisation

<i>in thousands of euros</i>	2022	2021
Amortisation of intangible fixed assets	727	669
Depreciation of tangible fixed assets	10,083	12,219
Total depreciation and amortisation	10,810	12,888

15. Other operating expenses

in thousands of euros	2022	2021
Transport costs	110,298	92,470
Warehouse costs	22,856	20,133
Other indirect costs	12,677	11,236
	145,831	123,839

In transport costs an amount of € 16.1 million is included for operational lease charges of trucks, trailers and other equipment. Also included in transport costs are costs for fuel, tires and repair and maintenance.

Audit fees

Total fees payable by the Group to EY for work performed in respect of the audit provided to the Company and its subsidiary companies during the period amount to € 399 (2021 € 327).

in thousands of euros	Annual report	Other assurance and advice	Tax	Total
EY the Netherlands	235	3	91	329
EY the rest of Europe	164	6	36	206
	399	9	127	535

Employees

Vos Logistics Beheer B.V. and its Group companies employed at year-end on a full-time basis	2,661 FTE
Previous year	2,554 FTE

The FTEs are employees that are on the Group's payroll; excluding temps and self-employed staff.
The number of foreign employees on a full-time basis amounts to 1,568 at year-end 2022.
The average number of employees was 2,635 in 2022 (2021: 2,500) on a full-time basis.

The employees can be specified by sector as follows:

	2022	2021
International Transport	1,631	1,548
Solutions	1,030	1,006
	2,661	2,554

Remuneration of the Board of Management

in thousands of euros	2022	2021
Remuneration of the Board of Management amounts to	899	879

16. Financial income & expense

in thousands of euros	2022	2021
Interest income	2	198
Interest expenses	(1,886)	(1,766)
	(1,884)	(1,568)

17. Corporate income tax

in thousands of euros	2022
Result before taxes	2,141
Tax charge at nominal tax rate 25.8%	(552)
Change in taxes previous years	(198)
Permanent differences	(9)
Not recognised prior losses and recognised losses	130
Effect tax rate foreign countries	(286)
Effective tax rate	43%
	(915)

The Group was able to recognise prior losses (see note 3).

Related party transactions

The shareholder Vos Logistics B.V. renders services to the group against a fee of € 100 per annum.

Our operation in Woerden rents a warehouse at arm's length from the Scheybeek Group (one of the shareholders of Vos Logistics B.V.). There are also immaterial transactions at arm's length with transport companies belonging to the Scheybeek Group.

Subsequent events

There are no subsequent events to report.

COMPANY BALANCE SHEET

(After appropriation of the result)

<i>in thousands of euros</i>	Ref. note	31 December 2022	31 December 2021
<u>ASSETS</u>			
Fixed assets			
Financial fixed assets	18	35,812	29,531
		35,812	29,531
Current assets			
Receivables	19	1,029	6,074
		1,029	6,074
Total Assets		36,841	35,605
<u>SHAREHOLDERS' EQUITY AND LIABILITIES</u>			
Equity	20		
Issued capital		800	800
Revaluation reserve		626	702
Reserve for translation differences		2,694	2,696
Other reserves		31,110	30,100
		35,230	34,298
Long-term liabilities	21	887	1,172
Current liabilities	22	724	135
Total shareholders' equity and liabilities		36,841	35,605

COMPANY PROFIT AND LOSS ACCOUNT FOR 2021

in thousands of euros

	2022	2021
Profit/(loss) after taxation	189	(130)
Share in profit/(loss) of participating interests	821	217
Net result	1,010	87

NOTES TO THE COMPANY BALANCE SHEET AND THE COMPANY PROFIT AND LOSS ACCOUNT

General

The accounting policies are the same as those used in the consolidated financial statements. In accordance with Section 402 of Book 2 of the Dutch Civil Code an abbreviated Company profit and loss account is presented.

18. Financial fixed assets

	31 December 2022	31 December 2021
<i>in thousands of euros</i>		
Subsidiaries	28,968	27,877
Receivable on shareholder	6,815	1,625
Other	29	29
	35,812	29,531

Investments in subsidiaries in which the Company has significant influence are accounted under the equity method on the basis of net asset value. Significant influence is presumed to exist if at least 20% of the voting shares is owned. Investments in subsidiaries in which the Company has no significant influence are accounted for at their acquisition costs. Financial fixed assets are revaluated in case of permanent impairment. Movements in subsidiaries are mentioned in the table below.

Subsidiaries

	31 December 2022	31 December 2021
<i>in thousands of euros</i>		
Financial fixed assets at 1 January	27,877	27,549
Result for the year	821	217
Other movements	270	111
Net book value at 31 December	28,968	27,877

Receivable on shareholder

	Total
<i>in thousands of euros</i>	
Balance at 31 December 2021	1,625
Net payments/receipts	5,190
Balance at 31 December 2022	6,815

This prior year position was reported under Other liabilities. (see note 22)

19. Receivables

in thousands of euros

	31 December 2022	31 December 2021
Receivables from Group companies	370	5,983
Corporate income tax	-	43
Value added taxes	588	-
Other receivables, prepayments and accrued income	10	21
Current accounts with banks	61	27
	1,029	6,074

The receivables from Group companies have no repayment schedule and 3% interest is charged annually. Vos Logistics Beheer B.V. is part of the Group's cash pool facility with the banks. This current account position is part of the Group's net cash position of € 4.8 million (receivable).

20. Equity

Movements during 2022	Issued capital	Revaluation reserve	Reserve for translation differences	Other reserve	Equity
Opening balance	800	702	2,696	30,100	34,298
Release for the year and realisation to P&L		(76)			(76)
Currency translation difference for the year			(2)		(2)
Result for the financial year				1,010	1,010
Closing balance	800	626	2,694	31,110	35,230

There are 800,000 shares with nominal capital of € 1.- per share.

The revaluation reserve is used to record increases in the fair value of property and other tangible fixed assets. Part of the other tangible fixed assets has been valued at the lower recoverable value. The reserve for translation differences concerns foreign exchange adjustments as a result of consolidation.

The Board of Management proposes not to pay a dividend to the shareholders and add the 2022 net profit of € 1,010 to the other reserves. Anticipating the resolution of the General Meeting of Shareholders, the financial statements have been drawn up on the assumption that the proposed appropriation of profit will be adopted.

21. Long-term liabilities

			31 December		31 December
			2022		2021
	Total	Term until 5 years	Term more than 5 years	Interest rates 2022	Total
Other long-term liabilities	887	887	-	2%	1,172
	887	887	-		1,172

Long-term liabilities mainly concerns Covid-19 support provided by the Dutch state.
Short-term repayments amount to € 242 and are recognised at the current liabilities.

22. Current liabilities

	31 December		31 December
	2022		2021
	Total	Trade payables	Total
Trade payables		264	13
Corporate income tax		66	-
Dutch State Covid support		242	61
Other debts		152	61
	724		135

Oss, 14 April 2023

Board of Management, Vos Logistics Beheer B.V.

F.J.M. (Frank) Verhoeven, CEO

G. (Ben) Vos, CFO

Other information

Independent auditor's report on the audit of the financial statements 2022 included in the financial report

To: the shareholders and Board of Management of Vos Logistics Beheer B.V.

Our opinion

We have audited the financial statements 2022 of Vos Logistics Beheer B.V. based in Oss.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Vos Logistics Beheer B.V. as at 31 December 2022 and of its result for 2022 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- ✓ the consolidated and company balance sheet as at 31 December 2022
- ✓ the consolidated and company profit and loss account for 2022
- ✓ the notes comprising a summary of the 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 Vos Logistics Beheer B.V. (the company) in accordance with 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion and any findings were addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Our focus on fraud and non-compliance with laws and regulations

Our responsibility

Although we are not responsible for preventing fraud or non-compliance and we cannot be expected to detect non-compliance with all laws and regulations, it is our responsibility to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error.

Our audit response related to fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the company and its environment and the components of the system of internal control, including the risk assessment process and management's process for responding to the risks of fraud and monitoring the system of internal control, as well as the outcomes.

We refer to the "Risk management" section of the management report for management's risk assessment after consideration of potential fraud risks.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as the code of conduct, whistle blower procedures and incident registration. We evaluated the design and the implementation and, where considered appropriate, tested

the operating effectiveness, of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

As in all of our audits, we addressed the risks related to management override of controls. For these risks we have performed procedures among others to evaluate key accounting estimates for management bias that may represent a risk of material misstatement due to fraud, in particular relating to important judgment areas and significant accounting estimates as disclosed in the General notes section to the financial statements. We have also used data analysis to identify and address high-risk journal entries and evaluated the business rationale (or the lack thereof) of significant extraordinary transactions, including those with related parties.

When identifying and assessing fraud risks we presumed that there are risks of fraud in revenue recognition. We designed and performed our audit procedures relating to revenue recognition responsive to this presumed fraud risk.

These risks did however not require significant auditor's attention during our audit.

We considered available information and made enquiries of relevant executives, directors as well as the legal and compliance officer.

The fraud risks we identified, enquiries and other available information did not lead to specific indications for fraud or suspected fraud potentially materially impacting the view of the financial statements.

Our audit response related to risks of non-compliance with laws and regulations

We performed appropriate audit procedures regarding compliance with the provisions of those laws and regulations that have a direct effect on the determination of material

amounts and disclosures in the financial statements. Furthermore, we assessed factors related to the risks of non-compliance with laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general industry experience, through discussions with the management board, reading minutes, inspection of a list of all ongoing claims and litigations and performing substantive tests of details of classes of transactions, account balances or disclosures.

We also inspected lawyers' letters and correspondence with regulatory authorities and remained alert to any indication of (suspected) non-compliance throughout the audit. Finally we obtained written representations that all known instances of non-compliance with laws and regulations have been disclosed to us.

Our audit response related to going concern

As disclosed in section "Statement of compliance" in the General notes to the financial statements, the financial statements have been prepared on a going concern basis. When preparing the financial statements, management made a specific assessment of the company's ability to continue as a going concern and to continue its operations for the foreseeable future.

We discussed and evaluated the specific assessment with management exercising professional judgment and maintaining professional skepticism.

We considered whether management's going concern assessment, based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, contains all relevant 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.

Based on our procedures performed, we did not identify material uncertainties about going concern. 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 a company to cease to continue as a going concern.

Report on other information included in the financial report

The financial report contains other information in addition to the financial statements and our auditor's report thereon.

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 for the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other 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 of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information required by Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities for the financial statements

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends

to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management 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.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement 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 detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. 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 judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. The 'Information in support of our opinion' section above includes an informative summary of our responsibilities and the work performed as the basis for our opinion. Our audit included among others:

- ✓ 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
- ✓ Obtaining 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
- ✓ 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/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

Communication

We communicate with management 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.

Eindhoven, 14 april 2023

Ernst & Young Accountants LLP

Signed by

R.E.J. Pluymakers

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Result appropriation

Articles of Association provisions governing result appropriation

Following Article 17.2 of the Articles of Association the result appropriation will be at the disposal of the Annual General Meeting of Shareholders.

Principal participating interests on 31 December 2022

Group companies

In cases in which less than 100% of the ordinary shares are held, the interest is stated.

The Netherlands

Vos Logistics International B.V., Oss *
Vos Logistics Solutions B.V., Oss *
Vos Logistics Oss B.V., Oss *
Vos Distri Logistics Oss B.V., Oss *
Vos Logistics Bulk Specialities B.V., Oss*
Vos Logistics Helmond B.V., Helmond *
Vos Logistics High Volume B.V., Woerden *
Vos Forwarding Logistics B.V., Oss *
Nederlands Cement Transport Cetra B.V. (50%), Oss
Vos Bulk Logistics Oss B.V., Oss *
Vos Management and Logistical Development B.V., Oss *
Vos Logistics Roosendaal B.V., Oss *
Vos Logistics Cargo Equipment B.V. Oss*
Vos Logistics Bulk Equipment B.V., Oss*
Vos Logistics Kerkrade B.V., Kerkrade*
SNEL Shared Logistics B.V., Woerden*
Vos Logistics Home Delivery B.V., Oss*
Vos Logistics Technical Department B.V., Oss*

*) Statement of joint and several liability issued by
Vos Logistics Beheer B.V.

Belgium

Vos Cargo Logistics Belgium N.V., Pittem
Vos Logistics België N.V., Pittem

Germany

Vos Logistics Holding Germany GmbH, Goch
Vos Logistics Deutschland GmbH, Goch
Nedex Internationale Spedition GmbH, Goch
Vos Logistics Goch GmbH, Goch
Vos Logistics Goch L77 GmbH, Goch
Gehlen Schols Transport & Logistik GmbH, Eschweiler

France

Vos Logistics Holding France S.A.S., Saint-Fons
Vos Logistics Lyon S.A.S, Saint-Fons

Poland

Vos Logistics Polska Sp. z o.o, Warsaw
Vos Logistics High Volume International Sp. z o.o, Warsaw
Vos Logistics Cargo International S.A., Warsaw
Vos Logistics Bulk International S.A., Warsaw

Portugal

Vos Logistics Iberica UL, Matosinhos

Romania

Vos Logistics Romania SRL, Cluj-Napoca
Vos Logistics Cargo SA, Cluj-Napoca
Vos Logistics Bulk SA, Cluj-Napoca



