RESILUX
INNOVATIVE PACKAGING

ANNUAL REPORT 2017

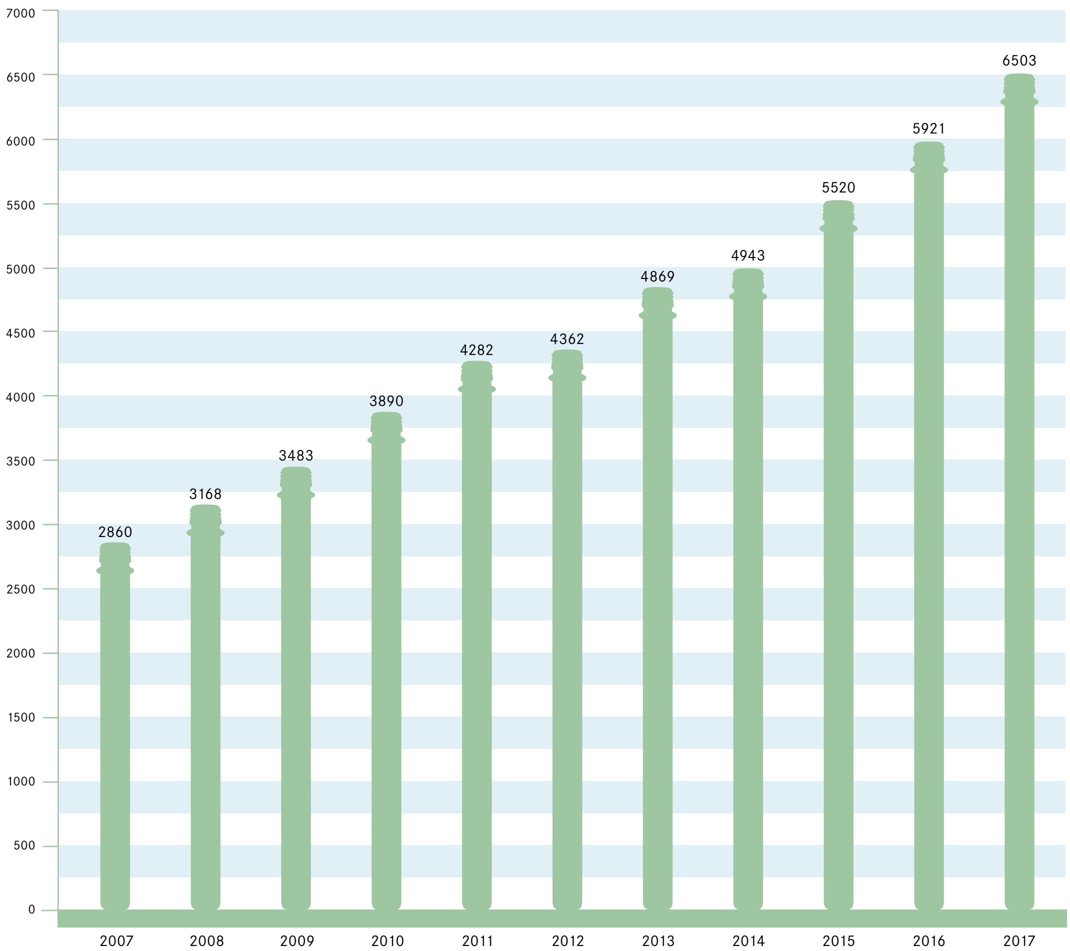
WWW.RESILUX.COM

YOU GET LOTS OF BOTTLE FROM RESILUX PREFORMS

Design and photography: TVC reclamebureau bv - Dongen, Nederland

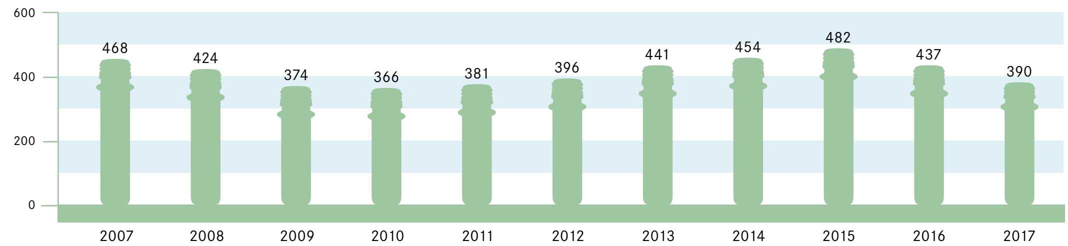
Preforms sold *(in millions)*

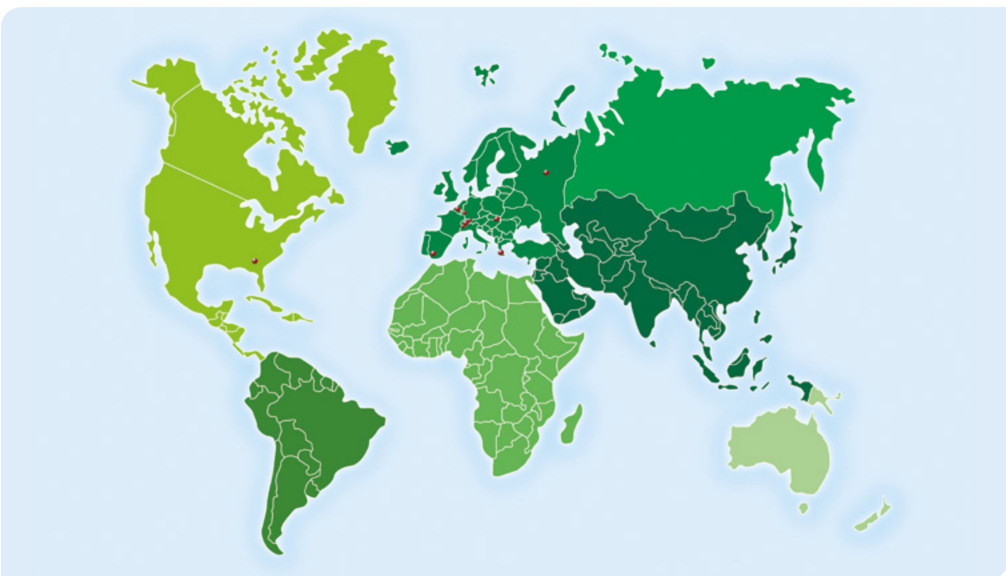
Preforms



Bottles sold *(in millions)*

Bottles





RESILUX INNOVATIVE PACKAGING

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The annual report is available on the internet in Dutch and English. >>> www.resilux.com
Het jaarverslag is beschikbaar op het internet in het Nederlands en Engels. >>> www.resilux.com

The Dutch version is the official version. The English version is a translation with no legal force.

CHAIRMAN'S STATEMENT

Our company is going through a lot of changes in all areas and is always focused on serving the customer and the markets on the basis of the best technology and service and the best possible production efficiency with the highest possible quality. The evolution of this movement is clearly noticeable in the very important investments that are in progress.

Being able to partially supply our own recycled raw materials will become a real priority in the future, with the first step taken last year with the acquisition of a Swiss recycling company. The recycling of used raw materials is an absolute necessity for ecological reasons, which must be legally substantiated with the emphasis on selective collection. With the recent acquisition of the recycling technology, Resilux has the opportunity to achieve "food quality" of produced recycled PET.

From now on, at Resilux, all proposed investments are examined very critically on the basis of a fast payback and high added value; the management committee has formally committed itself to this. As far as R & D is concerned, much progress has been made in recent years with good results for multilayer technology as well as for special products with a promising future; it should also be mentioned that the production capacity is strongly increased and fully implemented.

The geographical spread of our sales, based on 8 factories, remains a major trump card, especially with regard to savings in transport costs due to on-site production.

As a conclusion, I say that Resilux has become a very dynamic company that tries to fill in the pros and tries to eliminate or prevent the downsides. It therefore remains an honor to be chairman of the board of directors of this company, always bearing in mind the words of our IPO in 1997: **"we do it faster, better, cheaper"**.

A. De Cuyper
Chairman of the Board of Directors

RESILUX PROFILE

Since its foundation, the production of PET (polyethylene terephthalate) packaging in the form of preforms and bottles has been the core business of Resilux. The preforms are blown into bottles by Resilux or by the customer,
and then filled with water, soft drinks, edible oils, ketchup, detergents, milk, beer, wine, fruit juices, etc.

Resilux is a family company by origin that became operational in June 1994. Since 1997, it has been listed on Euronext Brussels. The company has an extensive network of sales and service offices in various countries. Alongside the main establishment in Belgium, Resilux has a number of production units in Spain (1997), Russia (1999), Greece (2000), Switzerland (2000/2001), Hungary (2002), the United States (2001/2004) and Serbia (2017). Resilux has various sales offices in the above countries, as well as in many other countries on different continents.

Resilux produces preforms and bottles for many applications and in various weights, colours and forms. Preforms and bottles are produced for both single use and multiple use. As well as for barrier-sensitive products, Resilux offers various solutions. Moreover, the Resilux R&D centres are continually researching ways to further improve quality, to increase and develop the barrier qualities of PET, and to renew and optimise the preform and bottle designs.

Resilux also has bottle-blowing projects at different customers. Resilux provides to the filling companies the necessary know-how and if required the infrastructure and manpower. These activities can be located on the customer's premises (in-house), right next to the customer (wall-to-wall) or near to the customer (satellite).

During 2017, Resilux acquired the activities of a PET recycling company in Switzerland (Poly Recycling AG).

Resilux endeavours to achieve a global spread of risk and maximum flexibility. The strong position of Resilux is the result of very high productivity, its technological leadership whereby quality and innovation come first, and its extensive geographic distribution.

The production is highly automated and the production technology has to a large extent been optimised in-house. Part of Resilux's know-how is protected by patents and registered designs.

CONSOLIDATED KEY FIGURES (1)

	2017 IFRS	2016 IFRS	2015 IFRS
Key figures from the profit and loss account *(in thousands of Euro)*			
Turnover	328,677	293,667	291,559
Total revenues	335,300	326,015	295,579
Added value (2)	75,741	95,109	72,523
Operating cash flow - EBITDA (3)	36,359	60,819	38,468
Depreciation and operational non-cash costs	15,767	14,393	14,249
Operating result	20,592	46,426	24,219
Financial result	-2,477	-1,382	-2,536
Result before taxes	18,115	45,044	21,683
Taxes	-2,292	-4,237	-3,817
Net result, part of Group	15,823	40,807	17,866
Result based on the equity value		18,884	-8,074
Net result after result based on the equity value		59,691	9,792
Key figures from the balance sheet *(in thousands of Euro)*			
Equity	121,485	147,568	87,709
Equity (incl. subordinated loans)	122,760	149,162	89,303
Net financial debt (excl. subordinated loans) (4)	6,844	-22,319	33,154
Total assets and total liabilities	243,688	256,191	205,983
Key figures per share - diluted (5) *(in Euro)*			
Operating cash flow - EBITDA (3)	17.96	30.04	19.00
Operating result	10.17	22.93	11.96
Net result, part of Group	7.81	20.15	8.82
Net result after result based on the equity value		29.48	4.84
Average number of shares (5)	2,024,860	2,024,860	2,024,860
Proposed gross dividend (6)	2.00	2.00	2.00

(1) Figures are fully in conformity with IFRS-rules.
(2) Revenues minus trade goods and raw materials minus services and other goods.
(3) Operating profit plus depreciations and write offs of intangible and tangible assets, plus provisions for write offs in value relating to stocks.
(4) Interest-bearing Financial obligations minus available funds and investments.
(5) Per May 16, 2017, 44.450 new share were issued pursuant to the exercise of warrants under Warrant Plan 2013.
(6) The board of directors will propose to the general shareholders' meeting to pay a gross dividend of € 2.00 per share.

RESILUX
INNOVATIVE PACKAGING

CORRECTED CONSOLIDATED KEY FIGURES

2017: excluding consultancy costs relating to potential acquisition by Bain Capital (1)

2016: excluding amounts related to sale of shares of Airolux AG and excluding deliveries to and financing of Airolux AG.

	2017	2016	2015
Key figures from the profit and loss account *(in thousands of Euro)*			
Turnover - adjusted	328,677	290,212	286,775
Operating revenues - adjusted	335,300	322,560	290,014
Added value (2) - adjusted	76,802	72,256	68,883
Operating cash flow - EBITDA (3) - adjusted	37,420	37,966	34,827
Depreciation and operational non-cash costs	15,767	14,393	14,249
Operating result - adjusted	21,653	23,573	20,578
Financial result - adjusted	-2,477	-2,360	-4,020
Result before taxes - adjusted	19,176	21,213	16,558
Taxes - adjusted	-2,653	-4,742	-3,048
Net result, part of Group - adjusted	16,523	16,471	13,510
Key figures per share *(in Euro)*			
Operating cash flow - EBITDA (3) - adjusted	18.48	18.75	17.20
Operating result - adjusted	10.69	11.64	10.16
Net result, part of Group - adjusted	8.16	8.13	6.67
Average number of shares (4)	2,024,860	2,024,860	2,024,860

(1) These are non-IFRS measures and are therefore not audited.

(2) Revenues minus trade goods and raw materials minus services and other goods.

(3) Operating profit plus depreciations and write offs of intangible and tangible assets, plus provisions for write offs in value relating to stocks.

(4) Per May 16, 2017, 44.450 new share were issued pursuant to the exercise of warrants under warrant plan 2013.

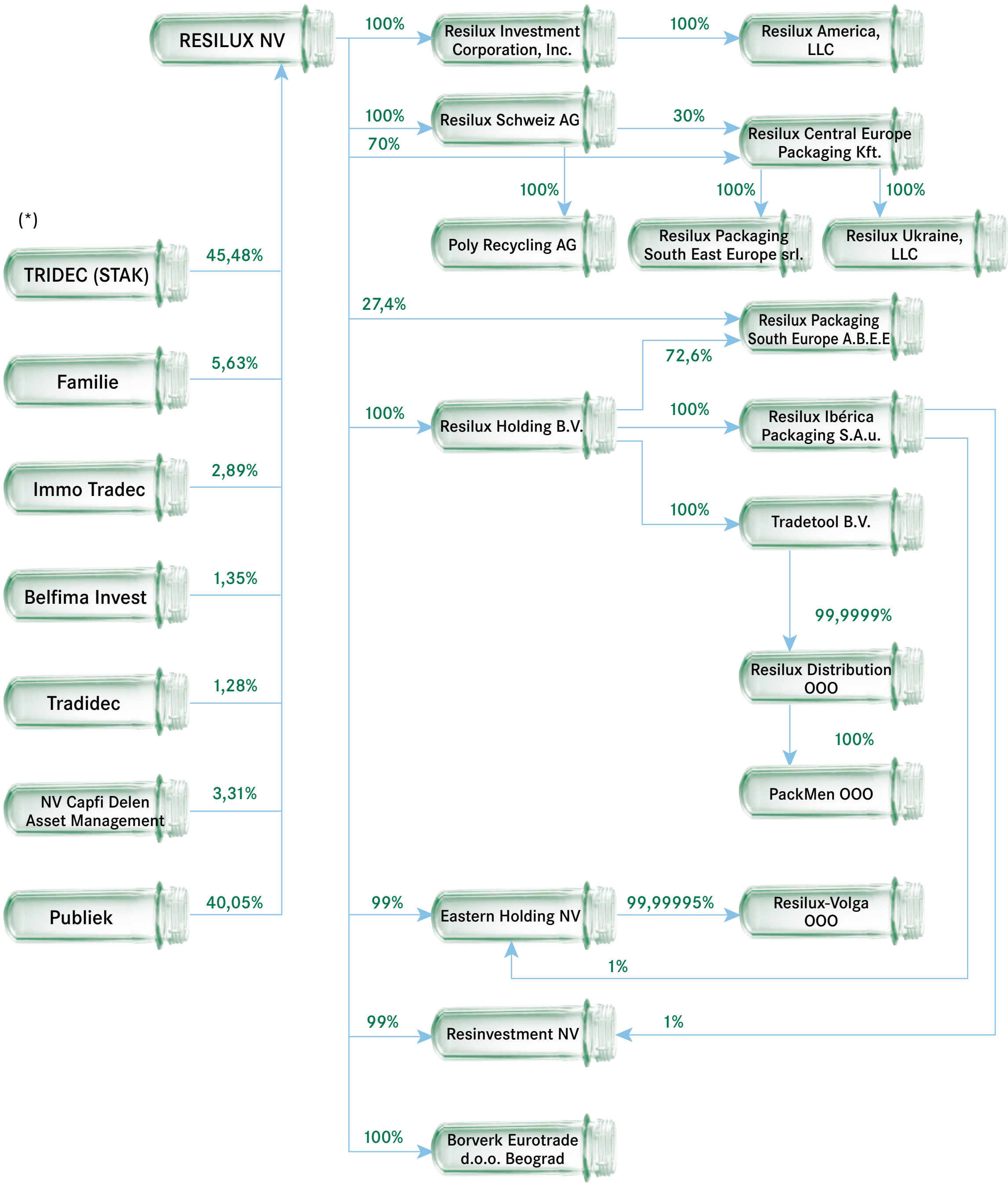
RESILUX
INNOVATIVE PACKAGING

SHAREHOLDERS AND GROUP STRUCTURE

Resilux started the production of PET preforms in June 1994. Since October 3, 1997, Resilux has been listed on Euronext Brussels. The price per share of the stock exchange introduction was EUR 30.99.

The capital of Resilux NV including share premiums amounts to € 3,600,430.43 on December 31, 2017. The registered capital stands at € 3,600,429 and is represented by 2,024,860 no par-value shares, which each represent a 1/2,024,860th share of the registered capital.

On December 31, 2017 the structure of the Resilux Group was (according to IFRS) as follows:



(*) Percentages calculated on the basis of the number of outstanding shares (2,024,860) and the share ownership as it appears in the last transparency declarations of April 4 and May 4, 2017 received by the company in application of the Law of May 2, 2007 on the disclosure of major shareholdings.

RESILUX INNOVATIVE PACKAGING

Since 1994, Resilux has started up or acquired a number of operational activities in different countries:

1) **Spain**

In June 1997, the first foreign production unit called Resilux Ibérica Packaging S.A.u. became operational in Spain. According to IFRS, it is a 100% daughter of Resilux Holding B.V. with a capital of € 3,804,991.10 as per December 31, 2017.

2) **Russia**

Since its foundation in 2007, Resilux Distribution OOO organises the sales and purchase operations, and has a capital of RUR 108,811,252.70 as per December 31, 2017.
The production operations are incorporated on the one hand into Resilux-Volga OOO, according to IFRS a 99.99995% subsidiary of Eastern Holding NV with a capital of RUR 204,258,500 as per December 31, 2017 and on the other hand into Packmen OOO, according to IFRS a 100% subsidiary of Resilux Distribution OOO, with a capital of RUB 45,010,000 as per December 2017.

3) **Switzerland**

In March 2000, Resilux NV acquired 100% of the shares of the Swiss company Altoplast-Claropac AG, a company that produced PET preforms and bottles. In March 2001, Resilux NV acquired 100% of the shares of a second Swiss company, Femit Plastic AG, a company that also produced PET preforms and bottles. In order to optimise synergies, the two companies were merged in 2004 and became Resilux Schweiz AG. As per December 31, 2017 this company has a capital of CHF 18,000,000.

Through a newly established Swiss subsidiary, Poly Recycling AG, Resilux NV acquired the PET recycling activities of Signode Industrial Group in September 2017. Poly Recycling AG is a 100% subsidiary of Resilux Schweiz AG, with a capital of CHF 100,000 as per 31 December 2017.

4) **Greece**

In June 2000, Resilux started up a production unit in Greece, Resilux Hellas A.B.E.E.. On October 11th, 2010 the name of the company has been changed into Resilux Packaging South Europe A.B.E.E.. As per December 31, 2017 this 72.6% subsidiary of Resilux Holding B.V. has a capital of € 11,420,509.

5) **United States**

In December 2000, Resilux NV acquired - through an American holding company set up for this purpose, Resilux Investment Corporation, Inc. - a shareholding of 16.67% in Resilux America, LLC. This company produces and commercialises PET packaging for niche markets - such as food products, household products, cosmetics, pharmaceutical products, etc - and continues to invest in the expansion of its preform activities.

Since January 1st, 2005, Resilux Investment Corporation, Inc. holds all shares of Resilux America, LLC. As per December 31, 2017 Resilux Investment Corporation Inc. has a capital of USD 30,250,000.

6) **Hungary**

In March 2002, Resilux started a new production unit in Hungary. A new company was set up for this purpose, Resilux Hungária Packaging Kft. of which currently 70% of the shares are held by Resilux NV and 30% by Resilux Schweiz AG. On June 14th, 2011, the company name has been changed into Resilux Central Europe Packaging Kft.. As per December 31, 2017 the capital of Resilux Central Europe Packaging Kft. is HUF 2,429,568,531, share premium included.

7) **Romania**

On November 4th, 2009 Resilux South East Europe srl. was established in Romania. On 7 July 2017, the company name has been changed to Resilux Packaging South East Europe srl.. As per December 31, 2017 this 100% subsidiary of Resilux Central Europe Packaging Kft. has a capital of RON 107,000.

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8) **Ukraine**

On June 13th, 2014 Resilux Ukraine LLC was established. This company organises the sales operations in Ukraine. As per December 31, 2017 this 100% subsidiary of Resilux Central Europe Packaging Kft. has a capital of UAH 250,000.

9) **Serbia**

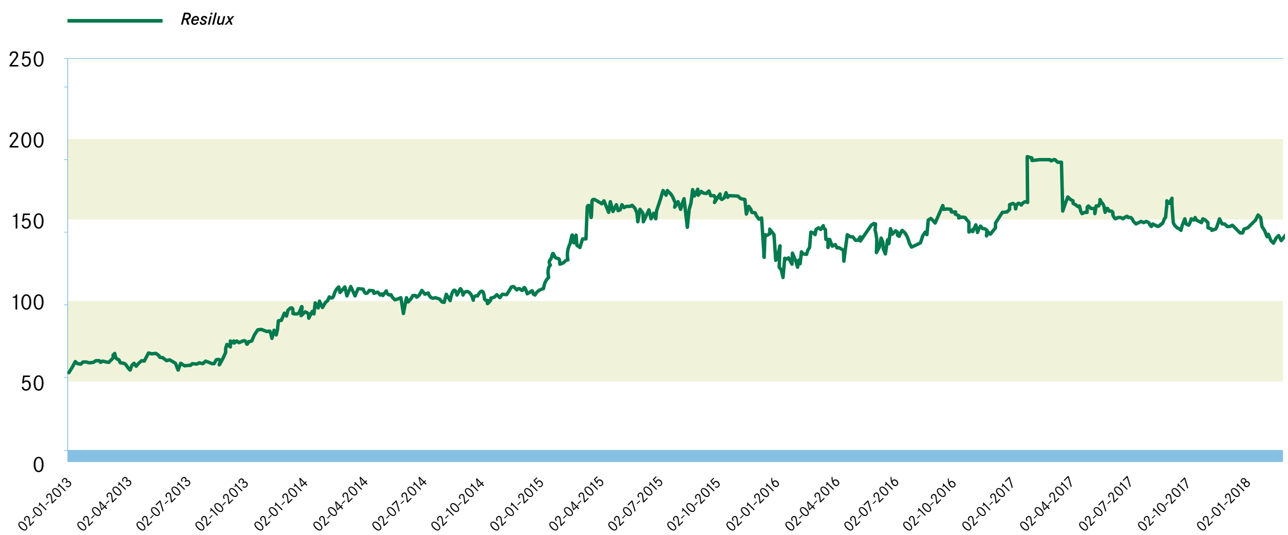
In March 2017, Resilux NV acquired 100% of the shares of the Serbian company Borverk Eurotrade d.o.o. Beograd, a company active in the production of PET preforms and bottles. This 100% subsidiary of Resilux NV has a capital of RSD 430,763,000 as per 31 December 2017.

RESILUX AND THE BRUSSELS STOCK EXCHANGE

Stock exchange listing

The Resilux share is listed since October 3, 1997. Resilux is listed on Euronext Brussels under the code 'RES' with ISIN code BE0003707214 / sector description 2723: Industrials / Containers & Packaging.

During the past 5 year, the stock price of the Resilux share on Euronext Brussels evolved as follows *(in Euro)*:



Some key stock market figures of Resilux are given below *(amounts in Euro)*:

Key stock market figures	2017	2016	2015	2014	2013
Average daily volume in units	2,473	1,031	2,030	1,446	1,930
Number of shares on 31.12	2,024,860	1,980,410	1,980,410	1,980,410	1,980,410
Market capitalisation at closing price	291,174,868	310,924,370	284,386,876	211,111,706	184,673,232
Turnover	105,021,371	37,195,169	77,691,253	38,364,709	34,855,088
Highest price	190.75	159.95	172.10	111.80	96.23
Lowest price	143.40	116.40	106.15	90.50	55.49
Closing price	143.80	157.00	143.60	106.60	93.28
Average price	158.89	142.00	153.39	104.37	69.71
Price/Operating cash flow (1)	8.6	7.4	7.9	6.2	4.5

(1) Based on the average number of shares and average price during the year. Per May 16, 2017, 44.450 new shares were issued pursuant to the exercise of warrants under Warrant Plan 2013.
For 2017 the operating cash flow used is excluding the consultancy costs regarding the potential acquisition by Bain Capital. For 2016 the operating cashflow is excluding de income and expenses related to the sale of the shares of Airolux AG and excluding all amounts relating to deliveries and financing of Airolux AG.

The Resilux share reached its highest price of € 190.75. on February 3, 2017. The lowest share price was reached on December 28, 2017 and was € 143.40.

In order to maintain sufficient activity involving the share, a liquidity and market activation contract was concluded with Bank Degroof Petercam NV.

FINANCIAL CALENDAR

Annual financial report 2017 and other legal documents available	April 18, 2018
General shareholders' meeting 2018	May 18, 2018
Dividend ex date (*)	May 29, 2018
Dividend record date (*)	May 30, 2018
Dividend payment (payment date) coupon no.17 (*)	May 31, 2018
Publication of the half year results for financial year 2018 and analysts meeting	August 30, 2018
Publication of the year results for financial year 2018 and analysts meeting	March 7, 2019
General shareholders' meeting 2019	May 17, 2019

(*) Subject to approval by the general shareholders' meeting 2018.

INVESTOR RELATIONS

The annual financial report is available as pdf-file in Dutch and in English on the website www.resilux.com.

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Telephone: (+32) 9 365 74 74, Fax: (+32) 9 365 74 75
Contact person: Dirk De Cuyper (info@resilux.com)

FINANCIAL SERVICE PROVIDER

Bank Degroof Petercam NV has been appointed for the financial servicing towards the shareholders.

RESILUX INNOVATIVE PACKAGING

CAPITAL – SHARES – VOTING RIGHTS – SHAREHOLDERS – TRANSPARENCY LEGISLATION

Capital - shares - voting rights

Following the exercise of the warrant plan issued by the company at the beginning of 2013, a capital increase was executed on May 16, 2017 together with the creation of 44,450 new shares. The share capital of the company was increased to € 17,569,682 represented by 2,024,860 shares without nominal value, each representing 1/2,024,860th of the capital.

Following a subsequent capital reduction of June 28, 2017, the registered capital of the company amounts to € 3,600,429, represented by 2,024,860 shares without nominal value, each representing 1/2,024,860th of the capital.

There are no more warrants in circulation.

Registered capital	€ 3,600,429
Total amount of issued stock with voting right (no par-value)	2,024,860
Total amount of voting rights ("denominator") - 1 vote/share	2,024,860
Total amount of non-issued stock with voting rights in circulation (warrants)	0
Total amount of new stock with voting rights after exercising all warrants - 1 vote/new share	0
Total amount of stock with voting rights after exercising all warrants	2,024,860
Total amount of voting rights after exercising all warrants - 1 vote/share	2,024,860

Shareholders structure

In accordance with Article 14 of the company's articles of association, for the application of articles 6 to 10 of the Law of May 2, 2007 on disclosure of major holdings in issuers whose shares are admitted to trading on a regulated market and laying down miscellaneous provisions, the applicable quotas have been set at 3%, 5%, and multiples of 5%.

On the basis of the notification of shareholding of April 4 and May 4, 2017, received by the company in application of the Law of May 2, 2007 on disclosure of major holdings, Tridec Stichting Administratiekantoor (STAK) owned 921,000 shares of the company (45.48%), the De Cuyper family 114,072 shares (5.63%) and the companies Immo Tradec NV 58,534 shares (2.89%), Belfima Invest NV 27,333 shares (1.35%) and Tradidec NV 25,973 shares (1.28%) and NV Capfi Delen Asset Management 67,089 shares (3.31%), as per December 31, 2017.

Tridec STAK - a foundation under Dutch law the De Cuyper family and the companies NV Immo Tradec, NV Belfima Invest and NV Tradidec act in mutual consultation.
Together they possess 1,146,912 company shares. This represents 56.63% of the shares, and therefore control of the company.

All remaining company shares (810,859 - 40.05%) are owned by the public.

Shareholder	Current voting rights/share	% of issued company stock
Tridec Stichting Administratiekantoor (*)	921,000	45.48%
De Cuyper family (*)	114,072	5.63%
NV Immo Tradec (*)	58,534	2.89%
NV Belfima Invest (*)	27,333	1.35%
NV Tradidec (*)	25,973	1.28%
NV Capfi Delen Asset Management	67,089	3.31%
Public	810,859	40.05%
Total	**2,024,860** (“denominator”)	**100%**

(*) Tridec Stichting Administratiekantoor acts in mutual consultation with the De Cuyper family and the companies NV Immo Tradec, NV Belfima Invest and NV Tradidec. These in mutual consultation acting parties are not in the possession of warrants to the Resilux shares.

The shareholders and control structure of Resilux NV is set out in the Corporate Governance Charter of Resilux NV. This information is also available on the company’s website - heading Investor Relations - General Information.

CORPORATE GOVERNANCE DECLARATION 2017

1. Corporate Governance Charter (part of the annual report on the statutory financial statements in accordance with Article 96 of the Companies Code)

The Corporate Governance declaration is part of the annual report on the statutory financial statements and consequently subject to the control of the External Auditor.

1.1 Corporate Governance Code - Reference code (section 96, §2, 1° Companies Code)

As a Belgian company quoted on Euronext Brussels, Resilux NV uses as reference code the Belgian Code on Corporate Governance of listed companies, published on March 12th, 2009 and aims to comply with the principles and provisions of this code, unless a grounded derogation is made, making use of the principle "Comply or Explain".

The Code can be freely consulted on the website of the Corporate Governance Committee: www.corporategovernancecommittee.be.

1.2 "Comply or Explain" (section 96, §2, 2° Companies Code)

The exceptions to the application of provisions of the Code are explained as follows:

Provision 4.15 of the Code: "The Corporate Governance Statement contains information concerning the most-important characteristics of the evaluation process of the board of directors, its committees and its individual directors."

Given the limited scope and specific composition of the board of directors, its committees and the number of individual directors, and although the evaluations are done in accordance with the provisions of the Corporate Governance Code (periodically, under the leadership of the Chairman, in compliance with target objectives), there is no formally developed evaluation process that defines, a.o. evaluation criteria, the evaluation procedure, attendance quorum, and all such.

Provision 7.7 of the Code: "Non-executive directors receive neither performance-related remuneration such as bonuses or long-term stock-related incentive programmes nor benefits in kind or benefits linked to pension schemes."

The Chairman of the board of directors - unlike the other non-executive directors - does not receive any fixed emoluments for the performance of his duties as a non-executive director and chairman of the board of directors but instead receives only benefits in kind in the form of a car and a mobile telephone.

This exception is justified by specific circumstances and by the fact that (1) provision 7.8 of the Code mentions "other benefits" accorded to non-executive directors and that (2) the new section 96, §3, 3° of the Companies Code mentions "remuneration and other benefits" and thus does not impose any statutory prohibition against according benefits in kind to non-executive directors.

Principle 7.11 of the Code: "To bring the interests of the members of the executive management in line with those of the company, an appropriate proportion of their remuneration package is linked to corporate and individual performances."

The remuneration package of each member of the executive committee consists of a fixed sum and a number of current benefits in kind and representation allowances. The introduction of a general variable pay policy in order to bring the interests of members of the executive management in line with those of the company is still under re-consideration.

Given the trends in relevant legislation and Corporate Governance in this area, the existing remuneration policy will be re-evaluated the next coming years and adapted or further elaborated if necessary.

1.3 Internal control and risk management systems (section 96, §2, 3° Companies Code)

The board of directors, the audit committee and the executive management (executive committee) are responsible for measuring business risks and the effectiveness of the internal control and risk management systems. These internal control and risk management systems are aimed to identify, evaluate, manage and follow up the financial and other risks with a view to ensuring (1) the achievement of the company's stated objectives, (2) reliable reporting (whether financial or otherwise) and (3) due compliance with the applicable laws and regulations.

General

- *Control Environment*

  The company endeavours to create a control environment that is adapted to the needs and size of the company and its affiliates and that adequately supports the four other internal control elements via:
  - defining and communicating the strategy, philosophy, values, corporate culture and management style of the company.
  - defining and describing the company structure, job descriptions and qualifications, duties, competence and responsibility domains, HR policy.
  - compliance with the Corporate Governance Charter, applicable regulations and the company's articles of association, on the basis of which the responsibilities of the board and its committees are set.

- *Risk Management Process*

  The company identifies and analyses the potential internal and external events and factors that may affect the company and the realization of its (strategic, operational, financial, legal) objectives. Depending on the nature of the risk, the company endeavours to take measures, to define action plans, to set up new management systems or optimize existing ones in order to keep the risks within the limits of the risk appetite of the company.

- *Control Activities*

  The company's risks are managed on a regular and permanent manner and controlled by different agencies, departments, procedures, processes and systems:

  - Procedures, guidelines, processes, analysis and reports (whether automated or not)
  - Departments/functions that (partially) carry out control activities
    a) Finance department (reporting & controlling)
    b) Legal department
    c) Credit Management
    d) Sales Controller
    e) Quality control (production and products)
    f) Risk Manager and Health and Safety Officer
  - The integration of control activities into important processes and systems (ICT)
  - The board of directors and its various committees
  - The management structure of the company and its affiliated companies
  - External audit

- *Communication and Information*

  The company acknowledges the importance of reliable, timely information and promotes making this a goal in terms of both its internal and its external communication as well as aligning its reporting in this respect.

- *Supervision and steering*

  The quality and effectiveness of the internal controls and the control and management systems are supervised by:

  - The board of directors
  - The audit committee
  - Executive management (executive committee) and daily supervision
  - Finance & Controlling
  - The compliance function as exercised by the Company Secretary
  - The financial audit process carried out by the external auditor
  - External quality control/quality audit - BRC
  - Inspections done by the insurance company (Risk Management property damage)

On March 27, 2018 the audit committee decided the following:

The development of a reference framework for internal control and risk management within the company is a gradual, evolving process that fits the needs and characteristics of the company. Furthermore, it depends on the aims, scope and complexity of the organisation's activities and processes or even the internationalisation thereof.

In the framework of internal control and risk management, the company paid in 2017 relatively much attention to:

a) further change management and adjustment to the organization - with a great deal of attention to the foreign branches - in order to implement the strategy with regard to the opportunities and threats as perceived by the company on the market- and other strategic risks in various regions;

b) ICT processes and systems and data security;

c) the quality management system and the handling of claims;

d) the further elaboration and implementation of an operational excellence plan whereby all processes of the company are analyzed and, if necessary, adjusted;

e) developing and optimizing reporting and management information;

f) centralization and control of data;

In general, it can be stated that the current systems and processes - given the organisation's scope, structure and operations - still function properly, however, since the earlier proposed progress in internal control and risk management over the years is slower than expected and given the continuing growth expectations for the company, the need increases for further formalization and development in the field of:

a) the control environment and more specifically in the area of: job descriptions and skills, duties, areas of competence and responsibility and HR policy;
b) risk management processes: the development and creation of a general risk matrix and an ERM (Enterprise Risk Management) system to take inventory of, analyse, monitor and manage risks in a systematic and structured manner;
c) risk response and control activities: refine existing procedures and control activities and create new ones in function of the company's needs.

In principle, it was decided at the end of 2011 to create the position of Internal Control and Risk Management Coordinator. The filling of this position has been always postponed in practice while awaiting the outcome of the analysis of the overall organization and its needs. The optimal implementation of this role should be examined again, taking into account the size, the working method and the organizational structure of the company.

Conclusion:
Given the organisation's scope, structure and operations, the audit committee concluded that the existing internal control and risk management systems and procedures, their operation and the steering thereof based on everyday supervision and control are still sufficient to ensure effective identification, management and publication of the most important risks.

The creation of the position of an Internal Control and Risk Management Coordinator and the functional implementation of his role must be put back on the agenda. The audit committee asks the management to work out a more concrete plan of action in 2018 that will lead to the further formalization, professionalization, improvement and adaptation of the existing control environment, risk management processes and control activities, in order to continue to meet the objectives and needs of the organization.

Internal control and risk management systems set up for financial reporting risks

The internal control and management system set up for financial reporting risks is aimed at assuring reasonable certainty in producing reliable financial reporting relative to the company's business and in being able to prepare and publish annual accounts in accordance with the IFRS accounting principles.

Procedures and Reporting Processes

- The accounting teams are responsible for due and proper closing of the bookkeeping. Financial Accounting Manuals are provided for the most-important sections of the bookkeeping.
- The company has developed procedures relating to various business processes (procurement, sales, personnel, investments, etc.).
- The company prepares annual budgets (sales prognosis, financial budget, investment budget and cash flow chart).
- Sales and production quantities from the various Resilux plants are reported daily. In the case of sales data, attention is additionally paid to volumes sold and prices charged.
- Each month, financial statements are reported and consolidated at group level.
- Special financial reports are produced periodically (quarterly and half-yearly).

Information systems have been developed to assist the company and are constantly adjusted to new needs as they arise.

Control Activities

- The various controllers examine the figures for accuracy by making comparisons with historical figures and budget figures, and also reconciling the financial reporting with the management reporting. There are special procedures to guarantee the adequacy of the financial provisions.
- By means of random sampling, examinations are done in order to check whether the procedures relative to various business processes are being properly applied, whereby the focus lies on material transactions.
- Annual budgets are analysed, discussed and approved by the board of directors. Over the course of the year, deviations from budget are analysed by the controllers and explained. This results in appropriate actions to be taken.
- The reports are periodically discussed with the management of the various plants. Attention is also paid to non-quantitative performance indicators.
- Quarterly, the financial reporting is discussed by the audit committee and all critical accounting issues and financial uncertainties are reported and discussed with the management, the external auditor and the board of directors.
- Each year, the external auditor examines and assesses the annual accounts.

1.4 Information regarding article 34 of the Royal Decree of November 14th, 2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market. (Implementation of the takeover Directive) (see also article 96, §2, 4° Companies Code regarding article 34, 3°, 5°, 7° and 8°).

a) On December 31, 2017 the registered capital of the company amounts to € 3,600,429 represented by 2,024,860 no par-value shares, which each represent a 1/2,024,860th share of the registered capital. All shares are fully paid and each share confers the right to one vote.

Based on the last transparency notification of April 4 and May 4, 2017, as received by the company, the shareholders' structure on December 31, 2017 is as follows:

Shareholder	Current voting rights/share	% of issued company stock
Tridec Stichting Administratiekantoor (*)	921,000	45.48%
De Cuyper family (*)	114,072	5.64%
NV Immo Tradec (*)	58,534	2.89%
NV Belfima Invest (*)	27,333	1.35%
NV Tradidec (*)	25,973	1.28%
NV Capfi Delen Asset Management	67,089	3.31%
Public	810,859	40.05%
Total	**2,024,860** ("denominator")	**100%**

(*) Tridec Stichting Administratiekantoor acts in mutual consultation with the De Cuyper family and the companies NV Immo Tradec, NV Belfima Invest and NV Tradidec.

b) No restrictions are laid down by statute or in the company's articles of association on the transfer of securities, neither on the exercise of voting rights that apply to the securities issued by the company.

c) Special control rights - Statutory provisions

Article 11 - Preferential right

In case of a capital increase, implemented other than by way of a non-monetary contribution or merger, and subject to any different decision by the general shareholders' meeting or the board of directors, the existing shareholders will be given preference to the new shares, in proportion to the part of the registered capital represented by their shares.
The pre-emptive right may be exercised for a period of at least fifteen days, to be calculated from the day on which the subscription for new shares opens.

The subscription price and the period during which the pre-emptive right may be exercised will be determined by the general shareholders' meeting or, if the resolution to increase the capital has been adopted in accordance with Article 603 of the Belgian Companies Code, by the board of directors.
If the ownership of shares is divided into usufruct and bare ownership, the bare owner of the shares will have the pre-emptive right. In case of pledged shares, the owner-pledgor will have the pre-emptive right.

Article 15 - Nomination right

Insofar as Tridec Stichting Administratiekantoor holds at least 35% of the company's shares, it will have the statutory right to nominate four directors. Alex De Cuyper, Dirk De Cuyper and Peter De Cuyper are appointed upon nomination by Tridec Stichting Administratiekantoor.

Article 29 - Convening

A special or an extraordinary general shareholders' meeting must be convened whenever required by the interests of the company and must be convened every time shareholders who collectively represent one-fifth of the registered capital so request.

Article 30 - Right to add items to the agenda and file new proposed resolutions

One or more shareholders who jointly hold at least 3% of the company's registered capital may, by no later than the twenty-second day prior to the date of the general shareholders' meeting, add items to be discussed to the agenda of the general shareholders' meeting and submit motions to be voted concerning items included on the agenda or to be included on the agenda, provided that the shareholders can demonstrate that, on the date when they file an item for the agenda or a motion for vote, they are shareholders of the company.
This right shall not be valid for general shareholders' meetings convened after a first general shareholders' meeting that was not deemed valid for deliberations as the required attendance quorum was not reached.

d) There are no other share plans for employees according to which the rights of control are not directly executed by the employees.

e) The company has no knowledge of agreements between shareholders which could lead to a limitation of the right to transfer securities and/or exercising the right to vote.

f) The members of the board of directors are appointed by the general shareholders' meeting.

According to article 16 of the company's articles of association, the remaining directors can temporarily fill in a vacancy for director. In that case, the general shareholders' meeting will proceed to a final appointment during their next meeting.

According to article 15 of the company's articles of association, the board of directors can have a maximum of seven members and, as already mentioned above, as long as Tridec Stichting Administratiekantoor holds at least 35% of the shares of the company, it has the right to nominate four candidates for an appointment as director.

Other directors will be nominated by the remuneration and nomination committee, taking into account the needs of the company and in accordance with the selection criteria and appointment procedure set up by the board of directors.

For the composition of the board of directors, the necessary diversity and complementarity in the matter of skills, practice and knowledge is taken into account.

At least three directors must be independent.

The members of the board of directors are appointed for a maximum period of four year each.

The general shareholders' meeting can deliberate and vote for changes of articles, considering the conditions imposed by articles 540, 543, 558, 559 and onwards of to the Companies Code.

g) The company's articles of association provide the following arrangements in relation to the powers of the governing body regarding the issuance or redemption of shares of the company.

Temporary provisions - Authorised capital

For a period of five years from the publication of the general shareholders' meeting's resolution of May 20, 2016 in the Schedules to the Belgian Official Journal, the board of directors will be authorised to increase the registered capital on one or more occasions to the amount of € 17,183,856.00 (seventeen million, one hundred and eighty-three thousand, eight hundred and fifty-six euros).

The capital may be increased by means of a monetary or non-monetary contribution as well as by the conversion of reserves of any kind and/or by an issue premium.

In addition to the issue of ordinary shares, capital increases decided on by the board of directors, may also be implemented through the issue of preference shares, through the issue of shares without voting rights, through the issue of shares and/or warrants in favour of staff and through the issue of convertible bonds and/or bonds with warrants.

The board of directors is granted the authority to limit or cancel the pre-emptive right in the interests of the company if the capital increase is implemented within the scope of the authorised capital.

The board of directors is authorised to limit or cancel the pre-emptive right in favour of one or more people, even if these people are not personnel of the company or its subsidiaries.

The general shareholders' meeting has expressly granted the board of directors the authority to increase the subscribed capital on one or more occasions as from the date of the notice from the Financial Services and Markets Authority (FSMA) to the company of a public takeover bid for the securities of the company, by means of monetary contributions with the cancellation or limitation of the existing shareholders' pre-emptive right or by means of non-monetary contributions in accordance with Article 607 of the Belgian Companies Code. This authorisation is valid for a period of three (3) years to be calculated from the publication of the resolution of the general shareholders' meeting of May 20, 2016 in the Annexes to the Belgian Official Journal.

If a capital increase is implemented by means of cash subscriptions with an issue premium, the board of directors will be authorised to stipulate that the issue premium will be earmarked for the non-distributable 'issue premiums' account, which will constitute a guarantee to third parties to the same extent as the registered capital and, except for the possibility of conversion into capital by the board of directors, may only be disposed of in accordance with the conditions laid down by the Belgian Companies Code for amendments to the articles of association.

The board of directors is authorised to amend the company's articles of association in accordance with the capital increase that was decided on within the scope of its authority.

Temporary provisions - Purchase of own shares

The board of directors is authorised, in accordance with article 620 and following of the Company Code, to acquire shares, profit-sharing certificates or associated certificates of the company at the expense of the latter, if this acquisition is necessary to preventing the company from suffering imminent, serious damage. This authorisation is valid for a period of three (3) years to be calculated from the publication of the resolution of the extraordinary general shareholders' meeting of May 20, 2016 in the Annexes to the Belgian Official Journal. This authorisation can be renewed for periods of three (3) years. Insofar as allowable by law (among others article 622 of the Company Code), the authorisation to transfer ownership is valid without limitation in time.

In accordance with article 620 and following of the Company Code, the board of directors is authorised to acquire shares, profit-sharing certificates or associated certificates of the company at the expense of the latter, by purchase or exchange, for the maximum amount of twenty percent (20%) of the issued capital, at a unit price no lower than the accounting par value and no higher than twenty percent (20%) above the highest closing quote of the share over the most recent twenty (20) stock exchange trading days preceding the transaction.
The authorisation to acquire is valid for a period of five (5) years to be calculated from the publication of the resolution of the extraordinary general shareholders' meeting of May 20, 2016 in the Annexes to the Belgian Official Journal. This authorisation can be renewed for periods of five (5) years. Insofar as allowed by law (among others article 622 of the Company Code), the authorisation to transfer ownership is valid without limitation in time.

The board of directors is authorised, in accordance with article 622 §2 of the Belgian Companies Code, to transfer ownership of own shares:
(i) in the framework of transactions, such as takeovers or acquisition of tangible or intangible assets, opportune for the strategic development of the company, and at a price at least equal to the average closing quote of the share of the most recent thirty (30) calendar days preceding the transaction, decreased with ten percent (10%) and at most equal to the average closing quote of the share of the most recent thirty (30) calendar days preceding the transaction, increased with ten percent (10%);
(ii) in the framework of exercising stock options granted to the personnel of the company or its subsidiaries or self-employed service providers with a high management position within the company or its subsidiaries, and at a price of the option at least equal to the average closing quote of the share of the most recent thirty (30) calendar days preceding the granting of the options, decreased with ten percent (10%) and at most equal to the average closing quote of the share of the most recent thirty (30) calendar days preceding the granting of the options, increased with ten percent (10%);
(iii) in the framework of article 3, paragraph 2 of the warrant plan of 28 January 2013 and for the price of the warrants.

h) The company is not involved in important agreements that come into force, change or expire in case the company is subject to a change of control as a result of a public takeover bid, or the consequences of it.

i) There are no agreements between the company and its directors or employees which provide for indemnities in case the directors resign or are dismissed without a valid reason, or when the employment of the employees is finished, as a result of a public takeover bid.

1.5 The composition and functioning of the board of directors and its committees (Article 96, § 2, 5 ° Companies Code)

a) The board of directors

As of March 20th 2018, the board of directors of Resilux NV consists of the following seven members:

- Alex De Cuyper, Chairman and non-executive director;
- Dirk De Cuyper, Managing Director, executive director;
- Peter De Cuyper, Managing Director, executive director;
- FVDH BEHEER BVBA represented by its permanent representative Francis Vanderhoydonck, non-executive director;
- Guido Vanherpe BVBA represented by its permanent representative Guido Vanherpe, non-executive director, independent;
- Intal BVBA represented by its permanent representative Johan Vanovenberghe, non-executive director, independent
- Mitiska NV represented by Arlini NV, represented by its permanent representative Luc Geuten, non-executive director, independent

The mandate of Chris Van Doorslaer, non-executive and independent director, became prematurely vacant due to his sudden passing on December 16, 2017.

The mandate of LVW INT. BVBA, represented by its permanent representative Dirk Lannoo, non-executive and independent director expired on March 7, 2018.

RESILUX
INNOVATIVE PACKAGING

As long as Tridec Stichting Administratiekantoor has a participation of at least 35%, it has the statutory right to nominate four directors. Alex De Cuyper, Dirk De Cuyper en Peter De Cuyper are appointed upon nomination by Tridec Stichting Administratiekantoor.

Alex De Cuyper established Thovadec Plastics NV in 1961. He was director of this company until 1988. From 1974 to 1994 he was a judge in commercial cases at Ghent Commercial Court. After being appointed as Managing Director of Resilux NV for a number of years, Alex De Cuyper now is chairman of the board of directors of Resilux NV. He is also director of various other companies.

Dirk De Cuyper obtained marketing, distribution and technical qualifications and worked for Netstal Maschinen AG, a manufacturer of industrial machinery including machines for the production of PET preforms, amongst others as subcontractor in sales and services for the PET department. Since the establishment of Resilux NV he is appointed managing director responsible for the daily management of the company and together with Peter De Cuyper he is the main representative of the executive management.

Peter De Cuyper has a Master degree in Law and a Master degree of Economic Law. After having worked as in-house lawyer for an insurance company in 1992, he became financial director of Resilux NV on January 1st, 1993 and held this position until October 2002. He was appointed managing director responsible for the daily management of the company and together with Dirk De Cuyper he is the main representative of the executive management.

Francis Vanderhoydonck, permanent representative of FVDH BEHEER BVBA, has a Master degree in Law and Economic Sciences and obtained an MBA from New York University. From 1986 to 1998, he worked at Generale Bank, where he held a number of positions in the investment banking department. From 1995 to 1998, he was responsible for this department. Today, he works at Maple Finance Group, which is specialised in the management of private equity investment funds and corporate finance. He is also director in various companies.

Guido Vanherpe, permanent representative of Guido Vanherpe BVBA, has a Master degree of Economic Sciences and a Master of Business Administration. He began his career at Procter & Gamble Belgium. From 1989 to 1993, he worked at Unilever Belgium (Sales & Marketing Manager, Chilled Foods Division) and then joined La Lorraine Bakery Group (Sales & Marketing Manager) where he was appointed CEO in 1995. Guido Vanherpe is also CEO of Vanobake Baking & Milling Group (holding company).
In addition he is a member of the management board of the AIBI (Association Internationale de la Boulangerie Industrielle), the FGBB (Federatie van Grote Bakkerijen van België) and FEVIA (Federatie van de Voedingsindustrie in België) and, he is also director at Ter Beke NV.

Johan Vanovenberghe, permanent representative of Intal BVBA, has a Master degree in taxation and in accountancy. He started his career in 1987 at Grant Thornton, Audit, Accountancy & Tax, where he was partner as from 1995 until 2006. In 2006 he became CFO of Univeg Group. Currently Mr. Johan Vanovenbergh is working as CFO at Deprez Holding. He holds a directorship at Greenyard NV, acts as advisor to the board of directors of several companies and occasionally performs active assignments.

Luc Geuten, permanent representative of Arlini NV, representative of Mitiska NV, Civil Engineer (UCL) and an MBA (Harvard Business School). He started his career as a consultant at Mckinsey & Company. Currently Mr. Luc Geuten is working as executive chairman of the board of directors of Mitiska REIM and Mitiska NV. He holds different board functions at (among others) FRI I&II (real estate funds) and in several subsidiaries of Mitiska.

Two of the seven members of the board of directors of Resilux NV are executive directors, namely Dirk De Cuyper and Peter De Cuyper. They are both managing director and responsible for the daily management of the company and as member of the executive committee, they are the main representatives of the executive management.

Alex De Cuyper, chairman of the board of directors, and FVDH BEHEER BVBA represented by its permanent representative Francis Vanderhoydonck have no executive role in Resilux NV. The same applies to the three independent - as in the Company Code and annex A of the Corporate Governance Code 2009 - directors of Resilux NV, being:

- Guido Vanherpe BVBA represented by its permanent representative Guido Vanherpe, who was co-opted by the board of directors on November 26, 2007; and since 16, 2008 appointed by the general shareholders' meeting as member of the board of directors. The mandate of Guido Vanherpe BVBA shall end on the general shareholder's meeting of 2019.
- Intal BVBA, represented by its permanent representative Johan Vanovenberghe, who was appointed by the board of directors on February 5, 2018 by co-optation and whose appointment was definitively approved on March 20, 2018 by the extraordinary general shareholders' meeting. The mandate of Intal BVBA shall end at the general shareholder's meeting of 2019.
- Mitiska NV, represented by Arlini NV, represented by its permanent representative Luc Geuten, who was appointed as a member of the board of directors on March 20, 2018 by the extraordinary general shareholders' meeting. The mandate of Mitiska NV shall end at the general shareholder's meeting of 2019.

These non-executive and independent directors are not (and have not been) employees of Resilux NV or a related company. There is no other relationship with the company or its directors that could jeopardise their independence as director.

For now there were no concrete efforts taken to make sure that at least one third of the members of the board of directors is from another sex than that of the other members.

In 2017, the board of directors has deliberated nine times. Alex De Cuyper, Peter De Cuyper, Dirk De Cuyper and Francis Vanderhoydonck were not once excused and absent. Dirk Lannoo was excused and absent once. Guido Vanherpe was excused and absent three times and Chris Van Doorslaer two times and was represented by proxy once.

At these meetings, various issues were discussed, amongst others the company's strategy, the potential bid of Bain Capital Private Equity on all shares and warrants of Resilux NV and all related bid matters, the remuneration packages of the main representatives of the executive management, discussions on the budgets and the approval of new investment projects, tax issues, the evolution of the operations and the situation of the subsidiaries, the financial results and reports, credit management, external audit, internal control and risk management, customer projects, real estate, research and development, establishment and approval of all the necessary legal documents, lawsuits and disputes, implementation and monitoring of a new regulation, Corporate Governance and performances of and interaction with the executive committee.

Besides these formal meetings, informal meetings were regularly held to inform and consult the members of the board of directors on the progress of specific matters. The executive directors report regularly to the chairman of the board of directors, who in turn informs and consults the other directors. In this way, all directors, including the non-executives, are closely involved in the development of, and the control over the policy of the company and by extension the Group.

The Internal Regulations of the board of directors are set out in Annex 1 to the Corporate Governance Charter of Resilux NV. The Internal Regulations explain amongst others the composition, the competences and the operation of the board of directors.

b) Audit committee

At the end of 2004 the board of directors of Resilux NV set up an audit committee, which assists the board of directors in its supervisory and monitoring role with a view to control in the broadest sense. The audit committee's tasks relate to monitoring, analysis and advice regarding internal control and risk management, internal and external audit, and financial reporting as well as the evaluation of the independancy of the external auditor. The final decision making remains with the board of directors.

Currently the audit committee consists of four members, who are all non-executive director, namely Guido Vanherpe BVBA, represented by its permanent representative Guido Vanherpe, Intal BVBA represented by its permanent representative Johan Vanovenberghe, Mitiska NV represented by Arlini NV represented by its permanent representative Luc Geuten and FVDH BEHEER BVBA represented by its permanent representative Francis Vanderhoydonck and - except for one member (namely FVDH BEHEER BVBA) - independent.

At least one member is independent and has the necessary expertise in the area of auditing and accounting.

In 2017, the audit committee has deliberated four times. Francis Vanderhoydonck was not once excused and absent. Chris Van Doorslaer, Dirk Lannoo and Guido Vanherpe were excused and absent once.

During these meetings, various issues were discussed, such as the monitoring of the financial reporting process and the effectiveness of the internal control and risk management of the company; monitoring the statutory audit of the annual accounts and the consolidated accounts, including the follow up of questions and recommendations made by the external auditor and reviewing and monitoring of the independence of the external auditor and the provision by the external auditor of additional services to the company.

The Internal Regulations of the audit committee are set out in Annex 4 to the Corporate Governance Charter of Resilux NV. The Internal Regulations explain amongst others the composition, the competences and the operation of the Audit committee.

c) Remuneration and nomination committee

At the end of 2004 the board of directors of Resilux NV set up a remuneration and nomination committee. The remuneration and nomination committee submits proposals and suggestions to the board of directors in relation to the company's appointment and remuneration policy of directors, the CEO and the other members of the executive committee, as well as their individual appointment and remuneration;

Where appropriate, the board of directors, in turn, shall submit proposals in these matters to the shareholders. The competence to decide upon the appointment and the individual remuneration of the directors is entrusted to the shareholders.

Currently, the remuneration and nomination committee consists of five members, who are all non-executive director, namely Guido Vanherpe BVBA, represented by its permanent representative Guido Vanherpe, Intal BVBA represented by its permanent representative Johan Vanovenberghe, Mitiska NV represented by Arlini NV represented by its permanent representative Luc Geuten, Alex De Cuyper and FVDH BEHEER BVBA represented by its permanent representative Francis Vanderhoydonck and - except for two members (the Chairman of the board of directors and FVDH BEHEER BVBA) - independent directors.

Based on its current composition, the remuneration committee has the necessary expertise in the area of remuneration policy.

In 2017, the remuneration and nomination committee has deliberated five times. Alex De Cuyper, Francis Vanderhoydonck and Dirk Lannoo were not once excused and absent. Guido Vanherpe was excused and absent twice. Chris Van Doorslaer was excused and absent once and was represented by proxy once.

During these meetings, various issues were discussed, such as advising on the remuneration of the main representatives of the executive management, the potential bid of Bain Capital Private Equity on all shares and warrants of Resilux NV and all related bid matters, the redaction of the draft annual remuneration report and the evaluation of its effectiveness and its Internal Regulations.

The Internal Regulations of the Remuneration and nomination committee are set out in Annex 5 to the Corporate Governance Charter of Resilux NV. The Internal Regulations explain amongst others the composition, the competence and the operation of the Remuneration and nomination committee.

d) The Executive Committee

The executive committee is responsible for the implementation of the policy of the board of directors and for managing Resilux NV, without prejudice to the competence of the Managing Directors as to the company's day-to-day management.

Managing Director Dirk De Cuyper is mainly responsible for production, purchase, strategic projects and M&A matters, research, development and innovation, while Managing Director Peter De Cuyper mainly takes care of the financial/administrative part and provides support to the various subsidiaries of the Resilux group. Both managing directors take care in concert of the sales, the sales strategy and the sales organisation of the Group and each individual unit. They are jointly committed to the further development and growth of the Group.

As of June 1, 2017, the executive committee of Resilux NV consists eight members, of which six non-directors:

- Dirk De Cuyper, Managing Director
- Peter De Cuyper, Managing Director
- William Dierickx, Technical Director
- Ivan Dierickx, Production Director
- Philippe Blonda, Business Development & Marketing Director Added Value/Specialties
- Peter Mommerency, Group Finance Manager
- Annelies Goos, Legal Counsel
- Herman Verley, Group ICT Manager

Elke Van der Straeten was a member of the executive committee until May 31, 2017.

William Dierickx en Ivan Dierickx are technicians with many years of extensive experience in injection moulding production. From 1978 to 1990 they worked for Thovadec Plastics NV, an injection moulding company owned by the family De Cuyper. After having worked for Plastimat NV, a PET company, they started up the operational activities at Resilux NV. Now, William and Ivan Dierickx are responsible for all technical and production related matters at Resilux NV.

Philippe Blonda, who holds a degree in industrial engineering, supplemented his studies with a master in business economics (KUL) and an MBA (University of Limburg). Since 1991, he has built up professional expertise in PET packaging through his European work experience in technical commercial functions as sales manager, marketing manager and product development manager at Johnson Controls Plastics and Schmalbach Lubeca. From 2005 to 2008, he was the general manager of Retal France (formerly Sodripack NV). On January 1st, 2009, he joined Resilux, where he took up a position as the Resilux Group's Marketing and Sales Director on June 1st, 2010. Since the beginning of 2014 he is focusing increasingly on the development and exploitation of new markets and products and on increasing the sales of the existing portfolio of added value business in his position of Business Development & Marketing Director Added Value/Specialties.

Peter Mommerency obtained a Master in Applied Economic Sciences, with a special Master in Accountancy. He started his career in 1988 at the audit department of PriceWaterhouseCoopers. From 1992 until 2003, he worked as Financial Controller in Belgium and Scandinavia for the pharmaceutical group Nycomed. In 2004 he joined Resilux where he works as the Resilux Group's Finance Manager.

Annelies Goos obtained a Master in law (FUNDP Namur, KUL Leuven, University of Heidelberg) in 1996 and obtained, a year later, her postgraduate degree in supplementary fiscal studies (KUL). From August 1997 to October 2003, she worked at KPMG and Deloitte as a tax consultant in an international environment. She began her career at Resilux group where she has been reinforcing the legal department since October 2003 as a Legal Counsel. In the meantime she also regularly participates in work teams that are deployed in the execution of strategic projects of the company. Within Resilux she also holds the position of Company Secretary and Compliance Officer.

Herman Verley studied Electronics and built up expertise in the field of Informatics along his career. In 1986, he began his career at Belcomp NV as Technical and Product Manager. After five years Herman Verley joined Tritech NV, an important distributor of hard- and software in the BeNeLux, where he held the position of Product Manager. Since 1994, he is working for Resilux where he is responsible for all ICT-matters within Resilux Group.

The executive committee meets as often as the company's interest requires a meeting to be convened. In principle, there is one meeting per week at a fixed time.

The Internal Regulations of the executive committee are set out in Annex 6 to the Corporate Governance Charter of Resilux NV. The Internal Regulations explain amongst others the competences, as well as to the operation and the composition of the Executive Committee.

1.6 Diversity policy regarding the members of the board of directors, of the executive committee, the other leaders and people entrusted with the daily management of the company

We find it important to offer everyone equal opportunities in all the aspects of employment and we look at differences in race, gender, origin, language, education, age, etc. with an open mind.
Diversity implies being able to deal with different perspectives and movements and we view these as a stimulus for good business operations at all company levels.

With regard to the management (including daily management) of the company, we seek equilibrium between the particular person having the required professional qualifications, expertise and management capacities to do his or her job, on the one hand, and, considering the circumstances on the labour market, internal promotion opportunities, our structure, size and organisation, attention for diversity on the other.

No targeted efforts have as yet been undertaken to ensure that at least one third of the members of the board of directors is of a different gender than the other members.

1.7 Remuneration Report (section 96, §3 Companies Code)

a) Description of the procedure used to develop a remuneration policy and determining the individual remunerations of directors and the executive committee

The remuneration and nomination committee makes proposals and recommendations to the board of directors on the appointment and remuneration policy, the individual remuneration and appointment. of the directors, the main representatives of the executive management (in casu the Managing Directors) and the other members of the executive committee.

In these matters, - where appropriate -, the board of directors also makes proposals to the shareholders. The decision-making power on the appointment and the individual remuneration of directors - and the approval or disapproval of certain severance payments for the main representatives of the executive management and other members of the executive committee or certain variable fees to independent directors - remains with the shareholders.

b) b) Statement of the applied remuneration policy

Directors
Article 22 of the company's articles of association stipulates that the mandate of the board of directors is unpaid, unless the general shareholders' meeting decides otherwise.

The general shareholders' meeting approved for each of the non-executive directors a compensation of € 15,000 per year, with the exception of the Chairman, also a non-executive director, to whom a payment in kind in the form of a car and a mobile phone (incl. covering of the costs related to the use of these benefits in kind) is granted.

The remuneration of the Directors is regularly benchmarked with a relevant sample of listed companies which allows the company to attract directors with the relevant skills that are fit to the company's ambitions.

No remuneration was attributed to the two executive directors in their capacity of (managing) directors.

Except for the payment in kind accorded to the President, none of the non-executive directors received any performance-based remuneration such as bonuses or share-related incentive programs in the long-term, nor benefits in kind or benefits related to pension plans.

Executive committee

The remuneration policy and the individual remuneration of the members of the executive committee, including the executive directors in their capacity as member of the executive committee/main representatives of the executive management, are established or approved by board of directors of the company, on the proposal and recommendations made by the remuneration committee.

The level and structure of the remuneration of the members of the executive committee are such that, taking into account the nature and scope of their individual responsibilities, qualified and experienced professionals can be attracted, retained and motivated.

Information available on the remuneration of similar positions in other Belgian companies, as well as the concrete duties within the company are taken into account whilst determining the remuneration.

The current remuneration package of each member of the executive committee consists of a fixed remuneration and a number of usual benefits in kind and representation allowances. The introduction of a general variable remuneration policy in order to bring the interests of members of the executive management in line with those of the company is still under re-consideration.

For all members of the Executive Committee, with the exception of the Directors, an additional pension plan is provided for, based on a predetermined fee. The construction and management of the pension plan is entrusted to an insurance company.

In 2013, warrants on the shares of the company have been granted, amongst other, to the members of the executive committee (with the exception of the main representatives of the executive management) according to the Warrant Plan 2013.
Actually, within the framework of the authorized capital, the board of directors has approved a Warrant Plan 2013 for the issuance of 50,000 warrants on the shares of the company in favour of the selected employees of the company, by notarial deed dated February 4, 2013. The warrants had a validity of 5 years, starting as from the date of the offer. They could be exercised as from the first day of the fourth calendar year following the year in which the offer has been made until the last day of their validity, per during the exercise periods as provided for in the Warrant Plan 2013 (the months April 2017 and October 2017). During the month of April 2017, all members of the executive committee exercised their warrants.

None of the members of the executive committee received any *performance related* remuneration such as bonuses or share-related incentive programs in the long-term.

Given the relevant trends in the field of legislation and Corporate Governance, the company shall re-evaluate the remuneration policy the coming years and make adaptations, if necessary.

c) Remuneration

Non-executive Directors

In 2017, the following fees were attributed to the non-executive directors:

FVDH BVBA, with permanent representative Francis Vanderhoydonck	€ 15,000.00
Guido Vanherpe BVBA, with permanent representative Guido Vanherpe	€ 15,000.00
LVW INT. BVBA, with permanent representative Dirk Lannoo	€ 15,000.00
Chris Van Doorslaer	€ 15,000.00
Alex De Cuyper (provision of a car and a mobile phone)	€ 9,031.84

Remuneration of members of the Executive Committee, with the exception of the main representatives of the executive management

The members of the Executive Committee, with the exception of two main representatives of the executive management, were paid a total remuneration of € 1,310,627.27 in financial year 2017.

These amounts include:

Basic salaries (gross): € 1.168.125,77
Contributions to the pension scheme / group insurance: € 75.660,74
Other components: benefits in kind and representation allowances: € 69.840,76

Remuneration of executive committee members and main representatives of the executive management

Because the executive functions executed by Dirk De Cuyper and Peter De Cuyper at the highest level of the Resilux Group are similar and complementary, they are both regarded as main representatives of the daily management / executive management and the amounts of their remuneration and other benefits are jointly mentioned.

On January 25, 2017, the board of directors decided to implement the following adjustments with effect from January 1, 2017 regarding the remuneration package for the main representatives of the executive management:

- increase of the fixed annual remuneration to EUR 800,000 per person per year;
- implementation of an annually variable bonus arrangement in the amount of a maximum of 25% of their fixed annual remuneration, i.e. maximum EUR 200,000 per person per year.

The amount of the annual bonus of a maximum of EUR 200,000 per person will be determined based on the annual objectives (KPIs) the respective persons achieved, which the board of directors had determined for the respective year.

The two main representatives of the executive management received a joint fixed remuneration amounting to € 1,539,059.46 in financial year 2017.

These amounts include:

Basic allowances: € 1.504.463,27
Other components: € 34.595,63

Any variable bonus scheme linked to the 2017 KPIs is not included in the above and was only finally calculated after the final closing of the 2017 figures.

No additional pension plan is put in place for the two main representatives of the executive management.

d) Shares and share options - warrants

During 2017, no shares, share options, warrants or other rights to acquire shares were attributed to one or more members of the Executive Committee, nor were there any exercises or expiring thereof.

In 2013, the members of the executive committee (with the exception of the main representatives of the executive management) were granted warrants on shares of the company pursuant to the issuance of the Warrant Plan 2013. During the month of April 2017, all members of the executive committee exercised their warrants.

e) Departure fees

No recruitment or departure arrangements were made with members of the executive committee in 2017.

2. Corporate Governance Charter

The Corporate Governance Charter of Resilux NV is available on the website www.resilux.com.

The Corporate Governance Charter of Resilux NV is supplemented by six Annexes, that form integral part of the Charter:

- Annex 1: Internal regulations of the board of directors
- Annex 2: Policy concerning transactions and other contractual relationships between the company, members of the board of directors and members of the executive committee
- Annex 3: Rules on market abuse
- Annex 4: Internal regulations of the audit committee
- Annex 5: Internal regulations of the remuneration and nomination committee
- Annex 6: Internal regulations of the executive committee

3. Appraisals

Board of directors

In accordance with the relevant Corporate Governance principles, the annual appraisals were held on January 29, 2018:

- evaluation by the non-executive directors of their interaction with the executive committee;
- evaluation by the full board of directors of their interaction with the executive committee;
- evaluation by the full board of directors of the performance of the executive committee and implementation of the strategy;
- evaluation of the functioning and performance of the audit committee;
- evaluation of the functioning and performance of the remuneration and nomination committee;
- evaluation of its own effectiveness/size/performance.

All appraisals carried out by the board of directors received a positive evaluation. However, the board of directors has taken note of the discussions with the main representatives of the executive management and the recommendations of the remuneration and nomination committee that the board of directors received in that context, on the basis of which it might be desirable in due course to change the composition, functioning and effectiveness of the executive committee in order to ensure the effectiveness and functioning of the governance structure of the company and the realization of the strategy of the company.

Remuneration and nomination committee

In accordance with the relevant Corporate Governance principles, the following appraisals were held on January 29, 2018:

- evaluation of the contribution and the performance of the main representatives of the executive management and of the other members of the executive committee;
- evaluation of its own effectiveness/internal procedures;

In the framework of its yearly appraisals of the contribution and performance of the main representatives of the executive management (Dirk De Cuyper and Peter De Cuyper) and - in presence of Dirk De Cuyper and Peter De Cuyper - those of the other members of the Executive Committee, the members of the Remuneration and nomination committee gave a positive appraisal. Based on these appraisals, no specific recommendations or proposals were made to the board of directors. However, partly based upon the discussions with the main representatives of the executive management on November 21, 2017, an increasing need can be identified to have the management of the foreign subsidiaries and the group as a whole, as well as the elaboration and support of the growth strategy reformed in the future, among others through:

- Changing the composition of the executive committee and limit the number of members;
- Increase the efficiency of the executive committee by limiting the topics to be addressed to strategical and important topics;
- Optimization of the meeting culture;
- Adaptation of the organization- and accompanying reporting structure as a result of previous changes, in order to be able to pursue both the targeted support of the executive committee and the efficient management of the group as a whole;

The above mentioned suggestions are also recommendations to the board of directors.

4. Certain other transactions or contractual relationships with directors or members of the executive committee

The policy concerning transactions and other contractual relationships between Resilux NV on the one hand and the members of the board of directors or the members of the executive committee on the other hand are set out in Annex 2 to the Corporate Governance Charter.

Cfr. reporting under “point 7. Legal conflicts of Interest” regarding the application of the legal conflicts of interest procedure in 2017.

5. Market abuse

Managers of issuers and the persons closely associated with them must notify their transactions involving financial instruments of the respective issuer to the issuer and to the FSMA.

Said notification duty arises from article 19 of the Market Abuse Regulation (EU) No. 596/2014 and can be administratively sanctioned if it is not duly observed. The notification duty applies from the moment that the total amount for the transactions within one calendar year has reached the threshold of EUR 5,000 and applies for every transaction thereafter.

Several transactions of the same type and in the same instrument that are carried out on the same day and on the same trading venue can be presented in an aggregated form, as well as individually.

The FSMA publishes notified transactions on its website on the grounds of Article 25, §2 of the Law of August 2, 2002 on the supervision of the financial sector and on financial services. The content of notifications falls under the exclusive responsibility of the persons who are subject to the notification duty.

For the purposes of notifying transactions to the respective issuer and the FSMA, the persons subject to the notification duty must use the eMT application for online notification, in accordance with Article 2, §3, Implementing Regulation (EU) 2016/523 and FSMA Circular_2016_08. They may grant someone else a mandate to notify their transactions but they shall always remain personally responsible for observing their notification duty.

Issuers must confirm the notifications via eMT and transmit them to the FSMA. The FSMA expects issuers to take reasonable precautions to verify the origin of the notifications and, where appropriate, to verify that mandatories are duly authorised to notify transactions on behalf of the persons subject to the notification duty.

The rules stipulated by the board of directors of Resilux NV to prevent market abuse, which include a code of conduct for each member of the board of directors or executive committee, are described in annex 3 to the Corporate Governance Charter of Resilux NV.

6. Other transactions

No other transactions to mention.

7. Legal conflicts of interest

Article 523 of the Companies Code provides a specific procedure within the board of directors in the event of a possible conflict of interest concerning equity for one or more directors when it comes to decisions taken or transactions carried out by the board of directors. The decision or transaction concerned, the resolution adopted as well as the equity-related consequences must be entered in the minutes and be included in extenso in the company's annual report.

This procedure does not apply to decisions or transactions during the normal course of business at normal market conditions. Likewise, it does not apply to decisions or transactions between companies where one company directly or indirectly holds at least 95% of the voting shares in the other company and transactions and decisions between companies where at least 95% of the voting shares in both companies is directly or indirectly in the hands of another company.

Article 524 of the Companies Code also provides for procedures and rules for transactions and decisions between connected companies. In particular, these transactions must be presented to a committee of 3 independent directors. This committee is assisted by one or more independent experts appointed by the committee. The committee must present a justified, written opinion to the board of directors on a number of legally defined items. After having taken note of the report, the board of directors must deliberate and vote on the proposed decision or transaction. If the Board departs from the committee's recommendation, this must be justified in the minutes. The Auditor evaluates the reliability of the data provided in the committee's recommendation and in the minutes from the board of directors meeting. The committee's decision, an excerpt from the minutes of the board of directors and the Auditor's opinion are reported in the company's annual report.

These principles have been applied multiple times in 2017.

Conflicts of interest - Application in 2017 of Article 523 of the Companies Code

In 2017 three situations occurred on the board of directors that led to the application of (only) Article 523 of the Companies Code.

1. During the meeting of January 25, 2017, the board of directors made a decision regarding the adjustment of the fixed annual remuneration and the introduction of a general remuneration policy for the principal representatives of the executive management (Dirk De Cuyper and Peter De Cuyper).

   The following was included in the minutes of the meeting in this regard:
   "Messrs Dirk De Cuyper and Peter De Cuyper declared that in the deliberations and decision-making regarding the aforementioned remuneration, the conflicts of interest rule provided for in Article 523 of the Companies Code must be applied to them. After all, as recipients of such remuneration, they have a proprietary interest that is in conflict with the decisions that will be made by the board of directors. The respective directors declared that they would notify the statutory auditor of the company of the aforementioned declarations. They subsequently left the meeting of the board of directors so as not to participate in the further deliberation and decision-making regarding the point on the agenda."

   The minutes of the meeting of the board of directors further stated:
   "The board of directors decided to implement the following adjustment regarding the remuneration for the principal representatives of the executive management (Dirk De Cuyper and Peter De Cuyper) as from January 1, 2017:
   - *increase of the fixed annual remuneration to EUR 800,000 per person per year;*
   - *implementation of an annually variable bonus arrangement in the amount of a maximum of 25% of their fixed annual remuneration, i.e. maximum EUR 200,000 per person per year.*

   The amount of the annual bonus of a maximum of EUR 200,000 per person will be determined based on the annual objectives (KPIs) the respective persons achieved, which the board of directors had determined for the respective year."

2. During the meeting of February 9, 2017, the board of directors made a decision on fixing the remuneration arrangement for CVBA Francis Vanderhoydonck for the advice he provided within the context of the potential launch by Bain Capital Private Equity of a voluntary and conditional public takeover bid in cash on all shares and warrants issued by the company.

The following was included in the minutes of the meeting in this regard:
"FVDH Beheer BVBA, represented by Francis Vanderhoydonck as permanent representative, stated that a company affiliated to it, i.e. CVBA Francis Vanderhoydonck, was appointed by the company to assist the latter as adviser in transactions and dealings proposed within the context of the Bid and the Matters concerning the Bid and, therefore, had a potential interest of a proprietary nature as provided for in Article 523 of the Companies Code, which might be in conflict with the decision to be made by the board of directors regarding the third point on the agenda. Finally, he stated that he would notify the statutory auditor of the company of the aforementioned declaration. He subsequently left the meeting of the board of directors so as not to participate in the further deliberation and decision-making regarding the third point on the agenda."

The minutes of the meeting of the board of directors further stated:
"The board of directors came to the conclusion to allocate to the CVBA Francis Vanderhoydonck, represented by Francis Vanderhoydonck as permanent representative a remuneration equal to 0.5% of the transaction value, rounded off to EUR 2 million, as remuneration for the assistance it provided to the company within the context of the transactions and dealings proposed within the context of the Bid and the Matters concerning the Bid. Said remunerations shall be borne by the company."

3. During the meeting of August 29, 2017, the board of directors made a decision regarding the applicable KPIs for 2017, pursuant to the introduction of an annual bonus of a maximum of EUR 200,000 per person for the principal representatives of the executive management (Dirk De Cuyper and Peter De Cuyper).

The following was included in the minutes of the meeting in this regard:
"Messrs Dirk De Cuyper and Peter De Cuyper declared that in the deliberations and decision-making regarding the fixing of the KPIs for 2017 within the context of the variable remuneration which the board of directors allocated to the principal representatives of the executive management on January 25, 2017, the conflicts of interest rule provided for in Article 523 of the Companies Code must be applied to them where necessary. After all, as recipients of such variable remuneration, they have a proprietary interest that is in conflict with the decisions that will be made by the board of directors. The respective directors declared that they would notify the statutory auditor of the company of the aforementioned declarations. They subsequently left the meeting of the board of directors so as not to participate in the further deliberation and decision-making regarding the point on the agenda."

The minutes of the meeting of the board of directors further stated:
"The board of directors subsequently deliberated and, with regard to 2017, approved the variable remuneration plan as enclosed as Appendix 1 to these minutes."

Maximum bonus 100% € 200'000

Maximum bonus	**Target 1**			**€ 100'000**	**Target 2**			**€ 100'000**
Targets	**EBITDA 2017**	**€ 38'000'000**		**Bonus amount**	**profit after taxes**	**€ 16'000'000**		**Bonus amount**
		(< budget 2017)				*(< budget 2017)*		
Calculation	**110.0%**	**€ 41'800'000**	**100%**	**€ 100'000**	**110.0%**	**€ 17'600'000**	**100%**	**€ 100'000**
	107.5%	€ 40'850'000	87.5%	€ 87'500	107.5%	€ 17'200'000	87.5%	€ 87'500
	105.0%	€ 39'900'000	75.0%	€ 75'000	105.0%	€ 16'800'000	75.0%	€ 75'000
	102.5%	€ 38'950'000	62.5%	€ 62'500	102.5%	€ 16'400'000	62.5%	€ 62'500
	100.0%	**€ 38'000'000**	**50.0%**	**€ 50'000**	**100.0%**	**€ 16'000'000**	**50.0%**	**€ 50'000**
	97.5%	€ 37'050'000	37.5%	€ 37'500	97.5%	€ 15'600'000	37.5%	€ 37'500
	95.0%	€ 36'100'000	25.0%	€ 25'000	95.0%	€ 15'200'000	25.0%	€ 25'000
	90.0%	€ 34'200'000	0.0%	€ 0	90.0%	€ 14'400'000	0.0%	€ 0

Bonus system based on 2 different targets, each representing 50% of the maximum bonus amount. Targets fixed have 2017 budget as a reference. Reaching 100% of a target = reaching budget = 50% of maximum bonus amount. Exceeding a target = exceeding budget = up to 100% of maximum bonus amount.

RESILUX INNOVATIVE PACKAGING

Conflicts of interest - Application in 2017 of Article 523 of the Companies Code combined with Article 524 of the Companies Code

In 2017 one situation occurred on the board of directors that led to the combined application of Articles 523 and 524 of the Companies Code.

During the meeting of March 16, 2017, the board of directors applied the procedure, where necessary, that is provided for in Articles 523 and 524 of the Companies Code with regard to a number of matters within the context of the potential launch by Bain Capital of a voluntary and conditional public takeover bid in cash on all shares and warrants issued by the company.

Application of Article 523 of the Companies Code

The following declarations were already included in the minutes of February 9, 2017:
After the chairman's explanation above, Alex De Cuyper, Dirk De Cuyper, Peter De Cuyper and FVDH Beheer BVBA, represented by Francis Vanderhoydonck as permanent representative, explained the following to the board of directors, where necessary and applicable, in accordance with Articles 523 and 524 of the Companies Code.

Alex De Cuyper, Dirk De Cuyper, and Peter De Cuyper stated that each of them holds a substantial package of shares in the company through associated persons (as has already been disclosed to the company and the public).

The aforementioned Matters concerning the Bid all relate to the Bid, in particular, a potential public takeover bid on the company shares. In view of this, the decisions by the board of directors within the context of the aforementioned matters concerning the Bid may be decisions whereby each of the aforementioned directors has a potential interest of a proprietary nature as provided for in Article 523 of the Companies Code which might perhaps be in conflict with the decision to be made by the board of directors and/or which could potentially fall under the scope of Article 524 of the Companies Code. Finally, Alex De Cuyper, Dirk De Cuyper and Peter De Cuyper stated that they would notify the statutory auditor of the company of the aforementioned declarations. They subsequently left the meeting of the board of directors so as not to participate in the further deliberation and decision regarding this point on the agenda.

FVDH Beheer BVBA, represented by Francis Vanderhoydonck as permanent representative, stated that a company affiliated to it was appointed to assist the company as adviser within the context of the Bid and, therefore, had a potential interest of a proprietary nature as provided for in Article 523 of the Companies Code, which might perhaps be in conflict with the decisions to be made by the board of directors regarding the Matters concerning the Bid. Finally, he stated that he would notify the statutory auditor of the company of the aforementioned declarations. He subsequently left the meeting of the board of directors so as not to participate in the further deliberation and decision regarding this point on the agenda."

The minutes of the meeting of the board of directors of 9 February 2017 further stated:
"The other members of the board of directors took due note of the above explanation and declarations. In view of the above, it was decided, where necessary and applicable, to apply the procedure of Articles 523 and/or 524 of the Companies Code to decisions to be made by the board of directors in Matters concerning the Bid in the light of the declarations of Alex De Cuyper, Dirk De Cuyper, Peter De Cuyper and FVDH Beheer BVBA, represented by Francis Vanderhoydonck as permanent representative."

The minutes of the meeting of the board of directors of March 16, 2017 then stated:
"With regard to the subjects of points 2 to 6, inclusive, on the agenda, Messrs Alex De Cuyper, Dirk De Cuyper, Peter De Cuyper and FVDH Beheer BVBA, represented by Francis Vanderhoydonck as permanent representative, had already made declarations to the board of directors during the meeting of the board of directors on Thursday, February 9, 2017, where necessary and applicable, in accordance with Articles 523 and 524 of the Companies Code. These declarations, which were included in the minutes of the meeting of the board of directors of Thursday, February 9, 2017, were now repeated in full by the directors where necessary and applicable. The description of the nature of the respective decisions or transactions will follow later in these minutes and the proprietary consequences will be discussed on behalf of the committee of independent directors. The respective directors also repeated that they would notify the statutory auditor of the company of the aforementioned declarations. They subsequently left the meeting of the board of directors so as not to participate in the further deliberation and decision-making regarding the subjects of points 3 to 7, inclusive, on the agenda."

Application of Article 524 of the Companies Code

With regard to the matters concerning the takeover bid, a report on behalf of the committee of independent directors (i.e. LVW INT. BVBA, represented by Mr Dirk Lannoo as permanent representative, Guido Vanherpe BVBA, represented by Mr Guido Vanherpe as permanent representative and Mr Chris Van Doorslaer), was given of the committee's working activities, where necessary and applicable, in accordance with Article 524 of the Companies Code.

The committee was assisted by the following to fulfil its task:
- Mr Tom Vantroyen, lawyer at the Dutch Brussels Bar and partner in the civil company that has taken on the form of a cooperative limited liability company "ALTIUS", who was appointed as independent legal expert for his legal expertise within the scope of the procedure prescribed by Article 524 of the Companies Code; and
- the public limited company "Degroof Petercam Corporate Finance" ("Degroof Petercam"), represented by Mr Alexis Meeùs and Mr Henk Vivile, who was appointed by the committee for its financial expertise as independent financial expert within the scope of the procedure prescribed by Article 524 of the Companies Code.

The committee did not deem it necessary to appoint other experts. The committee members held meetings and deliberated with one another and with the aforementioned experts at various points in time. For example, deliberations took place on 27 February 2017, 3 March 2017, 9 March 2017, 15 March 2017 and 16 March 2017.

The committee of independent directors reached the following decision:
"The committee establishes that, to the extent that Article 524 applies to each one of the Proposed Decisions, they are in this case not of a nature that they will incur a disadvantage for the company which, in the light of the policy that the company conducts, is obviously unlawful.

The committee regarded the costs (i.e. the interest expense) of the Resilux Intercompany Loan as rather high, when it compares this with the possibly financially more worthwhile terms and conditions at which the company could attract such financing by handling on its own. This aspect of the Petainer Transaction can be seen as a drawback, yet the committee considered (i) the initial price to be paid for the Petainer Acquisition in the light of the valuation ranges resulting from the independent valuation exercise by Rabobank performed and (ii) the synergies which the Petainer Acquisition can deliver for the company, as benefits of the Petainer Transaction to compensate for any drawback of such interest expense. Moreover, the Resilux Intercompany Loan is a short-term loan and there is the possibility of refinancing on the due date, where a protective mechanism was integrated (i.e. the possibility of reviewing the interest rate proposed by Bidco at that moment by referring to a fairness opinion) if Article 524 of the Companies Code still applies to the company at that moment."

The minutes of the meeting of the board of directors of March 16, 2017:
With regard to point 2 on the agenda: in their responding memorandum
"The board of directors decided:
- *(a) to approve the Principle Positions of the board of directors as listed in the draft of the responding memorandum;*
- *(b) that, where appropriate, the board of directors would deliberate again and make a pronouncement on the further finalised draft of a responding memorandum to the extent that the Principle Positions would have derogated or that substantially derogating or additional information might be included in such further finalised draft of the responding memorandum; and*
- *(c) if the board of directors would not need to hold new deliberations regarding the further finalised draft of the draft of the responding memorandum in accordance with above mentioned point (b), to grant every director of the company the competence to transmit the final version of the responding memorandum (or to have someone transmit it) to the bidder (for example, with a view to including it in the prospectus relating to the bid) and the Financial Services and Markets Authority in accordance with the relevant provisions of the Royal Decree of April 27, 2007."*

With regard to point 3 on the agenda: the indirect reinvestment by Messrs Dirk De Cuyper and Peter De Cuyper

"The board of directors took due note of the indirect reinvestment by Mr Dirk De Cuyper, and Mr Peter De Cuyper, respectively, in the group to which Resilux NV will belong after the success of the proposed voluntary and conditional public takeover bid in cash on all shares and warrants issued by Resilux NV, which Bidco is considering to launch, whereby such reinvestment will be made in accordance with the provisions of the Co-Investment Equity Term Sheet concluded on February 2, 2017 by and between Messrs Dirk De Cuyper, Peter De Cuyper and Bain Capital Private Equity (Europe) LLP (of which certain provisions will be adjusted in the more detailed documentation) and established that it was not necessary to formulate any remarks."

With regard to point 4 on the agenda: the Petainer Transaction (comprising (i) the acquisition of Petainer Topco, (ii) the intra-group financing by the company to be concluded for (a) such acquisition and (b) the intra-group financing to be provided by the company to Petainer UK Holdings for the latter's repayment of the Facilities Agreement (as defined in the Petainer SPA), (iii) the intra-group financing by the company to Petainer UK Holdings for the latter's repayment of the Facilities Agreement (as defined in the Petainer SPA), which will be financed by way of the group financing referred to under point (ii), and (iv) the provision of sureties within the context of the aforementioned financing arrangements)

"The board of directors decided on:

(a) the approval of the Petainer Transaction and the transfer ("novation") by Bidco of all its rights, obligations and liabilities in terms of the Buyer Documents (as defined in the Petainer SPA) to the company (or, at the request of Bidco, to one of the company's subsidiaries) in accordance with Clause 14 of the Petainer SPA, of which, for the sake of clarity, the conclusion is subject to the condition, inter alia, of the first closing of the Bid, as well as the takeover by the company (or its respective subsidiary) of a part of the transaction costs relating to the acquisition of Petainer Topco in the amount of a maximum sum of EUR 7,000,000;

(b) the approval of the Resilux Intercompany Loan Term Sheet version to be signed, including the provisions relating to the sureties to be provided by the company and Petainer Topco, subject to the suspensory condition of concluding the Petainer SPA (without retroactive effect);

(c) the approval of the Petainer Intercompany Loan Term Sheet version to be signed, subject to the suspensory condition of concluding the Petainer SPA (without retroactive effect);

(d) the grant of a power of attorney to every company director to perform any actions on behalf of the company that are or could be necessary, useful or supplementary within the scope of or in relation to preparing, achieving and finalising the Petainer Transaction and/or the decisions referred to above, including the signing of the Resilux Intercompany Loan Term Sheet and the Petainer Intercompany Loan Term Sheet, the draft, negotiation, amendment, finalisation, conclusion and signing of agreements, notifications and other documents (including the surety documents related to the Petainer Transaction), and the convening and holding of a general meeting of shareholders of the company regarding the Petainer Transaction and the adoption of its agenda)."

With regard to point 5 on the agenda: the Services Agreements to be closed by the company with Mr Dirk De Cuyper and Mr Peter De Cuyper, respectively

"The board of directors decided on:

(a) approval of the Services Agreements to be concluded by and between the company and Dirk De Cuyper, which will apply to the first closing of the Bid, and of the transactions provided for therein;

(b) approval of the Services Agreements to be concluded by and between the company and Peter De Cuyper, which will apply to the first closing of the Bid, and of the transactions provided for therein; and

(c) the grant of a power of attorney to every independent director of the company (acting individually) to finalise, together with the senior management of the company, the aforementioned Services Agreements cited in points (a) and (b) and to agree with such amendments (on condition that these do not substantially derogate from what is submitted to the board of directors today); and

(d) to grant a power of attorney to every company director to sign the finalised versions of the aforementioned Services Agreements cited under (a) and (b) on behalf of the company."

With regard to point 6 on the agenda: the Board Support Agreement
"The board of directors decided on:

(a) approval of the Board Support Agreement to be concluded by and between the company and Bidco and of the transactions provided for therein (including the obligation included therein to enter into a working capital financing and to provide sureties when such financing is entered into);
(b) the grant of a power of attorney to every independent director of the company (acting individually) to finalise, together with the senior management of the company, the aforementioned Board Support Agreement cited in points (a) and to agree with such amendments (on condition that these do not substantially derogate from what is submitted to the board of directors today); and
(c) to grant a power of attorney to every company director to sign the finalised version of the aforementioned Board Support Agreement cited under (a) on behalf of the company."

The position of the statutory auditor in his report in accordance with Article 524 of the Companies Code reads as follows:
"Based on our activities and subject to what is explained in the paragraph above, we are of the opinion that the financial details included in the advice of the committee of independent directors and the minutes of the board of directors are true as referred to in Article 524 of the Companies Code.

We wish to draw the attention to the fact that the financial expert Degroof Petercam is of the opinion that if Resilux finances the takeover of Petainer independently, i.e. without taking into account any Possible Bid, which is a theoretical scenario, it could probably negotiate better financing conditions. The possible disadvantage that is pursuant to a possible difference in financial conditions is restricted, however, given the short duration of the Intra-group loan, and low when put in the perspective of (the basic price paid for) Petainer versus the valuation ranges and (ii) the synergies generated by the Petainer Acquisition, which are much greater."

8. The Auditor

The supervision of the annual accounts is entrusted to BCVBA Ernst & Young Company Auditors, Moutstraat 54, B-9000 Gent, Belgium, represented by Mr. Paul Eelen, whose mandate was granted by the general shareholders' meeting of May 17, 2013.
At the general shareholders' meeting of 2016 the mandate has been prolonged for a term of three years, ending after the general shareholders' meeting of 2019.

The Auditor has issued a report without reservations on the company for the statutory and consolidated annual accounts of the financial year ending on December 31, 2017.

The fees that were paid to the Auditor in 2017 are listed in the notes to the annual accounts.

Remunerations for complementary services include services of audit, tax and other services in addition to the normal audit services.

OPERATIONS

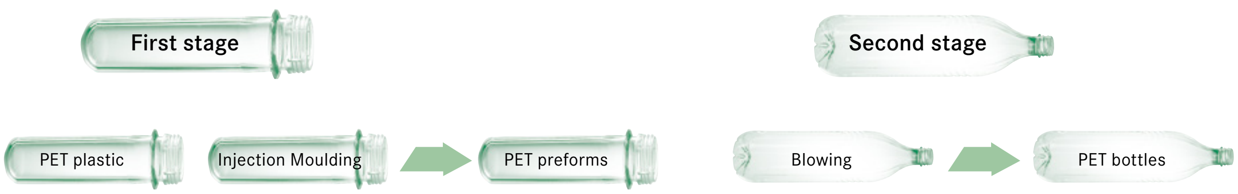
Production process

In addition to bottles and wide mouth jars, packaging foils and blister packs are also made from PET. Strictly speaking, these two applications should also be included in PET packaging, but since they only constitute a minor application and do not form part of Resilux's operations, only the production of PET bottles will be considered here.

The production of bottles from PET plastic uses the technique of injection moulding and blowing. This can be done in one single stage, where the plastic is injected and blown into bottles in a single production line.

There is also a two-stage process where first PET preforms are produced on a production line and then another machine blows them into bottles.
The two-stage process yields a higher output per unit time, and enables the geographic decentralisation of preform and bottle production. The volumes transported to bottling companies are thus lower than with fully blown bottles.

The two-stage process for producing PET bottles



PET preforms are produced in 4 steps:

1. The PET plastic (in the form of granulate) is dried to avoid moisture affecting the mechanical properties of the product;
2. The dried PET is melted in an extruder, mixed and may also be coloured;
3. The molten PET is injected into a mould and it then solidifies to yield a solid preform;
4. The preforms are taken out of the injection mould and after cooling stored for transport to the customer.

The market players in the PET preform and bottle sectors

Producers of PET preforms and bottles can be divided into four categories:

- Producers being part of a multinational in the packaging industry;
- Producers being part of a filling company;
- Independent producers;
- Producers being part of a PET raw material producer.

Packaging multinationals: integration of PET production

In the packaging industry there have been concentrations that have created a number of worldwide groups that produce and sell an extensive range of packaging materials, including PET. As a result of acquisitions, these groups have their own preform and bottle factories. In most cases the integration is only partially.

Production of PET bottles by filling companies

Some very large beverage producers make preforms and bottles themselves instead of buying them externally. Here also, the integration is not always fully completed. It is estimated that these two first categories form approximately one third of the European preform market.

Independent producers: small scale by nature

In Europe there are tens, and in the world hundreds, of producers of PET preforms and/or bottles. These producers often operate regionally or nationally. In many cases they have a high degree of turnover concentration because they only supply one or two large customers. In Europe, only a small number of producers (amongst which Resilux) have activities in different regions.

Producers being part of a PET raw material producer

Some very large producers of PET raw materials have decided some years ago to start to produce preforms themselves. This is in particular in Europe with the larger suppliers of PET raw materials. Recently we see that this formula is not successful and a certain number of suppliers have abandoned it.

PET as a packaging material - position

Convincing product characteristics

PET is an excellent material for bottles and other packaging due to a number of specific product characteristics that make it superior to its competitors on the packaging market. By making a comparison on the basis of a number of requirements that packaging material for drinks and food have to satisfy, PET clearly emerges as the most versatile material.

Material properties	PET	Glass	Tins (alu.)
Transparency	++	++	--
Resistance to breaking	++	--	++
Liquid barrier	++	++	++
Gas barrier	+	++	++
Hot Fill (*)	+	++	++
Use in microwave ovens	+	++	-
Recyclability	++	++	++
Packaging/product interaction	++	++	+
Flexibility of design	++	++	+

(*) important for certain products with specific shelf life requirements

Legend:	++	+	-	--	
	excellent	good	average	poor	*Source: Industry Sources*

The production of PET bottles is less capital intensive than glass or cans. The transport and storage of PET is also less expensive. The energy use is less for PET than for glass and aluminium.

A robust market share in the packaging market

PET has been used for drinks packaging since 1970, and has been growing steadily since then.

The first phase of growth: large CSD packaging

PET bottles were initially mainly used for packaging carbonated soft drinks (CSD) in sizes of 1.5 litres or more.
The growing consumption of PET in this phase was mainly at the expense of glass packaging.

The further breakthrough of PET packaging: more applications in more sizes

Technical developments in the area of product properties and better control of production processes have ensured that PET packaging has become a viable alternative in a growing number of packaging applications. In addition to this broad wise expansion (more applications), there has also been development in depth, towards more (smaller) sizes.

Some of the current applications of PET packaging, divided into segments:

Carbonated drinks	Water	Other drinks	Edible oils	Food	Non-food
- Colas - Lemonades - Soft drinks	- Spring water - Mineral water	- Fruit juices - Alcoholic drinks - Sports drinks - Ice teas - Milk - Beer and wine	- Miscellaneous edible oils and table oils	- Processed food - Packaged fruit and vegetables - Ketchup, mayonnaise and sauces - Dry snacks	- Cosmetics - Household products - Medicines - Detergents

Many new developments are taking place, in particular for barrier-sensitive products such as beer, fruit juices, milk, wine and other alcoholic drinks. The market of milk and fruit juices experienced a quick growth as from 2006 due to a change-over from other packaging materials to PET.

Core activities

Resilux is specialised in the production and sale of PET preforms and bottles. The use of patented production and processing techniques guarantees filling companies a smooth supply of bottles and preforms in a wide variety of sizes.

In order to optimise customer service, Resilux also organises the blowing of bottles on the customer's premises or in the vicinity of the customer (in-house, satellite and wall-to-wall). Here again, Resilux makes a substantial contribution to the logistical management (just-in-time) of filling companies.

PET preforms

Resilux supplies a full range of PET preforms with a wide variety of weights, colours and sizes for the most diverse applications. Alongside the standard products, Resilux also designs and produces custom made models.
The preform weights vary from 10 grams to 150 grams.

With its considerable knowledge and experience in the food, cosmetic and chemical industries, Resilux is able to develop and supply a suitable PET preform for every liquid product.

The bottles made from Resilux preforms are filled with water, carbonated soft drinks, edible oils, ketchup, detergents, milk, beer, soft drinks, wine, juices, etc.

Most preforms consist of one type of material (so called monolayer). Resilux developed its own multilayer technology, where multiple materials can be used.
Both specific Resilux technologies, singlelayer as well as multilayer, allow to increase the barrier of PET bottles. This allows to increase the shelf life of carbonated drinks, beer, milk and wine.

Its valuable expertise in the field of recycling enables Resilux to produce, if requested by the customer, preforms made from recycled material.

PET bottles

Resilux applies the most strict quality standards to its production of PET bottles for one-way or multiple use. Bottles suitable for multiple use are somewhat heavier than the one-way bottles and are characterised by their great firmness. Refillable bottles can be used up to 15 to 20 times. This market is however small compared to the one-way bottles. Resilux recently received long term contracts to produce refill bottles for the German market.

Resilux PET bottles are used worldwide on a large scale as packaging for a variety of liquid products. There is an unlimited variety of shapes, weights, colours and sizes of PET bottles, and there are also 'specials' for hot-fill liquids. .

Hot-fill is a process in which products are filled at a high temperature, whereby the product is packaged sterilised and has a longer shelf life. It is currently possible to hot fill new types of PET bottles without the bottle losing its form or firmness as a result. Hot-fill PET is suitable for use as packaging for products where sterilisation or pasteurisation is important, including:

- Fruit juices and fruit drinks;
- Ice tea and certain 'new age beverages'.

Blowing projects

Resilux is also specialised in blowing preforms into bottles. Thanks to its experience in the production of preforms, Resilux has developed the knowledge and experience that is required for blowing bottles.

Upon request, Resilux organises the bottle blowing in a production area of the customer (in-house) or in a separate hall right next to the existing production facilities (wall-to-wall).

The benefits of Resilux professionals blowing the bottles are undeniable. The customer can concentrate on his core business (production, filling and selling), and the costs of storage and transport of PET preforms and bottles are greatly reduced.

Resilux currently has three in-house blowing projects.

Research & development

The Resilux R&D centres play a vital role in the search to optimise and to improve the technical possibilities of pet packaging. Currently we see an increased search to reduce the weight of the packaging. This can be achieved in two ways: by lowering the weight of the neck (cfr. with the new water neck finish and the new 28mm PCO 1881) and by lowering the weight of the body of the bottle. For this light-weighting, technical know-how is needed to optimise the preform & bottle designs. Also the demand for improved barriers for PET bottles keeps on growing.

To assist its customers with their light-weighting programs and their barrier needs, Resilux has R&D activities in its own labs in Belgium, Spain and the USA, but also in the factories of local filling companies. This cooperation has helped Resilux to develop new barrier technologies like ResiOx® for improved oxygen barrier, ResiMid® and ResiMax® for improved CO2 and O2 barrier and ResiBlock®for light barrier. With these new barriers Resilux is considered as the reference for these new applications.

Resilux is strengthening their efforts to grow in these segments. In Germany, Russia, Greece and Spain milk packaging with our barrier technologies have been introduced. Being a traditional market it takes longer to convert into PET, but tests are ongoing with other major European dairy companies .

New customers have been acquired in other barrier segments over the last year, especially in the beer and wine market. Also the jar market is being developed. Therefor new technologies have been developed.

Resilux is also working on new ecologic friendly barrier solutions: ResiBar Eco®, EcoBar® and BioBar®, part of the ResiBar® family, which will result in an extension of the current range of barrier products. Another development is an environmental friendly material: ResiGrind®.

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PRODUCTION UNITS

BELGIUM, **Wetteren** - Resilux NV

In addition to the statutory seat, Wetteren is also the largest production location for one-way, multiple use, and barrier PET preforms. Resilux NV has 17 production lines at the end of 2017, with a combined annual capacity of around 2 billion preforms. The production capacity in Wetteren is used for supplying preforms to the North-West of Europe, as well as for export outside Europe. The Belgian establishment specialises in developing new technologies, such as different applications to increase the barrier characteristics. These products can be delivered worldwide.

SPAIN, **Higuera la Real** - Resilux Ibérica Packaging S.A.u.

This production unit, located in the south of Spain between Sevilla and Badajoz, has 11 production lines with a total annual capacity of around 1.2 billion preforms. The clientele is growing steadily. The majority of the products are supplied in Spain and Portugal. Moreover, product applications have also increased greatly. Alongside preforms for waters, soft drinks and edible oils, preforms are also produced for filling with fruit juices. The Spanish entity has 3 blowing lines.

GREECE, **Patras** - Resilux Packaging South Europe A.B.E.E.

The Greek production unit is located in Patras, a medium sized port city around 200 km to the west of Athens. This establishment was set up in the middle of 2000 and has 10 production lines at the end of 2017, with a total annual production capacity of around 1.3 billion preforms. The preforms (for water and carbonated soft drinks) are mainly intended for the Greek market. From here, exports can also go to parts of Central Europe, North Africa and the Black Sea regions. The Greek entity currently also has 2 blowing lines.

RUSSIA, **Kostroma** - Resilux-Volga OOO

Resilux currently produces in Russia using 11 production lines with a capacity of around 1.1 billion preforms. The factory is located in Kostroma, around 350 km to the north east of Moscow. The preforms are used for making bottles for water, fruit juices and beer and are sold exclusively in the Russian Federation.

SWITZERLAND, **Bilten and** GERMANY - Resilux Schweiz AG

Resilux Schweiz AG comprises all operations in Switzerland and Germany. Besides the preform activities, Resilux Schweiz AG also has important blowing activities. This entity currently has 10 production lines with a capacity of around 1.1 billion preforms and 5 blowing lines in Bilten. Besides this, Resilux Schweiz AG also has 2 in-house projects in Switzerland and 1 in-house project in Germany.

USA, **Pendergrass, Atlanta** - Resilux America, LLC

In December 2004, Resilux Investment Corporation, Inc. acquired all shares of Resilux America, LLC. Previously, this corporation was a joint venture, set up in 2000, together with American partner, Summit International, LLC, specialised in the design and development of PET packaging. In addition to the further development of new PET packaging, PET containers and preforms for niche markets are produced and commercialised. This mainly concerns non-season-related markets with a high added value, such as food products, household products, cosmetics, personal hygiene, pharmaceutical products and specialities. Resilux America has 8 preform lines with a total annual production capacity of 1 billion preforms, 8 single-stage blowing lines for jars and 5 dual-stage blowing lines for bottles.

HUNGARY, **Tuszér** - Resilux Central Europe Packaging Kft.

In the establishment in Hungary, which became operational in March 2001, 11 production lines are used for production at the end of 2017. The total capacity is 1.2 billion preforms. The customers are located in Central and East Europe.

SERBIA, **Lajkovac** - Borverk Eurotrade d.o.o. member of RESILUX packaging group

At the Serbian production unit, which was acquired by Resilux in March 2017, 7 production lines are operational at the end of 2017 with a capacity of 0.7 billion preforms a year. The customers are located in Central and Eastern Europe.

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Sales network

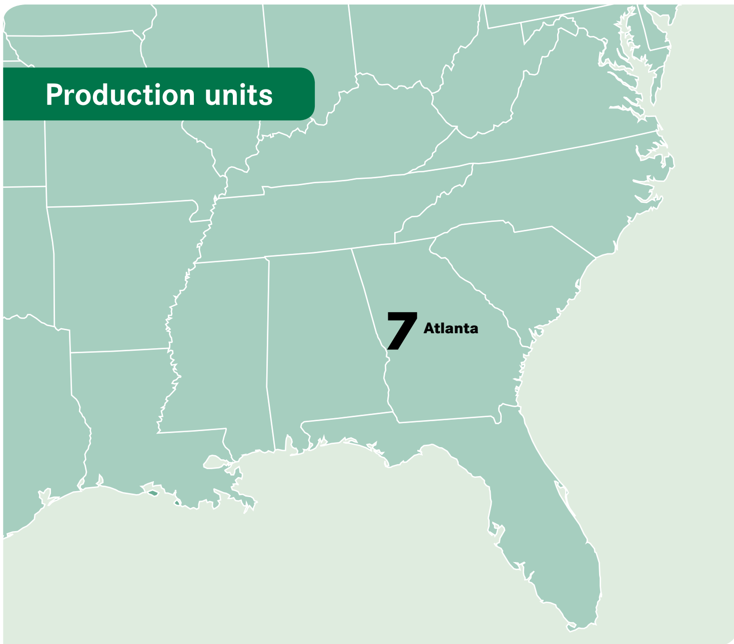
Besides the various production facilities, Resilux has an extensive sales network through its internal sales departments and by working with sales agents, distributors and local sales contacts.
This local presence enables to monitor developments on the different markets from very close by and to meet the needs of customers quickly and efficiently.

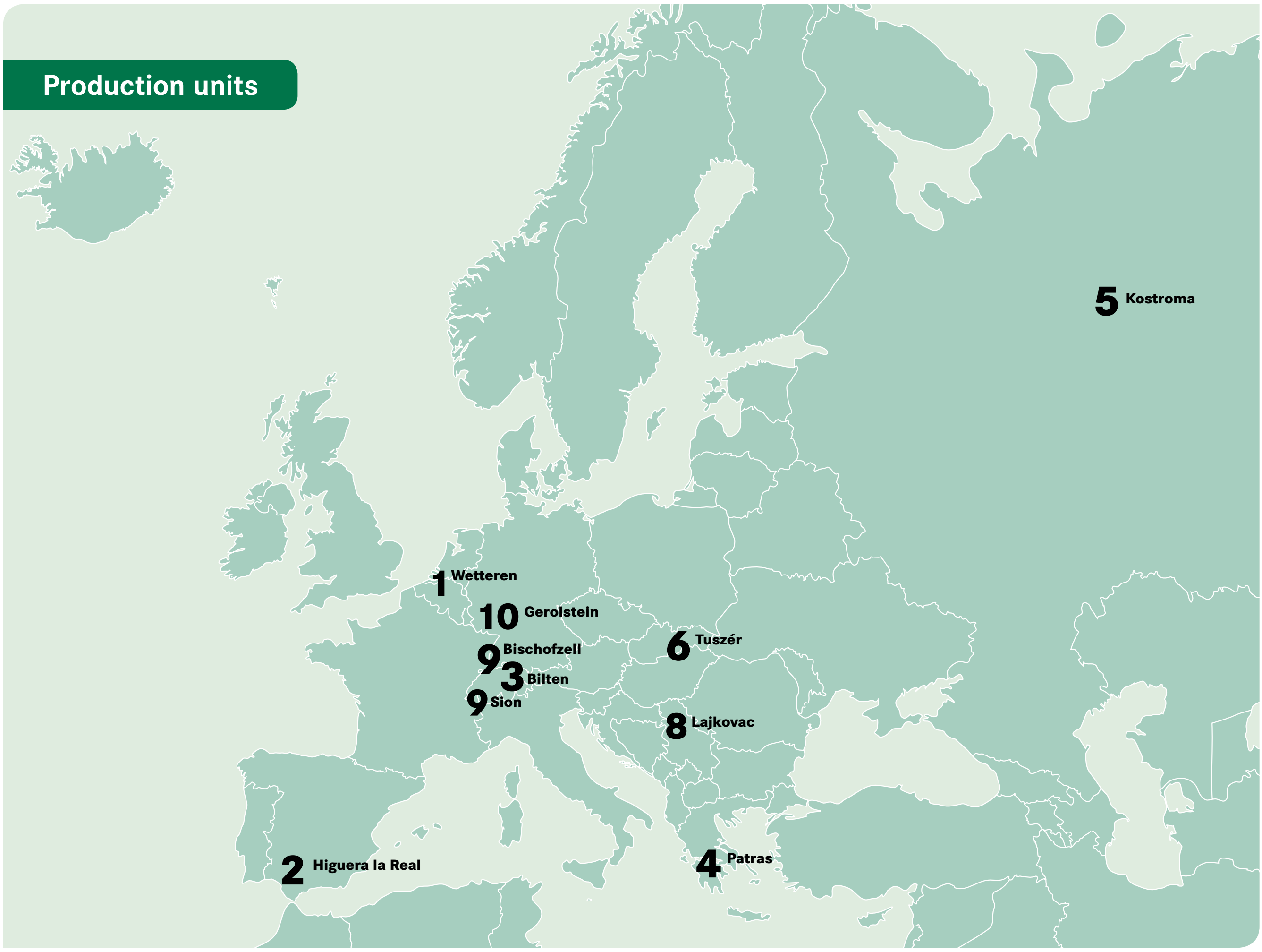
Overview of production units:

1.	Belgium	- Wetteren
2.	Spain	- Higuera la Real
3.	Switzerland	- Bilten
4.	Greece	- Patras
5.	Russia	- Kostroma
6.	Hungary	- Tuszér
7.	USA	- Atlanta, Georgia
8.	Serbia	- Lajkovac

In-house projects:

9.	Switzerland	- Sion
		- Bischofzell
10.	Germany	- Gerolstein





DECLARATION REGARDING THE INFORMATION GIVEN IN THE ANNUAL REPORT FOR THE FINANCIAL YEAR ENDING ON DECEMBER 31ST, 2017

Article 12 of the Royal Decree of November 14th, 2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market.

We, the undersigned, Dirk De Cuyper and Peter De Cuyper, acting in our capacity of Managing Directors, declare that to our knowledge:

a) the annual accounts, which are made up in accordance with the standards applicable for annual accounts, give a true and fair view of the capital, the financial situation and the results of Resilux NV and the consolidated companies;

b) the annual report gives a true and fair view of the development and the results of the company and of the position of Resilux NV and the consolidated companies, as well as a description of the principal risks and uncertainties which they are facing.

Dirk De Cuyper
Managing Director

Peter De Cuyper
Managing Director

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REPORT OF THE BOARD OF DIRECTORS

In advance

The Corporate Governance Statement that, pursuant to article 96 §2 and §3 of the Code of Companies, must be included in the annual report of the Board of Directors regarding the 2016 annual statutory accounts, is included in this annual financial report regarding the 2016 accounting year (2016 Annual Report) under the Corporate Governance Declaration and is an integrated part of this Report of the Board of Directors.

1. Introduction

As a result of increased efforts at the level of the organization, market oriented investments and a further diversification of products and customers, Resilux further increased in 2017 its volumes, turnover and added value. The recurring operating cash flow (ebitda) and net result were in line with 2016.

During 2017 Resilux has made a capital decrease of € 33.0 million. As a result of this the net cash position per December 31, 2016 changed to a small net financial debt position per December 31st, 2017. The Group remains to have a healthy financial structure.

2. Consolidation base

During 2017, Resilux acquired 100% of the shares of Borverk Eurotrade d.o.o Beograd, a producer of preforms in Serbia. This company has been consolidated by Resilux as of the second quarter of 2017. Per October 1, 2017, Resilux has acquired the PET recycling activities of Poly Recycling in Switzerland. The results of the newly founded company Poly Recycling AG are consolidated by Resilux as of the fourth quarter of 2017.

3. IFRS

Since 2004 Resilux reports in accordance with the International Financial Reporting Standards set up by IASB, so that the different data over the exercises in this annual report are always established according to the IFRS rules.

4. Operating results

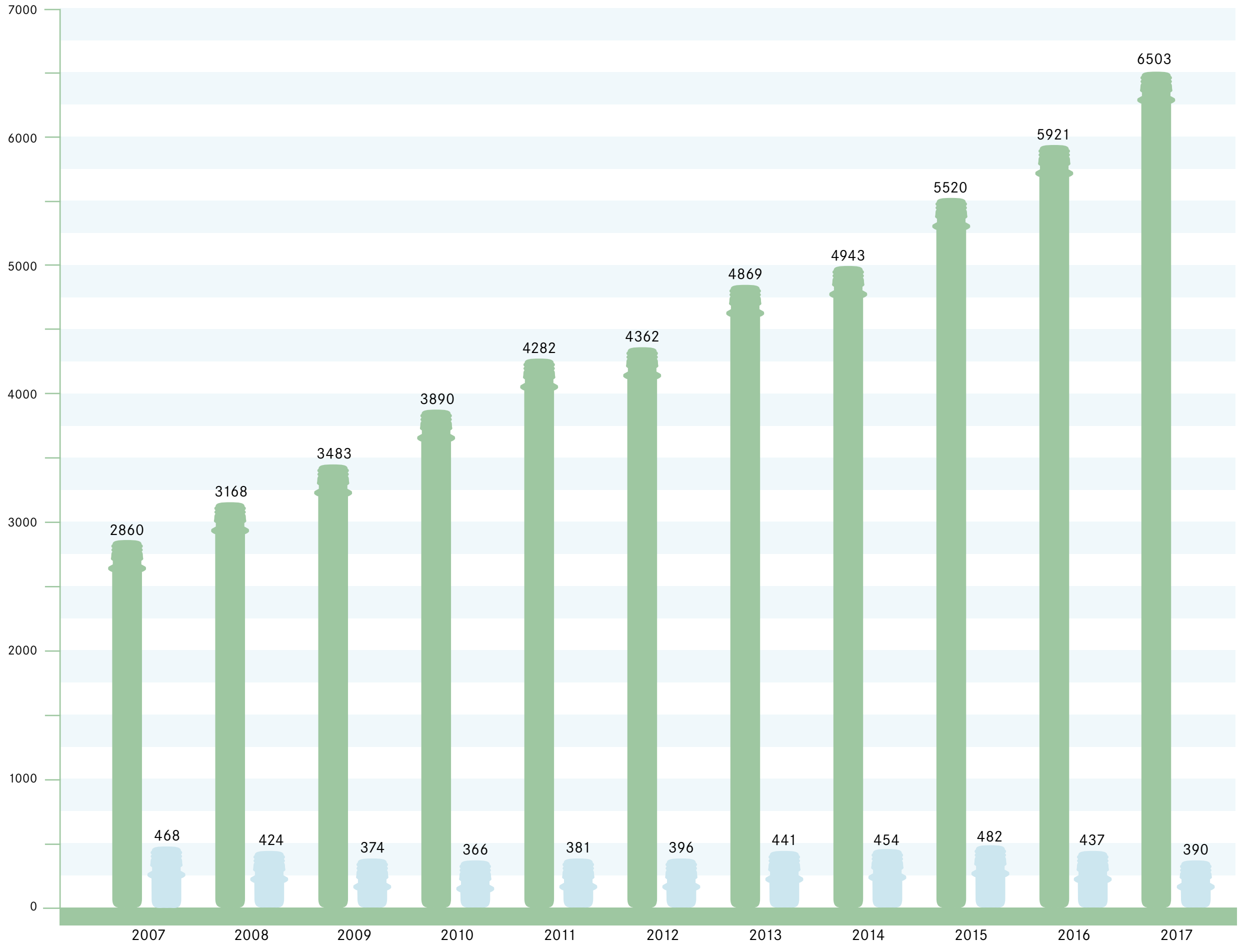
Preforms and bottles sold

The number of preforms sold increased during the financial year 2017 by 9.9% to 6,503 million compared to 5,919 million in 2016. Sales of preforms increased during the first half year of 2017 by 8.3% and by 11.5% during the second half year of 2017.

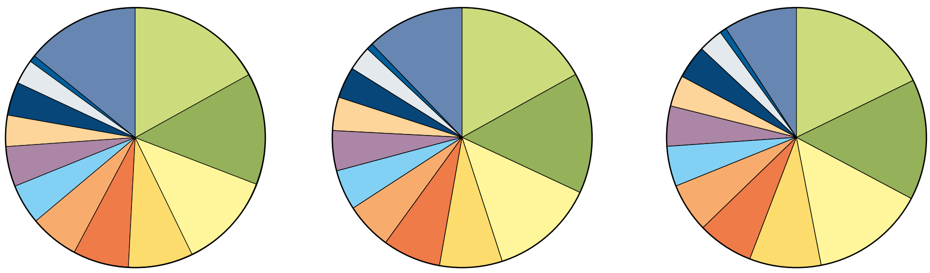
The growth continued in most of the regions of Europe as well in North America and Ukraine. Also the total sales on the export markets increased. The growth in Europe was the strongest in Italy and France.

The number of bottles sold decreased by 10.8% to 390 million. The decrease in the number of bottles sold is due to the discontinuation of deliveries to Airolux AG and the transfer of some blowing contracts into sales of preforms with blowing services.

Preforms & bottles sold *(in millions of pieces)*



Preforms sold per country:



	in 2017	*in 2016*	*in 2015*
Eastern and Central Europe	17%	17%	18%
Spain and Portugal	14%	15%	15%
Russia	12%	13%	14%
France	8%	7%	7%
Greece and Cyprus	7%	8%	9%
Germany	6%	6%	6%
USA and Canada	5%	4%	4%
Italy	5%	3%	3%
Switzerland	4%	5%	5%
Scandinavia	4%	4%	4%
Benelux	3%	5%	5%
United Kingdom	1%	1%	1%
Others	14%	12%	9%

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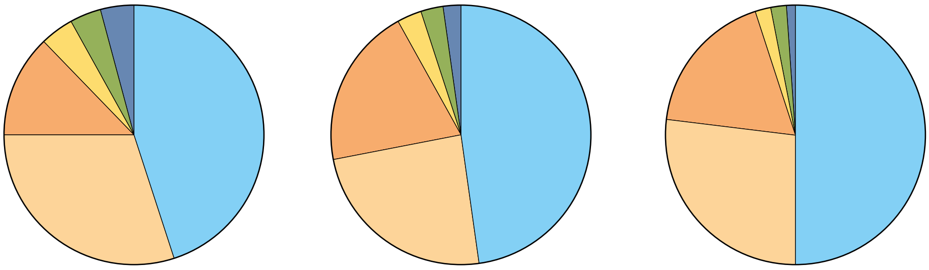
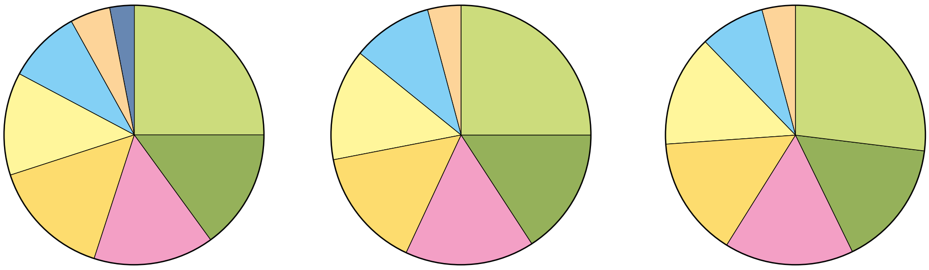
Bottles sold per country:



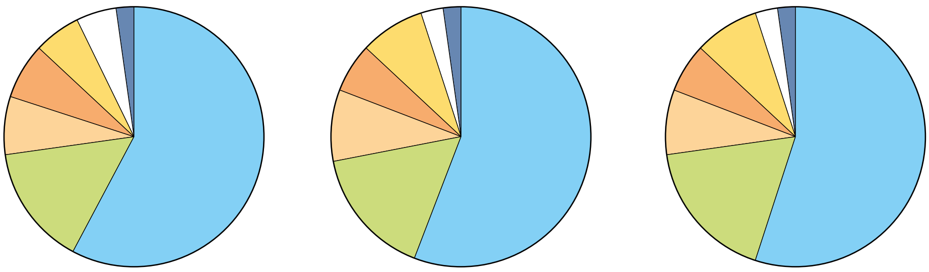
	in 2017	in 2016	in 2015
Switzerland	45%	48%	50%
United States of America	30%	24%	18%
Germany	13%	20%	27%
Greece	4%	3%	2%
Spain	4%	3%	2%
Others	4%	2%	1%

Preforms sold per production unit:



	in 2017	in 2016	in 2015
Belgium	25%	48%	50%
Spain	15%	16%	16%
Hungary	15%	16%	15%
Greece	15%	15%	16%
Russia	13%	14%	14%
Switzerland	9%	10%	8%
United States of America	5%	4%	4%
Serbia	3%	-	-

Sales per type of preform:



	in 2017	in 2016	in 2015
Water / Carbonated drinks	58%	56%	55%
Fruit juices	15%	16%	18%
Oil	7%	9%	8%
Detergent	7%	6%	6%
Beer	6%	8%	8%
Milk	5%	3%	3%
Others	2%	2%	2%

The PET packaging market remains to have a competitive advantage over other forms of packaging in terms of energy and raw materials consumption.

The geographical spread in Europe continues to be an important factor. The quantitative and qualitative strengthening of the sales organization also continued in 2016 to be a priority contributing to growth.

The split between the different applications remained quite stable. Carbonated drinks and water remain also in 2017 the applications with the highest sales. The sales of preforms for milk and detergents increased. The sale of barrier products increased further in 2017 compared to 2016.

Raw Materials

Benelux (Euro per ton)[1]

1. Own calculations based on data from PCI (PET Packaging, Resin & Recycling) Ltd. The 'PCI' is a publication that is used as a market price indicator for the PET raw material.

It is well known that Resilux and other preform suppliers pass on fluctuations in raw material prices to their customers at the applicable market rates. Preform producers generally build up their stocks for the peak period, in order to prepare for the summer season when volumes are the highest. This means that they buy and process raw materials before the summer season.

Resilux wants in the coming years to further limit its dependence on seasonal activities. Furthermore, the company has a strict policy regarding the inventories.

The prices of the raw materials showed an increase in the first quarter of the year,a decrease in the second quarter and increased again during the summer. During September the prices decreased and remained stable during the fourth quarter.

Adjusted results

During the first half of 2016 Resilux sold it shares in its Joint Venture Airolux AG. The net income on the sale of the shares of Airolux AG amounted to € 20.5 million and is included in the results 2016.

Early 2017, Bain Capital announced that it was considering a potential voluntary and conditional tender offer in cash for all shares and warrants issued by Resilux NV. On March 28, 2017 Bain Capital announced not to acquire Resilux NV. Resilux has spent for this possible transaction € 1.0 million in consultancy fees.

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The further explanation of the operational results (added value, operational cash flow and operating result) for year 2017 in this press release does not take into account this amount of € 1.0 million of consultancy fees. The figures relating to 2016 have been adjusted with the net income amount of € 20.5 million related to the sale of the share of Airolux AG and with the operational results of the deliveries to Airolux AG. This makes the comparison with the results for 2016 relevant.

Turnover

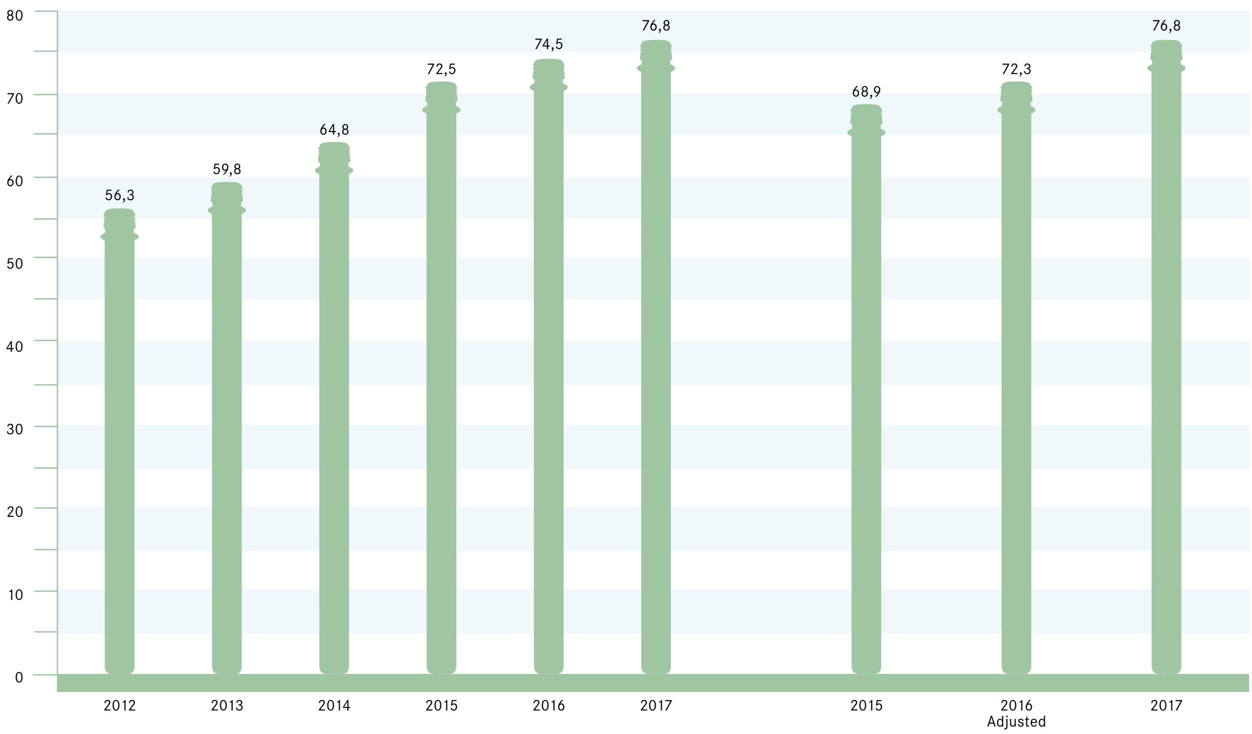
The turnover increased by 13.3% up to € 328.7 million. This increase is a combination of higher volumes, higher average raw material prices and a positive exchange rate in Russia, among others. As of the second quarter, also the acquired company Borverk Eurotrade in Serbia has been included in the Resilux consolidation. The results for the acquired activities of Poly Recycling AG in Switzerland are consolidated as of the fourth quarter of 2017.

However, turnover is not the most ideal performance indicator, given that fluctuations in PET prices are charged on to customers. Added value is a better indicator.

Added Value

Compared to the year 2017, the added value increased by 6.3% or € 4.5 million to € 76.8 million. The added value is negatively influenced by an lower inventory decrease of finished goods during 2017 compared to an inventory increase of finished goods during 2016. The added value per processed tonne is more or less stable compared to the same period of last year.

Added Value *(in millions of Euro)*



Operational cash costs

The increase in other goods and services is for the major part explained by higher transport costs because of higher sales volumes.

The total personnel costs increased by € 3.9 million. The increase is due to salary increases and additional employees, partly by shifting from temporary labour to own employees. Additional people have also been hired for further expansion of blowing activities in Russia and Spain. Also the acquired activities in Serbia and of Poly Recycling AG have increase the total personnel costs.

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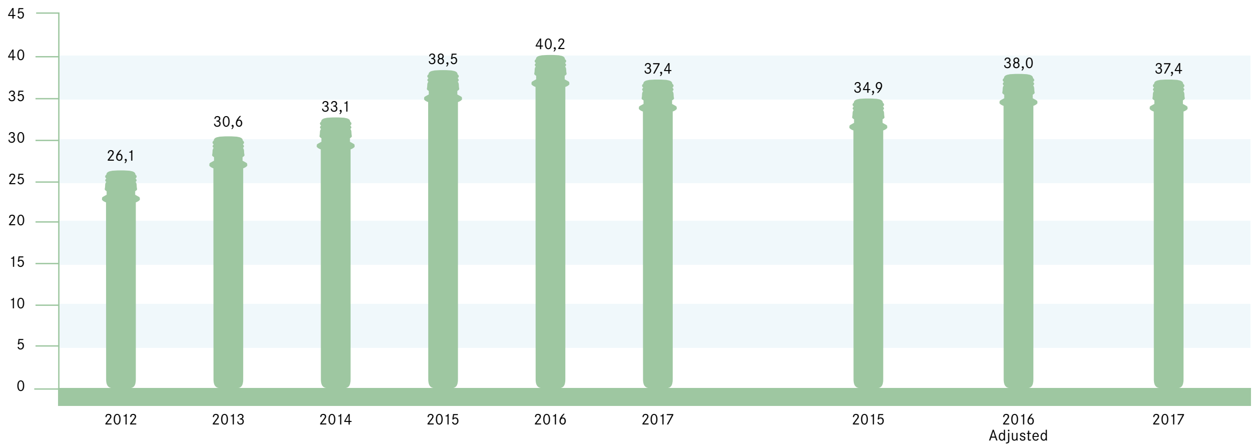
Consolidated operating cash flow (EBITDA)

The consolidated operating cash flow decreased by € 0.6 million or 1.4% in 2017 to € 37.4 million compared to € 38.0 million in 2016.

Operating cash flow *(in millions of Euro)*



The breakdown of the cash flow per group entity is as follows:

Consolidated operating cash flow (EBITDA) (in thousands of Euro)	2017	2016	Change	2017 as a % of the total
Resilux Western Europe	8,019	8,288	-3.2%	21.4%
Resilux Spain	5,174	6,145	-15.8%	13.8%
Resilux Russia	3,859	2,815	37.1%	10.3%
Resilux Southern Europe, excluding Spain	1,616	2,870	-43.7%	4.3%
Resilux Switzerland	10,495	12,020	-12.7%	28.0%
Resilux United States of America	4,992	4,136	20.7%	13.3%
Resilux Eastern Europe, excluding Russia	2,579	1,912	34.9%	6.9%
EBITDA before consolidation adjustment and Holdings	36,734	38,186	-3.8%	98.2%
Consolidation adjustment and Holdings	686	-220	411.8%	1.8%
EBITDA after consolidation adjustment and Holdings	37,420	37,966	-1.4%	100.0%

Compared to 2016, there was an increase in EBITDA for Russia, the United States of America and Eastern Europe. In Western Europe, Spain, Southern Europe and Switzerland the operating cashflow showed a decrease.

Investments

The investments over the last few years are as follows *(in thousands of Euro)*:

Investments in the last financial years (in thousands of Euro)	2017	2016
Investments in intangible fixed assets	426	370
Investments in tangible fixed assets	19,979	2,356
Disinvestments	-1.129	-508
Capital subsidies	-579	-259
Total investments	**18,697**	**19,846**

The gross investments in intangible and tangible fixed assets in the year 2017 amount to € 20.4 million compared to € 20.7 million in 2016. These investments are mainly made in additional production capacity for blowing, new production tools and optimisation of production. Furthermore some investments are made in building in Spain and Germany. Some investments were also made in Borverk Eurotrade in Serbia, a company acquired by Resilux in 2017. This amounts also includes already payments for investments of new machines which will only be operational in 2018. Resilux continues to invest in a further diversification of products, markets and customers.

In 2017 an amount of € 0.6 million of capital grants was deducted from acquisitions.

The total net investments amount to € 18.7 million compared to € 19.9 million in 2016.

Operating Result

The depreciations and amortisations increased by € 1.4 million and amounted to € 15.8 million in the year 2017.

The operating result for 2017 amounts to € 21.7 million compared to € 23.6 million for 2016, which means a decrease of € 1.9 million.

The breakdown of the operating result per group entity is as follows:

Consolidated operating profit (EBIT) (in thousands of Euro)	2017	2016	Change	2017 as a % of the total
Resilux Western Europe	4,091	4,864	-12.7%	18.9%
Resilux Spain	3,925	4,829	-18.7%	18.1%
Resilux Russia	2,839	2,106	34.8%	13.1%
Resilux Southern Europe, excluding Spain	225	1,709	-86.8%	1.0%
Resilux Switzerland	6,948	8,852	-21.8%	32.1%
Resilux United States of America	2,139	1,304	-21.5%	9.9%
Resilux Eastern Europe, excluding Russia	543	33	64.0%	2.5%
Operating profit before consolidation adjustment and Holdings	20,710	23,517	-11.9%	95.6%
Consolidation adjustment and Holdings	943	56	-1,583.9%	4.4%
Operating profit after consolidation adjustment and Holdings	21,653	23,573	-8.1%	100.0%

5. Financial results

Net financial result

The total financial result decreased from € -1.4 million to € -2.5 million. The total net interest costs increased by € 0.6 million and amount to € -1.9 million. The year 2016 included still interest income of more or less € 1.0 million relating to financing of Airolux AG. The foreign exchange results amount to € -0.9 million and the other financial result amounts to € 0.3 million. The total net financial result amounts to € -2.5 million.

Profit

During 2017, a pre-tax profit was realized of € 18.1 million compared to € 45.0 in 2016. The total taxes amount to € -2.3 million. This amount includes taxes payable for € -3.2 million and deferred taxes for € 0.9 million. The positive impact of the deferred taxation is due to capitalising tax losses from the past for the Resilux subsidiary in the United States of America. After taxes, Resilux has realized a net profit of € 15.8 million.

Per December 31, 2016, the reported result based on the equity method amounted to € 18.9 million. This amount was the reversal of the booked losses since the establishment of the Joint Venture Airolux AG after the sale of the shares of Airolux AG. In previous years, these losses were deducted in consolidation according to the equity method deducted from the receivables of Resilux on Airolux AG.

Adjusted for all amounts relating to Airolux AG, the adjusted net income for 2016 amounts to € 16.5 million. Adjusted for the effect of the consultancy costs relating to Bain Capital, the adjusted net income for 2017 amounts to € 16.5 million or a stable net income.

Net financial debt

As per December 31 2017, Resilux has a net financial debt of € 6.8 million compared to a net cash position of € 22.3 million per December 31st, 2016. The change is mainly the result of the capital reduction for a total amount of € 33.0 million in September 2017.

For further comments regarding the results and balance sheet structure we refer to "Comments IFRS 2017 compared to 2016: assets, liabilities, income statement and cash flow statement" on page 93. These comments are an integrated part of this report of the Board of Directors.

6. Principal risks and uncertainties

Concerning the description of the major risks and uncertainties the company can be confronted with, the exposure to risks arising from foreign currencies, interest rates, raw material prices, and creditworthiness are a consequence of the normal operations of the Group. It is the aim of the Group to manage each one of these risks.

Exchange rate risks

With regard to exchange rates, Resilux has a policy of passive hedging per production unit. This means that the net flows per exchange rate are calculated for each production unit, and if necessary derivatives are used. The most important currencies of the Group are the Euro, the American dollar, the Swiss franc, the Hungarian forint, and the Russian rouble.

Purchases and sales are mainly in Euro and USD or the equivalent of Euro and USD.

The exchange rate risk as a result of the translation of assets and liabilities of foreign subsidiaries to Euro is not covered.

Financial derivatives to cover the net exchange rate flows are valued at their market value.
Exchange rate results on creditors and debtors and changes to the market value of the financial instrument are entered in the results for the period in wheich they occur.

Resilux had the following outstanding exchange contracts on 31/12/2017:

Sales	USD	5,400,000	for	HUF	1,401,138,000.00
Sales	USD	2,580,000	for	EUR	2,123,515.46
Sales	EUR	24,000,000	for	CHF	28,084,000.00
Purchases	EUR	4,647,350	at	HUF	1,440,211,567.00
Purchases	USD	1,408,000	at	EUR	1,202,643.12

According to the riskmanagement policy of the Group, generally between 75% and 100% of all transactions is covered.
The hedgings do not always happen immediately for 100% but can also be made gradually for a longer period.

Interest rate risks

The long and short term financial borrowings are at variable intrest rates and are for the major part covered by interest caps and swaps.

The following contracts were entered into to cover the aformentioned risks *(in thousands of Euro)*:

- Interest rate swap contracts for an amount of € 21,625, covered at 2 to 6 year with interest rates between 0.8% and 1.73%.

The contracts mentioned above are treated in the financial statements as trading instruments and are therefore valued at market value. The changes in the value of financial instruments are incorporated in the income statement.

Purchase of raw materials and risk of inventories

As well known, Resilux and other preform suppliers pass on fluctuations in raw material prices to their customers at the applicable market rates. There is thus mainly a timing risk between purchase and sale. The company tries to reduce this risk by limiting its dependence on the seasonal activities. Also a more restrictive policy regarding inventories of finished goods is implemented.

Furthermore, the increase of the added value products leads to a decreased sensitivity to changes in prices of raw material.

Credit risk

Resilux has a firm policy on credit risk. Resilux manages its credit risks through customer diversification, by working within set credit limits and periods, and by screening the creditworthiness of the parties it deals with. These risks are also mainly covered by credit insurance. Given the increased risk due to the economic crisis, Resilux has paid extra attention in order to limit this risk.

Seasonality

Resilux continues to work on reducing the dependence on the seasons by the geographical spread of the sales and production units and by using minimum volumes throughout the year in the contracts and by limiting the part of the seasonal packaging.

Capital structure

Resilux is aiming at keeping the ratio between net financial debt and operational cashflow at a level that can be considered by the financial markets as healthier than normal. During 2016 Resilux is meeting largely the covenants of the external financing agreements.

7. Research and development

Resilux spends more and more resources on research and development, patents and licences both on the level of production processes as on the level of finished goods.

The proportion of the production technology designed in-house is maximized in order to create competitive advantages. Some of it is protected by patents and licences.

Considerable efforts are made to further enhance technological leadership within the sector. Quality improvements, cost efficiency and less waste during production remain important topics.

Increased investments are made in lower energy consumption, less production waste, increased output per square meter, automation and decrease of packaging and logistic costs.

Regarding the development of new products and applications, Resilux is very much focused on a development of preform designs for applications which so far have not been used on an industrial scale.

Also the development of preforms with barrier, improving the barrier qualities of PET and the development of new production technologies remain important topics for Resilux and this for existing products as well as for new applications.

During 2016 there were no costs of own research and development that qualified for capitalisation on the balance sheet.

The number of employees of the Resilux Group working on research and development projects is further increased. Furthermore Resilux also cooperates with universities and independent research centres.

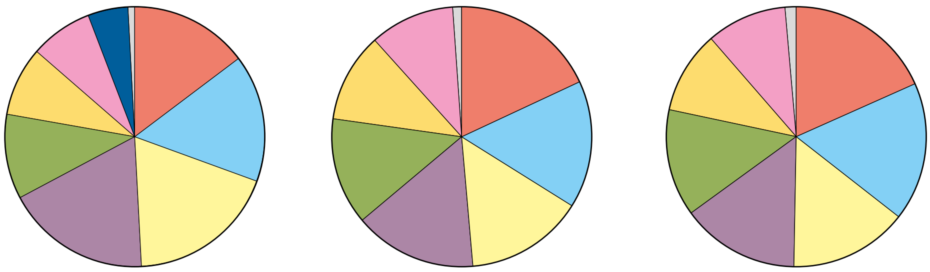
In the coming years, Resilux wants to increase the technology component as well in the production process as in the finished product.

8. Personnel and organisation

The workforce consisted of 845 people on December 31, 2017, compared to 622 people on December 31, 2016 and 615 people in 2015.

The employees are distributed over the various production units as follows:

Number of employees on December 31:



	2017	*2016*	*2015*
Belgium	125	121	114
Switzerland	133	104	106
Russia	158	98	90
United States	152	101	90
Spain	89	88	83
Greece	73	73	63
Hungary	67	70	62
Serbia	40	0	0
Ukraine	7	7	7

The average workforce expressed in full-time equivalents was 736 in 2017, compared to 622 in 2016 and 595 in 2015.

9. Warrants

In 2013, the Board of Directors decided to issue a warrant plan. The stock option plan provided for the grant of warrants to the Resilux shares. Each warrant gave the right to subscribe to one Resilux share. A total of 44,450 warrants were granted in 2013. During the month of April 2017 all warrants were exercised. Consequently, On December 31st, 2017 there are no more outstanding warrants.

10. Important recent developments

The activities of Resilux are geographically spread and Resilux has the technology to supply all known applications of PET preforms and PET bottles. This enables Resilux to adapt quickly to the ever changing requirements of consumers and also to any changes in law.

Resilux has modern production facilities, where growth can be realised with limited capital expenditures. Resilux also has a solid financial structure. The current cash flows allow Resilux to invest in additional capacity and new products and to increase the efforts on the level of R&D and innovation.

As a result, Resilux is well positioned to anticipate in the current financial and economic market and the possible changing needs of the consumer.

11. Justification of the independence and expertise of at least 1 member of the audit committee (article 119,6° of the Companies Code)

The Board of Directors ensures that the audit committee has such financial, accounting and legal expertise as required to fulfil its role effectively.

To justify the independence and expertise on auditing and accounting of at least one member of the audit committee pursuant to Articles 96, §1,9° and 119,6° of the Companies Code, reference is made for each member of the audit committee to that person's biography, as well as to the confirmation of the independence as included in the Corporate Governance Declaration of the annual financial report covering the fiscal year 2017 (Annual Report 2017).

12. Internal control and risk management systems (article 119, 7° of the Companies Code)

The internal control and risk management system is created to draw up and publish the consolidated financial statements pursuant to IFRS valuation rules. The most important characteristics of the system can be described as follows.

The organisation of the accounting and control is established in three levels:

(i) the accounting teams in the various companies of the Group who are responsible for drawing up and reporting on the financial information;

(ii) the controllers at the various levels of the organisation who are responsible for verifying the financial information within their area of responsibility; and

(iii) the control department on Group level, which is responsible for the final control of the financial information received from the different companies and for drawing up the consolidated financial statements.

Information systems have been developed to help the control department on Group level in the controlling and consolidation process and are constantly adapted to their new needs.

Pursuant to the audit process worked out for that purpose, the financial reports from the various companies in the Group are checked and evaluated by foreign external auditors, whilst the Belgian external auditor executes the final control and the review of the consolidation process and the consolidated financial statements that are drawn up by the parent Company Resilux NV.

13. Declaration on non-financial information (Article 119, §2 of the Companies Code)

Resilux is specialised in the production and sale of PET preforms and bottles. Such preforms and bottles come in many shapes, sizes, weights and colours and are used to pack water, cold drinks, oils, fruit juices, beer, detergents and other applications of various formats. As per 1 October 2017, Resilux extended its core activity by recycling PET in Switzerland.

Compared to other types of packaging - such as glass - PET is shatterproof, lighter in weight, can be easily recycled and has high-quality barrier properties that have a positive effect on the shelf-life of the product. In addition, compared to glass or metal, PET has an attractive life cycle analysis (considering factors such as degree of investment, transport, storage and energy consumption).

The company, which has its headquarters in Belgium, was incorporated by the family De Cuyper in 1994. The company's shares have been listed on Euronext Brussels since 3 October 1997. Resilux has production units in Belgium, Spain, Switzerland, Greece, Russia, Hungary, Serbia and in the US, which means that it has a wide geographical spread.

The customer portfolio of Resilux is widely spread and includes both global multinationals and local market players.

Resilux employs approximately 780 employees.

The strategy, policy and daily management are conducted by Dirk De Cuyper and Peter De Cuyper. General Managers of the various production units and members of the executive committee - at the headquarters - assist them in fulfilling their tasks. Resilux has remained true to its philosophy and its characteristic DNA since it was incorporated.

Resilux is conscious of the fact that honest socially responsible business practice, where account is taken of the consequences of the business operations for people, the environment and the local environment, is increasingly important to customers, suppliers, consumers, investors, stakeholders, the community and its own corporate reputation.

By having the business world increasingly contribute to the economic and social development for a sustainable world, by becoming more transparent as a business and, thereby, running fewer risks, we make every effort and hope to be able to give stakeholders and the community the long-term confidence that is expected of every enterprise.

1. Environmental matters

In view of the fact that we, as enterprise, are internationally committed, we realise that we too have a share in what drives man and the community regarding sustainability and that it is our responsibility, as an enterprise, to consciously use reserves and raw materials sparingly when performing our activities, to reduce CO2 emissions and to prevent environmental pollution. We see it as our task to increase awareness of the policy makers and management of the organisation regarding this responsibility and, where possible, to also create or encourage it among our employees and throughout our supply chain. We want to make every effort to support the circular economy, in which raw materials and materials are again and again re-used or converted into new raw materials where possible.

At least a number of policy factors, values and principles form an inherent part of the DNA of our enterprise because they are interwoven in what we do and the manner in which we conduct our operations in practice every day.
Sustainable entrepreneurial consciousness, explicit policy on the development of sustainability, conscientiously and consistently collecting and analysing relevant data and, allied to this, determining practical objectives and improvements of performance indicators - which may or may not be within an overall plan of action and supported throughout the supply chain - are still in a rather early stage, however. Yet, we do our utmost here to free up manpower and resources and to develop in this regard, in the knowledge that this will actively contribute to an increasing awareness of sustainability, will compel us to set concrete objectives and actions and will enable us to measure achieved performance more accurately on the grounds of the collected data.

In this regard, this new statutory duty to report, as well as, for example, our CDP membership, contribute to the fact that we will gain more knowledge on how to organise and position ourselves in our sustainability policy.

The following principal factors and elements provide the framework for the area within which Resilux undertakes continued action that can increasingly make ongoing contributions to sustainability and, accordingly, benefit the environment and our community.

Energy management

- Use of renewable energy sources (directly or through an energy supplier)
- Reducing energy consumption
- We ensure that our production facilities and infrastructure consistently meet modern standards and safety prescriptions and continuously improve the efficiency of our production process and our equipment

Water consumption

- Dryers with a closed water circuit
- We strive to raise environmental awareness regarding water consumption

Consumption and processing of raw materials and packaging

- Using the recycled granulate (rPET) to produce PET preforms and bottles
- Saving weight on PET preforms
- Using reusable packaging (Gitterboxes and reusable boxes)
- Promoting refill and barrier products (positive impact on the life span of the product)

Transport

- In-house projects
- Efficient transport for both delivery and return of packaging
- Optimum geographical spread, for the delivery both of raw materials and of customers' products
- Developed technique that makes it possible to pack more preforms in 1 box

Waste management

- Encouraging waste prevention
- Avoiding the use of environmentally hazardous or polluting products
- Making active efforts to reduce waste (bulk transport, reusable packaging, etc.)
- Putting waste into circular economy for reuse or conversion into a new raw material (paper and cardboard, PMD, big bags, production of scrap preforms and raw materials, etc.) where possible
- Waste collection in accordance with the statutory provisions so as not to damage the environment

Recycling activity

On 1 October 2017 Resilux took over the activities of Poly Recycling in Switzerland. Poly Recycling converts collected used PET bottles (primarily through the Swiss collection system) into a new raw material (rPET). A part of this rPET returns to the Swiss market and is again used to manufacture PET bottles.

The other part is used in various industries such as

- Food industry (for food packaging)
- For cosmetics packaging or detergents (PET has a high chemical resistance value)
- Packaging industry in general (films, containers and strapping)
- Clothing industry (known as "polyester" such as in fleece jackets, sleeping bags, cushion and pillow fillings or sports shoes)
- Automotive industry (airbags, seat belts, air filters, etc.)

With this takeover, Resilux expands its core activities by a new activity that actively contributes to a sustainable economy.

2. Social and personnel matters

Our employees are crucially important to the success of our enterprise and to putting the company's strategy and policy into practice. Therefore, we are responsible for creating the right working environment, for guaranteeing the right working conditions, for contributing to every employee's personal development and for putting the utmost effort in a long-term cooperation.

Resilux is a member of Sedex and is audited by Smeta (4-pillars)

Working conditions

- Resilux follows the applicable legislation and regulations relating to remuneration and secondary labour conditions, the freedom of association, child labour, forced labour, dealing with privacy and personal data, for example.
- Resilux tries to create a positive and transparent working environment in which everyone can feel appreciated and in which everyone treats others respectfully.
- Resilux does not tolerate any form of bullying, intimidation, discrimination, improper or unreasonable conduct that could undermine a person's dignity or that can lead to a negative working environment.
- Resilux offers training courses and technical education.
- Resilux tries to set up internal processes and systems and to continuously improve, which means that knowledge and data are collected and can be shared.

Resilux has a relatively low personnel turnover, which means that knowledge and expertise have been accumulated over the years.

Health and safety at work

Any absence due to illness has an impact on the working environment and is a cost to the company and the community. We therefore make efforts to prevent accidents at work, professional diseases and long-term absence.

- Resilux complies with the relevant applicable legislation for labour, health and safety.
- Safe and hygienic working conditions and strict compliance with the safety prescriptions form part of our quality management system and are closely monitored and audited.

Diversity and equal opportunities

We find it important to offer everyone equal opportunities in all the aspects of employment and we view differences in race, gender, origin, language, education, age, etc. with an open mind.

3. Human rights and the fight against bribery and corruption

The fight against corruption and bribery enjoys full international attention. Corruption and bribery in business transactions disrupt honest competition in the same circumstances, lead to transparency loss, increase costs and are morally unacceptable. Self-regulation plays an important role in fighting corruption. It is up to us to work at achieving an honest business culture and to ensure that business is always done honestly, professionally and ethically as a priority condition in our policy.

Corporate ethics

- Our system of values meets internationally recognised ethical standards.
- Honest and correct interaction, cooperation with partners, respectful treatment, mutual recognition, equal treatment, allegiance to the law and transparency form part of our internal code of conduct.

Corruption, bribery and competition

- Compliance with the statutory regulations on bribery corruption and competition
- We ensure that employees feel encouraged to submit any dilemma to the management so that they do not personally, either secretly or unconsciously, perform any acts or participate in unlawful practices.
- Resilux does not make any donations to political parties. Applications for sponsoring must first be sent to the CEOs for approval. Charity donations must be lawful and ethical in accordance with the local laws and customs.
- The number of intermediaries that Resilux engages is extremely limited and selected very carefully.
- We are in favour of exchanging digital data in exporting/importing products. Digital data exchange of documents leads to less or no physical interaction and this reduces the chance of enticing corruption. For example, when the value of the goods and the number of the products to be transferred are communicated in advance, the importer does not know which official deals with the communication and the official does then not know whom he would need to approach in the company.
- The cases in which and the amounts that employees are allowed to pay in cash are extremely limited and the four-eyes principle applies to making payments and bank transfers.
- Resilux also maintains strict rules regarding its financial administration and compliance with the generally accepted accounting principles. All business information and transactions must be properly recorded in good time in the financial administrative system, with an adequate amount of detail to give a true reflection of the transactions.

With a view to matters such as further non-financial reporting, Resilux strives to collect and analyse practical data to be able to properly measure the improvement in relevant performance indicators and to determine new practical objectives.

14. Information regarding article 34 of the Royal Decree of November 14th, 2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market (implementation of the takeover directive)

a) On December 31, 2017 the registered capital of the company amounts to € 3,600,429 represented by 2,024,860 no par-value shares, which each represent a 1/2,024,860th share of the registered capital. All shares are fully paid and each share confers the right to one vote.

Based on the last transparency notification of April 4 and May 4, 2017, as received by the company, the shareholders' structure on December 31, 2017 can be presented as follows:

Shareholder	Current voting rights/share	% of issued company stock
Tridec Stichting Administratiekantoor (*)	921,000	45.48%
De Cuyper family (*)	114,072	5.63%
NV Immo Tradec (*)	58,534	2.89%
NV Belfima Invest (*)	27,333	1.35%
NV Tradidec (*)	25,973	1.28%
NV Capfi Delen Asset Management	67,089	3.31%
Public	810,859	40.05%
Total	**2,024,860** ("denominator")	**100%**

(*) Tridec Stichting Administratiekantoor (controlled by Alex De Cuyper, Peter De Cuyper and Dirk De Cuyper) acts in mutual consultation with the De Cuyper family and the companies NV Immo Tradec, NV Belfima Invest and NV Tradidec.

b) No restrictions are laid down by statute or in the company's articles of association on the transfer of securities, and neither on the exercise of voting rights that apply to the securities issued by the company.

c) Special control rights - Statutory provisions

Article 11 - Preferential right
In case of a capital increase, implemented other than by way of a non-monetary contribution or merger, and subject to any different decision by the general shareholders' meeting or the Board of Directors, the existing shareholders will be given preference to the new shares, in proportion to the part of the registered capital represented by their shares.
The pre-emptive right may be exercised for a period of at least fifteen days, to be calculated from the day on which the subscription for new shares opens.

The subscription price and the period during which the pre-emptive right may be exercised will be determined by the general shareholders' meeting or, if the resolution to increase the capital has been adopted in accordance with Article 603 of the Belgian Companies Code, by the Board of Directors.
If the ownership of shares is divided into usufruct and bare ownership, the bare owner of the shares will have the pre-emptive right. In case of pledged shares, the owner-pledgor will have the pre-emptive right.

Article 15 - Nomination right
Insofar as Tridec Stichting Administratiekantoor holds at least 35% of the company's shares, it will have the statutory right to nominate four directors. Alex De Cuyper, Dirk De Cuyper and Peter De Cuyper are appointed upon nomination by Tridec Stichting Administratiekantoor.

Article 29 - Convening
A special or an Extraordinary general shareholders' meeting must be convened whenever required by the interests of the company and must be convened every time shareholders who collectively represent one-fifth of the registered capital so request.

Article 30 - Right to add items to the agenda and file new proposed resolutions
One or more shareholders who jointly hold at least 3% of the company's registered capital may, by no later than the twenty-second day prior to the date of the general shareholders' meeting, add items to be discussed to the agenda of the general shareholders' meeting and submit motions to be voted concerning items included on the agenda or to be included on the agenda, provided that the shareholders can demonstrate that, on the date when they file an item for the agenda or a motion for vote, they are shareholders of the company.

This right shall not be valid for general shareholders' meetings convened after a first general shareholders' meeting that was not deemed valid for deliberations as the required attendance quorum was not reached.

d) There are no other share plans for employees where the rights of control are not directly executed by the employees.

e) The company has no knowledge of shareholders agreements which could lead to a limitation of the right to transfer securities and/or exercising the right to vote.

f) The members of the Board of Directors are nominated by the general shareholders' meeting.

According to article 16 of the company's articles of association, the remaining Directors can temporarily fill in a vacancy for Director. In that case, the general shareholders' meeting will proceed to the final appointment per during their next meeting.

According to article 15 of the company's articles of association, the board of directors can have a maximum of seven members and, as mentioned before, as long as Tridec Stichting Administratiekantoor owns, directly or indirectly, at least 35% of the shares of the company, it has the right to propose four candidate-Directors to be nominated.

Other Directors will be nominated by the Remuneration and nomination committee, taking into account the needs of the company and in accordance with the selection criteria and appointment procedure set up by the Board of Directors.

For the composition of the Board of Directors, the necessary diversity and complementarity regarding skills, practice and knowledge is taken into account.

At least three Directors must be independent.

The members of the Board of Directors are appointed for a maximum period of four years and can be reappointed.

The general shareholders' meeting can deliberate and vote on changes to the articles of association of the company, taking into account the conditions imposed by articles 540, 543, 558, 559 and onwards of the Companies Code.

g) The company's articles of association provide the following arrangements in relation to powers of the governing body regarding the issuance or redemption of shares of the company.

Temporary provisions - Authorised capital

For a period of five years from the publication of the general shareholders' meeting's resolution of May 20, 2016 in the Schedules to the Belgian Official Journal, the Board of Directors will be authorised to increase the registered capital on one or more occasions to the amount of € 17,183,856.00 (seventeen million, one hundred and eighty-three thousand, eight hundred and fifty-six euros).

The capital may be increased by means of a monetary or non-monetary contribution as well as by the conversion of reserves of any kind and/or by an issue premium.

In addition to the issue of ordinary shares, capital increases decided on by the Board of Directors, may also be implemented through the issue of preference shares, through the issue of shares without voting rights, through the issue of shares and/or warrants in favour of staff and through the issue of convertible bonds and/or bonds with warrants.

The Board of Directors is granted the authority to limit or cancel the pre-emptive right in the interests of the company if the capital increase is implemented within the scope of the authorised capital.

The Board of Directors is authorised to limit or cancel the pre-emptive right in favour of one or more people, even if these people are not personnel of the company or its subsidiaries.

The general shareholders' meeting has expressly granted the Board of Directors the authority to increase the subscribed capital on one or more occasions as from the date of the notice from the Financial Services and Markets Authority (FSMA) to the company of a public takeover bid for the securities of the company, by means of monetary contributions with the cancellation or limitation of the existing shareholders' pre-emptive right or by means of non-monetary contributions in accordance with Article 607 of the Belgian Companies Code. This authorisation is valid for a period of three (3) years to be calculated from the publication of the resolution of the general shareholders' meeting of May 20, 2016 in the Annexes to the Belgian Official Journal.

If a capital increase is implemented by means of cash subscriptions with an issue premium, the Board of Directors will be authorised to stipulate that the issue premium will be earmarked for the non-distributable 'issue premiums' account, which will constitute a guarantee to third parties to the same extent as the registered capital and, except for the possibility of conversion into capital by the Board of Directors, may only be disposed of in accordance with the conditions laid down by the Belgian Companies Code for amendments to the articles of association.

The Board of Directors is authorised to amend the company's articles of association in accordance with the capital increase that was decided on within the scope of its authority.

Temporary provisions - Purchase of own shares

The Board of Directors is authorised, in accordance with article 620 and following of the Company Code, to acquire shares, profit-sharing certificates or associated certificates of the company at the expense of the latter, if this acquisition is necessary to preventing the company from suffering imminent, serious damage. This authorisation is valid for a period of three (3) years to be calculated from the publication of the resolution of the extraordinary general shareholders' meeting of May 20, 2016 in the Annexes to the Belgian Official Journal. This authorisation can be renewed for periods of three (3) years. Insofar as allowable by law (among others article 622 of the Company Code), the authorisation to transfer ownership is valid without limitation in time.

In accordance with article 620 and following of the Company Code, the Board of Directors is authorised to acquire shares, profit-sharing certificates or associated certificates of the company at the expense of the latter, by purchase or exchange, for the maximum amount of twenty percent (20%) of the issued capital, at a unit price no lower than the accounting par value and no higher than twenty percent (20%) above the highest closing quote of the shares over the most recent twenty (20) stock exchange trading days preceding the transaction.
The authorisation to acquire is valid for a period of five (5) years to be calculated from the publication of the resolution of the extraordinary general shareholders' meeting of May 20, 2016 in the Annexes to the Belgian Official Journal. This authorisation can be renewed for periods of five (5) years. Insofar as allowed by law (among others article 622 of the Company Code), the authorisation to transfer ownership is valid without limitation in time.

The board of directors is authorised, in accordance with article 622 §2 of the Belgian Companies Code, to transfer ownership of own shares:

(i) in the framework of transactions, such as takeovers or acquisition of tangible or intangible assets, opportune for the strategic development of the company, and at a price at least equal to the average closing quote of the share of the most recent thirty (30) calendar days preceding the transaction, decreased with ten percent (10%) and at most equal to the average closing quote of the share of the most recent thirty (30) calendar days preceding the transaction, increased with ten percent (10%);

(ii) in the framework of exercising stock options granted to the personnel of the company or its subsidiaries or self-employed service providers with a high management position within the company or its subsidiaries, and at a price of the option at least equal to the average closing quote of the share of the most recent thirty (30) calendar days preceding the granting of the options, decreased with ten percent (10%) and at most equal to the average closing quote of the share of the most recent thirty (30) calendar days preceding the granting of the options, increased with ten percent (10%);

(iii) in the framework of article 3, paragraph 2 of the warrant plan of 28 January 2013 and for the price of the warrants.

h) There are no important agreements of which the company is part and that start, change or finish in case there is a change of control of the company as a result of a public takeover bid, or the consequences of it.

i) There are no agreements between the company and the directors or employees which provide for a remuneration in case the directors resign or are being discharged without a valid reason, or when the employment of the employees is finished as a result of a public offer for takeover.

15. Notification in respect of the exemption from the obligation to launch a bid (Article 74 Law of April 1, 2007)

Pursuant to article 74, §7 of the Law of April 1, 2007 on Takeover Bids, the company has duly received the following notification of exemption from the obligation to launch a bid dated February 14, 2008 as sent on behalf of the parties below acting by mutual agreement.

Subsequently, pursuant to Article 74 § 8 of the Law of April 1, 2007 on Takeover Bids, the parties below have informed the company of subsequent changes with regard to their shareholding in the company by letters dated September 3, 2012, August 29, 2014 and August 31, 2015. As a result, the situation as of August 31, 2017 can be summarized as follows:

Identity of the persons who, as of August 31, 2017, held, by mutual consultation, more than 30% of the voting shares in RESILUX NV	Identity of the final controller	Number of shares	%
1. STAK TRIDEC Houtsnip 17, 3766 VD Soest, The Netherlands	-	921,000	
	STAK TRIDEC	**921,000**	**45.48%**
2. Belfima Invest NV BE 0466 014 328	Peter De Cuyper p.a. Damstraat 4 9230 Wetteren	27,333	
3. Peter De Cuyper p.a. Damstraat 4 9230 Wetteren	-	55,465 of which 20,000 in bare ownership	
	Peter De Cuyper	**82,798**	**4.08%**
4. Tradidec NV BE 0464 996 422	Dirk De Cuyper p.a. Damstraat 4 9230 Wetteren	25,973	
5. Dirk De Cuyper p.a. Damstraat 4 9230 Wetteren	-	52,260 of which 20,000 in bare ownership	
	Dirk De Cuyper	**78,233**	**3.86%**
6. Immo Tradec NV BE 0439 777 214	Tradec Invest NV BE 0453 976 133	58,534	
	Tradec Invest NV	**58,534**	**2.89%**
7. Others (natural persons < 3%)		6,347	
	Others	**6,347 + the usufruct, including the voting rights of 40,000 shares**	**0.312%**
Total			56.63%

All notices received by the company on this subject are available on the website at www.resilux.com (Investor Relations - General Information).

16. Outlook, expectations and significant events since the year end

Resilux expects for 2018 a further growth of the volumes as a result of additional capital expenditures in production capacity. Resilux expects that this volume growth and the acquisitions from 2017 will lead to increased operational results for 2018.

Resilux expects to invest around € 14.0 million, excluding buildings and special projects. This will be mainly in increased production capacity and additional production tools.
Resilux will further focus on cost control and on diversification of customers and product mix.

Resilux continues to have a strong belief in the enormous potential of PET preforms and bottles over the next years.

The growth prospects for the PET packaging market remain good, and the expectations are that the market will continue to grow over the next 3 to 7 years. In Northwest Europe, the growth will mainly come from new product applications, such as fruit juices and milk, and less from water and soft drinks.

Since the end of the financial year, no other important events have occurred of a nature to significantly influence the results of the company.

17. Appropriation of results

The board of directors of Resilux NV proposes to the general shareholders' meeting to pay a gross dividend of € 2.00 per share for the financial year 2017.

The proposed appropriation of the results is as follows *(in thousands of Euro, Resilux NV statutory accounts)*:

Profit of the financial year to be appropriated	1,634
Profit brought forward from the previous financial year	46,632
Total profit to be appropriated	48,266
Profit to be distributed	4,050
Profit to be carried forward	44,216

The consolidated reserves (IFRS) can then be shown as follows *(in thousands of Euro)*:

Consolidated reserves	
Reserves carried forward on December 31st, 2016	108,931
Consolidated profit for the financial year	15,823
Actuarial gains and losses (net)	-485
Dividend on shares	-4,050
Total consolidated reserves on December 31st, 2017	120,219

CONSOLIDATED ANNUAL ACCOUNTS 2017

BALANCE SHEET *(in thousands of Euro)*

	Notes	31.12.2017	31.12.2016
Non-current assets		**108,908**	**100,995**
Goodwill	4	18,500	13,685
Intangible assets	5	1,286	1,558
Property, plant & equipment	6	83,225	79,852
Other financial assets	7/8	17	17
Deferred tax	8	5,062	4,649
Non-current receivables	9	818	1,234
Current assets		**134,780**	**155,196**
Inventories	10	55,993	51,595
Trade receivables	9	43,525	36,092
Other current assets	9	7,799	5,062
Cash and cash equivalents	11	27,463	62,447
TOTAL ASSETS		**243,688**	**256,191**
Equity	**12**	**121,485**	**147,568**
Non-current liabilities		**36,295**	**39,854**
Subordinated loans	13	956	1,276
Interest-bearing borrowings	13	23,109	30,729
Other amounts payables	14	3,890	1,207
Provisions	15	6,788	4,674
Deferred tax	8	1,552	1,968
Current liabilities		**85,908**	**68,769**
Subordinated loans	13	319	319
Interest-bearing borrowings	13	11,198	9,399
Trade payables	14	61,282	45,394
Income tax payables		1,890	2,594
Other amounts payables	14	11,219	11,063
TOTAL LIABILITIES		**243,688**	**256,191**

RESILUX
INNOVATIVE PACKAGING

INCOME STATEMENT *(in thousands of Euro)*

	Notes	2017	2016
Operating revenues		**335,300**	**326,015**
Turnover		328,677	293,667
Changes in inventories finished goods		2,943	4,104
Other operating income	16	3,680	28,244
Operating expenses		**314,708**	**279,589**
Raw materials and consumables used		209,389	180,573
Services and other goods		50,171	50,333
Remuneration, social security charges and pensions	17	38,025	34,117
Depreciation and amortisation expense		15,767	14,393
Other operating expenses	16	1,356	173
Operating result		**20,592**	**46,426**
Financial income	18	5,315	8,403
Financial expenses	18	-7,792	-9,785
Result before taxes		**18,115**	**45,044**
Income taxes	19	-2,292	-4,237
Net result		**15,823**	**40,807**
Result based upon the equity method	8	0	18,884
Net result after result based on the equity method		**15,823**	**59,691**
Net profit after equity per share in €	22	7.81	29.48

STATEMENT OF OTHER COMPREHENSIVE INCOME *(in thousands of Euro)*

	Notes	2017	2016
Attributable to profit or loss: the owners of the parent		15,823	59,691
Statement of the unrealized results			
Currency translations adjustments for foreign entities (*1)		-7,132	3,973
Actuarial gains and losses (gross) (*2)	15	-621	55
Deferred Taxes (*2)		136	49
Total of the unrealized results		**-7,617**	**4,077**
Total of the comprehensive income		**8,206**	**63,768**

(*1) can be reclassified in the income statement.

(*2) cannot be reclassified in the income statement.

RESILUX
INNOVATIVE PACKAGING

CASH FLOW STATEMENT *(in thousands of Euro)*

	Notes	2017	2016
Operating activities			
Profit before taxes		18,115	46,426
Depreciation and amortization	5/6/10/11	15,767	14,393
Financial income		-5,314	-8,403
Financial expense		7,792	9,785
Gain on disposal fixed assets	16	66	-192
Warrants personnel	17	0	52
Changes in trade receivables	9	-8,830	-3,923
Changes in inventory	10	-6,293	-8,027
Changes in trade payables	14	16,955	-5,595
Other changes in net working capital		-3,174	3,885
Change in net working capital		-1,342	-13,608
Interest received	18	48	1,035
Interest paid	18	-1,924	-2.316
Income taxes paid	19	-3,891	-3.244
Cash flow from operating activities		**29,317**	**43.876**
Cash flow from investing activities			
Investments in tangible and intangible fixed assets	5/6	-20,405	-20,668
Investments in financial assets	8	0	-823
Desinvestments in financial assets	8	0	36,942
Receipt of government grants	6	579	259
Acquisition of subsidiaries		-6,626	0
Proceeds on disposals of fixed assets		1,063	755
Cash flow from investing activities		**-25,389**	**16,465**
Financing activities			
Dividends paid		-4,050	-3,961
Capital increase		2,766	0
Capital reduction		-33,005	0
Proceeds from (+), payments (-) of subordinated loans	13	-319	0
Proceeds from (+), payments (-) of long-term liabilities	13	-5,555	-7,191
Proceeds from (+), payments (-) of short-term liabilities	13	2,345	-1,781
Cash flow from financing activities		**-37,818**	**-12,933**
Net increase / decrease in cash and cash equivalents	11	-33,890	47,408
Effect of exchange rate changes on cash and cash equivalents	11	-1,094	205
Cash and cash equivalents at January 1st	11	62,447	14,834
Cash and cash equivalents at December 31		**27,463**	**62,447**

RESILUX
INNOVATIVE PACKAGING

EQUITY *(in thousands of Euro)* (Note 12)

	Amount of shares	Share capital	Issue premium	Revaluation surplus	Other reserves	Currency translations	Total
On January 1, 2017	**1,980,410**	**17,184**	**16,656**	**2,371**	**106,560**	**4,797**	**147,568**
Capital increase	44,450	386	2,380	0	0	0	2,766
Capital reduction	0	-13,969	-19,036	0	0	0	-33,005
Consolidated result for the financial year	0	0	0	0	15,823	0	15,823
Dividend on shares	0	0	0	0	-4,050	0	-4,050
Actuarial gains and losses (net)	0	0	0	0	-485	0	-485
Currency translations	0	0	0	0	0	-7,132	-7,132
On December 31, 2017	**2,024,860**	**3,601**	**0**	**2,371**	**117,848**	**-2,335**	**121,485**
On January 1, 2016	**1,980,410**	**17,184**	**16,656**	**2,371**	**50,674**	**824**	**87,709**
Warrants personnel (note 17)	0	0	0	0	52	0	52
Consolidated result for the financial year	0	0	0	0	59,691	0	59,691
Dividend on shares	0	0	0	0	-3,961	0	-3,961
Actuarial gains and losses (net)	0	0	0	0	104	0	104
Currency translations	0	0	0	0	0	3,973	3,973
On December 31, 2016	**1,980,410**	**17,184**	**16,656**	**2,371**	**106,560**	**4,797**	**147,568**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

RESILUX INNOVATIVE PACKAGING

1. ACCOUNTING PRINCIPLES

1. Statement of compliance and basis of presentation

The consolidated financial statements of Resilux Group have been prepared in accordance with International Financial Reporting Standards (IFRS), which comprise standards and interpretations approved by the IASB. The company has opted not to apply early application of standards and interpretations issued up to December 31, 2016 with an effective date after December 31, 2017.

The consolidated financial statements are presented in thousands of Euro and have been prepared under the historical cost basis, and modified for the revaluation of derivative financial instruments.

The accounting policies have been applied consistently with the previous year.
The consolidated financial statements are prepared as of and for the period ending December 31, 2017.
The statements are presented before the effect of the profit appropriation of the parent company to the general shareholders' meeting.

2. Principles of consolidation

General

The consolidated financial statements comprise the financial statements of Resilux NV, its subsidiaries and joint ventures, drawn up to December 31 of each year.

Subsidiaries

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control exists when Resilux (a) has power over the subsidiary; (b) is exposed to or has the rights to changing income related to its involvement in the subsidiary; (c) has the possibility to use its power in the subsidiary to influence the magnitude of the income from the subsidiary.

Acquisitions of subsidiaries are accounted at in accordance with IFRS 3 'Business Combinations' for business combinations agreed on or after that date.

Joint ventures

Joint ventures are companies in which Resilux NV directly or indirectly holds a significant influence and which are not subsidiaries or joint ventures. This is assumed to be the case when the Group holds at least 50% of the voting rights attached to the shares. The Financial statements of these companies are prepared in accordance with the same accounting policies used for the Group. The consolidated financial statements contain the share of the Group in the result of associated companies in accordance with the equity method from the day that the joint control or the significant influence is acquired until the day it ends. If the share of the Group in the losses of the associated companies is greater than the carrying amount of the participation, the carrying amount is set at zero and additional losses are recognized only insofar the Group has assumed additional obligations. Participations in associated companies are revalued if there are indications of a possible impairment or of the disappearance of the reasons for earlier impairments.

A list of the company's subsidiaries and joint ventures is set out in note 2. 'Consolidated companies' on December 31, 2017.

3. Foreign currency translation

a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency).
The consolidated financial statements are presented in Euro, which is the company's functional and reporting currency.

b) Transactions and balances

Transactions in foreign currencies are recorded at the rates of exchange prevailing at the date of transaction or at the end of the month before the date of the transaction. At the end of the accounting period the unsettled balances on foreign currency receivables and liabilities are valued at the rates of exchange prevailing at the end of the accounting period. Foreign exchange gains and losses are recognized in the income statement within the period they occur.

c) Financial statements of foreign operations

The company's foreign operations are considered as foreign entities. Accordingly, assets and liabilities are translated to Euro at the foreign exchange rates prevailing at the balance sheet date. Income statements of foreign entities are translated to Euro at average exchange rates for the period ended. The components of shareholders' equity are translated at historical rates. Exchange differences arising from the transaction of shareholders' equity to Euro at year-end exchange rates are taken to 'Translation reserves' in Capital and Reserves. On disposal of foreign entities accumulated exchange differences are recognized in the income statement as part of the gain or loss on the sale.

4. Goodwill

Goodwill represents the excess of the cost of the acquisition over the fair value of the company's share of identifiable net assets and contingent liabilities of the acquired subsidiary at the date of acquisition.

Goodwill is expressed in the currency of the subsidiary to which it relates and is translated to Euro using the year-end exchange rate.

Goodwill is stated at cost less accumulated impairment losses.

5. Intangible assets

Intangible assets acquired separately are capitalized at cost. After initial recognition, intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses (refer accounting policy 14).
Intangible assets acquired as part of a business combination are capitalized at fair value separately from goodwill if the fair value can be measured reliably on initial recognition. Intangible assets are amortized on a straight-line basis not exceeding 5 years.

6. Research and development costs

Research costs, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, are expensed as incurred. Expenditure on development activities whereby research findings are applied to a plan or design for the production of new or substantially improved materials, devices, products, processes and technologies prior to commercial production or use, are capitalized to the extent that it is expected that such assets will generate future economic benefits and the other recognition criteria of IFRS are met. Capitalized development costs are amortized on systematic bases over the period of expected future sales from the related project. The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use, and otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable. (refer accounting policy 14).

7. Licenses, patents and similar rights

Expenditures on acquired licenses, patents and similar rights are capitalized and are amortized using the straight-line method over the contractual period, if any.

8. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses (see accounting principle 14). Land is not depreciated. Costs include purchase price (less any discounts and rebates), import duties, non refundable taxes and any directly attributable costs of bringing the asset to its working condition. Directly attributable costs include, e.g. initial delivery, handling and installation costs and the estimated cost of dismantling and removing the asset and restoring the site. The cost of a self constructed asset is determined using the same principles as for an acquired asset. Subsequent expenditure related to on an item of property, plant and equipment is capitalized when it is probable that it will result in additional future benefits, in excess of the originally assessed standard of performance of the existing asset, and the expenditure can be measured reliably. All other subsequent expenditure is expensed as incurred.

Depreciation is calculated from the date the asset is available for use on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	5 to 20 years
Production machinery	5 to 10 years
Moulds	3 to 5 years
Peripheral equipment	5 to 10 years
Material for quality control	5 years
Auxiliary equipment	10 years
Silo installation	5 to 10 years
Fire-protection	10 years
Furniture	10 years
Office machinery	5 years
Computer equipment	3 years
Vehicles production	years
Cars	4 years
Other tangible fixed assets	underlying asset
Assets under construction	no depreciation applied

Assets direct related to a contract are depreciated in accordance to the specifications stipulated in the related contract.

9. Leases

Finance leases, which effectively transfer to the Group substantially all risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased property or if lower at net present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.
Capitalized leased assets are depreciated over the useful life as mentioned under ‘property, plant and equipment’.

Leases, where the lesser effectively retains substantially all the risks and benefits of ownership over the lease term, are classified as operating leases. Lease payments under an operating lease are recognized as an expense in the income statement on a straight-line basis over the lease term.

10. Investments

All investments are initially recognized at cost, being the fair value of the consideration given and including acquisition charges associated with the investment (see accounting principle 14).

11. Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined by the weighted average method.

Raw materials and consumables	: cost of purchase on a weighted average base
Finished goods and work-in-progress	: cost of direct materials, labor and a proportion of manufacturing overhead based on normal operating capacity
Trade goods	: cost of purchase

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

12. Trade and other receivables

Trade debtors and other amounts receivable are shown on the balance sheet at cost less an allowance for doubtful debts. At the balance sheet date, an estimate is made of the bad debts based on the total outstanding amounts. Bad debts are written off during the period in which they are identified.

13. Cash and cash equivalents

Cash consists of cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, have original maturities of three months or less and are subject to insignificant risk of change in value.

14. Impairment of assets

The carrying amounts of the company's assets, other than inventories and deferred tax assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying amount exceeds the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount of the assets is the greater of net selling price and value in use.

The value in use is determined by the estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. The future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the income statement.

An impairment loss recognized in prior periods for an asset other than goodwill shall be reversed if, if and only if, there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognized.

15. Provisions

Provisions are recognized when the company has a present obligation (legal or factual) as a result of past events and when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

16. Trade and other payables

Trade and other payables are stated at cost.

17. Employee benefits

Employee benefits are recognized as an expense when the Group consumes the economic benefit arising for service provided by an employee in exchange for employee benefit, and as a liability when an employee has provided service in exchange for employee benefits to be paid in the future. Obligations for the defined contribution plan are recognized as an expense in the income statement as incurred.

In Switzerland, the pension plan is considered as a pension plan of the type 'defined benefit' plan and a provision is made. An independent actuary makes an actuarial valuation of the plan at year-end. The Group recognizes all actuarial gains and losses straight into the statement of other comprehensive income.

Share based payments: The fair value of the warrants granted under the warrant plan of the Group is calculated on the granting day, taking into account the characteristics and conditions at which the warrants are granted. The applied valuation method is in line with generally accepted valuation methods for financial instruments. The valuation method takes into accounts all aspects and assumptions that normal participants with knowledge consider when determining the price. The fair value of the warrants is booked as personnel expense over the period until the beneficiary obtains the warrants unconditionally.

Resilux has a group insurance contract for its employees in Belgium. The new law about occupational pension plans has been published on 18th of December 2015.
This law includes changes that may have an impact on the accounting for defined contribution and defined benefit plans under IAS 19R in Belgium.
The first change relates to the minimum guaranteed return. The new law replaces the 3.25% (employer) and 3.75% (employee) as from 1/1/2016 by 65% of 10-year OLO yield averaged over last 24 months (possibly increased to 75% (1 January 2018) and 85% (2019) if NBB approves) with a minimum of 1.75% and a maximum of 3.75%. For insured plans the current 3.25% and 3.75% remain applicable to pre-2017 contributions. For other plans the new rates also apply to the accumulated pre-2017 contributions as from 1/1/2017 onwards.

Following IAS 19R, this implies that the (so called) Belgian defined contribution plans with a minimum funding guarantee should be accounted for as defined benefit pension plans. Due to the change in law, the Group will no longer use the intrinsic value method as from 2017 onwards. Instead the group will determine the net pension liability in accordance with an actuarial method as required by IAS 19R (Projected Unit Credit Method).
The second change to the law includes an increase of the legal retirement age to 66 year in 2025 and 67 year in 2030. The group does not anticipate a material impact on the pension liability.

18. Revenue recognition

Revenue is recognized when it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue from sales of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer and the amount of revenue can be measured reliably.

19. Government grants

Government grants are recognized when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grants relates to an expense item, it is recognized as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate.
Where the grant relates to an asset, the fair value is deducted from the carrying amount of the asset. The grant is recognized as income over the life of the depreciable asset by way of reduced depreciation charge.

20. Derivative financial instruments

Derivative financial instruments are recognized initially at cost. Subsequent to initial recognition, derivative financial instruments are stated at fair value. The fair values of derivative interest contracts are estimated by discounting expected future cash flows using current market interest rates and yield curve over the remaining term of the instrument. The fair value of forward exchange contracts is their market price at the balance sheet date.

Derivative financial instruments that are either hedging instruments not designated or not qualified as hedges are carried at fair value with changes in value in the income statement.

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognized asset or liability, a firm commitment or a highly probable forecasted transaction, the effective part of any gain or loss on the derivative financial instrument is recognized directly in equity.

21. Income taxes

Income tax includes the taxes on the profit or loss for the year and the deferred taxes. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is included directly in the statement of other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

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

Deferred tax assets are recognized 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, carry-forward of unused tax credits and tax losses can be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted at the balance sheet date.

22. New and amended IFRS-standards and IFRIC-Interpretations, effective for financial years starting on January 1, 2017

Resilux applied the same IFRS standards as those adopted in the previous years, except for some of the new and amended IFRS standards and IFRIC interpretations applicable for Resilux and effective for the financial year as of 1st January 2017. Resilux has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- Amendments to IAS 7 *Statement of Cash Flows* - Disclosure Initiative, effective 1 January 2017
- Amendments to IAS 12 *Income Taxes* - Recognition of Deferred Tax Assets for Unrealised Losses, effective 1 January 2017
- Annual Improvements Cycle - 2014-2016, effective 1 January 2017

23. New and amended IFRS-standards and IFRIC-Interpretations, effective for financial years starting after January 1, 2017.

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of Resilux financial statements are disclosed below. Resilux intends to adopt these standards and interpretations, if applicable, when they become effective.

- Amendments to IFRS 2 *Share-based Payment* - Classification and Measurement of Share-based Payment Transactions, effective 1 January 2018
- Amendments to IFRS 4 *Insurance Contracts* - Applying IFRS 9 *Financial instruments* with IFRS 4 *Insurance Contracts*, effective 1 January 2018

- IFRS 9 *Financial Instruments*, effective 1 January 2018
  Resilux will adopt the new standard on the required effective date and will not restate comparative information. During 2017, the Resilux has performed a detailed impact assessment of all three aspects of IFRS 9. This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to Resilux in 2018 when Resilux will adopt IFRS 9. Overall, Resilux expects no significant impact on its statement of financial position and equity.
- Amendments to IFRS 9 *Financial Instruments* - Prepayment Features with Negative Compensation, effective 1 January 2019
- IFRS 15 *Revenue from Contracts with Customers*, including amendments to IFRS 15: *Effective date of IFRS 15* and *Clarifications to IFRS 15 Revenue from Contracts with Customers*, effective 1 January 2018
  The adoption of IFRS 15 is not expected to have any impact on the revenue and profit or loss of Resilux since for contracts with customers the delivery is generally to be the only performance obligation. Resilux expects the revenue recognition to occur at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods.
- IFRS 16 *Leases*, effective 1 January 2019
  Regarding IFRS 16 some further analysis is needed to see what the impact will be. This analysis will be done in the next months and as a consequence some changes are still possible however the expectation is that impact will be rather limited as the number of leasing contracts within Resilux is limited.
- IFRS 17 *Insurance Contracts*, effective 1 January 2021
- Amendments to IAS 28 *Investments in Associates and Joint Ventures* - Long-term Interests on Associates and Joint Ventures, effective 1 January 2019
- Amendments to IAS 40 *Investment Property* - Transfers of Investment Property, effective 1 January 2018
- IFRIC 22 *Foreign Currency Transactions and Advance Consideration*, effective 1 January 2018
- IFRIC 23 *Uncertainty over Income Tax Treatments*, effective 1 January 2019
- Annual Improvements Cycle - 2014-2016, effective 1 January 2018
- Annual Improvements Cycle - 2015-2017, effective 1 January 2019

RESILUX INNOVATIVE PACKAGING

2. CONSOLIDATED COMPANIES

Full consolidation

The consolidated financial statements 2017 include the accounts of Resilux NV and its subsidiaries listed in the table below.

Resilux NV	Damstraat 4, 9230 Wetteren, RPR Gent, division Dendermonde BE 0447.354.397	Belgium	100%
Eastern Holding NV	Reukenwegel 40, 9070 Destelbergen, RPR Gent, division Gent BE 0897.458.153	Belgium	100%
Resinvestment NV	Damstraat 4, 9230 Wetteren, RPR Gent, division Dendermonde BE 0897.468.051	Belgium	100%
Resilux Holding B.V.	Luna Arena, Herikerbergweg 238, 1101 CM Amsterdam	Netherlands	100%
Tradetool B.V.	Luna Arena, Herikerbergweg 238, 1101 CM Amsterdam	Netherlands	100%
Resilux Ibérica Packaging S.A.u.	Ctra. Nacional 435, KM 99, 06350 Higuera La Real	Spain	100%
Resilux-Volga OOO	Bazovaya Street 12, 156000 Kostroma	Russia (Federation)	100%
Resilux Distribution OOO	Zoologicheskaya Str.26, build.2, room IX, 123056, Moscow	Russia (Federation)	100%
Packmen OOO	Elektrichesky lane, 12, office 2, 123056, Moscow	Russia (Federation)	100%
Resilux Schweiz AG	Industrie Ost, 8865 Bilten	Switzerland	100%
Poly Recycling AG	Bleichestrasse 41, 8570 Weinfelden	Switzerland	100%
Resilux Packaging South Europe A.B.E.E.	Industrial Area of Patras, OT 21 / B2-A5 / 25018 Patras	Greece	100%
Resilux Investment Corporation, Inc.	Orange Street, City of Wilmington 1209, County of New Castle - Delaware 19801	USA	100%
Resilux America, LLC	John Brooks Road 265, Pendergrass, Georgia 30567	USA	100%
Resilux Central Europe Packaging Kft.	Aradi u. 8 5th floor/c 8/10, 1062 Boedapest	Hungary	100%
Resilux Packaging South East Europe srl.	Bd. Unirii no. 71, Building G2C, 2nd entrance, 2nd floor, apt. 40, Boekarest, Sector 3	Romania	100%
Resilux Ukraine, LLC	Zhylyanska street 146, 01032 Kiev	Ukraine	100%
Borverk Eurotrade d.o.o. Beograd	Mike Alasa Street 40, 11000 Belgrado	(Republic) Serbia	100%

3. SEGMENT REPORTING *(in thousands of Euro)*

A segment is a distinguishable component of the company that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of segments operating in other economic environments.

The geographical segmentation is the basis for the financial reporting of the company. The executive committee following the results of the segments individually to take with regard to allocation of resources and assessing performance decisions. This segmentation is still relevant because the company, with the exception of Western Europe, almost all sells its products in the region where they are produced. Transfer prices between segments are determined in a manner similar to transactions with third parties.

The segment reporting is in accordance with the management reporting. No additional segmentation has been made because the different activities are related to each other.

None of the customers represents more than 10% of total operating income of the total group.

2017	Western Europe	Spain	Russia	Southern Europe (excl. Spain)	Switzerland	United States	Eastern Europe (excl. Russia)	Total segments	Adjustments & eliminations	Consolidated
External customers	67,732	43,740	40,972	33,366	57,427	40,123	51,940	335,300	0	335,300
Inter segment	20,974	2,198	108	684	1,411	48	2,748	28,171	-28,171	0
Total turnover	88,706	45,938	41,080	34,050	58,838	40,171	54,688	363,471	-28,171	335,300
Depreciation and amortisation expense	3,929	1,249	1,020	1,391	3,546	2,852	2,035	16,022	-255	15,767
Operating cash flow (EBITDA)	6,959	5,174	3,859	1,616	10,494	4,992	2,578	35,672	686	36,359
Operating result (EBIT)	3,030	3,925	2,839	225	6,948	2,140	543	19,650	942	20,592
Total assets	147,979	37,282	19,671	24,949	88,809	30,773	36,357	385,820	-142,132	243,688
Total liabilities	89,094	10,949	8,152	17,872	31,469	16,545	24,809	198,890	-76,687	122,203
Investment expenditures tangible and intangible assets	7,273	2,299	1,514	347	3,004	4,542	2,068	21,047	-642	20,405

2016	Western Europe	Spain	Russia	Southern Europe (excl. Spain)	Switzerland	United States	Eastern Europe (excl. Russia)	Total segments	Adjustments & eliminations	Consolidated
External customers	61,822	41,578	36,276	30,001	81,597	34,318	40,426	326,018	-3	326,015
Inter segment	16,195	1,432	215	255	1,808	7	1,244	21,156	-21,156	0
Total turnover	70,017	43,010	36,491	30,256	83,405	34,325	41,670	347,174	-21,159	326,015
Depreciation and amortisation expense	3,604	1,316	709	1,161	3,168	2,832	1,879	14,669	-276	14,393
Operating cash flow (EBITDA)	7,934	6,145	2,815	2,870	36,919	4,136	1,912	62,731	-1,912	60,819
Operating result (EBIT)	4,330	4,829	2,106	1,709	33,751	1,304	33	48,062	-1,637	46,425
Total assets	166,228	33,994	16,680	24,901	83,769	30,068	26,648	382,288	-126,097	256,191
Total liabilities	74,904	10,947	6,105	17,636	27,595	16,518	18,212	171,917	-63,295	108,622
Investment expenditures tangible and intangible assets	5,150	846	920	2,223	3,454	5,174	2,294	20,061	330	20,391

4. GOODWILL *(in thousands of Euro)*

	2017	2016
At cost		
On January 1st	13,685	13,685
Effect of acquistions	4,815	0
On December 31	**18,500**	**14,739**
Impairment		
On January 1st	0	0
Impairment	0	0
On December 31	**0**	**0**
Net book value		
On January 1st	18,500	13,685
On December 31	**18,500**	**13,685**

Goodwill is the difference between the acquisition price of the shareholding and the value of the net assets acquired, revalued according to the consolidated accounting policies of Resilux.
At the setup of the opening balance at January 1st 2004 the transitional measure mentioned in IFRS 1 has been used.

On March 22, 2017, Resilux acquired 100% of the voting shares of Borverk Eurotrade doo (Borverk), an unlisted company based in Serbia specialised in the production and sale of PET preforms. Resilux has acquired Borverk because it expands its geographical presence and is able to realise synergies of belonging to a larger group. The acquisition has been accounted for using the acquisition method. The interim consolidated financial statements include the results of Borverk for three months period from the acquisition date.

As per October 1, Resilux has acquired the activities of the PET recycling company Poly Recycling in Switzerland. The acquired business will be run through the newly established subsidiary Poly Recycling AG.

The fair values of the identifiable assets and liabilities of Borverk as at the date of acquisition were as follow:

	Borverk	Poly Recycling	Total
Assets			
Tangible fixed assets	3,549	469	4,018
Stocks	693	2,271	2,964
Deferred taxes	0	256	256
Trade receivables	1,724	0	1,724
Cash	8	0	8
Other assets	107	17	124
	6,081	**3,013**	**9,094**

	Borverk	Poly Recycling	Total
Liabilities			
Trade liabilities	-2,505	0	-2,505
Provisions	-10	-1,778	-1,788
Deferred taxes	-145	0	-145
Other liabilities	-157	-2,158	-2,315
Borrowings	-563	0	-563
	-3,380	**-3,936**	**-7,316**
Total identifiable net assets at fair value	2,701	-923	1,778
Goodwill arising on acquisition	3,761	1,054	4,815
Acquisition cost	**6,462**	**131**	**6,593**
Detail of the acquisition cost			
Price already paid at 31.12.2017 in cash	3,542	131	3,673
Contingent consideration (*1)	2,920	0	2,920
Total acquisition cost	**6,462**	**131**	**6,593**

(*1) Amount is based on future expected results of 2020 and 2021, payment in 2022.

	Borverk	Poly Recycling	Total
Analysis of the cash flows of the acquisition			
Net financial debt taken over (included in cash flows from investing activities)	-555	0	-555
Cash paid	-3,542	-131	-3,673
Future expected compensation	-2,920	0	-2,920
Net financial cash flow due to acquisition	**-7,017**	**-131**	**-7,148**

From the date of acquisition, Borverk has contributed € 7,279 of revenue and € 234 to the net profit from the continuing operations of Resilux. If the acquisition had taken place at the beginning of the year, the contribution to revenue would have been € 8,923 and the contribution to the profit of the year would have been € 48.

The goodwill recognised is attributed to the expected synergies and other benefits from combined assets and activities of Borverk with those of Resilux.

Transaction costs for the acquisition of Borverk of € 40 have already been expensed in 2016 and were included in the goods and other services in the income statement and were part of the operating cash flows in the statements of cash flows.

The transaction costs for the acquisition of the activities of Poly Recycling amount to € 35.

The amount of € 13.7 million as per January 1, 2017 refers to the Swiss segment.

Calculations showed that the ecomic value exceeds the net asset value of the segment. The economic value is calculated as the discounted value of the expected cash flows for the next three years. The residual value is determined after three years, taking into account a growth rate of 2%. The used discount rate represents the actual market assesment of the specific risks for the cash generating unit. The discount rate takes into account debt and equity. The cost of the equity is determined by the expected return on investment by the shareholders of the Group. The cost of debt is based upon intrest-bearing loans of the Group. The specific risk of the segment is taking into account by applying individual beta factors. These beta factors are revised every year based upon available public data. The applied weighted average cost of capital is 8.83%.

The cash flow projections are based on the most recent budgets approved by the management. The following years are based on cautious growth in sales volumes with stable margins and constant cost structure. Furthermore, the projections are made with constant commodity prices, interest rates and exchange rates.

Past performance and the expected future market conditions constitute the basis for determining the future cash flows. These cash flows have been prepared by management

As the economic value is substantially higher than the book value, the management is convinced that a reasonably possible change in a basic assumption does not lead to an impairment.

5. INTANGIBLE ASSETS *(in thousands of Euro)*

	Patents and licences	Other	Total
On December 31 2016			
Cost or valuation	2,482	3,440	5,923
Accumulated depreciations	1,989	2,375	4,364
Net book amount on December 31, 2016	**493**	**1,066**	**1,558**
Intangible assets, gross			
Net book amount on January 1st, 2017	2,482	3,440	5,922
- Additions	309	119	428
- Transfers	0	0	0
- Disposals	-2	0	-2
- Foreign currency translations (+)(-)	-4	-133	-137
On December 31, 2017	**2,785**	**3,426**	**6,211**
Depreciation and impairment			
Net book amount on January 1st, 2017	1,989	2,375	4,364
- Depreciation charge for the year	155	481	636
- Transfers	0	0	0
- Disposals	-2	0	-2
- Foreign currency translations (+)(-)	-4	-69	-73
On December 31, 2017	**2,138**	**2,787**	**4,925**
Net book amount on December 31, 2017	**647**	**639**	**1,286**

	Patents and licences	Others	Total
On December 31 2015			
Cost or valuation	2,418	3,229	5,647
Accumulated depreciations	1,912	1,870	3,782
Net book amount on December 31, 2015	**506**	**1,359**	**1,865**
Intangible assets, gross			
Net book amount on January 1st, 2016	2,418	3,229	5,646
- Additions	185	186	370
- Transfers	0	12	12
- Disposals	-122	0	-122
- Foreign currency translations (+)(-)	1	14	15
On December 31, 2016	**2,482**	**3,440**	**5,922**
Depreciation and impairment			
Net book amount on January 1st, 2016	1,912	1,870	3,782
- Depreciation charge for the year	140	497	637
- Transfers	0	0	0
- Disposals	-63	0	-63
- Foreign currency translations (+)(-)	1	8	9
On December 31, 2016	**1,989**	**2,375**	**4,364**
Net book amount on December 31, 2016	**493**	**1,066**	**1,558**

The external costs for research and development, which are not capitalised in 2017, amount to € 405.
The external costs for research and development, which are not capitalised in 2016, amount to € 350.

6. PROPERTY, PLANT AND EQUIPMENT *(in thousands of Euro)*

	Land and buildings	Plant and equipment	Furniture and vehicles	Leased fixed assets	Other tangible assets	Assets under construction	Total
On December 31, 2016							
Cost or valuation	76,485	180,366	6,023	4,200	1,543	2,850	271,467
Accumulated depreciations	39,756	143,415	4,509	2,443	1,492	0	191,615
Net book amount on December 31, 2016	**36,729**	**36,951**	**1,514**	**1,757**	**51**	**2.850**	**79,852**
Tangible fixed assets, gross							
On January 1st, 2017	76,485	180,366	6,023	4,200	1,543	2,850	271,467
- Additions	1,964	9,534	604	0	268	7,028	19,398
- Effect from acquisitions	1,623	2,276	26	0	0	1	3.926
- Transfers	41	1,827	25	-536	-30	-1,327	0
- Disposals	-188	-3,554	-125	0	0	-247	-4,114
- Foreign currency translations (+)(-)	-4,250	-8,111	-135	-132	0	-47	-12,675
On December 31, 2017	**75,675**	**182,338**	**6,418**	**3,532**	**1,781**	**8,258**	**278,002**
Depreciation and impairment							
On January 1st, 2017	39,756	143,415	4,509	2,443	1,492	0	191,615
- Depreciation charge for the year	2,744	10,900	640	611	53	0	14,948
- Transfers	0	536	0	-536	0	0	0
- Disposals	-181	-2,686	-119	0	0	0	-2,986
- Foreign currency translations (+)(-)	-1,894	-6,697	-112	-97	0	0	-8,800
On December 31, 2017	**40,425**	**146,468**	**4,918**	**2,421**	**1,545**	**0**	**194,777**
Net book amount on December 31, 2017	**35,250**	**36,870**	**1,500**	**1,111**	**236**	**8,258**	**83,225**

The amount under assets under construction includes mainly prepayments for new machines and adjustments to existing buildings.

An amount of € 570 was deducted from capital grants from the acquisitions of realized investments in plant, machinery and equipment.

Regarding rights and commitments not reflected in the balance sheet we refer to note 24.

The financial lease agreements are mainly assets in production machines and equipment. The book value of these leased fixed assets amounts to € 1,112 as per December 31st 2017 and to € 1,758 as per December 31st 2016. These leasing agreements have possibilities to prolong, purchase options but no clauses to adjust the prices.

For a detailed overview of the leasing debts per due date, we refer to note 14.

	Land and buildings	Plant and equipment	Furniture and vehicles	Leased fixed assets	Other tangible assets	Assets under construction	Total
On December 31, 2015							
Cost or valuation	72,533	162,721	5,376	5,078	1,506	3,272	250,486
Accumulated depreciations	37,241	132,152	4,308	2,388	1,454	0	177,543
Net book amount on December 31, 2015	**35,292**	**30,569**	**1,068**	**2,690**	**52**	**3,272**	**72,943**
Tangible fixed assets, gross							
On January 1st, 2016	72,533	162,721	5,376	5,078	1,506	3,272	250,486
- Additions	2,417	13,931	946	0	0	2,727	20,021
- Transfers	1,037	2,999	7	-896	35	-3,194	-12
- Disposals	-520	-2,149	-391	0	0	-5	-3,065
- Foreign currency translations (+)(-)	1,018	2,864	85	18	2	50	4,037
On December 31, 2016	**76,485**	**180,366**	**6,023**	**4,200**	**1,543**	**2,850**	**271,467**
Depreciation and impairment							
On January 1st, 2016	37,241	132,152	4,308	2,388	1,454	0	177,543
- Depreciation charge for the year	2,583	9,927	527	754	36	0	13,827
- Transfers	0	715	0	-715	0	0	0
- Disposals	-516	-1,600	-386	0	0	0	-2,502
- Foreign currency translations (+)(-)	448	2,221	60	16	2	0	2,747
On December 31, 2016	**39,756**	**143,415**	**4,509**	**2,443**	**1,492**	**0**	**191,615**
Net book amount on December 31, 2016	**36,729**	**36,951**	**1,514**	**1,757**	**51**	**2,850**	**79,852**

7. OTHER FINANCIAL ASSETS *(in thousands of Euro)*

	2016	2015
Other financial assets	17	17
	17	17
The carrying amounts of the above financial assets are classified as follows:		
Held for trading	17	17
Designated at fair value on initial recognition	0	0
	17	17

The financial fixed assets are valued at original procurement price minus an impairment if necessary.

8. DEFERRED TAX ASSETS – DEFERRED TAX LIABILITIES *(in thousands of Euro)*

	Net		Income statement	
	2017	2016	2017	2016
Non-current assets				
Other assets	-928	0	852	0
Property, plant and equipment	-99	-1,618	-98	167
Intangible assets	-5	-1	-7	-4
Non-current receivables	0	2	0	0
Current assets				
Inventories	-201	246	-446	57
Trade receivables	-48	33	-80	-440
Other current assets	-136	-436	268	-59
Non-current liabilities				
Interest-bearing loans and borrowings	1	1	1	0
Provisions	87	-15	101	46
Provisions pension	1,174	667	205	15
Current liabilities				
Trade payables	69	31	40	-2
Other amounts payables	116	369	-252	7
Deferred tax on temporary differences	29	-722	583	-211
Other	-15	-15	0	0
Tax values on deferred taxation	-62	-85	23	177
Tax values on losses	3,558	3,502	408	72
Foreign currency translations	0	0	36	1
Recognized unrealized results	0	0	-154	-47
Gross tax assets / liabilities	**3,510**	**2,681**	**895**	**-8**

On losses carried forward for an amount of € 7.876 the Group decided not to register any deferred taxes.
This amount includes several amounts that can be carried forward between 5 and 18 years.

9. TRADE RECEIVABLES AND OTHER ASSETS *(in thousands of Euro)*

	2017	2016
Other receivables - long term (*)	818	1,234
Trade receivables - short term	47,240	40,048
Trade receivables - provision for impairment of receivables	-3,715	-3,956
Trade and other receivables - net	**44,343**	**37,326**
VAT receivables	2,459	1,167
Prepaid taxes	107	90
Fair value financial instruments (note 20)	47	0
Other receivables - due within the financial year (*)	525	563
Other receivables	2,025	669
Accruals/deferrals	2,636	2,572
Other assets	**7,799**	**5,061**

(*) Other receivables - long term

Trade receivables are non-interest bearing and have a payment term of 33-120 days.

As per December 31, 2017 a provision was made for impairment of trade receivables for an amount of € 3,715 (2016: € 3,955).

Movement in the provision for impairment of trade receivables is as follows:

	2017	2016
As per January 1st	**3,955**	**6,146**
Expense of the current financial year (including reversed amounts)	-47	-835
Used provisions	-178	-1,385
Currency translations	-15	29
As per December 31	**3,715**	**3,955**

Per December 31, 2017	Total	Less than 1 year	1-5 year	More than 5 year
Other receivables - leasing	1,021	525	496	0
Other receivables - non leasing	322	0	279	43
Total	**1,343**	**525**	**775**	**43**

It mainly concerns contracts as a lessor for a blowing project in the Spanish and Belgian entities.

The ageing analysis of trade receivables is as follows:

	net book value	not due	due on reporting date				
			overdue less than 30 days	overdue between 31 en 60 days	overdue between 61 en 90 days	overdue between 91 en 120 days	overdue more than 120 days
2017	43,525	31,204	7,798	1,434	791	1,071	1,228
2016	36,092	27,016	5,827	1,219	1,231	507	293

10. INVENTORIES *(in thousands of Euro)*

	2017	2016
Raw materials	25,421	24,432
Trade goods	692	701
Finished goods at cost	30,544	27,208
Write-down	-664	-745
Total inventories	**55,993**	**51,595**

For an inventory amount of € 9,081 guarantees are given.

11. CASH AND CASH EQUIVALENTS *(in thousands of Euro)*

	2017	2016
Cash at bank and in hand	25,463	60,946
Deposits	2,000	1,501
	27,463	**62,447**

There are no investign or financing transactions for which the use of cash or cash equivalents is not required.

12. EQUITY

The authorised capital amounts to € 17,183,856.

All shares are fully paid. The share capital is represented by 2,024,860 shares without nominal value, each representing 1/2,024,860th of the share capital.

Revaluation gains are related to the one-off revaluation of land and buildings during the transition to IFRS on January 1, 2004.

13. INTEREST-BEARING LOANS AND BORROWINGS *(in thousands of Euro)*

Subordinated loans		2017	2016
Non-current subordinated loans		956	1,276
Current subordinated loans		319	319
		1,275	**1,595**
Analyses of the subordinated loans as interest rate:	- fixed 8%		

The subordinated loans can be summarised as follows *(in thousands of Euro)*:
In 2013, the BMI granted a subordinated loan to Resilux NV for an amount of € 1,500.
Until 2015 a part of the interest was added to the capital.

Non-current liabilities	2017	2016
Non-current financial debts	22,995	29,859
Finance lease liabilities	114	870
	23,109	**30,729**
Current liabilities	**2017**	**2016**
Current financial debts	5,500	5,950
Finance lease liabilities	784	663
Financial debts less than one year	4,914	2,786
	11,198	**9,399**

	6 months or less	6-12 months	1-5 years	Over 5 years	Total
At December 31, 2017					
Financial debts	1,806	3,695	17,952	5,043	28,495
Finance lease liabilities	600	184	87	27	898
Total long term financial debts	**2,406**	**3,878**	**18,539**	**5,070**	**29,393**

Analysis of long-term financial debts as to currencies:

	2017
EUR	19,356
USD	10,006
UAH	3
RSD	28
	29,393

Analysis of long-term financial debts as to interest rate:

	2017
- fixed (1,75% - 3,764%)	19,518
- variable, swapped into fixed (0,8% - 1,5725%)	9,875
	29,393

Analysis of financial debt less than one year as to currencies:

	2017
RUB	4,914
	4,914

Note 24 includes information relating to rights and commitments.
During 2017, Resilux is meeting largely the covenants of the external financing agreements.

14. TRADE PAYABLES AND OTHER LIABILITIES *(in thousands of Euro)*

Long term trade and other payables	2017	2016
Trade payables	3,890	1,207
Other payables	0	0
	3,890	**1,207**
Korte termijn handelsschulden en overige verplichtingen	**2017**	**2016**
Trade payables	61,282	45,394
Other long-term liabilities due within one year	278	633
Other liabilities	5,017	3,530
Derivatives (note 20)	752	1,206
Accrued expenses	5,172	5,693
	72,501	**56,457**

Trade payables per December 31, 2017 are expected to be paid in the first quarter of 2018.

Other payables - long term

On December 31, 2017	Total	Less than 1 year	1-5 year	More than 5 years
Other payables - long term	1,249	278	686	284
Total	**1,249**	**278**	**686**	**284**

These are primarily interest-free loans to Resilux Ibérica, awarded by the Ministerio de Industria, Turismo y Comercio and the Centro para el Desarrollo Tecnológico Industrial.

15. PROVISIONS *(in thousands of Euro)*

	Onerous contract	Disputes	Pension and similar rights	Total
On January 1st, 2017	**41**	**400**	**4,233**	**4,674**
Additional provisions (incl. acquisitions)	0	0	2,650	2,650
Unused amounts reversed	-6	-81	0	-87
Used provisions	0	-142	0	-142
Foreign currency translations	-3	0	-304	-307
On December 31, 2017	**32**	**177**	**6,579**	**6,788**

RESILUX INNOVATIVE PACKAGING

Pensions and similar rights

The supplementary pension plan for employees in general consists of defined contribution arrangements.

The costs of the premiums paid are entered in the profit and loss account under remuneration, labour-related contributions and pensions. The contributions are managed by an insurance company responsible for the guaranteed return on the contributions of the employer and of the employees. As well as per December 31, 2017 and as per December 31, 2016, these returns were met and as a result no obligation is included in the balance sheet.

Resilux has a group insurance contract for its employees in Belgium. The new law about occupational pension plans has been published on 18th of December 2015. This law includes changes that may have an impact on the accounting for defined contribution and defined benefit plans under IAS 19R in Belgium. The first change relates to the minimum guaranteed return. Following IAS 19R, this implies that the (so called) Belgian defined contribution plans with a minimum funding guarantee should be accounted for as defined benefit pension plans. Due to the change in law, Resilux will no longer use the intrinsic value method as from 2016 onwards. Instead the group will determine the net pension liability in accordance with an actuarial method as required by IAS 19R (Projected Unit Credit Method). The second change to the law includes an increase of the legal retirement age to 66 year in 2025 and 67 year in 2030. The group does not anticipate a material impact on the pension liability.

Because of the first time application of IAS 19R for the Belgian pensions, the tabel with the different components of the net expenses in the income statement, the funding status and the amounts included in the balance sheet have been included seperately.

Defined benefit pension - Belgium	2017	2016
Bedragen opgenomen in de balans		
Net receivables (-liabilities)	-544	-356
Defined benefits obligation (-)	-3,140	-2,160
Fair value of plan assets	2,596	1,804
Receivables (-liabilities) under the defined benefit pension schemes, total		
Liabilities (-)	-3,140	-2,160
Assets	2,596	1,804
Movements in the net asset (liability) stated in the balance sheet		
Net asset (liability) stated in the balance sheet, **opening balance**	**-356**	**-438**
Net expenses recognized income statement	-291	-148
Net expenses recognized in other comprehensive income statement	-149	121
Contributions by employer / employee	253	109
Net receivables (-liabilities) stated in the balance sheet, **closing balance**	**-543**	**-356**
Net expenses recognized in the income statement		
Current service costs	288	140
Interest expenses on defined benefit obligation	30	13
Interest income on plan assets (-)	-27	-11
Administration cost excluding cost for managing plan assets	10	6
Net expenses stated in the income	**301**	**148**
Net expenses recognized in the other comprehensive income		
Actuarial gains / losses	185	-109
Of which: actuarial (gains) / losses arising from financial assumptions	-175	-60
Of which: actuarial (gains) / losses arising from demographic assumptions	0	0
Of which: experience (gains) / losses	360	-49
Return on plan assets, excluding interest income	-36	-12
Net expenses stated in the unrealized results	149	-121

	2017	2016
Movements in liabilities of the defined benefit pension schemes		
Obligations of the defined benefit pension plans, **opening balance**	**-2,160**	**-2,100**
Current service cost	-288	-140
Interest expenses	-30	-13
Contributions by employee	-67	-30
Payments to (+) / deposits of benefits (-)	2	0
Actuarial gains / losses, net	-185	109
Administration cost excluding costs for management of plan asset	10	0
Insurance premiums	21	0
Divestments / transfers	-473	0
Taxes	30	14
Obligations of the defined benefit pension plans, **closing balance**	**-3,140**	**-2,160**
Movements in plan assets		
Fair value of plan assets, **opening balance**	**1,804**	**1,662**
Interest income on plan assets	27	11
Return on plan assets, excluding interest income	0	0
Contributions by employer / employee	319	139
Payments to beneficiaries (-)	-2	0
Administration cost	-10	-14
Benefits (paid) / deposited	-30	-6
Insurance premiums	-21	0
Divestments / transfers	473	0
Revaluations	36	12
Fair value of plan assets, **eindsaldo**	**2,596**	**1,804**
Principal actuarial assumptions		
Discount rate at 31.12	1.40%	1.40%
Expected rate of salary increases	2.25%-3.05%	2.25%-3.05%
Applied mortality tables	NVT	NVT
Average duration of the defined benefit pension plans in years	**12.7**	**16.2**
Sensitivity analyses		
Obligation of defined benefit pension plans at 31.12		
Discount rate		
Increase by 25 basis points	3,053	2,069
Decrease by 25 basis points	3,230	2,260
Expected rate of salary increases		
Increase by 25 basis points	3,143	2,185
Decrease by 25 basis points	3,136	2,135
Life Expectations		
Increase life expectancy by one year	3,140	2,160
Decrease life expectancy by one year	3,140	2,160
Other information		
Expected contribution in the next financial year	262	
Actual return on plan assets	1.22%	0.69%

In Switzerland, the pension plan is considered as a 'defined benefit pension plan' for which a provision is booked. The pension plan is in accordance with the labor laws in Switzerland. Swiss pension funds are legally independent from the employer. Therefore, the Swiss pension plans are foundations. The pension plan is under Swiss Labour Law. The contributions are paid to a separately managed fund. Swiss pensionfunds are independent of the employer and are therefore considered as foundations. The management consists of an equal number of representatives of employer and employess. The management is -responsible for the management of the funds and the determination of the investment policy.
The pension funds are financed by both contributions of the employer and the employees.

The invested funds consist of cash and cash equivalents and consequently Resilux is not exposed to significant investment risks.

The following tables show the various components back of the net charge in the income statement, the funding status and the amounts recognized in the balance sheet.

Defined benefit pension - Switzerland	2017	2016
Amounts stated in the balance sheet		
Net receivables (-liabilities)	-5,815	-3,687
Defined benefits obligation (-)	-18,051	-12,761
Fair value of plan assets	12,235	9,074
Receivables (-liabilities) under the defined benefit pension schemes, total		
Liabilities (-)	-18,051	-12,761
Assets	12,235	9,074
Movements in the net asset (liability) stated in the balance sheet		
Net asset (liability) stated in the balance sheet, **opening balance**	**-3,687**	**-3,874**
Currency effects	303	-34
Net expenses recognized income statement	-518	-630
Net expenses recognized in other comprehensive income statement	-590	411
Contributions by employer / employee	455	440
Effect of acquisitions	-1,778	0
Net receivables (-liabilities) stated in the balance sheet, **closing balance**	**-5,815**	**-3,687**
Net expenses recognized in the income statement		
Current service costs	350	556
Interest expenses on defined benefit obligation	99	126
Interest income on plan assets (-)	-78	-96
Administration cost excluding cost for managing plan assets	18	43
Net expenses stated in the income	**389**	**630**
Net expenses recognized in the other comprehensive income		
Actuarial gains / losses	-1,803	398
Of which: actuarial (gains) / losses arising from financial assumptions	-444	-173
Of which: actuarial (gains) / losses arising from demographic assumptions	0	533
Of which: experience (gains) / losses	-1,360	38
Return on plan assets, excluding interest income	130	13
Net expenses stated in the unrealized results	**-1,673**	**411**

	2017	2016
Movements in liabilities of the defined benefit pension schemes		
Obligations of the defined benefit pension plans, **opening balance**	**-12,761**	**-12,247**
Currency effects	1,050	-109
Current service cost	-479	-556
Interest expenses	-99	-126
Contributions by employee	-455	-440
Payments to (+) / deposits of benefits (-)	923	363
Actuarial gains / losses, net	-720	398
Administration cost excluding cost for management plan assets	-18	-43
Effect of mergers and acquisitions	-5,492	0
Obligations of the defined benefit pension plans, **closing balance**	**-18,051**	**-12,761**
Movements in plan assets		
Fair value of plan assets, **opening balance**	**9,074**	**8,372**
Currency effects	-747	76
Interest income on plan assets	78	96
Return on plan assets, excluding interest income	130	13
Contributions by employer / employee	909	881
Benefits (paid) / deposited	-923	-363
Effect of mergers and acquisitions	3,714	0
Fair value of plan assets, **closing balance**	**12,235**	**9,074**
Principal actuarial assumptions		
Discount rate at 31.12	0.94%	1.10%
Expected rate of salary increases	0.75%	0.75%
Applied mortality tables	BVG2015 GT	BVG2015 GT
Average duration of the defined benefit pension plans in years	**19.0**	**17.2**
Sensitivity analyses		
Obligation of defined benefit pension plans at 31.12		
Discount rate		
Increase by 25 basis points	17,234	11,107
Decrease by 25 basis points	18,938	12,095
Expected rate of salary increases		
Increase by 25 basis points	18.183	11,651
Decrease by 25 basis points	17,914	11,510
Life Expectations		
Increase life expectancy by one year	18,374	11,760
Decrease life expectancy by one year	17,727	11,402
Other information		
Expected contribution in the next financial year	745	
Actual return on plan assets	2.15%	1.07%

The provision for pension & similar rights also includes a specfic labour-related liability related to the plant in Greece for an amount of € 189.

16. OTHER OPERATING INCOME (EXPENSE) *(in thousands of Euro)*

Other operating income	2017	2016
Grants	116	72
Insurance reimbursement	629	82
Gains on disposal fixed assets	16	204
Other operating income	2,919	27,886
	3,680	**28,244**

Other operating expenses	2017	2016
(Gains) / losses on trade receivables	-47	-835
Loss on disposal of fixed assets	82	12
Other operating expenses	1,321	996
	1,356	**173**

The other operating income as per December 31st,2016 includes the capital gain realised on the sale of the shares of the joint venture Airolux AG for an amount of € 25.0 million.

17. EMPLOYEE BENEFIT EXPENSE *(in thousands of Euro)*

	2017	2016
Wages and salaries	27,746	25,071
Social security costs	5,823	5,331
Warrants personnel	0	52
Other personnel expenses	4,456	3,663
Total personnel charges	**38,025**	**34,117**
Average workforce	**836**	**638**
Workers	519	370
Employees	317	269

The other personnel expenses include mainly provisions for holiday pay, year-end bonuses and other bonuses.

In 2013, the Board of Directors made the decision to issue a warrant plan. The stock option plan provided for the grant of warrants on Resilux shares. Each warrant gave the right to subscribe to one Resilux NV share. All warrants were exercised during the month of April 2017.

The following table illustrates the number and weighted average exercise price (WAEP) of warrants during the year, and the changes during the year:

	Number	WAEP
Outstanding at January 1st	44,450	€ 62.22
Granted during the year	-	-
Expired during the year	-	-
Exercised during the year	44,450	€ 62.22
Closed during the year	-	-
Outstanding at December 31	0	0

18. FINANCE INCOME (EXPENSE) *(in thousands of Euro)*

	2017	2016
Interest income	48	1,035
Net foreign exchange results	4,597	6,972
Other finance income	670	396
	5,315	**8,403**
Interest expenses	1,891	2,266
Interest expenses financial leasings	34	50
Net foreign exchange results	5,486	6,599
Fair value financial instruments (note 21)	85	73
Other finance expenses	296	797
	7,792	**9,785**
Finance income - expenses - net	**-2,477**	**-1,382**

19. INCOME TAXES *(in thousands of Euro)*

	2017	2016
Current income taxes	-3,187	-4,229
Deferred income taxes	895	-8
Total taxes	**-2,292**	**-4,237**
Average actual rate	12.65%	9.41%
Current income before taxes	**18,115**	**45,044**
Theoretical tax rate (tax rate mother company)	33.99%	33.99%
Theoretical taxes related to current income before taxes	-6,157	-15,310
Non-deductible expenses	-302	-217
Change of tax rate	985	118
Use of tax assets, not recognised in prior years	107	97
Effect of the different tax rates in other countries	2,214	2,039
Tax adjustments related to prior periods	-126	-172
Fiscal exemptions (1)	341	8,896
Capitalisation of tax losses from the past	646	312
Income taxes	**-2,292**	**-4,237**

(1) In 2016, this amount mainly includes the tax exemption on the capital gain realized from selling the shares of the joint venture Airolux AG by Resilux.

20. DERIVATIVE FINANCIAL INSTRUMENTS

Foreign currency risk

With regard to exchange rates, Resilux has a policy of passive hedging per production unit.
This means that the net exchange rate flows are charged to each production unit and if necessary derivatives are used for this purpose. The Group's most important currencies are the Euro, the American dollar, the Swiss franc, the Hungarian forint, and the Russian rouble. In accordance with the accounting policies, the balances of foreign-currency creditors and debtors are converted at the exchange rate applicable on that date. Financial derivatives to cover the net exchange rate flows are valued at their market value. Exchange rate results on creditors and debtors and changes to the market value of the financial instrument are entered in the results for the period in which they occcur. The results of one financial instrument concerns one particular transaction and are immediately recognized in equity.

Resilux had the following outstanding exchange contracts on 31/12/2017:

sales	USD 5,400,000	for	HUF 1,401,138,000.00
sales	USD 2,580,000	for	EUR 2,123,515.46
sales	EUR 24,000,000	for	CHF 28,084,000.00
purchases	EUR 4,647,350	at	HUF 1,440,211,567.00
purchases	USD 1,408,000	at	EUR 1,202,643.12

Estimated sensitivity to currency fluctuations *(in thousands of Euro)*

The results of the company are reported in Euro, which means that the financial positions of foreign currencies are recalculated to the Euro.

The used foreign currencies for recalculations are USD, RUB, CHF and HUF.

A decrease of 10% of the conversion rate towards the used rate for 2017 would have an affect on the operational result as follows: for the USD -195, for the RUB -258, for the CHF -606 and for the HUF -67.

A decrease of 10% of the translation rate towards the used rate for 2017 would have the following affect on the currency translation in the equity: for the USD -1,293, for the RUB -1,047, for the CHF -5,285 and for the HUF -769.

With regard to the exchange rate policy we refer to foreign currency risk.

Interest rate risk

According to the riskmanagement policy of the Group, generally between 75% and 100% of all transactions is covered.
The hedgings do not always happen immediately for 100% but can also be made gradually for a longer period.

The following contracts were entered into to cover the aformentioned risks *(in thousands of Euro)*:

- There ar no Cap contracts
- Interest rate swap contracts for an amount of € 21,625, covered at 2 to 6 year with interest rates between 0.8% and 1.73%.

The aforementioned contracts are treated in the financial statements as trading instruments and are consequently valued at market value. The changes to the financial instruments are entered in the profit and loss account.

On December 31, 2015 Resilux had the following financial instruments valued at fair value *(in thousands of Euro)*:

	2017	2016
Assets valued at fair value		
Foreign exchange contracts	73	7
Liabilities valued at fair value		
Foreign exchange contracts	-31	-48
Interest swaps	-747	-1,165

Regarding the valuation technique used to measure the fair value; the used technique corresponds to 'level 2' in which the different levels and related valuation techniques are defined as follows:

- Level 1: quoted (and unadjusted) prices in active markets for identical assets and liabilities;
- Level 2: other techniques for which all inputs which have a significant impact on the recorded fair value are observable (directly or indirectly)
- Level 3: techniques using inputs with a significant impact on the fair value and for which no observable market data are available.

Price risk

As is well known, Resilux and other preform suppliers pass on fluctuations in raw material prices to their customers at the applicable market rates. There is thus mainly a timing risk here between purchase and sale.

Credit risk

The company has a number of corporate policy provisions for the credit risk relating to trade debtors. Ways in which Resilux manages its credit risks include customer diversification, by strictly monitoring credit limits and periods, and by continuously screening the creditworthiness of the parties with which it deals. Furthermore, the credit risk for most of the external clients is covered by a credit insurance.

21. OPERATING LEASES *(in thousands of Euro)*

	2017	2016
Non-cancellable operating leases are payable as follows:		
Less than one year	36	35
Between one and five years	1,934	69
	1,970	**104**
Expenses in income statement	706	616

Non-cancellable operating leases mainly relate to leases of factory facilities, offices, production machinery and equipment. In 2017, € 253 was recognized as an expense in the income statement in respect of operating leases of factory facilities, offices, production machinery and equipment (2016: € 280).

22. KEY FIGURES PER SHARE *(in Euro)*

based on the average amount of shares	2017	2016
Operating cash flow	17.96	30.71
Operating result	10.17	23.44
Net profit Group share	7.81	20.61
Net result after result based on the equity method		30.14
Number of shares	2,024,860	1,980,410
Proposed gross dividend per share	2.00	2.00
Total dividend *(in thousands of Euro)*	4,050	3,961

23. RIGHTS AND COMMITMENTS NOT REFLECTED IN THE BALANCE SHEET *(in thousands of Euro)*

Resilux has provided the following collateral to guarantee debts:

Subscription amount of the collateral	116,484
Outstanding debt for which collateral has been provided	26,849
Amount of the actual mortgage:	27,009
Outstanding debt:	18,006
Amount of proxy to mortgage:	18,483
A private mandate to pledge business assets:	
Outstanding debt:	36,265
Shares pledged	34,727
Outstanding debts	8,844
Net book value of the assets for which collateral has been provided	44,798

Concerning the personal guarantees in favour of the companies within the Group, we refer to the statutory annual accounts of Resilux NV.

24. RELATED PARTY TRANSACTIONS

The related parties of Resilux Group consist of subsidiaries, management and directors.

Non-executive directors

In 2017, the following fees were attributed to the non-executive directors:

FVDH BVBA, with permanent representative Francis Vanderhoydonck	€ 15,000.00
Guido Vanherpe BVBA, with permanent representative Guido Vanherpe	€ 15,000.00
LVW INT. BVBA, with permanent representative Dirk Lannoo	€ 15,000.00
CVD BVBA, with permanent representative Chris Van Doorslaer	€ 15,000.00
Alex De Cuyper (provision of a car and a mobile phone)	€ 9,031.84

Remuneration of members of the executive committee, with the exception of the main representatives of the executive management
The members of the executive committee, with the exception of two main representatives of the executive management, were paid a total remuneration of € 1,310,627.27 in financial year 2017.

These amounts include:
Basic salaries (gross): : € 1,168,125.77
Contributions to the pension scheme / group insurance: € 75,660.74
Other components: benefits in kind and representation allowances: € 66,840.76

Remuneration of executive committee members, main representatives of the executive management
Because of the fact that the executive functions that both Dirk De Cuyper as Peter De Cuyper at the head of the Resilux Group exert are similar but complementary, they are both regarded as principal representatives of the executive committee / executive management and the amounts of remuneration and other benefits to be granted to them are stated on a joint manner.

The two main representatives of the executive management received a remuneration amounting to € 1,539,059.46 in financial year 2017.

These amounts include:
Basic allowances: € 1,504,463.27
Other components: € 34,596.19

The composition of the executive committee is explained in the Corporate Governance Declaration (page 27).

25. AUDITOR AND RELATED PERSONS *(in thousands of Euro)*

Fee for the auditor BCVBA Ernst & Young Bedrijfsrevisoren for all companies:

Within the Group	296

Fee for exceptional services of special assignments performed within the company by the auditor:

Other tasks not part of the legally defined auditing tasks	0

26. EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

After the end of the year there have been no other significant events which are of a nature to influence the results of the company significantly.

IFRS COMMENTS FOR 2017 COMPARED TO 2016

Assets *(in thousands of Euro)*

Goodwill (€ 18,500)

Goodwill is the difference between the purchase price of the shareholding and the value of the net assets acquired, revalued according to the consolidated accounting policies of Resilux. The amount of € 13.7 million per December 31st, 2016 relates entirely to the Swiss operations. During 2017, there has been an increase of the goodwill by € 3,8 and € 1,1 as a result of the acquisitions of respectively Borverk in Serbia and Poly Recycling in Switzerland.

Intangible fixed assets (€ 1,286)

Intangible fixed assets mainly consist of externally procured development technology, as well as patents and licences for preforms.

Tangible fixed assets (€ 83,225)

During the financial year, an additional net amount of € 18.7 million was invested in tangible fixed assets. This includes mainly investments in additional production capacity and new production tools. During 2017 an amount of € 0.6 million of grants was deducted from the acquisitions. The net investment in 2016 was € 19.8 million.

The depreciation on tangible fixed assets was € 14.9 million and mainly related to production technology.

Other financial assets (€ 17)

Deferred taxes (€ 5,062)

Deferred taxes are calculated on temporary differences between the book value of the assets and liabilities in the balance sheet and their tax value. The deferred tax is booked to the asset or liability according to the net position per fiscal unit. Deferred taxes are mainly caused by differences in depreciation rates for tangible fixed assets, and tax losses that can be carried forward.

Long term receivables (€ 818)

This amount covers mainly contracts as lessor for different blowing projects.

Stocks (€ 55,993)

The total stock increased by € 4.4 million or 8.5% with respect to the previous financial year. The total stock of raw materials increased by € 1.0 million and the stocks of finished products and trade goods increased by € 3.4 million. This increase is a combination of increased volumes en decreased raw material prices.

Trade debtors (€ 43,525)

The total amount of trade debtors increased by € 7.4 million. This is the result of the increase of volumes sold partly and of increased raw material prices. The average number of days outstanding in the Group for trade debtors remained stable.

Other assets (€ 7,799)

The main items under other assets are VAT to be reclaimed, other receivables and costs to be carried forward.

Cash at bank and in hand (€ 27,463)

For an explanation of the change in the cash at bank and in hand and short term investments, please refer to the cash flow statement in this annual report on page 107.

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Liabilities *(in thousands of Euro)*

Capital (€ 3,601) / Share premium (€ 0)

The share capital per December 31st, 2017 amounts to € 3.6 million, represented by 2,024,860 shares without nominal value. The capital is fully paid-up. During 2017 there has been a capital increase as a result of exercising warrants for the personnel and a capital decrease of € 33.0 million. For this purpose, the full amount of share premium per December 31st, 2016 has been used (€ 19.0 million).

The history of the capital is as follows:

Date	Type of operation	Amount of the capital (in Euro)	Number of shares
05/05/1992	Formation	123,947	500
02/11/1993	Capital increase	545,366	2,200
27/06/1995	Capital increase	3,197,826	3,642
16/06/1997	Capital increase	4,268,726	4,362
04/09/1997	Shares split by 325	4,268,726	1,417,650
03/10/1997	Capital increase/stock exchange entry	15,423,935	1,777,650
24/12/1998	Capital increase	16,235,717	1,871,210
19/11/1999	Capital increase	16,236,000	1,871,210
19/12/2006	Capital increase	17,183,856	1,980,410
16/05/2014	Capital increase	17,569,952	2,024,860
28/06/2017	Capital decrease	3,600,462	2,024,860

Consolidated reserves (€ 120,219)

The consolidated reserves on December 31st, 2017 were as follows:

Reserves carried forward on December 31st, 2016	108,931
Consolidated profit for the financial year	15,823
Dividend paid	-4,050
Actuarial gains / losses (net)	-485
Total consolidated reserves on December 31st, 2017	**120,219**

Foreign currency translations (€ -2,335)

The effect of the conversion of foreign shareholdings in the consolidation to Euro had a negative effect of € 7.1 millon on the capital and reserves. The currency translations on December 31st, 2016 were € 4.8 million.

Subordinated loans long term (€ 956) and short term (€ 319)

The BMI (Belgische Maatschappij voor Internationale Investering) has in 2013 granted a new subordinated loan to Resilux NV for a total amount of € 1.5 million, until 2015 a part of the interest was added to the outstanding capital.

Interest-bearing financial liabilities long term (€ 23,109) and short term (€ 11,198)

The long term financial liabilities decreased by € 7.6 million with respect to 2016. The short term debts (including the current portion of debts payable after one year) increased by € 1.8 million.

For a further explanation of the change in the debts, we refer to the cash flow statement on page 107 of this report.

Current assets less current liabilities decreased per December 31st, 2017 by € 37.5 million to € 48.9 million. This is mainly the result of the payment of the capital decrease of € 33.0 million. Per December 31st, 2015 the current assets less current liabilities was € 86.4 million.

Provisions (€ 6,788)

The total amount of provisions increased by € 2.1 million and includes mainly the net obligation for the defined benefit pension plan. The increase is due to the acquisition of the activities of Poly Recycling.

Deferred taxes (€ 1,552)

Deferred taxes are calculated on temporary differences between the book value of the assets and liabilities in the balance sheet and their tax value. The deferred tax is booked to the asset or liability according to the net position per fiscal unit. Deferred taxation on assets mainly comes from different depreciation rates for tangible fixed assets, and tax losses that can be carried forward.

Trade creditors (€ 61,282)

Trade creditors decreased by € 15.9 million or 35.0% compared to the previous year. The is explained by higher amounts payables to suppliers of raw materials per December 31st 2017 compared to December 31st 2016.

Taxes (€ 1,890)

Per December 31st, 2017 this section consisted mainly of income tax payable in Belgium. In 2016 the amount payable was € 2.0 million.

Other liabilities long term (€ 3,890) and short term (€ 11,219)

The long term liabilities relate to a loan of the Ministry of Industry in Spain and an outstanding amount payable to BMI. This section of the short term liabilities contains debts relating to remuneration and labour-related contributions, and also accrued costs and interest and income to be carried forward.

Income statement *(in thousands of Euro)*

Operating income (€ 335,300)

The operating income increased by 2.8% compared to the previous financial year. The turnover in 2017 increased compared to the previous financial year by 11.9% and amounts € 328.7 million. This is the result of an increase of the volumes sold by 8.4% and of higher average raw material prices.

The change in stocks of finished products in 2017 was € 2.9 million. In the financial year 2016 there was a increase in stocks of finished products by € 4.1 million.

For further information, we refer to the operations report earlier in this report, where we mention that added value is a better parameter for Resilux as a result of fluctuations in PET prices being passed on to the customer.

The other operating income amounts to € 3.7 million compared to € 28.2 million in 2016. In 2016 this amount includes the capital gain realised on the sale of shares in the joint venture Airolux AG for an amount of € 25.0 million. Also included are gains on sale of tangible fixed assets, costs charged to customers, received compensation for claims and other operating income.

Operating charges (€ 314.708)

The increase compared to the previous financial year was € 35.1 million.

The total cost of goods purchased for resale, raw materials and consumables increased by € 28.8 million. This increase is the result of higher production volumes in line with the sold volumes and the effect of the consolidation of the acquired businesses.

The total amount of services and other goods and other costs increased by € 1.3 million. In 2016 this amount included € 5.0 million of advisers costs and compensations in relation to the sale of the shares in the joint venture Airolux AG. Furthermore the increased is explained by higher production volumes.

Total remunerations costs have increased by € 3.9 million.

The depreciation and amortisation expenses increased by € 1.4 million. The depreciations on fixed assets increased by € 1.2 million, the provisions for inventories decreased by € 0.2 million.

Net financial result (€ -2,477)

The net financial result decreased from € -1.4 million to € -2.5 million. The net interest expenses increased by € 0.6 million to -€ 1.9 million. During 2016 still interest income of € 1.0 million was received from the financing of Airolux AG. The exchange results were negative for € -0.9 million and the other financial result amounted to € 0.3 million.

Taxes (€ 2,292)

The total income taxes payables amount to € -3.2 million. The movement in deferred taxes is positive for € 0.9 million. This positive amount is mainly explained by the capitalisation of available tax losses from the past for the Resilux subsidiary in the United States of America.

Result based upon the quity method (€ 0)

The result based upon the equity method amounted in 2016 to € 18.9 million. This result related to the in 2010 established joint venture Airolux AG. As a result of the sale of the shares of the joint venture Airolux AG, the cumulated historical losses have been reversed via the equity method. These losses were prior to the sales deducted from the funding to Airolux AG. All funding was repaid in 2016 to Resilux.

Cash flow statement *(in thousands of Euro)*

The cash flow statement has been drafted after the conversion of the balance sheet per December 31s, 2016 at closing rate per December 31st, 2017.

The cash flow statement shows a gross operating cash flow during the financial year of € 29.3 million, compared to € 43.9 million in 2016. This is mainly explained by a decrease of the profit before taxes by € 28.3 million. The result in 2016 included the gain on the sales of the share of Airolux AG. The total net working capital in 2017 increased by € 1.3 million compared to an increase by € 13.6 million in 2016. This increase of the net working capital in 2017 is the result of an increase in stocks (€ 6.3 million), an increase of the trade debtors (€ 8.8 million), an increase in trade creditors (€ 17.0 million) and an increase in other working capital (€ 3.2 million).

The financial resource requirement for investment operations was € -25.4 million. The gross investments in tangible and intangible fixed assets amount to € 20.4 million compared to € 20.7 million in 2016. The net repayment of the funding of the Joint Venture Airolux AG amounted to € 36.1 million in 2016. The net cash flows for investment operations included in 2017 an amount of € 6.6 million for acquisitions.

During 2017 the net cash flow from financing activities was € -37.8 million compared to € -12.9 million in 2016. In 2017 a dividend was paid of € 4.0 million and an amount of € 33.0 million was repaid to the shareholders by means of a capital decrease.

On balance, during the financial year, there was a decrease in cash at bank and in hand after currency effects by € 33.9 million, compared to an increase of € 47.4 million in 2016.

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INDEPENDENT AUDITOR'S REPORT

to the general meeting of Resilux NV for the year ended 31 December 2017

As required by law and the company's articles of association, we report to you as statutory auditor of Resilux NV (the "Company") and its subsidiaries (together the "Group"). This report includes our opinion on the consolidated balance sheet as at 31 December 2017, the consolidated income statement, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year ended 31 December 2017 and the disclosures (all elements together the "Consolidated Financial Statements") and includes as well our report on other legal and regulatory requirements. These two reports are considered as one report and are inseparable.

We have been appointed as statutory auditor by the shareholders meeting of 20 May 2016, in accordance with the proposition by the Board of Directors following recommendation of the Audit Committee. Our mandate expires at the shareholders meeting that will deliberate on the annual accounts for the year ending 31 December 2018. We performed the audit of the Consolidated Financial Statements of the Group during 5 consecutive years.

Report on the audit of the Consolidated Financial Statements

Unqualified opinion

We have audited the Consolidated Financial Statements of Resilux NV, which consists of the consolidated balance sheet as at 31 December 2017, the consolidated income statement, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year ended 31 December 2017 and the disclosures, which show a consolidated balance sheet total of € 243.688 thousand and of which the consolidated income statement shows a profit for the year of € 15.823 thousand.

In our opinion the Consolidated Financial Statements of the Group give a true and fair view of the consolidated net equity and financial position as at 31 December 2017, as well as its consolidated results and its consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the European Union ("IFRS") and with applicable legal and regulatory requirements in Belgium.

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the consolidated financial statements" section of our report.

We have complied with all ethical requirements that are relevant to our audit of the Consolidated Financial Statements in Belgium, including those with respect of independence.

We have obtained from the Board of Directors and the officials of the company the explanations and information necessary for the performance of our audit and we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current reporting period.

These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon, and consequently we do not provide a separate opinion on these matters.

Business Combinations

- Description of the matter and the audit risk
  During the year, the Group completed the acquisition of Borverk Beograd d.o.o. and Poly Recycling AG. Those acquisitions are business combinations in accordance with IFRS 3. As described in note 4 to the Consolidated Financial Statements, a significant amount of goodwill (€ 4,8 million) is still provisional considering that the company has one year to finalise the purchase price allocation in accordance with IFRS 3, being determination of the fair value of the assets acquired and liabilities assumed.
  The purchase price allocation requires the alignment of the accounting records of the acquired entities with the accounting policies of the company and involves significant judgments and estimates by the management to assess the fair value of the assets acquired and liabilities assumed in accordance with IFRS 3. In addition, the valuation of the earn-out liabilities requires also significant judgements on the underlying assumptions used in the calculation models which are mainly based on budget plan Key Performance Indicators's (KPI's) as determined in the share purchase agreements.

- Summary of the performed procedures
  Our audit procedures included , among others, the following:
  - Performing audit procedures on the financial information of the acquired entities at the date of acquisition and validating the alignment of the local financial information with the accounting policies of the company.
  - Validating that the methodologies used by the company for the estimation of the fair value of assets acquired and liabilities assumed are in accordance with IFRS 3 and industry practices.
  - Agreeing key items back to underlying data and challenging key judgments made in the determination of pension and other liabilities.
  - Inspecting the sale and purchase agreement for any terms and conditions in relation to the acquisition which would give rise to deferred or contingent considerations and assessing whether Group's calculation reflected such terms.
  - Assessing the acquisition accounting entries.
  - Assessing the adequacy of the Group's disclosure in Note 4 of the Consolidated Financial Statements.

Valuation of deferred tax assets

- Description of the matter and the audit risk
  Deferred tax assets on tax losses and tax credits carried forward amount to k€ 3.558 or 1% of the consolidated balance sheet at 31 December 2017 (as described on Note 8 of the Consolidated Financial Statements). The Group recognizes deferred tax assets for tax losses and tax credits carried forward to the extent that it's probable that future taxable profit will be available against which unused tax losses can be utilized. Management supports the recoverability of the deferred tax assets mainly with income projections which contain estimates for future accounting results and future taxable results. The valuation of deferred tax assets is significant to our audit because the assessment process is complex and is based on estimates of future taxable results.

- Summary of the performed procedures
  Our audit procedures included , among others, the following:
  - Evaluating the amounts and local expiry periods of the unused tax losses and tax credits carried forward and together with any other applicable restrictions in recovery for each relevant jurisdiction, including the impact of changes in tax legislation.
  - Testing management's analysis of the recoverability of the deferred tax assets, including, estimations of future taxable results, the applicable tax legislation and tax planning assumptions.
  - Assessing and discussing management's estimations of future taxable result including the underlying assumptions such as revenue growth, gross margin, cost developments by comparing with historical performance and resulting future taxable results.
  - Assessing the adequacy of the Group's disclosure in Note 8 of the Consolidated Financial Statements.

Pension plans

- Description of the matter and the audit risk
  The Group has a number of pension plan with guaranteed minimum returns that qualify as defined benefit schemes under IAS 19. The net provision for these plans amount to a net deficit position of k€ 6.579 as at 31 December 2017.

This area is important to our audit because of the magnitude of the amounts, the judgments involved concerning the key actuarial assumptions (such as discount rates, inflation, mortality and increase in salaries, …) and the technical expertise required to evaluate these provisions and to properly reflect the impacts in the Consolidated Financial Statements in accordance with IAS 19. Changes in those assumptions (including, salary increases, inflation, discount rate and mortality) can have a material impact on the calculation of the liability.

- Summary of the performed procedures
  Our audit procedures included, among others, the following:
  - Performing a detailed review of the actuarial report prepared by the external actuary engaged by the company to ensure that all characteristics of the plans have been properly considered in the actuarial calculations.
  - Assessing the expertise, independence and integrity of the external actuary engaged by the company.
  - Comparing the input data used for the calculation of the provisions by the external actuary (such as population, age, years of service, wage, …) with source information of the human resources department of the company.
  - Assessing the appropriateness of the key actuarial assumptions (such as discount rates, inflation, mortality, salary increase, …) with the assistance of our internal actuarial specialists.
  - Verifying that the actuarial calculations are properly reflected in the provisions recorded in the Consolidated Financial Statements and ensuring that impacts are correctly recorded in accordance with IAS19.
  - Assessing the adequacy of the Group's disclosure in Note 15 of the Consolidated Financial Statements

Responsibilities of the Board of Directors for the preparation of the Consolidated Financial Statements
The Board of Directors is responsible for the preparation of the Consolidated Financial Statements that give a true and fair view in accordance with IFRS and with applicable legal and regulatory requirements in Belgium as well as internal controls relevant to the preparation of the Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.
As part of the preparation of the Consolidated Financial Statements, the Board of Directors is responsible for assessing the company's ability to continue as a going concern, and provide, if applicable, information on matters impacting going concern, The Board of Directors should prepare the financial statements using the going concern basis of accounting, unless the Board of Directors either intends to liquidate the company or to cease business operations, or has no realistic alternative but to do so.

Our responsibilities for the audit of the Consolidated Financial Statements
Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement, whether due to fraud or error, to express an opinion on these Consolidated Financial Statements based on our audit. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit, in accordance with ISAs, we exercise professional judgment and we maintain professional skepticism throughout the audit. We also perform the following tasks:

- Identification and assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, the planning and execution of audit procedures to respond to these risks and obtain audit evidence which is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatements is larger when these misstatements are due to fraud, since fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtaining insight in the system of internal controls that are relevant for the audit and with the objective to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- Evaluating the selected and applied accounting policies, and evaluating the reasonability of the accounting estimates and related disclosures made by the Board of Directors as well as the underlying information given by the Board of Directors;

- Conclude on the appropriateness of Board of Director's use of the going-concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to event or conditions that may cast significant doubt on the company or group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the company or group to cease to continue as a going-concern;
- Evaluating the overall presentation, structure and content of the Consolidated Financial Statements, and of whether these financial statements reflect the underlying transactions and events in a true and fair view.

We communicate with the Audit Committee within the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the audits of the subsidiaries. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities.

We provide the Audit Committee within the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee within the Board of Directors, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our report, unless the law or regulations prohibit this.

Report on other legal and regulatory requirements

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation and the content of the Board of Director's report and other information included in the annual report.

Responsibilities of the auditor

In the context of our mandate and in accordance with the additional standard to the ISA's applicable in Belgium, it is our responsibility to verify, in all material respects, the Board of Director's report and other information included in the annual report.

Aspects relating to Board of Director's report and other information included in the annual report

In our opinion, after carrying out specific procedures on the Board of Director's report, the Board of Director's report is consistent with the Consolidated Financial Statements and has been prepared in accordance with article 119 of the Belgian Companies Code.

In the context of our audit of the Consolidated Financial Statements, we are also responsible to consider whether, based on the information that we became aware of during the performance of our audit, the Board of Director's report and other information included in the annual report, being:

- Section 3: consolidated key figures (page 7)
- Section 4: shareholders and group structure (page 9 until 11)
- Section 17: abridged statutory annual accounts Resilux NV (page 111 until 117)

Contain any material inconsistencies or contains information that is inaccurate or otherwise misleading. In light of the work performed, we do not need to report any material inconsistencies. In addition, we do not express any form of reasonable assurance regarding the individual elements included in the annual report.

The non-financial information required by article 119 §2 of the Belgian Companies Code has not been fully included in the Board of Director's report on the Consolidated Financial Statements, which is part of section 15 of the annual report. The Group has not based the non-financial information on a European or internationally recognized framework. We do not express any form of assurance regarding the individual elements included in this non-financial information.

Independence matters

Our auditor's office and our network has not performed any services that are not compatible with the statutory audit of the Annual Accounts and has remained independent of the company during the course of our mandate.

No additional service, that are compatible with the statutory audit of the Annual Accounts referred to in Article 134 of the Belgian Companies Code and for which fees are due, have been carried out.

Other communications:

- This report is consistent with our supplementary declaration to the Audit Committee as specified in article 11 of the regulation (EU) nr. 537/2014.

Ghent, April 13th 2018

Ernst & Young Bedrijfsrevisoren BCVBA
Statutory auditor
represented by

Paul Eelen
Partner*

* Acting on behalf of a BVBA/SPRL

ABRIDGED STATUTORY ANNUAL ACCOUNTS OF RESILUX NV 2017

The statutory annual accounts of the Resilux NV company are presented in an abridged form. In accordance with the Royal Decree of January 30, 2001 in execution of the Companies Act, these annual accounts, the annual report and the report of the auditor are submitted to the National Bank of Belgium.

The auditor has issued a report without reservations.

The full version of the statutory annual account, as well as the accompanying reports, are available on the company’s website as from April 19, 2017. On request, a copy of these documents can be obtained free of charge at the company’s registered seat.

BALANCE SHEET AFTER APPROPRIATION OF PROFIT

Assets *(in thousands of Euro)*	2017	2016
FIXED ASSETS	**103,012**	**89,138**
Intangible fixed assets	**614**	**574**
Tangible fixed assets	**12,684**	**10,486**
Land and buildings	2,480	2,309
Installations, machinery and equipment	5,445	5,374
Furniture and vehicles	706	664
Leasing and other similar rights	53	360
Other tangible assets payments	217	28
Assets under construction and advance payments	3,784	1,751
Financial fixed assets	**89,147**	**78,078**
Affiliated enterprises	89,589	77,983
Shareholdings	81,525	77,983
Receivables	8,064	0
Companies with which there is a shareholding relationship	17	17
Shareholdings	17	17
Receivables	0	0
Other financial fixed assets	108	78
Accounts receivable and cash guarantees	108	78
CURRENT ASSETS	**38,970**	**70,825**
Accounts receivable after more than one year	**243**	**475**
Other accounts receivable	243	475
Stocks and contracts in progress	**14,033**	**12,951**
Stocks	14,033	12,951
Raw materials and consumables	8,011	6,777
Finished goods	5,236	5,328
Goods purchased for resale	786	846
Advance payments	0	0
Accounts receivable within one year	**12,663**	**10,938**
Trade debtors	5,082	4,159
Other accounts receivable	7,581	6,779
Cash at bank and in hand	**10,898**	**45,942**
Accrued charges and deferred income	**1,133**	**519**
TOTAL ASSETS	**141,982**	**159,963**

RESILUX INNOVATIVE PACKAGING

Liabilities *(in thousands of Euro)*	**2017**	**2016**
CAPITAL AND RESERVES	**51,144**	**83,943**
Capital	**3,600**	**17,184**
Issued capital	3,600	17,184
Share premium account	**0**	**16,656**
Reserves	**3,328**	**3,371**
Legal reserve	360	1,718
Untaxed reserve	1,609	1,653
Available reserves	1,359	0
Profit / loss brought forward	**44,216**	**46,721**
Investment grants	**0**	**11**
PROVISIONS AND DEFERRED TAXES	**94**	**90**
Provision for liabilities and charges	**0**	**0**
Pensions and similar obligations	0	0
Other liabilities and charges	32	0
Deferred taxes	**62**	**90**
CREDITORS	**90,744**	**75,930**
Accounts payable after one year	**1,324**	**2,393**
Financial debts	1,324	2,393
Subordinated loans	957	1,275
Leasing and other similar obligations	86	503
Credit institutions	281	615
Others loans	0	0
Accounts payable within one year	**89,338**	**73,447**
Current portion of accounts payable after one year	1,069	1,339
Financial debts	1,729	933
Credit institutions	1,729	933
Trade creditors	22,197	13,530
Suppliers	22,197	13,530
Prepayments Received	0	0
Taxes, remuneration and social security	3,135	3,713
Taxes	2,120	2,645
Remuneration and social security	1,015	1,068
Other accounts payable	61,208	53,932
Accrued charges and deferred income	**82**	**90**
TOTAL LIABILITIES	**141,982**	**159,963**

PROFIT AND LOSS ACCOUNT (PRESENTATION IN VERTICAL FORM) *(in thousands of Euro)*

	2017	2016
Operating income	**88,665**	**78,146**
Turnover	80,070	70,040
Change in stock of finished goods and goods in progress	-64	1,157
Own work capitalised	0	0
Other operating income	8,541	6,566
Non recurrent operating income	118	383
Operating charges	**85,318**	**73,635**
Goods for resale, raw materials and consumables	51,832	44,712
Purchases	51,783	45,897
Change in stocks (-/+)	49	-1,185
Services and other goods	19,466	15,856
Remuneration, social security charges and pensions	10,201	9,284
Depreciation and amounts written off formation expenses, Intangible and tangible fixed assets	3,562	3,624
Amounts written off stocks and trade creditors	40	-24
Provisions for liabilities and charges	0	0
Other operating charges	211	172
Non recurrent operating charges	6	11
Operating profit	**3,347**	**4,511**
Financial income	**847**	**26,868**
Recurrent financial income	847	26,868
Income from financial fixed assets	0	25,745
Income from current assets	169	297
Other financial income	678	826
Non recurrent financial income	0	0
Financial charges	**2,013**	**1,912**
Recurrent financial charges	1,124	1,912
Interest and other debt charges	495	1,129
Other financial charges	629	783
Non recurrent financial charges	889	0
Profit / loss for the financial year before taxes	**2,181**	**29,467**
Transfer from deferred taxes	**28**	**27**
Transfer to deferred taxes	**0**	**0**
Taxes	**619**	**1,752**
Taxes	619	1,752
Adjustment corporate taxes	0	0
Profit / loss for the financial year	**1,590**	**27,742**
Substraction to untaxed reserves	**44**	**52**
Transfer to untaxed reserves	0	744
Profit / loss for the financial year to be appropriated	**1,634**	**27,050**

RESILUX INNOVATIVE PACKAGING

APPROPRIATION OF PROFIT *(in thousands of Euro)*

	2017	2016
Balance of profit to be appropriated	**48,266**	**50,682**
Profit for the financial year to be appropriated	4,634	27,050
Profit / loss brought forward from the previous financial year	46,632	23,632
Profit / loss to be carried forward	**44,216**	**46,632**
Profit to be distributed	**4,050**	**4,050**
Dividends	4,050	4,050

NOTES TO THE ACCOUNTS

VIII. Statement of capital *(in thousands of Euro)*

	Amounts	Number of shares
Capital		
Issued capital (heading I.A. of liabilities)		
- At the end of the preceding period	17,184	
- At the end of the period	3,600	
Structure of the capital		
Different categories of shares		
Shares without face value that each represent 1/2,024,860th of the capital	3,600	2,024,860
Registered shares - bearer shares/dematerialised		
Registered		1,263
Dematerialised		2,023,597
Amount of authorised capital, not issued	**17,184**	

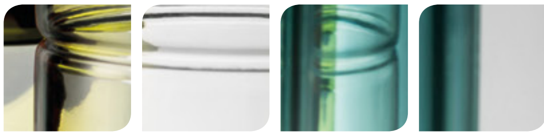
Shareholder structure of the company at the year end, as shown by the notifications that the company has received:

Notifications in accordance with the transparency legislation (Law of May 2nd, 2007 on the the disclosure of major shareholdings in issuers whose shares are admitted to trading on a regulated market and laying down miscellaneous provisions).

Who	Number of shares	% (1)
Tridec Stichting Administratiekantoor under Dutch law, Houtsnip 17, 3766 VD Soest, The Netherlands Acting in mutual consultation with the De Cuyper family, NV Immo Tradec, NV Belfima Invest and NV Tradidec	921,000	(45.48%)
Family De Cuyper - Kennisgever: Dirk De Cuyper, Acting in mutual consultation with Tridec Stichting Administratiekantoor, NV Immo Tradec, NV Belfima Invest and NV Tradidec	114,072	(5.63%)
NV Immo Tradec - BE 0439 777 214 Acting in mutual consultation with Tridec Stichting Administratiekantoor, Family De Cuyper, NV Belfima Invest and NV Tradidec	58,534	(2.89%)
NV Belfima Invest - BE 0466 014 328 Acting in mutual consultation with Tridec Stichting Administratiekantoor, Family De Cuyper, NV Immo Tradec and NV Tradidec	27,333	(1.35%)
NV Tradidec - BE 0464 996 422 Acting in mutual consultation with Tridec Stichting Administratiekantoor, Family De Cuyper, NV Belfima Invest and NV Immo Tradec	25,973	(1.28%)
NV Capfi Delen Asset Management - BE 0422 682 151	67,089	(3.31%)
Public	810,859	(40.05%)
Total	2,024,860	(100%)

(1) % calculated based on the total existing numbers of shares (2,024,860)

RESILUX
INNOVATIVE PACKAGING



GENERAL INFORMATION ON RESILUX NV

1. GENERAL INFORMATION

1.1. Name

RESILUX NV

1.2. Registered office

Damstraat 4 - 9230 Wetteren - Belgium

1.3 Company number

RPR Ghent - division Dendermonde
VAT BE 0447.354.397

1.4. Incorporation, amendments to the company's articles of association, duration

The company was incorporated on May 5, 1992, by notarial deed published in the Annexes to the Belgian Official Journal of May 28, 1992 under number 920528-59.

The company's articles of association have been amended several times, the last time by the extraordinary general shareholders' meeting of June 28, 2017.

The company has been incorporated for an indefinite period of time.

1.5. Legal form

Resilux is a limited liability company (société anonyme/naamloze vennootschap) incorporated under Belgian law.

1.6. Financial year

As from 2001, the financial year commences on January 1st and ends on December 31 of each year. Previously, the financial year used to cover the period as from July 1st to June 30th of the following year. Exceptionally, the 1999/2000 financial year was extended by six months.

RESILUX
INNOVATIVE PACKAGING

1.7. Audit of the annual accounts

The supervision of the annual accounts is entrusted to BCVBA Ernst & Young Company Auditors, Moutstraat 54, B-9000 Gent, Belgium, represented by Mr. Paul Eelen whose mandate was granted by the general shareholders' meeting of May 17, 2013. At the general shareholders' meeting of 2016 the mandate has been prolonged for a term of three years, ending after the general shareholders' meeting of 2019.

For the statutory and consolidated annual accounts of the financial year ending on December 31, 2017, the Auditor has issued a report without reservations.

1.8. Consultation of company documents

The company's statutory and consolidated annual accounts and the accompanying reports are deposited with the National Bank of Belgium.

According to the articles 535 and 553 of the Companies Code, the annual accounts and accompanying reports are yearly sent, free of charge, to the nominal shareholders, to the warrant holders, to the directors and to the auditor.

Every holder of dematerialised shares can, by submitting a certificate drawn up by a recognised account holder or settlement services confirming the number of dematerialised shares subscribed under the name of the shareholder, obtain a copy of the documents at the headquarters of the company once the convocation for the general shareholders' meeting has been published.

Once the convocation for the general shareholders' meeting has been published, every holder of nominal shares, every holder of dematerialised shares and every warrant holder may consult the following at the company headquarters:

1° the list of shareholders whose shares are not fully paid up, with reference to the amount of their shares and their place of residence;
2° the list of public funds, shares, bonds and other stock of companies who are part of the portfolio.

The annual financial report with the abridged statutory and consolidated annual accounts, the reports from the board of directors and the auditor regarding the consolidated annual accounts for the financial years 2003 to 2017 can be consulted in Dutch and in English (and in French until the financial year 2012) on the company's website (*www.resilux.com*) and are also available in hardcopy on request. Only the Dutch version of the annual report is legally binding. The versions in other languages are free translations of the original Dutch version.

The full version of the approved statutory accounts, with the accompanying undersigned reports from the board of directors and the auditor regarding the financial years 2006 to 2017 are published on the company's website.
Any interested party can register free of charge to receive emails with press releases and the compulsory financial information, which is also available on the company's website.
The convocation for the general shareholders' meeting/extraordinary general shareholders' meeting is published in the Belgian Official Journal, in a national newspaper and in media that may be reasonably assumed to ensure the effective dissemination of information to the public within the European Economic Area that is quickly and non-discriminatory accessible, and is also available on the website, as well as the respective power of attorney forms, - if appropriate - the draft amendments of the company's articles of association, and the undersigned minutes from the last general shareholders' meeting.

Decisions regarding the appointment and dismissal of members of the board of directors as well as other decisions or reports that must be published by law are published in the Annexes to the Belgian Official Journal and are also announced on the company's website.
The company's articles of association and special reports required by the Code of Companies are available for consultation at the court registry of the Commercial Court of Dendermonde, and also at the headquarters of the company and on the company's website.

The Corporate Governance Charter can be consulted on the company's website.

2. EXCERPTS FROM THE COMPANY'S ARTICLES OF ASSOCIATION

2.1. Objects of the company

Article 2 - Objects

The objects of the company are, both for its own account and for that of third parties or in participation with third parties, acting by itself or through the agency of any other natural or legal person in Belgium or abroad:

1. To perform all transactions relating to the trade, import and export, purchase and sale, demonstration, hiring out, representation and commission trade:
   - in relation to synthetic materials, finished products and related articles, the manufacturing or recycling thereof in wholesale and retail trade and thus to perform all relevant transactions without any restriction.
     This description thus both covers production by means of all existing technologies, including injection, extrusion, blow moulding, thermoforming, welding techniques and others, and the combination or purchase of all forms of synthetic materials, raw materials, semi-finished and finished products, moulds or other technical peripherals, the hiring of agencies in these agreements as well as the marketing and sale of all these products.
   - in relation to all machines that are of use to the plastic processing industry, spare parts and accessories, including both the company's own construction of these machines, moulds and technical peripherals and all forms of services for the plastic processing industry, such as training, breakdown, repair, innovation, installation and consulting services.

2. Taking out of patents on own inventions or those relating to the improvement of existing systems, the granting of license agreements.
3. The supervision of all managerial instructions, the performance of all mandates and duties that relate directly or indirectly to its company objects or may contribute towards the achievement of its objects.

   The company may perform all commercial, industrial, financial, movable or immovable transactions that may be directly or indirectly necessary or useful for the achievement of its objects.

   The company may by means of contribution, merger, subscription, purchase of shares or in any other way be involved in all dealings that have similar or related objects or whose objectives are important to the achievement of its company objects.

2.2. Capital

Article 5 - Share capital

The registered capital is fixed at € 3,600,429.00 represented by 2.024.860 no par-value shares, which each represent a 1/2.024.860th share of the registered capital.

Article 6 - Change of the subscribed capital

Theregistered capital may not be increased or decreased, other than by means of a resolution of the general shareholders' meeting of shareholders, deliberating according to the conditions required for the amendment of the articles of association. The general shareholders' meeting may only adopt a resolution to reduce the registered capital in accordance with the rules laid down in Articles 612, 613 and 614 of the Belgian Companies Code.

Article 7 - Authorised capital

In accordance with Article 603 of the Belgian Companies Code, the board of directors may be granted the authority to increase the registered capital on one or more occasions. The capital may be increased by means of a monetary or non-monetary contribution as well as by the conversion of reserves, subject to compliance with Article 603 et seq. of the Belgian Companies Code. In addition to the issue of ordinary shares, capital increases decided on by the board of directors, may also be implemented through the issue of preference shares, through the issue of shares without voting rights, through the issue of shares in favour of personnel and through the issue of convertible bonds and warrants.

RESILUX INNOVATIVE PACKAGING

The board of directors is granted the authority to limit or cancel the pre-emptive right in the interests of the company if the capital increase is implemented within the scope of the authorised capital.

The board of directors is authorised to limit or cancel the pre-emptive right in favour of one or more people, even if these people are not personnel of the company or its subsidiaries.

The general shareholders' meeting may expressly grant the board of directors the authority to increase the subscribed capital on one or more occasions as from the date of the notice from the Financial Services and Markets Authority (FSMA) to the company of a public takeover bid for the shares of the company , by means of monetary contributions with the cancellation or limitation of the existing shareholders' pre-emptive right or by means of non-monetary contributions in accordance with Article 607 of the Belgian Companies Code. If a capital increase is implemented by means of cash subscriptions with an issue premium, the board of directors will be authorised to stipulate that the issue premium will be credited to the non-distributable 'issue premiums' account, which will constitute a guarantee to third parties to the same extent as the registered capital and, except for the possibility of conversion into capital by the board of directors, may only be disposed of in accordance with the conditions laid down by the Belgian Companies Code for amendments to the articles of association. The board of directors is authorised to amend the company's articles of association in accordance with the capital increase that was decided on within the scope of its authority.

Article 8 - Nominal shares - Bearer shares - Dematerialised shares
The partly paid-up shares are registered.
The fully paid-up shares and other securities of the company are registered or dematerialised, within the limits envisaged by the applicable legislation.

The holder of dematerialised securities may at any time request the conversion thereof into registered securities and vice versa at his expense.
The dematerialised security is represented by an entry on account, in the name of the owner or holder, at an approved account holder or at a settlement institution.

A register will be kept at the company's registered office for every category of registered securities in accordance with Article 463 of the Belgian Companies Code. Any holder of securities may examine the register in relation to his securities.

The board of directors is authorised, subject to compliance with the statutory rules, to replace the existing register with an electronic register.

In case of an electronic share register, a new copy will be made after every alteration. These copies will be kept at the company's registered office.

Article 11 - Preferential right
In case of a capital increase, implemented other than by way of a non-monetary contribution or merger, and subject to any different decision by the general shareholders' meeting or the board of directors, the existing shareholders will be given preference to the new shares, in proportion to the part of the registered capital represented by their shares.
The pre-emptive right may be exercised for a period of at least fifteen days, to be calculated from the day on which the subscription for new shares opens.
The subscription price and the period during which the pre-emptive right may be exercised will be determined by the general shareholders' meeting or, if the resolution to increase the capital has been adopted in accordance with Article 603 of the Belgian Companies Code, by the board of directors.
If the ownership of shares is divided into usufruct and bare ownership, the bare owner of the shares will have the pre-emptive right. In case of pledged shares, the owner-pledgor will have the pre-emptive right.

If the general shareholders' meeting or board of directors decides to request an issue premium, this must be fully paid upon subscription and credited to a non-distributable reserve that may only be reduced or reversed by a resolution of the general shareholders' meeting or the board of directors that is adopted in the manner required for an amendment of the articles of association. The issue premium will serve as a guarantee to third parties to the same extent as the registered capital.

2.3. Management

Article 14 - Transparency declaration
The applicable quota pursuant to Articles 6 to 10 inclusive of the Belgian Act of May 2, 2007 on disclosure of major holdings in issuers whose shares are admitted to trading on a regulated market and laying down miscellaneous provisions is determined at 3%, 5% and multiples of 5%.

2.4. Management and Supervision

Article 15 - Right of nomination
The company is managed by a board of directors of at least three and no more than seven members, shareholders or otherwise, who are appointed by the general shareholders' meeting, which may suspend and dismiss them at any time. Their term of office may not exceed four years. The directors are eligible for reappointment. At least three of the directors must be independent.

Four of the directors will be appointed from among the candidates nominated for that purpose by the trust office 'TRIDEC', insofar as it, as well as all entities that are directly or indirectly controlled by it (control is understood as the competence de iure or de facto to have a decisive influence on the appointment of the majority of its directors or managers or on the orientation of its policy), directly or indirectly hold at least thirty-five per cent of the company's shares at the time of both the nomination of the candidate directors and the appointment by the general shareholders' meeting.

Article 23bis
In accordance with Article 524bis of the Belgian Companies Code, the board of directors may assign its management powers to a management committee, however without this assignment being able to relate to the general policy of the company or all acts that are reserved for the board of directors on the basis of other statutory provisions.
The conditions for the appointment of the members of the management committee, their dismissal, their remuneration, their term of office and the procedures of the management committee will be determined by the board of directors.
The board of directors is responsible for supervising that committee.
A member of the management committee who has a direct or indirect conflict of interests of a financial nature with a decision or transaction that falls within the scope of the committee's authority must notify the other members thereof before the committee deliberates. The provisions of Article 524*ter* of the Belgian Companies Code must also be observed.
An audit committee and a remuneration committee will be established within the board of directors in accordance with Article 526*bis* and 526*quater* of the Belgian Companies Code.

2.5. General shareholders' meeting

Article 29 - Meeting
The general shareholders' meeting will be held every year at three o' clock in the afternoon on the third Friday of May, at the registered office or at another venue as stipulated in the meeting notices, in order to listen to the annual report and the audit report as drawn up respectively by the board of directors and the statutory auditors being read out, to approve the annual financial statements and remuneration report, to appoint directors and statutory auditors and to generally deliberate on all agenda items.

If this day is a public holiday or an extra day's holiday following a public holiday (typically to make a long weekend), the meeting will be held on the next working day.

A special or an extraordinary general shareholders' meeting must be convened whenever required by the interests of the company and must be convened every time shareholders who collectively represent one-fifth of the registered capital so request.

After the approval of the annual financial statements, the meeting will hold a special vote to decide whether or not to discharge the directors and statutory auditors from liability.

Article 30 - Right to add items to the agenda and file new proposed resolutions
The board of directors or the statutory auditor(s) will convene the general shareholders' meeting.
The meeting notices will at least contain the information provided for in Article 533*bis* of the Belgian Companies Code. They will be given in the form and within the periods prescribed by Articles 533 *et seq.* of the Belgian Companies Code.

The agenda must contain the items to be discussed and the motions. The Audit committee's motion for the appointment or reappointment of the statutory auditor will be included in the agenda.

The people who must be given notice of a general shareholders' meeting pursuant to the Belgian Companies Code and who participate in or arrange to be represented at a meeting will be regarded as having been given valid notice. The same people - before or after a general shareholders' meeting that they have not attended - may also waive their right to rely on a lack of notice or a defective notice.

One or more shareholders, who jointly hold at least 3% of the company's registered capital, may, in accordance with Article 533*ter* of the Belgian Companies Code, have items to be discussed placed on the agenda of the general shareholders' meeting and submit motions with regard to items to be discussed that are included or are to be included on the agenda.

The shareholders will not be entitled to do this if a second extraordinary general shareholders' meeting meeting is convened because the required quorum was not reached for the first extraordinary general shareholders' meeting.
Requests must comply with the requirements of Article 533*ter* of the Belgian Companies Code.

Requests will be formulated in writing and accompanied either by the text of the items to be discussed and the relevant motions or the text of the motions to be placed on the agenda.

A postal or e-mail address will be stated, to which the company will send proof of receipt of these requests.

The company must receive these requests by no later than the twenty-second day prior to the date of the general shareholders' meeting. They must be sent to the company with due observance of the formalities mentioned in the meeting notice.
The company will confirm receipt of the requests within a period of forty-eight hours calculated from that receipt.

The company must publish the amended agenda not later than the fifteenth day prior to the date of the general shareholders' meeting.

The items to be discussed and the motions that are placed on the agenda under this provision will only be discussed if the aforementioned share of the registered capital is registered in accordance with Article 31 of these articles of association.

Article 31 - Admission requirements
The right to participate in and to exercise the right to vote at the general shareholders' meeting will only be granted on the basis of the accounting entry of the shareholder's registered shares at midnight (Belgian time) on the fourteenth day prior to the general shareholders' meeting, either by their entry in the company's share register or by their entry in the accounts of an approved account holder or a settlement institution, regardless of the number of shares that the shareholder holds on the date of the general shareholders' meeting.

The time and date referred to in the first paragraph form the registration date.

The shareholder must state that he wishes to participate in the general shareholders' meeting no later than the sixth day prior to the date of the meeting, with due observance of the formalities mentioned in the meeting notice and by submitting the proof of registration that was handed to him, by the approved account holder or settlement institution, to the company or to the person appointed by the company for that purpose.
The holders of warrants and bonds and the holders of depositary receipts, whether these securities are registered or dematerialised, may attend the general shareholders' meeting, provided that the conditions for admission laid down for the shareholders are fulfilled.

The name and address or registered office of every shareholder that has given notice of his wish to participate in the general shareholders' meeting will be included in a register designated by the board of directors, together with the number of shares that he held on the registration date, which he used to indicate his willingness to participate in the general shareholders' meeting, as well as the description of the documents that prove that he did hold those shares on the registration date.

Article 32 - Representation by proxy
All shareholders who are entitled to vote may vote in person or by proxy. A shareholder may only designate one person as proxy holder for a specific general shareholders' meeting, notwithstanding the exceptions provided for by the Belgian Companies Code. The proxy holder must not be a shareholder.
The company will provide the forms that may be used for voting by proxy on its website, supplemented, where applicable, by any additional items to be discussed and additional motions that are placed on the agenda and/or simply by any motions that are formulated.

The designation of a proxy must be in writing and signed by the shareholder.

The board of directors may determine the form of proxies in the meeting notice. Notice of the proxy to the company must be given in writing and in accordance with the terms set out by the board of directors in the meeting notice.

The company must receive the original proxy by no later than the sixth day prior to the date of the general shareholders' meeting.

Proxies that are communicated to the company before the publication of a supplemented agenda, in accordance with Article 533*ter* of the Belgian Companies Code, will remain valid for the items to be discussed on the agenda to which they apply. Notwithstanding the above, the proxy holder may deviate during the meeting from any instructions of the principal in respect of the items to be discussed on the agenda for which new motions have been submitted in accordance with Article 533*ter* of the Belgian Companies Code, if carrying out those instructions could prejudice the principal's interests. The proxy holder must notify the principal hereof.

The proxy must state whether the proxy holder is authorised to vote or must abstain from voting on the new items to be discussed on the agenda.

Article 33 - Organisation

Each general shareholders' meeting is chaired by the chairman of the board of directors or, in his absence, by a managing director or, in his absence, by the oldest director.

The chairman appoints the secretary, who does not have to be a shareholder or director.

If justified by the number of shareholders, the meeting will elect two vote tellers. The directors in attendance make up the general shareholders' meeting committee.

Article 35 - Number of votes - Exercise of the voting right

Every share confers the right to one vote.

The voting right associated with jointly owned shares may only be exercised by the person designated by all co-owners. The voting right associated with a share that is encumbered with a usufruct vests in the usufructuary. The voting right associated with a share that is pledged vests in the owner-pledgor.

The holders of bonds may attend the general shareholders' meeting in an advisory role.

In accordance with Article 541 of the Belgian Companies Code, the voting right for partially paid-up shares will be suspended if the requested payments are not made when they become due and payable.

Article 36 - Attendance List, Question law, Majorities, Remote voting

An attendance list stating the names of the shareholders and the number of shares with which they are participating in the meeting will be signed by each of them or their representatives before the meeting is opened.

The representatives of legal entity shareholders must submit the documents that establish their capacity as a body or special representative.

An attendance list that indicates the names and addresses of the holders of bonds, warrants and depositary receipts that were issued with the company's cooperation, as well as the number of securities that they hold, will also be signed by these holders or their proxy holders.

The general shareholders' meeting cannot deliberate on items that are not on the agenda, unless all shareholders are personally present or represented at the meeting and unilaterally agree to extend the agenda.

The directors will answer the questions put to them by the shareholders, during the meeting or in writing, in relation to their report or the agenda items, insofar as the disclosure of details or facts is not of such a nature that it could prejudice the company's business interests or the confidentiality which the company or its directors have undertaken to observe.

The statutory auditor(s) will answer the questions put to him/them by the shareholders, during the meeting or in writing, in relation to his/their report, insofar as the disclosure of details or facts is not of such a nature that it could prejudice the company's business interests or the confidentiality which the company, its directors or the statutory auditor(s) have undertaken to observe.

As soon as the meeting notice is published, the shareholders may direct written questions to the directors in relation to their report or the agenda items, and to the statutory auditors in relation to their report, insofar as those shareholders comply with the formalities of Article 31 of these articles of association. These questions must reach the company by no later than the sixth day prior to the meeting.

Barring any statutory provisions or provisions of the articles of association to the contrary, resolutions will be adopted by an ordinary majority of the votes cast, regardless of the number of shares represented at the meeting. Blank and invalid votes will not be counted as cast votes.

If a single candidate does not achieve an absolute majority of the votes cast in case of a resolution to appoint a director or statutory auditor, a second vote will take place between the two candidates who received the most votes.
If the votes are tied in case of the second vote, the oldest candidate will be elected.
A secret ballot will only take place if it is requested by the majority of members of the general shareholders' meeting.

The above does not affect the right of any shareholder to vote by letter using a form that will be provided by the company, on condition that the board of directors provided for this option in the meeting notice.

The form for voting by letter must include at least the following information, as provided for in Article 550 §2 of the Belgian Companies Code:
1° the name and place of residence or registered office of the shareholder;
2° the number of votes that the shareholder wishes to cast during the general shareholders' meeting;
3° the form of the held shares;
4° the agenda of the meeting, including the motions;
5° the period within which the company must receive the form for remote voting;
6° the signature of the shareholder.
Forms that do not refer to either the manner of voting or abstention are void

If a motion which has already been voted on is altered during the meeting, the voting will be deemed to be void.

The company must receive the form for voting by letter by no later than the sixth day prior to the general shareholders' meeting.

The form for remote voting that is sent to the company for a specific meeting will apply to successive meetings that are convened with the same agenda.

A shareholder who has voted remotely by letter may not choose any other manner of participation in the meeting for the number of votes thus cast.

Forms for remote voting that were received by the company before the publication of a supplemented agenda, in accordance with Article 533*ter* of the Belgian Companies Code, will remain valid for the items to be discussed on the agenda to which they relate. Notwithstanding the above, voting on an item to be discussed on the agenda for which a new motion has been submitted, in accordance with Article 533*ter* of the Belgian Companies Code, will be void.

The holders of registered bonds or warrants, as well as the holders of registered depositary receipts that are issued with the company's cooperation, are entitled to inspect the adopted resolutions at the company's registered office.

2.6. Appropriation of profit

Article 41 - Payment

The surplus of the balance sheet that remains after the deduction of all costs and charges of any nature, depreciation/amortisation and tax and other provisions constitutes the net profit. The following will be deducted from this profit:

- five per cent for the creation of a statutory reserve fund until this fund totals one-tenth of the registered capital;
- the balance will be at the disposal of the general shareholders' meeting, which will decide on its appropriation on the understanding that no dividends may be paid or profit-sharing bonuses awarded if the assets, as they appear on the balance sheet minus the provisions and debts, are or would be lower than the sum of the paid-up capital plus the reserves, all in accordance with Article 617 of the Belgian Companies Code;
- the board of directors is granted the authority, although under its own responsibility, to pay an interim dividend on the result of the financial year, subject to the provisions of Article 618 of the Belgian Companies Code.

Article 42 - Payment of dividends

The payment of dividends will take place each year at the time and place determined by the general shareholders' meeting or the board of directors.

2.7. Winding up - Liquidation

Article 43 - Early winding up

In accordance with Articles 633, 634, 645 and 646 of the Belgian Companies Code, the company may be dissolved early by means of a resolution of the general shareholders' meeting, deliberating as for the amendment of the articles of association.

Article 44 - Liquidation

In case of the dissolution of the company, the general shareholders' meeting will appoint one or more liquidators and determine their powers and remuneration.
In the absence of such an appointment, the board of directors acting in the capacity of a liquidation committee will oversee the liquidation.
In the absence of any decision to the contrary, liquidators will act jointly and have the most extensive powers in accordance with Articles 186, 187, 188 and 190 to 195 inclusive of the Belgian Companies Code.

Article 45 - Distribution

After the payment of all debts, charges and expenses of the company, the net assets will firstly be used to return the fully paid-up amount of the shares that have not yet been repaid in cash or in kind.
Any surplus will be awarded in equal parts to the shares.
If the net proceeds are insufficient to repay all the shares, the liquidators will pay those in preference that are fully paid-up to a greater extent until they are on an equal footing with the shares that are fully paid-up to a lesser extent or make a further call for capital that is payable by these latter shares.

2.8. Temporary provisions

Authorised capital

For a period of five years from the publication of the general shareholders' meeting's resolution of May 20, 2016 16 in the Schedules to the Belgian Official Journal, the board of directors will be authorised to increase the registered capital on one or more occasions to the amount of € 17,183,856.00 (seventeen million, one hundred and eighty-three thousand, eight hundred and fifty-six euros).

The capital may be increased by means of a monetary or non-monetary contribution as well as by the conversion of reserves of any kind and/or by an issue premium.

In addition to the issue of ordinary shares, capital increases decided on by the board of directors, may also be implemented through the issue of preference shares, through the issue of shares without voting rights, through the issue of shares and/or warrants in favour of staff and through the issue of convertible bonds and/or bonds with warrants.

The board of directors is granted the authority to limit or cancel the pre-emptive right in the interests of the company if the capital increase is implemented within the scope of the authorised capital.

The board of directors is authorised to limit or cancel the pre-emptive right in favour of one or more people, even if these people are not personnel of the company or its subsidiaries.

The general shareholders' meeting has expressly granted the board of directors the authority to increase the subscribed capital on one or more occasions as from the date of the notice from the Financial Services and Markets Authority (FSMA) to the company of a public takeover bid for the securities of the company, by means of monetary contributions with the cancellation or limitation of the existing shareholders' pre-emptive right or by means of non-monetary contributions in accordance with Article 607 of the Belgian Companies Code. This authorisation is valid for a period of three (3) years to be calculated from the publication of the resolution of the general shareholders' meeting of May 20, 2016 in the Annexes to the Belgian Official Journal.

If a capital increase is implemented by means of cash subscriptions with an issue premium, the board of directors will be authorised to stipulate that the issue premium will be earmarked for the non-distributable 'issue premiums' account, which will constitute a guarantee to third parties to the same extent as the registered capital and, except for the possibility of conversion into capital by the board of directors, may only be disposed of in accordance with the conditions laid down by the Belgian Companies Code for amendments to the articles of association.

The board of directors is authorised to amend the company's articles of association in accordance with the capital increase that was decided on within the scope of its authority.

Purchase by the company of shares in its own capital

The board of directors is authorised, in accordance with article 620 and following of the Company Code, to acquire shares, profit-sharing certificates or associated certificates of the company at the expense of the latter, if this acquisition is necessary to preventing the company from suffering imminent, serious damage. This authorisation is valid for a period of three (3) years to be calculated from the publication of the resolution of the extraordinary general shareholders' meeting of May 20, 2016 in the Annexes to the Belgian Official Journal. This authorisation can be renewed for periods of three (3) years. Insofar as allowable by law (among others article 622 of the Company Code), the authorisation to transfer ownership is valid without limitation in time.

In accordance with article 620 and following of the Company Code, the board of directors is authorised to acquire shares, profit-sharing certificates or associated certificates of the company at the expense of the latter, by purchase or exchange, for the maximum amount of twenty percent (20%) of the issued capital, at a unit price no lower than the accounting par value and no higher than twenty percent (20%) above the highest closing quote of the shares over the most recent twenty (20) stock exchange trading days preceding the transaction.
The authorisation to acquire is valid for a period of five (5) years to be calculated from the publication of the resolution of the extraordinary general shareholders' meeting of May 20, 2016 in the Annexes to the Belgian Official Journal. This authorisation can be renewed for periods of five (5) years. Insofar as allowed by law (among others article 622 of the Company Code), the authorisation to transfer ownership is valid without limitation in time.

The board of directors is authorised, in accordance with article 622 §2 of the Belgian Companies Code, to transfer ownership of own shares:

(i) in the framework of transactions, such as takeovers or acquisition of tangible or intangible assets, opportune for the strategic development of the company, and at a price at least equal to the average closing quote of the share of the most recent thirty (30) calendar days preceding the transaction, decreased with ten percent (10%) and at most equal to the average closing quote of the share of the most recent thirty (30) calendar days preceding the transaction, increased with ten percent (10%);
(ii) in the framework of exercising stock options granted to the personnel of the company or its subsidiaries or self-employed service providers with a high management position within the company or its subsidiaries, and at a price of the option at least equal to the average closing quote of the share of the most recent thirty (30) calendar days preceding the granting of the options, decreased with ten percent (10%) and at most equal to the average closing quote of the share of the most recent thirty (30) calendar days preceding the granting of the options, increased with ten percent (10%);
(iii) in the framework of article 3, paragraph 2 of the warrant plan of 28 January 2013 and for the price of the warrants.

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