Campine

A year in review.

ANNUAL REPORT 2018

Content




Campine

Recover. Renew. Repeat.

Campine is creating new material solutions from waste. It's our second nature to care for people and planet and to manufacture products which protect people. Our processes and procedures are immersed in a culture of safety and responsibility.

About Campine
Campine is the only car battery recycler in the Benelux. Yearly, we prevent 80 million lead-acid batteries to reach landfills.
We recycle the lead and recover the acids.

Campine is – outside of China - the largest producer of the most important flame retardant product used in plastics and textiles called antimony trioxide. This product, used in many household and building products yearly saves thousands of lives by delaying or extinguishing flames in fire incidents.

Message of the Chairman

The vision of Campine's new business plan is to actively participate in the circular economy and create a waste-free society. The first steps to realise our new goals have been taken in the course of 2018.

We achieved encouraging results in safety, environmental protection, new investments, commercial development and operational efficiency. Our cultural transformation is strengthened by a new fresh and dynamic image. Together with an open and transparent communication, the new brand image creates a growing visibility and renewed recognition in the market.

" The Campine share value gained 19% in contradiction to the general negative trend of the stock markets previous year. "

Campine complies with the Corporate Governance codes, amongst others for its board composition. The bi-annual board evaluation was unanimously considered very positive. The excellent interaction of the directors with the executive management team adds value to our organisation.

The year 2018 was characterised by geopolitical and global economic tensions leading to a decrease in raw material prices for most metals, also for lead. Despite this, The Campine share value gained 19% in contradiction to the general negative trend of the stock markets previous year.

It is our commitment to further strengthen our core activities and develop new products and materials with even higher added value. By doing so, Campine absolutely embraces the macro-trend of increased sustainability, enhanced recycling and better care for people and planet.

Patrick De Groote
Chairman of the Board of Directors

Rebranding: time for a new, fresh look

We have a fantastic story to tell and such should be noticed. Refreshing our brand was not only a logical next step from the new plan, but also a necessity in today’s world of hyper communication.

The new colours of Campine reflect the heat of our industrial processes. Our furnaces, the heart of our company, where liquid metals are transformed 24/7 into new materials, radiate a glow from orange to red.

As to the curl in the C of Campine, it symbolises our circular economy activities in which used/waste products come in and go out as renewed materials

The curl is also in the form of a drop which embodies our processes of melting metals or plastics in our manufacturing operations.

CEO Review: revisionize

Campine needed a new plan, a business plan, which would set out the course for the next 5 years and which would give all stakeholders a direction what they could expect and what we expect from them.

Waste-free society
Our vision is to actively participate in creating a waste-free society. Having the heart of our business plan in the growth of the circular economy, is merely a logical outcome.

New full business unit Metals Recovery
In the last decades, Campine built a track record in recycling car-batteries. With a recovery rate above 99%, a lead-acid car battery is one of the western world's most recycled products. Our experience to renew the lead metal out of batteries, paved the way to recovering more

“ This will be a nice diversification for Campine, who will then also be active on the fast growing plastics recycling market. ”

metals from different industrial waste streams. Today we regenerate streams with tin, silver, gold and of course also antimony. As such, our Metals Recovery business started to take shape some years ago and was finally recognised as a full business unit in 2018.

Diversification by recovering plastics
The product-life circle will be fully completed even more with our upcoming large investment project to recover the polypropylene plastic from the battery cases, scheduled for start-up in Q4 2020. This will be a nice diversification for Campine, who will then also be active on the fast growing plastics recycling market.

Fully renewed flame retardant masterbatch
The circular economy model also starts to take shape in our chemicals business. Campine manufactures - as the only company in the world - a regenerated antimony trioxide produced out of recycled antimony from waste beside the traditional mineral ores. Ultimately, when combining this with our own recycled PP-polymer, it will enable us to market a fully renewed flame retardant masterbatch. This will be quite unique for the industry.

Wim De Vos
CEO

2018 Financials

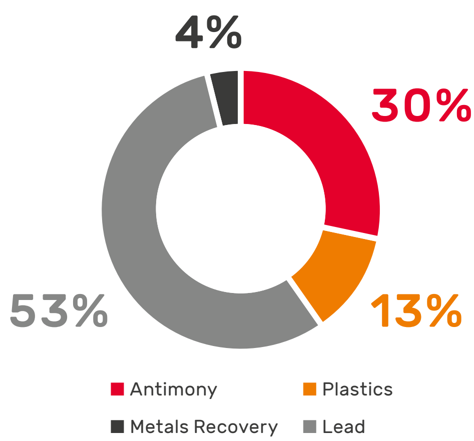
TURNOVER
€ 210,3m

EBIT
€ 8,1m

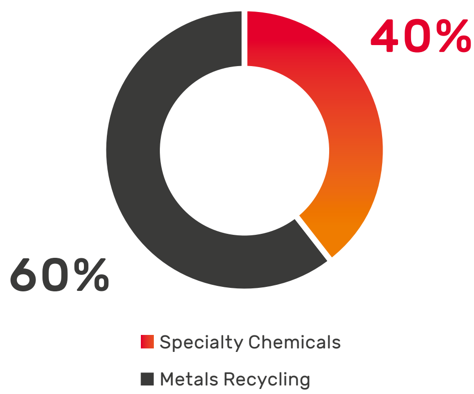
NET RESULT
€ 5,8m

SOLVENCY RATIO
48%

TURNOVER PER BU



EBIT PER DIVISION



2018 Highlights

New filter building for the battery recycling furnace

A new filter building was taken into service in August. This brings an additional production capacity of approx. 15% for the future as well as an emission reduction of more than 30%.

Recycling of plastics in used car batteries

In May Campine decided to invest in the recycling of the pp-polymer in used car batteries.

75%

less labour accidents

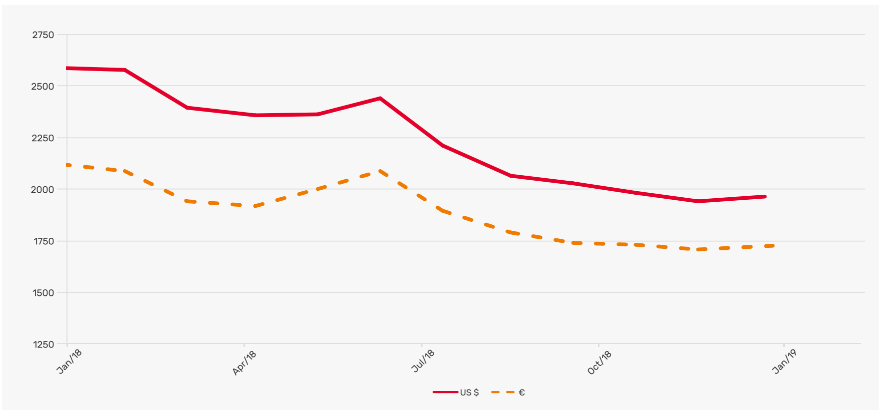
4x

higher EBIT of the Specialty Chemicals division

Decreasing raw material prices.

Geopolitical and global economic tensions have led to falling raw material price for most metals, in particular for lead in the second half of 2018.

Lead LME cash/ton in US$ and in € in 2018



Corporate social responsibility

For us, CSR is not just a buzz-word or commitment we adhere to for marketing reasons, but it is a natural evolution of our culture, in which our company and our employees, our contractors and suppliers, incorporate these precious principles into their daily actions.

Rethinking Recycling towards Responsibility

Our long-term ambition is to only use waste and waste products to manufacture new material solutions for our customers. With this unique philosophy, Campine wants to make a difference within our industry. This helps us to grow into the principles of CSR (Corporate Social Responsibility). CSR is a process of evolving to the next level of doing business, in which we enhance respect to all aspects of life, which are influenced somehow by our industrial activity.

Building on the sustainable development goals of the United Nations

Campine feels its direct involvement and works on most, if not all, elements of these sustainable development goals. In 2018 we actively progressed on different goals:

GOOD HEALTH AND WELL-BEING (3)

During 2018, our HR department has implemented several internal ‘well-being’ projects to make sure our employees feel good during their job. We try to improve all working conditions, as well physical as mental. Needless to say that Safety is our number one priority. This has resulted in 2018 to a reduction of 75% of labour accidents with injuries leading to absence.

Campine also actively participated in research projects to better understand the pathways of how our materials and derivates interfere with the human body. We want to prevent that employees and users of our materials experience any negative impacts. We are actively co-funding such scientific research through organizations as ILA (the International Lead Association) and i2a (the International Antimony Association).

RESPONSIBLE CONSUMPTION AND PRODUCTION (12)

Our production processes are built to recycle waste streams with high efficiency. We train our people to operate our equipment with lowest possible impact on the environment and the neighbourhood. ISO 9001 and 14001 are not only certificates which were acquired, but we truly live according to the methodologies and principles of it.

CLIMATE ACTION (13)

As our industry is energy consuming, Campine is continuously looking for more energy performant processes and solutions. This is translated in several energy saving projects.

LIFE BELOW WATER AND ON LAND (14-15)

Campine takes many measures to lower its impact on the environment. Our goal is to realize a zero wastewater emission and to further reduce air emissions in the future. The investment in a new filter (mid 2018) for our battery recycling furnace, helped to reduce emissions with more than 30% by the end of 2018.

On top of this, Campine owns 20 ha of natural reserve, where lots of animals and plants have their home. During 2018 we built a 'bat hotel' to intensify the migration of bats along the neighbouring canal Antwerp-Dessel. The bat hotel was inaugurated during the bat nature weekend in November. Campine's Natural Reserve is open to the public, where one can find quietness and peace in a truly unspoiled natural setting.

Corporate social responsibility in the future

We are committed to sustainability which becomes part of our DNA. It is our ambition to set up the method, principles and goals during 2019. By means of an implementation plan we intend to kick off in 2020.

Future CSR initiatives for 2019 and beyond:

- Campine Natural Reserve: together with the regional Agency for Nature and Forests (ANB), we will continue the enhancement of our natural reserve. In 2019 we will build pools to enhance the biodiversity in the reserve.
- Own energy production: The evaluation process to build a windmill on our site as well as installing solar panels has been initiated. We expect to be able to generate a part of our energy needs from wind and solar power by 2020.
- Local traffic safety: We work with the local authorities to improve the road infrastructure around our site and make it safer for the surrounding communities. A large project to 'unlock' our area with a new bridge over the canal and connect Campine directly to the regional road network is well on its way to be approved.
- Many more projects to come ...

6 values that define our company

Safety is our first concern

We engage in those things where we can make a significant contribution

We decide, act and finish what we started

We keep things simple

We are not afraid to say no

We respect people and planet

The Board of Directors of Campine nv reports to the shareholders on the company's activities and results over the financial year 2018. The consolidated annual accounts, the statutory annual accounts and this annual report were approved by the Board of Directors on 28 February 2019 and will be presented to the Annual General Meeting of 28 May 2019.

Annual review 2018

Business Units realigned

BUSINESS UNITS ANTIMONY AND PLASTICS MERGE INTO THE DIVISION SPECIALTY CHEMICALS

Campine has aligned its operational organization with the markets it is serving. The Business Units Antimony and Plastics are merged in one Division called Specialty Chemicals. Both units are serving the same end-markets with chemical products, even often to the same customers or for identical applications. Our internal structure and financial reporting is now streamlined this way.

The Specialty Chemicals Division now comprises all manufacturing activities related to the supply of chemicals. It includes the production of:

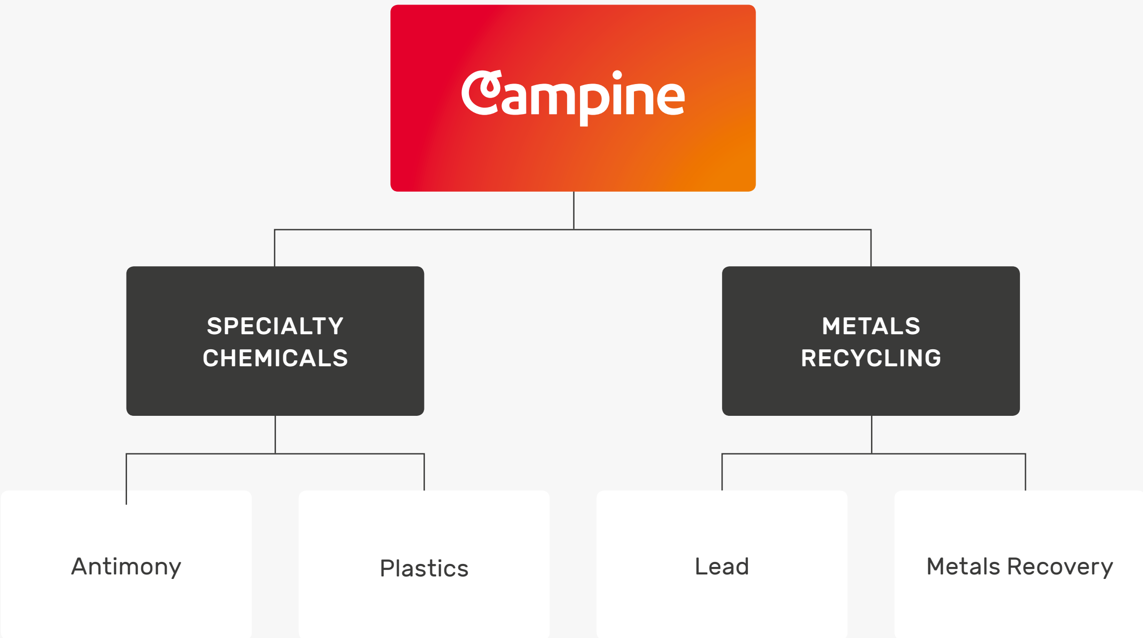
- antimonytrioxide as flame retardant, polymer catalyst and pigment additive (formerly part of the business Unit Antimony);
- different polymer and plastic masterbatches (formerly part of the business Unit Plastics).

CAMPINE RECYCLES ADDITIONAL METALS IN ITS DIVISION METALS RECYCLING

In May 2018 Campine announced its new business plan, in which it was confirmed that it will also recycle other metals than lead. This activity fits very well within a Division of Metals Recycling, comprising also the recycling of lead. Both recycling processes are using quite similar technologies and business is often done with the same customers or suppliers.

The main activity of the Division Metals Recycling is the manufacturing of lead alloys (formerly part of the business unit Lead). To this is added the growing activity of the recovery of other metals such as antimony and tin (formerly part of the business unit Antimony).

This division comprises now all activities in which metals are recovered out of post consumer or industrial waste streams.



Group results

In 2018 Campine realised its third best ever net result of € 5,83 mio. The total revenue decreased slightly with 2,9% compared to 2017, despite the tonnage volume growth of 2,7%. The reason for this is the steep decrease of the metal prices in the second half of 2018.

With a solvency ratio of 48% (equity/total equity & liabilities), Campine reinforced its balance sheet and belongs now to the best in class in the sector. Management has succeeded to reduce the working capital needs to continue to realise the business plan. In 2019 an additional investment loan of € 4,5 mio has been granted on top of the financing facilities existing on 31 December 2018 as mentioned in the consolidated annual account.

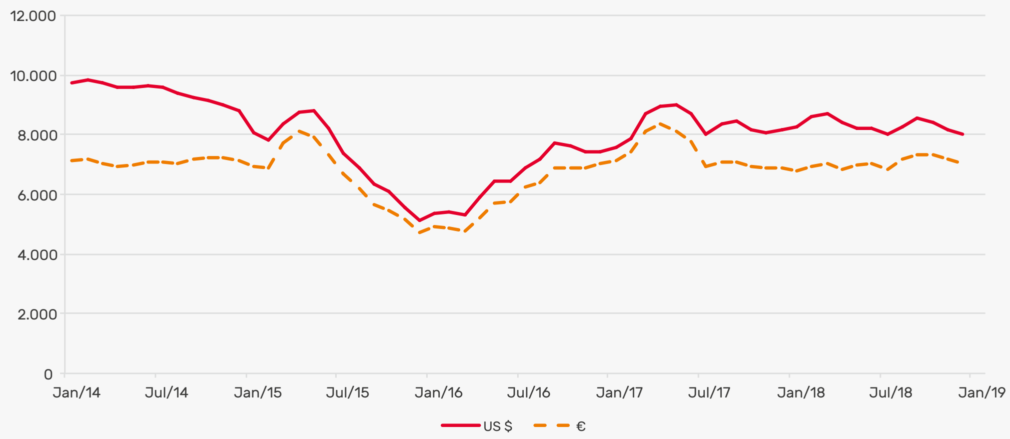
Division Specialty Chemicals

VOLUMES
Sales volumes in the Specialty Chemicals division increased with 4% compared to 2017 and reached approx. 15.600 ton.

OPERATING RESULT (EBIT)
The spectacular improvement of the EBIT is a highlight of 2018. The EBIT quadrupled from approx. € 0,8 mio in 2017 to € 3,2 mio in 2018. We concluded new deals at better conditions and also realised several operational efficiency improvements.

REVENUE
Revenue is closely linked to the evolution of the antimony metal prices. The average Animony Metal-Bulletin price in 2018 of about 7.050 €/ton, lies approx. 5% lower than the average price in 2017 (7.400 €/ton).

Antimony free market 99,6% in US$/ton and €/ton



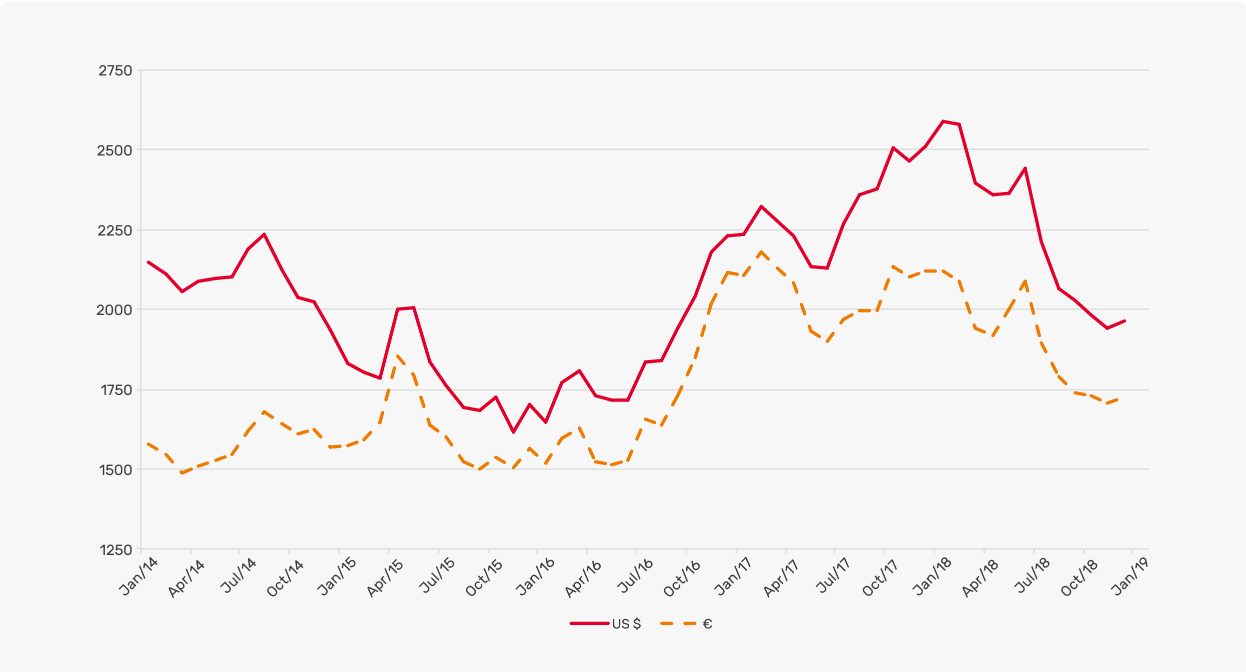
Division Metals Recycling

VOLUMES
The division Metals Recycling sold 62.700 ton, which is a growth of 2%.

EBIT AND REVENUE
Revenue strongly depends on the lead – as well as other metal – price evolutions. This has a direct relation to the profitability of the recycling process. In the first semester of 2018, most of the metal quotations remained at the relatively high level of 2017; the average lead quotation reached 2.000 €/ton until July 2018, but then decreased to about 1.700 €/ton in autumn (see graph).

Consequently, both the revenue and the EBIT of the Business Unit Lead were reduced: revenue decreased by 5% to € 123,7 mio whereas the EBIT fell with 71% to approx. € 3,1 mio.

Lead LME cash/ton in US$ and in €



The Business Unit Metals Recovery – also comprising the recycling of tin, antimony and precious metals – performed excellently. Its EBIT increased from € 1,1 mio to € 1,8 mio (+ 64%).

Perspectives for 2019

Campine foresees to continue its positive performance in 2019 and is confident to create a solid basis for a profitable growth.

Demand for our Specialty Chemicals Division products stagnated at the end of last year. The first quarter of 2019 started moderately but currently demand has recovered and the second quarter looks promising.

In December 2018 a new PVC compounding line was commissioned and started. This will allow Campine to grow in the market of flame retardant PVC Masterbatches, in which it was not really active so far.

Campine expects this division to grow further.

The Metals Recycling Division had a good start of the year. End 2018, prices for used car batteries and other lead waste dropped to a more “equilibrated” level compared to the lower lead price. In January and February, the LME experienced a moderate increase of the lead quotations from 1.700 €/ton to more than 1.850 €/ton. Metal recycling margins are supported by this raise. Furthermore we expect additional volumes in 2019 thanks to the capacity expansion of the lead recycling furnace in 2018.

In the course of 2019 Campine will carry out some substantial investments which will lead to higher outputs and further diversification as of 2020.

Our Board of Directors: (left to right) D. Brughmans, P. De Groote, W. De Vos, F.-W. Hempel, A. Nuyttens, H.-R Orgs

Diversity policy

Our workforce is one of the key-factors to our success. Each employee is unique thanks to his/her personal and specific knowledge, life experience, talents and other characteristics.

Based on our diversity policy we have built up a strong workforce with complementary teams. There are men and women of different nationalities, age, thoughts and belief …

Campine also complies to the Corporate Governance legislation regarding gender diversity in the Board of Directors.

Corporate matters

SIGNIFICANT EVENTS AFTER THE CLOSE OF THE YEAR

The legal procedure about the battery hall was finalised on 7 February 2019 by a definite verdict, resulting in both a positive result as well as the release of the cash restricted in its use in the first semester of 2019. No other significant events – affecting Campine – occurred after the close of the financial year.

USE OF FINANCIAL INSTRUMENTS BY THE COMPANY, TO THE EXTENT THAT THESE ARE SIGNIFICANT IN EVALUATING ITS ASSETS, LIABILITIES, FINANCIAL SITUATION AND EARNINGS

For a detailed description we refer to accounting policy 5.2.6. Financial instruments mentioned further in this report.

CIRCUMSTANCES WHICH COULD SIGNIFICANTLY INFLUENCE THE DEVELOPMENT OF THE COMPANY

There were no changes in circumstances which could substantially influence the development of the company.

RESEARCH AND DEVELOPMENT

Research and development is a constant theme in the improvement of the mastering of our production processes and the applicability of our products in specific markets. In each business unit, research projects were started up in collaboration with customers to develop new innovative products.

DIVIDEND

The Board proposes that the company pays a dividend of € 1,875 mio based on the 2018 result. A dividend of € 2,325 mio was paid on the basis of the 2017 result.

STATUTORY AUDITOR

In 2018 the statutory auditor fee for audit and non-audit services reached € 114.770 for the Group. The non-audit services in 2018 amounted to € 29.300 and were related to other attestation services.

DISCHARGE TO DIRECTORS AND STATUTORY AUDITOR

The Board of Directors proposes granting discharge to all directors and the statutory auditor in respect of the exercise of their mandates in 2018.

STATUTORY APPOINTMENTS

See composition Board of Directors.

FAIRNESS STATEMENT

The Board of Directors declares that to the best of their knowledge:

- The financial statements, prepared in accordance with the IFRS, give a true and fair view of the assets, liabilities, financial position and the results of the company, including its consolidated subsidiaries;
- The annual report gives a true and fair view of the development and results of the company, including its consolidated subsidiaries, together with a description of principal risks and uncertainties that they face.

Corporate Governance Statement

Campine's Corporate Governance Charter is established in accordance with the priciples of the Belgian Corporate Governance Code 2009. The Charter describes amongst others the current procedures and rules regarding corporate governance, the functioning of the Board of Directors and its committees (Audit Committee, Nomination & Remuneration Committee and Strategy Committee). It is updated in case of changes to the Belgian Corporate Governance Codeor to Campine's Corporate Governance model. The Charter can be found on the website (www.campine.com) at "Investors/Shareholder information".

This Corporate Governance Statement mentions the actual implementation of the Corporate Governance Charter in 2018. It is established in accordance with the "comply or explain"-principles. The recommendations 2.3, 5.5 en 5.2/4 of the Corporate Governance Code are not or only partially followed. The explanation for these deviations can be found further in this Statement.

1. Corporate capital and shareholding

1.1. CORPORATE CAPITAL

The corporate capital is set at € 4.000.000,00 represented by 1.500.000 shares without nominal value. The capital is fully paid up.
One share represents one vote. There are no statutory nor legal restrictions regarding the transfer of shares, no special voting rights nor shareholders' agreements.

1.2. SHAREHOLDING STRUCTURE ON BALANCE SHEET DATE

As to the transparency notification of 7 December 2018 the current shareholder structure is:

Name	Number of shares	% of the voting rights
Hempel Special Metals Holding GmbH Weißensteinstraße 70, 46149 Oberhausen, Duitsland	540.000	36,00%
F.W. Hempel Metallurgical GmbH Weißensteinstraße 70, 46149 Oberhausen, Duitsland	537.900	35,86%

The remaining shares (28,14%) are, as far as the company knows, held by the public. The company has until now not received any notices from other shareholders, who are compelled to disclose their shareholdings pursuant to Belgian law governing the notification of major shareholdings.

Public take-over bid

Proceedings in case of a public takeover bid are mentioned in articles 7 (Authorised capital) and 12 (Acquisition of own shares) of the Articles of Association.

Rules regarding the exercise of the voting rights

Rules regarding the exercise of the voting rights are mentioned in article 10 (Exercise of the rights attached to the shares) of the Articles of Association. No shareholder has any special rights. There are no statutory restrictions regarding the exercise of voting rights

2. The Board of Directors

2.1 COMPOSITION

Rules for the appointment and replacement of the Directors are mentioned in articles 13 (Composition of the Board of Directors) and 14 (Premature vacancy) of the Articles of Association.

On 31/12/2018 the Company's Board was composed of six members, being one executive Director and five non-executive Directors, of whom are two independent Directors:

DELOX BVBA, Chairman of the Board
- Non-executive Director represented by its permanent representative Mr Patrick De Groote (appointed on 12/05/2015 for a period of 4 years) and hereafter referred to as "DELOX";
- Board member of various companies.

Friedrich-Wilhelm Hempel
- Non-executive Director (appointed on 22/05/2018 for a period of 3 years);
- Shareholder and Director of various private companies in Europe.

Hans-Rudolf Orgs
- Non-executive Director (appointed on 22/05/2018 for a period of 4 years;
- Managing Director of the holding company F.W. Hempel & Co Erze & Metalle.

BERNUS BVBA
- Non-executive and independent Director represented by its permanent representative Ms An Nuyttens (appointed on 09/05/17 for a period of 3 years) and hereafter referred to as "BERNUS";
- President van Solvay Silica in Lyon (F).

FLG BELGIUM SPRL (as of 22/05/2018)
- Non-executive and independent Director represented by its permanent representative Ms Dina Brughmans (appointed on 22/05/2018 for a period of 3 years) and hereafter referred to as "FLG BELGIUM";
- HR and Change Management senior Advisor with SABCA

ZENDICS BVBA
- Managing Director represented by its permanent representative Mr Willem De Vos (appointed on 12/05/2015 for a period of 4 years) and hereafter referred to as "ZENDICS";
- Board member and advisor to boards of various companies.

Christulf BVBA (until 30/09/2018)
- Non-executive and independent Director represented by its permanent representative Mr Christian Dewulf.

None of the Directors has an additional mandate in a Belgian company listed on the stock exchange.

Campine applies to the independence criteria as mentioned in the Corporate Governance Charter. The independent Directors declare that they comply with art. 526ter of the Company Code.

The Belgian Corporate Governance Code 2009 (art 2.3) requires that the Board should comprise at least three independent Directors. In view of the limited size of the Board, there were only 2 independent Directors on 31/12/2018.

Diversity policy: With a 6-persons Board we have efficient decision-making whilst all Board members can largely contribute to the discussions with their experience and knowledge. In composing the Board we ensure that the Board members have a complementary set of competences.

At the start of the nomination process, the Nomination and Remuneration committee draws up a profile - based on an evaluation of skills, experience and knowledge – which the candidates must meet.

Company secretary: Mrs Karin Leysen. She ensures that the Board procedures are complied with and that the Board acts in accordance with its obligations under the law, the Articles of Association and the internal rules and regulations.

2.2 FUNCTIONING

The Board meets on average four times a year. This frequency enables the Board to keep regular and continuous track of the consolidated and unconsolidated results, the general state of business and developments at both Campine and its subsidiary; investment programmes of Campine, acquisitions and divestments by the Group, development of the management, etc.

The Board shall be called by the Chairman or the Managing Director whenever the company's corporate interest so requires. Upon request of at least two Directors additional meetings are convened.

The Board of Directors met 4 times in 2018:

Members	06/03/18	22/05/18	25/09/18	18/12/18
DELOX	✓	✓	✓	✓
ZENDICS	✓	✓	✓	✓
F.-W. Hempel	✓	✓	✓	✓
H.-R. Orgs	✓	✓	✓	✓
BERNUS	✓	✓	✓	✓
FLG Belgium (since 22/05/18)	-	✓	✓	✓
Christulf (until 30/09/18)	✓	✓	✓	-

The following subjects were discussed:

- Strategy
- Results of Campine and its subsidiary Campine Recycling
- Evaluation of last and current year's budget
- Determination of next year's budget
- Composition and evaluation Board of Directors
- Approval of new investments
- Evaluation of running and completed investments
- Determination of the annual accounts for approval by the Annual Meeting
- Composition of the annual report to the Annual General Meeting
- Approval of the invitation of the Annual General Meeting
- Approval of press releases to be published
- Proposal of the nominations to the Annual Meeting
- Evaluation and determination of the risk position of lead and antimony, credit risk
- Evaluation general risks and exposures
- Credit loans and bank balances
- Status of the different departments (production, purchase, sales, …) of the different BU's
- Status: personnel and organisation
- Status: safety, health and environment

2.3 EVALUATION

The Board evaluates every two years its own performance as well as that of the specialised committees. The evaluation deals with the strategy, the operational efficiency, the relevance of the discussed topics, the preparation of the debates and the contribution of each Director in the decision making process.

To assess the period 2017-2018, individual interviews were conducted with all Directors regarding the functioning and expectations of the Board of Directors. The results were discussed in the Remuneration Committee and the subsequent meeting of the Board. Major items handled during the evaluation: composition and quality of the Board of Directors, business risks, compliance, financial and non-financial reporting, internal control, audit functions, ethical themes. The evaluation showed that the Board of Directors is unanimously satisfied with the contribution of the individual Directors, its own functioning and that of its committees. The comments expressed in the evaluation of 2016 were all successfully dealt with.

Evaluation by the Nomination & Remuneration committee

The Nomination & Remuneration committee evaluates every two years its own efficiency and proposes - if necessary - adjustments to the Board of Directors.

Evaluation of the interaction with the Executive Management Team

The various members of the Executive Management Team are regularly invited to the meetings of the Board of Directors and the committees during which they present specific aspects regarding their responsibilities. They also have the opportunity to consult with the non-executive directors. This active interaction between the Executive Management Team and the Board of Directors is considered positive by everyone.

3. Board committees

3.1 THE NOMINATION & REMUNERATION COMMITTEE

The Nomination & Remuneration committee (acting as a Remuneration committee within the meaning of article 526quater of the Company Code) assists the Board in all matters related to the appointment and remuneration of the Directors and the Executive Management Team. The Nomination & Remuneration committee prepares the Remuneration report and clarifies it during the Annual Meeting.

The Managing Director participates in the committee with an advisory vote, each time the Nomination & Remuneration committee is dealing with the remuneration of the members of the Executive Management Team and when the committee invites him.

On 31/12/2018 the Nomination & Remuneration committee consisted of the Chairman of the Board (DELOX), the independent Director BERNUS and the independent Director FLG BELGIUM (since 25/09/2018). The independent Director Christulf was member until 30/09/2018.

All members have the necessary expertise in the field of remuneration as a result of their year-long experience in the business environment and in business associations.

The Nomination & Remuneration committee met twice in 2018:

Members	05/03/18	17/12/18
DELOX	✓	✓
BERNUS	✓	✓
FLG Belgium (since 22/05/18)	-	✓
Christulf (until 30/09/18)	✓	-

The following subjects were discussed

- Composition of the Board of Directors
- Preparation of the Remuneration report for the Board
- Director's remuneration: tantièmes and Director's remuneration
- Composition, evaluation and remuneration of the Executive Management Team
- Evaluation and functioning of the Board committees and Board members

3.2 THE AUDIT COMMITTEE

The Audit committee has, at least, the following tasks:

- Monitoring the financial reporting process;
- Monitoring the effectiveness of the company's internal control and risk management systems;
- Monitoring the internal audit and its effectiveness;
- Monitoring the statutory audit of the annual and consolidated accounts, including any follow-up on any questions and recommendations made by the statutory auditor;
- Reviewing and monitoring the independence of the statutory auditor, in particular regarding the provision of additional services to the company.

Furthermore the Audit committee monitors the functioning of the Executive Management Team. The Audit committee reports all matters in respect of which it considers that action or improvement is needed to the Board.

On 31/12/2018 the Audit committee consisted of Mr H.-R. Orgs and the independent Director FLG Belgium (since 25/09/2018). The independent Director Christulf was member until 30/09/2018.

The Group complies with the requirements of the law and confirms that the independent Directors comply with the law as to independence and competence criteria in the field of accounting and audit thanks to their extensive experience in a production environment and broad knowledge of finance and metal trading.

Pursuant to the Belgian Corporate Governance Code each committee should have at least three members (article 5.5). Currently the Audit committee only has two members due to the limited size of the company and the Board of Directors.

The Belgian Corporate Governance Code (article 5.2./4) requires that the majority of the members of the Audit committee is independent. As the Audit committee only has two members, exactly half of the Audit committee is independent.

In 2018 the Audit committee met 4 times - of which 3 times with the statutory auditor.

Members	20/02/18	15/06/18	14/09/18	11/12/18
H.-R. Orgs	✓	✓	✓	✓
Christulf (until 30/09/18)	✓	✓	✓	-
FLG Belgium (since 22/05/18)	-	-	-	✓

The following subjects were discussed:

- Evaluation results of the current year
- Preparation of the credit risk for the Board
- Preparation of the risk position of lead and antimony for the Board
- Risk analysis “market risks”
- Internal control
- Examination of the year and half-year figures and evaluation of the accounting estimates and judgements as a result of the closure of the financial year
- Examination legal cases
- Preparation of next year’s budget for the Board
- Evaluation of the current budget
- Press releases to be published: year results, half-year results, …

3.3 THE STRATEGY COMMITTEE

The Strategy committee assists the Board in all matters related to the general management of the company and its subsidiary.

On 31/12/2018 the Strategy committee consisted of the Director DELOX, the independent Director BERNUS and ZENDICS.

The Strategy committee met on 05/02/2018; DELOX, BERNUS, ZENDICS were all present.

During this meeting the new Business plan was fully presented. The long term strategy and developments per division were discussed thoroughly. Attention was also paid to the initialisation and monitoring of some important operational improvement actions.

The committee’s regulations can be found in annex of the Corporate Governance Charter.

4. Executive Management Team

4.1 COMPOSITION

Willem De Vos	as permanent representative of ZENDICS BVBA Managing Director / Chief Operating Decision Maker
Hilde Goovaerts	Manager Operational Excellence
Jan Keuppens	Finance and Control Manager
Hans Vercammen	Division Director Specialty Chemicals
David Wijmans	Division Director Metals Recycling

4.2 FUNCTIONING

The Managing Director's responsibilities include developing and monitoring of the business plans for each business unit, as approved by the Board, the implementation of the decisions of the Board and the setting up of the necessary investment programmes, which are then presented to the Board for approval. Furthermore the Managing Director ensures that valid legislation is respected and that the company works in compliance with all valid safety, health and environmental regulations.

The Managing Director is assisted by the Executive Management Team. The Executive Management Team reports to the Managing Director and enables the Managing Director to properly perform his duties of daily management.

5. Internal control and risk management system

Campine organises the management of internal control and corporate risks by defining its control environment (general framework), identifying and classifying the main risks to which it is exposed, analysing its level of control of these risks and organising 'control of control'. It also pays particular attention to the reliability of the financial reporting and communication process.

5.1. CONTROL ENVIRONMENT

a. Company organisation: The company is organised into a number of departments as set out in an organisation chart. Each person has a job description. There is a power of attorney procedure. The company's representation in different areas like human resources, purchase, sales, … is integrated in the "internal powers" document. For fluctuating commitments due to price volatility of the product (energy, raw materials, foreign currency, …) specific procedures apply.
   Management control is the responsibility of the controllers. The Finance & Control Manager is in charge of organising the risk management.
b. Organisation of internal control: The Audit committee has a specific duty in terms of internal control and corporate risk management. Detailed information regarding the activities of the Audit committee can be found under item 3.2 above mentioned and in our Corporate Governance Charter.
c. Ethics: The Board of Directors has drafted and approved a Corporate Governance Charter and a Code of Conduct (appendix of Corporate Governance Charter). They can be consulted on the website.

5.2. RISK ANALYSIS AND CONTROL ACTIVITIES

All processes, from administration to effective production, are managed in our management house – a documented management system which is based on the different risk analyses systems.
The risks regarding safety, health, environment & quality are inventorised, evaluated, managed and controlled in a dynamic way based on 'continuous improvement'. The Audit committee reviews the risk analysis twice a year. The main risks are described in the note "market risk" in the annual report.

Major risks and uncertainties inherent to the sector. The management aims to tackle these in a constructive way and pays particular attention to:

- Fluctuations of the prices of raw materials and metal. Prices fluctuate as a result of changing supply and/or demand of raw materials and end products, but also because of pure speculation;
- Fluctuations in availability and cost of the energy;
- Changes in regulations (Flemish, Belgian, European and global) in the field of environment and safety/ health including legislation related to sale (REACH) and storage (SEVESO) of chemical products;
- Market risks include: interest risk, foreign exchange risk, price risk and credit risk.

5.3. FINANCIAL INFORMATION AND COMMUNICATION

The process of establishing financial information is organised as follows:

A planning chart sets out the tasks to be completed for the monthly, half-yearly and annual closures of the company and its subsidiary, with deadlines. Campine has a check list of actions to be followed up by the financial department. The accounts team produces the accounting figures under the supervision of the Finance & Control Manager. The controllers check the validity of these figures and produce the reporting. The figures are checked using the following techniques:

- coherence tests by comparison with historical or budget figures;
- sample checks of transactions according to their materiality.

5.4. SUPERVISION AND ASSESSMENT OF INTERNAL CONTROL

The quality of internal control is assessed over the fiscal year:

- by the Audit committee. Over the fiscal year, the Audit committee reviewed the half-yearly closure and the specific accounting methods. It also reviewed the disputes and main risks facing the company.
- by the auditor in the context of their review of the half-yearly and annual accounts. When appropriate, the auditor makes recommendations concerning the keeping of the financial statements.
- by the Board of Directors in the context of the day-to-day management. Furthermore the Board of Directors supervises the performance of the duties of the Audit committee in that connection, notably through that committee's reporting.

5.5. DEALING CODE REGARDING TRANSACTIONS OF THE COMPANY'S SHARES

The dealing code – part of our Code of Conduct – stipulates the rules regarding transactions of shares of the company. It sets limitations for 'key-persons' regarding transactions in specific periods ("closed periods" and "prohibited periods") and imposes a disclosure obligation to the Compliance Officer in case of transactions outside these periods.

The Board of Directors has appointed Mr Willem De Vos as Compliance Officer.

5.6. TRANSACTIONS NOT COVERED BY THE LEGAL PROVISION ON CONFLICTS OF INTEREST

All related party transactions are conducted on a business base and in accordance with all legal requirements and the Corporate Governance Charter.

During the financial year no conflict of interest (Article 523-524 Company Code) occurred.

Remuneration report

1. Procedure determination remuneration policy and remuneration level

NON-EXECUTIVE DIRECTORS

The remuneration of the non-executive Directors and the Chairman is set in the Articles of Association of the company. This remuneration consists of:

- The director's remuneration for the performance of their mandate;
- The tantième (variable compensation) which is paid the year following the related financial year and this in accordance with art 554 of the Company Code;
- The additional compensation in respect of their participation in the meetings of the different Board committees of which they are member.

Non-executive Directors do not receive benefits in kind nor do they participate in a pension plan.

MANAGING DIRECTOR

The Board of Directors decides upon the remuneration of the Managing Director.

The objectives linked to the variable part of the remuneration are set by the Board of Directors after recommendation of the Nomination & Remuneration committee. The performance of the Managing Director - including the realisation of the criteria to obtain the variable remuneration - is assessed by the Nomination & Remuneration committee.

During a Board meeting – where the Managing Director is not present – the Chairman of the Nomination & Remuneration committee informs the members about this assessment which is consequently discussed.

The Managing Director does not receive any compensation for his duty as mere Director. As to article 23 of the Articles of Association, the Managing Director may be granted a compensation if the annual shareholders' meeting agrees to this by separate vote upon proposition of the Board of Directors.

OTHER MEMBERS OF THE EXECUTIVE MANAGEMENT TEAM

The Nomination & Remuneration committee advises on the nomination, remuneration and removal of the members of the Executive Management Team.

The objectives linked to the variable part of the remuneration are set by the Managing Director. The performance of the Executive Management Team is assessed by the Managing Director – in consultation with the Nomination & Remuneration committee.

2. Remuneration policy applied during 2018

NON-EXECUTIVE DIRECTORS

The compensation of the non-executive Directors is set in article 23 of the Articles of Association:

- The Directors who fulfil their mandate for the entire financial year, receive a compensation which amounts for the financial year 2018 to thirteen thousand seven hundred and fifty euro (€ 13.750) gross, gross irrespective of any profits made or losses sustained by the company. The aforementioned amount is automatically increased by two hundred and fifty € (€ 250), on the first day of each new financial year.
- The Chairman of the Board of Directors who fulfils his mandate for the entire financial year, receives a compensation which amounts for the financial year 2018 to twenty seven thousand five hundred euro (27.500 €) gross irrespective of any profits made or losses sustained by the company. The aforementioned amount is automatically increased by five hundred € (€ 500), on the first day of each new financial year.

- The members of the Audit committee, Strategy committee and Nomination and Remuneration committee receive each a compensation which amounts to one thousand two hundred and fifty € (€1.250) per attended meeting unless the meeting of a committee is held immediately prior to or after a board meeting.
- Directors who did not fulfil their mandate for the entire financial year will be paid on a pro rata basis of full months performed.

On top of the fixed Director's remuneration, the non-executive Directors are entitled to a tantième (allocation of the profits) as set in article 39 of the Articles of Association: The positive balance of a profit and loss account represents the company's net profit. From this net profit will be deducted 5 percent for the legal reserve capital. This deduction ceases to be mandatory when this reserve capital reaches a sum equal to ten percent of the corporate capital. However, the deduction will be resumed if the legal reserve capital is affected. After deduction of the part of the profits for the legal reserve, the Board of Directors can propose to the general shareholders' meeting to allocate all or part of the profit to a special reserve or prospective fund or to establish such a fund.

From the net profit thus after tax and after allocation to the legal reserves, a tantième (profit share) of 8 % will be allocated to the whole Board of Directors, who will distribute it equally amongst the Directors, with the exception of the Managing Director, whereas he is already compensated in his capacity of Managing Director. Only the Directors that have served on the Board of Directors for at least six months during the financial year to which this tantième relates are entitled to the tantième and not pro rata the term of their mandate in the relevant financial year. Directors having served less than six months on the board during the relevant financial year will not be entitled to any tantième unless the annual shareholders' meeting decides otherwise. The Managing Director may receive a tantième as stipulated in this article in the event the annual shareholders' meeting decides so upon proposition of the Board of Directors and such by separate vote.

The tantième granted to the Directors in accordance with the preceding paragraph is capped at a maximum of € 10.000 per Director per financial year. The tantième granted to the Chairman of the Board of Directors will amount to the double of the tantième granted to the Directors in accordance with the preceding paragraph.

If in a specific case, the Board of Directors requests the assistance of a Director, the latter is entitled to a remuneration for actual working hours and expenses made.

Non-executive Directors do not receive benefits in kind nor do they participate in a pension plan.

MANAGING DIRECTOR AND OTHER MEMBERS OF THE EXECUTIVE MANAGEMENT TEAM

The Board – who finally decides upon the remuneration of the Managing Director and the Executive Management Team – oversees that the performance of the above is related to the continuity and long term results of the company and that their remuneration is in relation to their performance and in the interest of all stakeholders.

The obligation mentioned in article 520ter, 2nd paragraph, and article 525, last paragraph of managing the Company Code does not apply to executive Directors, the persons who, alone or together, are charged with the day-to-day management and other leaders mentioned in article 96, §3, last paragraph of the Company Code of the company.

MANAGING DIRECTOR - ZENDICS

ZENDICS does not receive any compensation for his duty as mere Director.

ZENDICS's remuneration for the execution of his function consisting of both a fixed and a variable compensation is based on market references.

The variable part consists of

- a non-financial component (limited to 10% of the gross annual remuneration); and
- a financial result-related component (limited to 100 K€).

The objectives are set by the Board of Directors after recommendation of the Nomination & Remuneration committee. The objectives are set up annually and apply for the entire financial year and some possibly over multiple financial years. The choice of objective areas can change every year depending on economic circumstances, regulations, organisation, strategy and other factors.

The performance of ZENDICS - including the realisation of the criteria to obtain the variable remuneration - is assessed by the Nomination & Remuneration committee.

ZENDICS does not participate in a group and health insurance nor in any pension plan.

Other benefits are a monthly lump sum (€ 1.250/m) for the reimbursement of all renting costs and daily travel costs and furthermore, the reimbursement of all costs incurred for the execution of the function.

The contractual terms of hiring and termination arrangements of ZENDICS do not provide any specific compensation commitments, other than a term of notice of 12 months.

The company has no right to reclaim the variable remuneration when the variable remuneration was granted to ZENDICS based on incorrect financial data.

OTHER MEMBERS OF THE EXECUTIVE MANAGEMENT TEAM

The remuneration of the members of the Executive Management Team, consisting of both fixed and variable compensation, is based on a market study.

The variable part is linked to company, BU and personal objectives. The objectives comprise both financial and non-financial targets. The objectives are set up annually and apply for the entire financial year and some possible over multiple financial years. The choice of objective areas can change every year depending on economic circumstances, regulations, organisation, strategy and other factors.

The members of the Executive Management Team participate in a pension plan based on fixed contributions.

The members of the Executive Management Team participate – as do all employees of the company – in a group and health insurance. Other benefits are representation allowance, company car, internet connection, company phone in compliance with local market practices.

The contractual terms of hiring and termination arrangements of the members of the Executive Management Team provide in the standard notice periods as foreseen by the law, with possible deviation to max 12 months in case of early termination.

The company has no right to reclaim the variable remuneration in favour of the company when the variable remuneration was granted to the Executive Management Team based on incorrect financial data.

At remaining circumstances, this remuneration policy is also applicable for the next two financial years.

3. Overview remuneration 2018

NON-EXECUTIVE DIRECTORS

In 2018 the non-executive Directors received the following gross compensation for fulfilling their duties as Directors:

	F.-W. Hempel	FLG BELGIUM as of 22/5/18	BERNUS	DELOX	H.-R. Orgs	Christulf until 30/09/18	Total
Director's remuneration	13.750 €	8.021 €	13.750 €	27.500 €	13.750 €	10.313 €	**87.083 €**
Remuneration committees	0 €	1.250 €	1.250 €	1.250 €	5.000 €	3.750 €	**12.500 €**
Total	**13.750 €**	**9.271 €**	**15.000 €**	**28.750 €**	**18.750 €**	**14.063 €**	**99.583 €**

For the financial year closed on 31/12/2018, the non-executive will receive a tantième as follows:

	F.-W. Hempel	FLG BELGIUM as of 22/05/18	BERNUS	DELOX	H.-R. Orgs	Christulf until 30/09/18	Total
Tantièmes	10.000 €	10.000 €	10.000 €	20.000 €	10.000 €	0 €	**60.000 €**

In 2018, none of the non-executive Directors received any shares, share options or other rights to acquire shares of the company or Group, any benefits in kind nor benefits related to a pension plan.

MANAGING DIRECTOR AND OTHER MEMBERS OF THE EXECUTIVE MANAGEMENT TEAM

Total cost for the company	**ZENDICS**	**Other members of the Executive Management Team**	**Total**
Number of persons	1	4	5
Fixed remuneration	280.000 €	653.495 €	933.495 €
Variable remuneration	90.940 €	126.294 €	217.234 €
Subtotal	**370.940 €**	**779.789 €**	**1.150.729 €**
Pensions (basis: defined contributions) and invalidity pension	0 €	41.325 €	41.325 €
Other benefits	15.000 €	33.667 €	48.667 €
Total	**385.940 €**	**854.781 €**	**1.240.721 €**

The fixed and variable component include the total cost for the employer, all employer contributions included for members with employee status and the total invoiced remuneration fee for members utilising a management company.

The variable remuneration is the remuneration earned for the performance in 2018 but which will only be paid out in 2019.

During the financial year closed on 31 December 2018, the Managing Director nor the members of the Executive Management (Hilde Goovaerts, Jan Keuppens, David Wijmans, Hans Vercammen) received any shares, share options or other rights to acquire shares of the company or Group.

4. Dividend policy

Campine's dividend policy is to pay out yearly dividends to its shareholders. The level of the dividend depends on certain financial parameters such as net profit level, availability of cash, future cash needs, etc. The targeted level of dividends should be about one third of the net profit, distributed over all shares.

The Board of Directors requests the Annual Meeting of Shareholders to approve the annual report of the Board including the corporate governance statement and the remuneration report.

DELOX BVBA,
represented by its permanent representative
Mr Patrick De Groote

ZENDICS BVBA,
represented by its permanent representative
Mr Willem De Vos

Mr Friedrich-Wilhelm Hempel

Mr Hans-Rudolf Orgs

BERNUS BVBA,
represented by its permanent representative
Mrs An Nuyttens

FLG BELGIUM SPRL, represented by its permanent representative Mrs Dina Brughmans

Consolidated financial statements 2018

1. Consolidated income statement for the year ended 31 December 2018

'000 €	Notes	**31/12/2018**	31/12/2017
Revenue	4	**210.262**	216.501
Other operating income	5	**3.115**	3.289
Raw materials and consumables used		**-176.024**	-179.535
Employee benefits expense	27	**-13.614**	-13.403
Depreciation and amortisation expense	9 / 10	**-2.756**	-2.689
Changes in restoration provision	21	**-**	-520
Other operating expenses	5	**-12.857**	-11.021
Operating result (EBIT)		**8.126**	12.622
Hedging results	14	**504**	-1.057
• *Closed Hedges*		**705**	*-642*
• *Change in open position*		**-201**	*-415*
Finance costs	6	**-475**	-678
Net financial result		**29**	-1.735
Result before tax (EBT)		**8.155**	10.887
Income tax expense	7	**-2.325**	-3.879
Result for the year (EAT)		**5.830**	7.008
Attributable to:			
Non-controlling interest		**-**	-
Equity holders of the parent		**5.830**	7.008
RESULT PER SHARE (in €)	8		
Number of shares		**1.500.000**	1.500.000
Result for the year (basic & diluted)		**3,89**	4,67

CONDENSED CONSOLIDATED OVERVIEW OF THE TOTAL RESULT

'000 €	Notes	**31/12/2018**	31/12/2017
Result for the year		**5.830**	7.008
Other comprehensive income:			
Comprehensive income to be reclassified to the profit or loss statement in the future		**-**	-
Comprehensive income not to be reclassified to the profit or loss statement in the future (actuarial results of retirement benefit obligations)	28	**12**	-113
Total result for the year		**5.842**	6.895
Attributable to:			
Non-controlling interest		**-**	-
Equity holders of the parent		**5.842**	6.895

2. Consolidated balance sheet on 31 December 2018

'000 €	Notes	31/12/2018	31/12/2017
ASSETS			
Non-current assets			
Property, plant and equipment	9	**10.495**	7.386
Intangible assets	10	**223**	259
Deferred tax assets	17	**83**	153
Cash restricted in its use		**275**	275
		11.076	8.073
Current assets			
Inventories	12	**27.740**	28.226
Trade and other receivables	13	**22.633**	35.513
Derivatives	14	**-**	213
Cash and cash equivalents		**121**	148
		50.494	64.100
TOTAL ASSETS		**61.570**	72.173
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	15	**4.000**	4.000
Retained earnings		**25.529**	20.582
• *Legal reserves*		***965***	*965*
• *Other reserves and retained results*		***24.564***	*19.617*
Equity attributable to equity holders of the parent		**29.529**	24.582
Total equity		**29.529**	24.582
Non-current liabilities			
Retirement benefit obligation	28	**1.205**	1.299
Deferred tax liabilities	17	**-**	18
Provisions	21	**1.090**	1.090
		2.295	2.407
Current liabilities			
Retirement benefit obligation	28	**104**	83
Trade and other payables	18	**16.356**	20.538
Derivatives	14	**59**	71
Current tax liabilities		**4.020**	5.523
Bank overdrafts and loans	16	**2.035**	5.503
Advances on factoring	16	**7.172**	13.466
		29.746	45.184
Total liabilities		**32.041**	47.591
TOTAL EQUITY AND LIABILITIES		**61.570**	72.173

3. Consolidated statement of changes in equity for the year ended 31 December 2018

'000 €	Share capital	Retained earnings	Attributable to equity holders of the parent	Total
Balance on 31 December 2016	4.000	15.187	19.187	19.187
Total result of the year	-	6.895	6.895	6.895
Dividends and tantièmes	-	-1.500	-1.500	-1.500
Balance on 31 December 2017	4.000	20.582	24.582	24.582
Total result of the year	-	5.842	5.842	5.842
Dividends and tantièmes (note 8)	-	-895	-895	-895
Balance on 31 December 2018	**4.000**	**25.529**	**29.529**	**29.529**

The retained earnings per 31 December 2018 amounting to 25.529 K€ include 28 K€ for reserves for obligations regarding employee benefits expense.

4. Consolidated cash-flow statement for the year ended 31 December 2018

'000 €	Notes	31/12/2018	31/12/2017
OPERATING ACTIVITIES			
Result for the year		**5.830**	7.008
Adjustments for:			
Other gains and losses (investment grants)		**-**	-
Other gains and losses (hedging results)	14	**-504**	1.057
Finance costs	6	**475**	678
(Deferred) tax expenses of the total result	7	**2.325**	3.879
Depreciation of property, plant and equipment	9/10	**2.756**	2.689
Change in provisions (incl. retirement benefit)		**-61**	351
Change in inventory value reduction	12	**-121**	29
Change in trade receivables value reduction	13	**38**	50
Others		**5**	1
Operating cash flows before movements in working capital		**10.743**	15.742
Change in inventories	12	**607**	2.050
Change in receivables	13	**12.842**	-6.916
Change in trade and other payables	18	**-4.182**	-4.466
Cash generated from operations		**20.010**	6.410
Hedging results		**705**	-642
Interest paid	6	**-475**	-678
Income taxes paid		**-3.781**	-
Net cash (used in) / from operating activities		**16.459**	5.090
INVESTING ACTIVITIES			
Purchases of property, plant and equipment	9	**-5.708**	-3.230
Purchases of intangible assets	10	**-121**	-
Net cash (used in) / from investing activities		**-5.829**	-3.230
FINANCING ACTIVITIES			
Dividends paid and tantièmes paid	8	**-895**	-1.500
Change in bank overdrafts	16	**-3.468**	12
Change in advances on factoring	16	**-6.294**	-468
Net cash (used in) / from financing activities		**-10.657**	-1.956
Net change in cash and cash equivalents		**-27**	-96
Cash and cash equivalents at the beginning of the year		**148**	244
Cash and cash equivalents at the end of the year		**121**	148

5. Notes to the consolidated financial statement for the year ended 31 December 2018

5.1. GENERAL INFORMATION

Campine nv (the company) is a limited liability company incorporated in Belgium. The addresses of its registered office and principal place of business are disclosed in the Corporate Data. The principal activities of the company and its subsidiaries (the Group) are described in this annual report.

5.2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU.

The Group has adopted all new and revised standards and interpretations relevant for its activities and which became applicable for the financial year starting 1 January 2018.

Became applicable for 2018, but don't have a material impact on the presentation, notes or the financial statements of the Group.

- Amendments to IAS 40 Transfers of Investment Property
- Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions
- Amendments to IFRS 4 Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts
- Annual improvements to IFRS Standards 2014-2016 Cycle: Amendments to IFRS 1, IFRS 12 and IAS 28
- IFRIC 22 Foreign Currency Transactions and Advance Consideration
- IFRS 9 Financial Instruments and subsequent amendments (see note 5.2.6 and 5.20)
- IFRS 15 Revenue from Contracts with Customers (see note 5.2.3)

Issued but not yet effective for 2019

- Amendments to IAS 19 Plan Amendment, Curtailment or Settlement (applicable for annual periods beginning on or after 1 January 2019, but not yet endorsed in the EU)
- Amendments to IAS 28 Long term interests in Associates and Joint Ventures (applicable for annual periods beginning on or after 1 January 2019)
- Amendments to IFRS 9 Prepayment Features with Negative Compensation (applicable for annual periods beginning on or after 1 January 2019)
- Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (the effective date has been deferred indefinitely, and therefore the endorsement in the EU has been postponed)
- Amendments to references to the Conceptual Framework in IFRS standards (applicable for annual periods beginning on or after 1 January 2020, but not yet endorsed in the EU)
- Annual improvements to IFRS Standards 2015-2017 Cycle (applicable for annual periods beginning on or after 1 January 2019, but not yet endorsed in the EU)
- IFRIC 23 Uncertainty over fiscal treatments of profits (applicable for annual periods beginning on or after 1 January 2019)
- IFRS 14 Regulatory Deferral Accounts (applicable for annual periods beginning on or after 1 January 2016, but not yet endorsed in the EU)
- IFRS 16 Leases (applicable for annual periods beginning on or after 1 January 2019)
- IFRS 17 Insurance Contracts (applicable for annual periods beginning on or after 1 January 2021, but not yet endorsed in the EU)

IFRS 16 sets out the principles for the recognition, measurement, presentation, and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model, similar to the accounting for finance leases under IAS 17. At the commencement date of a lease, lessees will recognize a lease liability (i.e. a liability to make lease payments), and a right-of-use asset (i.e. an asset representing the right to use the underlying asset over the lease term). The right-of-use asset will be depreciated over the term of the lease, unless the lease transfers ownership of the underlying asset to Campine at the end of the lease. In latter case, it will be depreciated over the useful life of the underlying asset. Interest expense will be recognized on the lease liability. The lease liability will be remeasured upon the occurrence of certain events (e.g. a change in the lease term or a change in future lease payments resulting from a change in index). Such remeasurements of the lease liability will generally be recognized as an adjustment to the right-of-use asset. Lessor accounting under IFRS 16 Leases is substantially unchanged from previous accounting under IAS 17 Leases. Finally, disclosure requirements under IFRS 16 Leases are more extensive when compared with IAS 17 Leases. (see note 5.25)

At this stage, the Group does not expect first adoption of the amendments listed above to standards and new interpretations to have a material impact on the financial statements except for IFRS 16.

5.2.1. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and entities controlled by the company (its subsidiaries). An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition and up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

5.2.2. Business combinations

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale, which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant IFRS. Changes in the fair value of contingent consideration classified as equity are not recognised.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

5.2.3. Revenue from Contracts with Customers

IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers:

- Identify the contract
- Identify the performance obligations
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when or as the Group satisfies a performance obligation

Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Nature of sales transactions: The Group is active in the metal business and thus contracts with customers generally concern the sale of these metal products, which qualify as separate performance obligations. Ancillary services, such as transport, are not material. As a result, revenue recognition generally occurs at a point in time, when control of the products is transferred to the customer, generally on delivery of the goods and considering the underlying incoterm.

The Group is not involved in transactions and/or contracts including volume rebates, trade discounts, (ancillary) services, customer assistance services or bundled sales contracts of a material nature.

Campine works with direct sales people for most of its sales in Europe and with distributors and agents in the rest of the world.

5.2.4. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Finance charges are charged to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see further). Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

5.2.5. Foreign currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in EUR, which is the functional currency of the company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency remain at historical rate.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period (within other operating income/expenses).

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in EUR using exchange rates prevailing on the balance sheet date. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

5.2.6. Financial instruments

In July 2014, the IASB finalized the reform of financial instruments accounting and issued IFRS 9 (as revised in 2014), which contains the requirements for a) the classification and measurement of financial assets and financial liabilities, b) impairment methodology, and c) general hedge accounting. IFRS 9 (as revised in 2014) will supersede IAS 39 Financial Instruments: Recognition and Measurement upon its effective date.

The Group elected not to restate the comparative amounts of 2017 for the impact of IFRS 9 as there will not be any material impact for Campine.

Classification and measurement of financial assets

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

The date of initial application (i. e. the date on which the Group has assessed its existing financial assets and financial liabilities in terms of the requirements of IFRS 9) is 1 January 2018. Accordingly, the Group applies the requirements of IFRS 9 to instruments that have not been derecognised as at

1 January 2018 and does not apply the requirements of IFRS 9 to instruments that have already been derecognised as at 1 January 2018.

The management of the Group reviewed and assessed the Group's existing financial assets and liabilities as at 1 January 2018 based on the facts and circumstances that existed at that date and concluded that at initial application of IFRS 9 the financial assets classified in the category "Loans and receivables" such as trade receivables, cash and cash equivalents, under IAS 39 are classified and measured at amortised cost under IFRS 9.

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principle and interest on the principal amount outstanding.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Classification and measurement of financial liabilities of the Group has not been modified by the requirements of IFRS 9.

All financial liabilities of the Group are subsequently measured at amortised cost using the effective interest rate method.

Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets.

Specifically, IFRS 9 requires the Group to recognize a loss allowance for expected credit losses on trade receivables and cash and cash equivalents.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

IFRS 9 provides a simplified approach for measuring the loss allowance at an amount equal to lifetime expected credit losses for trade receivables without a significant financing component (short-term trade receivables). The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

All bank balances are assessed for expected credit losses at each reporting date as well.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- When there is a breach of financial covenants by the counterparty; or
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets
A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the issuer or the borrower;
- A breach of contract, such as a default or past due event;
- The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concessions(s) that the lender(s) would not otherwise consider;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy
The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Derivative financial instruments
The Group enters into a variety of derivative financial instruments to manage its exposure to commodity price risk.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

5.2.7. Borrowing costs
Borrowing costs are recognised in profit or loss in the period in which they are incurred, unless they are directly attributable to qualifying assets, in which case they are capitalised.

5.2.8. Government grants
Government grants are recognised in profit or loss (in other operating income) over the periods necessary to match them with the related costs.

Government grants related to later periods are presented in the financial statements as deferred income.

5.2.9. Retirement benefit costs and termination benefits
For defined benefit retirement benefit plans, the cost of providing benefits - as well as the defined contribution plans - is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements)
- Net interest expense or income
- Remeasurement

The Group presents the first 2 components of benefit costs in profit and loss in the line item employee benefits expense. Curtailment gains and losses are accounted for as past service costs. The 3rd component is recognised directly to equity.

The retirement benefit obligation recognised in the consolidated statement of financial position represents the actual deficit or surplus in the Group's benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

5.2.10. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

5.2.11. Property, plant and equipment

Property, plant & equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Properties in the course of construction for production, rental or administrative purposes, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets commences when the assets are ready for their intended use.

Depreciation is charged so as to write off the cost or valuation of assets, other than land and properties under construction, over their estimated useful lives, using the straight-line method.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

5.2.12. Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from the Group's development is recognised only if all of the following conditions are met:

- an asset is created that can be identified (such as software and new processes);
- it is probable that the asset created will generate future economic benefits and;
- the development cost of the asset can be measured reliably.

Internally-generated intangible assets are amortised on a straight-line basis over their estimated useful lives. Where no internally-generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

5.2.13. Patents, trademarks and software purchased

Patents, trademarks and software purchased are measured initially at purchase cost and are amortised on a straight-line basis over their estimated useful lives.

5.2.14. Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

5.2.15. Inventories

Cost of the raw materials includes both the purchasing price (using the principle of First in First out ("FIFO")) and the direct purchasing costs, like import duties, transportation and completion costs. Cost of work in progress and finished products comprises all direct and indirect costs necessary that have been incurred in bringing the inventories to their present location condition on balance sheet date. Direct costs include, among others, the cost of the used raw materials and the direct labour costs. Indirect costs include a systematical impute of fixed and variable indirect production costs proceeded from the conversion of raw materials in end products. The impute of fixed indirect production costs is based on the normal capacity of the production facilities.

For the determination of the cost, the standard cost price method is used. The standard cost price takes into account the normal use of raw and auxiliary materials, labour, efficiency and capacity. The standard cost price is frequently being evaluated and, if necessary, revised in consideration with the present conditions. The standard cost price of the raw and auxiliary materials, as also the appreciation of it in work in progress and in raw materials, will be revised every month on the basis of the new determined FIFO value of these raw and auxiliary materials.

The inventories are valued at the lower of cost, determined as described above, or net realisable value. The net realisable value represents the estimated selling price in normal circumstances less estimated cost of completion and costs to be incurred to realise sales (marketing, selling and distribution). The estimated selling price is affected by the LME quotation (London Metal Exchange) for lead and the MB (Metal Bulletin) quotation for antimony.

Value reductions are made for the old and slow moving inventories.

5.2.16. Trade receivables

Trade receivables are measured at initial recognition at fair value. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. Based on a regular age analysis of the assets, it is determined case per case if a liability for doubtful debtors is needed.

Factoring: The Group entered into a factoring agreement with a credit institution, whereby the credit institution pays advances to the Group on trade receivables. As the credit risk of these receivables remains with the Group, not all risks and rewards of the transferred receivables are transferred. As a consequence, the receivables remain on the balance sheet of the Group and the advances received are recorded under the short term advances and loans received.

5.2.17. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits. Cash and cash equivalents are included at fair value.

5.2.18. Bank borrowings

Interest-bearing bank loans and overdrafts are measured at fair value. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (see above).

5.2.19. Trade payables

Trade payables are measured at fair value.

5.2.20. Provisions

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

5.3. JUDGEMENT AND USE OF ESTIMATES

The preparation of financial statements requires the use of estimates and assumptions to determine the value of assets and liabilities, to assess the positive and negative consequences of unforeseen situations and events at the balance sheet date, and to form a judgment as to the revenues and expenses of the fiscal year.

Significant estimates made by the Group in preparation of the financial statements relate mainly to:

- Valuation of the recoverable amount of stocks (see note 5.12.).
  The inventories are valued at cost, determined as described above, or at net realisable value, if the latter is lower.
- Valuation of sanitation provisions (see note 5.21.).
  The Group has set up a provision for soil sanitation.
- Provisions for doubtful debtors (see note 5.13.1.).
  Based on a regular age analysis of the assets, it is determined case per case if a provision for doubtful debtors is needed.
- Pension and related liabilities (see note 5.28.).
  The estimated liability arising from defined contribution retirement benefit plans of the Group,

is based on actuarial assumptions. The pre-tax discount rate and estimated salary expectations are actuarial assumptions which can significantly affect the liability.

- Deferred tax assets (see note 5.7.).
  Deferred tax assets are recognised for the carry-forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. In making its judgement, the Board takes into account long-term business strategy. A major uncertainty in the determination of the future taxable result concerns the volatility and unpredictability of raw material prices.
- Others; litigation and lawsuits.
  The Group is, and can in the future become, involved in legal disputes. Until now, Campine is – as plaintive or defendant – involved in some legal proceedings which can have no important global impact on Campine – as to the information upon which the Group disposes on the date of this report: the probability of resulting assets or liabilities is particularly low and / or it concerns relatively insignificant amounts. Regarding the European Commission fine: The Group went into appeal against the EC fine (€ 8,15 mio) issued in 2017 and accounted for in the 2016 results. Currently there is no reasonable estimate with respect to the outcome of this legal proceeding. An oral hearing took place in Q4 2018 and a legal conclusion can be reasonably expected in the second half of 2019.

Due to the uncertainties inherent in all valuation processes, the Group revises its estimates on the basis of regularly updated information. Future results may differ from these estimates. As well as the use of estimates, Group management also uses judgment in defining the accounting treatment for certain operations and transactions not addressed under the IFRS standards and interpretations currently in force.

5.4. OPERATIONAL SEGMENTS

5.4.1. Geographical segments

The Group's manufacturing operations are located in Belgium.
The following table provides an analysis of the Group's sales by geographical market.

	31/12/2018		31/12/2017	
	'000 €	**%**	'000 €	%
Belgium	**7.539**	**3,6%**	8.689	4,0%
Germany	**71.437**	**34,0%**	80.804	37,3%
Switzerland	**40.769**	**19,4%**	36.879	17,0%
Italy	**21.014**	**10,0%**	24.151	11,2%
France	**10.782**	**5,1%**	8.918	4,1%
Romania	**9.452**	**4,5%**	10.130	4,7%
The Netherlands	**8.285**	**3,9%**	8.057	3,7%
United Kingdom	**3.139**	**1,5%**	3.393	1,6%
Other European countries	**10.916**	**5,2%**	12.050	5,6%
North America	**17.072**	**8,1%**	17.090	7,9%
Asia	**4.788**	**2,3%**	3.158	1,5%
Others	**5.069**	**2,4%**	3.182	1,5%
	210.262	**100%**	216.501	100%

There is one customer in BU Lead who represents more than 10% of the Group's turnover (17,8%).

99% of the turnover of Metals Recycling was realised in Europe whereas 70% of the turnover of Specialty Chemicals was achieved in Europe.

5.4.2. Business segments

Campine has realigned its business units (see this annual report page 16).

The segment information has been adjusted conformingly. To ensure comparability with last year, the figures over 2017 are presented in the same way.

Specialty Chemicals	BU Antimony			BU Plastics			Total		
	31/12/18	31/12/17	Δ	**31/12/'18**	30/06/17	Δ	**31/12/'18**	31/12/17	Δ
Turnover in € '000	**62.924**	60.672	3,7%	**26.835**	28.130	-4,6%	**89.759**	88.802	1,1%

The turnover of Specialty Chemicals division represents a volume of 15.617 ton (31/12/2017: 14.949 ton) (+4,5%).

Metals Recycling	BU Metals Recovery			BU Lead			Total		
	31/12/18	31/12/17	Δ	**31/12/18**	31/12/17	Δ	**31/12/18**	31/12/17	Δ
Turnover in € '000	**8.469**	7.699	10,0%	**123.706**	130.521	-5,2%	**132.175**	138.220	-4,4%

The turnover of the Metals Recycling division represents a volume of 62.713 ton (31/12/2017: 61.294 ton) (+2,3%).

'000 €	Specialty Chemicals 31/12/2018	Metals Recycling 31/12/2018	Eliminations / Unallocated 31/12/2018	Total 31/12/2018
REVENUE				
External sales	89.759	120.503	-	210.262
Cross-business unit sales in the same segment	-	11.672	-11.672	-
Total revenue	**89.759**	**132.175**	**-11.672**	**210.262**
RESULT				
Segment operating result	3.217	4.909	-	8.126
Unallocated expenses				-
Operating result (EBIT)				8.126
Investment revenues				-
Hedging results	-	504	-	504
Other gains and losses				-
Finance costs			-475	-475
Result before tax				8.155
Income tax expense			-2.325	-2.325
Result for the period				**5.830**

'000 €	Specialty Chemicals 31/12/2018	Metals Recycling 31/12/2018	Unallocated 31/12/2018	Total 31/12/2018
OTHER INFORMATION				
Capital additions	1.176	4.311	342	5.829
Depreciation and amortisation	-745	-1.580	-431	-2.756
BALANCE SHEET				
Assets				
Fixed assets	2.785	6.392	1.541	10.718
Deferred tax	-	-	83	83
Cash restricted in its use	-	275	-	275
Stocks	13.940	12.230	1.570	27.740
Trade and other receivables	10.223	11.961	449	22.633
Derivatives	-	-	-	-
Cash and cash equivalent			121	121
Total assets	**26.948**	**30.858**	**3.764**	**61.570**
Long term liabilities				
Retirement benefit obligation	-	-	1.205	1.205
Deferred tax liabilities	-	-	-	-
Provisions	-	1.090	-	1.090
Short term liabilities				
Retirement benefit obligation	-	-	104	104
Trade and other payables	3.433	8.662	4.261	16.356
Derivatives	-	59	-	59
Current tax liabilities	-	-	4.020	4.020
Bank overdrafts and loans	-	-	9.207	9.207
Provisions	-	-	-	-
Total liabilities	**3.433**	**9.811**	**18.797**	**32.041**

'000 €	Specialty Chemicals 31/12/2017	Metals Recycling 31/12/2017	Eliminations / Unallocated 31/12/2017	Total 31/12/2017
REVENUE				
External sales	88.802	127.699	-	216.501
Cross-business unit sales in the same segment	-	10.521	-10.521	-
Total revenue	**88.802**	**138.220**	**-10.521**	**216.501**
RESULT				
Segment operating result	848	11.774	-	12.622
Unallocated expenses				-
Operating result (EBIT)				12.622
Investment revenues				-
Hedging results	-	-1.057	-	-1.057
Other gains and losses				-
Finance costs			-678	-678
Result before tax				10.887
Income tax expense			-3.879	-3.879
Result for the period				**7.008**

'000 €	Specialty Chemicals 31/12/2017	Metals Recycling 31/12/2017	Unallocated 31/12/2017	Total 31/12/2017
OTHER INFORMATION				
Capital additions	1.341	1.332	557	3.230
Depreciation and amortisation	-769	-1.493	-427	-2.689
BALANCE SHEET				
Assets				
Fixed assets	2.354	3.661	1.630	7.645
Deferred tax	-	-	153	153
Cash restricted in its use	-	275	-	275
Stocks	11.318	15.571	1.337	28.226
Trade and other receivables	14.832	19.980	701	35.513
Derivatives	-	213	-	213
Cash and cash equivalent	-	-	148	148
Total assets	**28.504**	**39.700**	**3.969**	**72.173**
Long term liabilities				
Retirement benefit obligation	-	-	1.299	1.299
Deferred tax liabilities	-	-	18	18
Provisions	-	1.090	-	1.090
Short term liabilities				
Retirement benefit obligation	-	-	83	83
Trade and other payables	2.379	14.247	3.912	20.538
Derivatives	-	71	-	71
Current tax liabilities	-	-	5.523	5.523
Bank overdrafts and loans	-	-	18.969	18.969
Provisions	-	-	-	-
Total liabilities	**2.379**	**15.408**	**29.804**	**47.591**

5.5. OTHER OPERATING EXPENSE AND INCOME

'000 €	31/12/2018	31/12/2017
OTHER OPERATING EXPENSE		
Office expenses & IT	**649**	672
Fees	**779**	1.246
Insurances	**523**	444
Interim personnel	**1.408**	1.227
Expenses related to personnel	**252**	357
Carry-off of waste	**2.632**	1.662
Travel expenses	**273**	237
Transportation costs	**2.817**	2.774
Other purchase and sales expenses	**615**	618
Expenses on operational hedges	**1.236**	450
Trade receivables value reduction	**38**	50
Research & Development	**376**	235
Renting	**181**	169
Subscriptions	**351**	324
Other taxes (unrelated to the result)	**168**	-3
Financial costs (other than interest)	**209**	256
Others	**350**	303
	12.857	11.021

The “carry-off of waste” cost is reduced by the recovery of waste streams and often only a toll conversion fee is charged. Some of these waste streams are now also sold externally. Consequently the carry-off cost increases while on the other hand these external sales generate additional income.

'000 €	31/12/2018	31/12/2017
OTHER OPERATING INCOME		
Operating hedge results	**312**	696
Finance income (other than interest)	**6**	28
Recuperation of waste materials	**2.170**	2.278
Claims	**91**	-
Subsidies	**430**	235
Others	**106**	52
	3.115	3.289

5.6. FINANCE COSTS

'000 €	31/12/2018	31/12/2017
Interest on bank overdrafts, loans and factoring	475	678
Total borrowing costs	475	678

5.7. INCOME TAX EXPENSE

Domestic income tax is calculated at 29,58% (2017: 33,99%) of the estimated assessable result for the year.

'000 €	31/12/2018	31/12/2017
Current tax	2.278	4.009
Deferred tax	47	-130
Income tax expense for the year	2.325	3.879

On 31/12/2018 deferred tax assets amount to 83 K€ (153 K€ on 31/12/2017) and the deferred tax liabilities amount to 0 K€ (18 K€ on 31/12/2017).

'000 €	31/12/2018	31/12/2017
Result before tax	8.155	10.887
Tax at the domestic income tax rate of 29,58% (2017: 33,99%)	2.412	3.700
Tax effect of expenses that are not deductible in determining taxable result	36	132
Tax effect of Notional Interest Deduction (NID)	-1	-16
Tax settlement previous years	-52	-16
Tax effect of utilisation of tax losses previously not recognised and timing differences	-44	27
Tax penalty (unsufficient prepayments)	-	65
Effect of different tax rates of subsidiaries operating in other jurisdictions	-26	-13
Tax expense and effective tax rate for the year	2.325	3.879

5.8. DIVIDENDS AND TANTIÈMES

The board proposes to pay a dividend amounting to € 1,875 mio based on the 2018 results. A total dividend of € 2,325 mio was paid on the basis of the 2017 result and consists of € 1,5 mio in November 2017 as interim dividend and the remainder of € 0,825 mio in June 2018.

The Board proposes that the company pays a tantième to the non-executive Directors for the financial year closed on 31 December 2018 as follows:

	F.-W. Hempel	**FLG BELGIUM** as of 22/05/18	**BERNUS**	**DELOX**	**H.-R. Orgs**	**Christulf** until 30/09/18	**Total**
Tantièmes	10.000 €	10.000 €	10.000 €	20.000 €	10.000 €	0 €	**60.000 €**

For the financial year closed on 31/12/2017 a total tantième of 70 K€ was paid.

5.8.1. Result per share

As no potential shares – which could lead to dilution – were issued and no activities were ceased, the diluted result per share equals the basic result per share.

The calculation of the basic and diluted result per share attributable to the ordinary equity holders of the parent is based on the following data:

'000 €	**31/12/2018**	31/12/2017
RESULT		
Result for purposes of basic and diluted results per share (result for the year attributable to equity holders of the parent)	**5.830**	7.008
NUMBER OF SHARES		
Weighted average number of ordinary shares for the purposes of basic and diluted results per share	**1.500.000**	1.500.000

5.9. PROPERTY, PLANT AND EQUIPMENT

'000 €	Land and buildings	Properties under construction	Fixtures and equipment	Total
COST OR VALUATION				
On 31 December 2016	13.373	271	56.912	70.556
Additions	266	119	2.845	3.230
Transfers	-	-271	271	-
Disposals	-	-	-	-
On 31 December 2017	13.639	119	60.028	73.786
Additions	-	-	5.708	5.708
Transfers	-	-119	119	-
Disposals	-	-	-615	-615
On 31 December 2018	**13.639**	**0**	**65.240**	**78.879**
ACCUMULATED DEPRECIATION				
On 31 December 2016	12.225	-	51.699	63.924
Deprecation charge for the year	255	-	2.221	2.476
Eliminated on disposals	-	-	-	-
On 31 December 2017	12.480	-	53.920	66.400
Deprecation charge for the year	173	-	2.426	2.599
Eliminated on disposals	-	-	-615	-615
On 31 December 2018	**12.653**	**-**	**55.731**	**68.384**
CARRYING AMOUNT				
On 31 December 2018	**986**	**0**	**9.509**	**10.495**
On 31 December 2017	1.159	119	6.108	7.386

We always depreciate until residual value 0. The following depreciation rates are used for property, plant and equipment:

Industrial, administrative, commercial buildings	5%
Furniture	20%
Vehicles	25%
Installations, machinery and equipment	min 5% – max 33% depending on the life time

There are no assets based on finance leases. The Group has not pledged land and buildings to secure banking facilities granted to the Group.

5.10. INTANGIBLE ASSETS

'000 €	Patents, trademarks and software purchased
COST	
On 31 December 2016	1.722
Additions	-
On 31 December 2017	1.722
Additions	120
On 31 December 2018	**1.842**
ACCUMULATED DEPRECIATION AND AMORTISATION	
On 31 December 2016	1.250
Charge for the year	213
On 31 December 2017	1.463
Charge for the year	156
On 31 December 2018	**1.619**
CARRYING AMOUNT	
On 31 December 2018	**223**
On 31 December 2017	259

The intangible assets included in the table have finite useful lives. Intangible assets are, depending on the category, depreciated over 3 to 8 years.

5.11. SUBSIDIARIES

Details of the Group's subsidiaries on 31/12/2018 are as follows:

Name of subsidiary	Place of incorporation (or registration) and operation	Proportion of ownership interest	Proportion of voting power held	Principal activity
Campine Recycling nv VAT: BE0474.955.451	Belgium	99,99%	100%	Lead recycling

There are no restrictions on the access to and use of the assets of the subsidiaries nor on the proceedings to settle commitments of the Group.

5.12. INVENTORIES

'000 €	**31/12/2018**	31/12/2017
Raw materials	**7.690**	8.539
Work-in-progress	**7.165**	6.702
Finished goods	**12.885**	12.985
	27.740	28.226

The inventory per year-end includes an amount written-off of 366 K€ (2017: 487 K€) because of the lower of cost and net realisable value.

The inventory value is related to the cost of completion of the products which is linked to the LME quotation (London Metal Exchange) for lead and the MB (Metal Bulletin) quotation for antimony.

5.13. FINANCIAL ASSETS

5.13.1. Trade and other receivables

'000 €	**31/12/2018**	31/12/2017
Amounts receivable from the sale of goods	**21.763**	34.484
Other receivables	**870**	1.029
	22.633	35.513

An allowance has been recorded for estimated irrecoverable amounts from the sale of goods of € 1.011 K€ (2017: 973 K€). This allowance has been determined on a case-by-case basis. Balances are written-off when sufficiently certain that the receivable is definitely lost. The Board of Directors confirms that the carrying amount of trade and other receivables approximates their fair value as those balances are short-term.

The total amount from sales of goods of 21.763 K€ includes 21.076 K€ subject to commercial factoring by a credit institute. Based on these receivables the credit institute deposits advances on the account of Campine (7.172 K€ on 31/12/2018, see note 16. Bank borrowings) and afterwards collects the receivables itself. The credit risk stays at Campine and is covered by a credit insurance.

There are no significant overdue amounts, older than 30 days, which are not provided for and / or are not fully covered by a credit insurance.

Management has evaluated the expected loss provision on trade receivables but concluded that there was no need for a (material) additional provision on top of the specific bad debt provisions already recorded.

5.13.2. Bank balances and cash

Bank balances and cash comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates their fair value.

5.13.3. Credit risk

The Group’s principal financial assets are bank balances and cash, trade and other receivables.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Group’s credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are after allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

Concentrations of credit risk with respect to trade receivables are limited due to the Group’s customer base being large and unrelated. Due to this, the Board of Directors believes that there is no further credit risk provision required in excess of the allowance for bad and doubtful debts.

Roll-forward of the allowances for doubtful debtors:

'000 €	**31/12/2018**	31/12/2017
Opening allowance doubtful debtors	**973**	923
Additions	**38**	50
Reversals	**0**	0
Closing allowance doubtful debtors	**1.011**	973

Included in the Group's trade receivable balance are debtors with a carrying amount of 2.016 K€ (2017: 3.161 K€) which are past due at the reporting date but for which the Group has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group has taken out a credit insurance for these amounts. The average age of these receivables is 19 days past due (2017: 34 days).

5.14. OTHER FINANCIAL ASSETS AND LIABILITIES

5.14.1. Derivatives

For a detailed description we refer to accounting policy 5.2.6 Financial instruments mentioned in this report.

The table below summarises the net change in fair value – realised and unrealised – of the positions on the LME lead / tin futures market where it sells forward lead and tin via future contracts.

'000 €	Fair value of current instruments	Underlying lead volumes (in ton)	Change in fair value in income statement
On 31 December 2017	142	1.935	-1.057
On 31 December 2018	**-59**	**1.675**	**504**

The fair value of the derivatives are included in the balance sheet as current liabilities – derivatives for 59 K€.

The classification of the fair value of the hedge instruments is level 1 (unadjusted quoted prices in an active market for identical assets or liabilities) in the "fair value hierarchy" of IFRS 13.

5.15 SHARE CAPITAL

'000 €	**31/12/2018**	31/12/2017
Authorised		
1.500.000 ordinary shares of par value € 2,67 each	**4.000**	4.000
Issued and fully paid	**4.000**	4.000

The company has one class of ordinary shares which carry no right to fixed income.

5.16. BANK BORROWINGS (FINANCE LEASE OBLIGATIONS NOT INCLUDED)

'000 €	**31/12/2018**	31/12/2017
Bank loans	**-**	-
Bank overdrafts	**2.035**	5.503
Advances on factoring	**7.172**	13.466
	9.207	18.969
Repayable borrowings		
Bank overdrafts	**2.035**	5.503
Advances on factoring	**7.172**	13.466
	9.207	18.969
Average interest rates paid		
Bank overdrafts	**3,19%**	2,72%
Advances on factoring	**1,62%**	1,98%

The Group has concluded commercial finance agreements on 1 April 2014 to protect liquidity against possible price fluctuations.

Bank loans are arranged at fixed interest rates. Other borrowings (bank overdrafts and advances on factoring: 9.207 K€ on 31 December 2018 (on 31/12/2017: 18.969 K€)) are arranged at floating rates, thus exposing the Group to an interest rate risk (see note 5.29.1.). On 31 December 2018, the Group had available 16.137 K€ (31/12/2017: 15.304 K€) of undrawn committed borrowing facilities.

In de credit agreements with our banks a number of covenants are agreed upon based on equity, solvency and stock rotation. On 31 December 2018 Campine complied with all covenants:

- The equity (corrected for intangible fixed assets and deferred taxes) amounted to 29.223 K€ on 31 December 2018 compared to the required minimum of 20.000 K€.
- The solvency ratio on 31/12/2018 (47,7%) is in compliance with the required ratio of 30%.
- Campine was in compliance with its stock rotation on 31/12/2018.

Roll forward financial liabilities and reconciliation with cash flow:

'000 €	**31/12/2018**	Financing cash-flow	31/12/2017
Bank overdrafts	**2.035**	-3.468	5.503
Advances on factoring	**7.172**	-6.294	13.466
	9.207	-9.762	18.969

5.17. DEFERRED TAX

The following are the major deferred tax liabilities and assets recognised by the Group, and the movements thereon, during the current and prior reporting periods.

'000 €	Timing differences on fixed assets	Positive fair value derivatives	Retirement benefit obligations	Fiscal losses	Others	Total
On 31 December 2016	7	216	-285	-	33	-29
Charge/(credit) to result for the year	-1	-174	33	-	11	-131
Charge/(credit) to other comprehensive income	-	-	25	-	-	25
On 31 December 2017	6	42	-227	-	44	-135
Charge/(credit) to result for the year	-1	-42	135	-	-44	48
Charge/(credit) to other comprehensive income	-	-	4	-	-	4
On 31 December 2018	**5**	**0**	**-88**	**-**	**0**	**-83**

The balance of -83 K€ consists out of a deferred tax asset ad 83 K€. There are no deferred tax liabilities. Certain deferred tax assets and liabilities have been offset in accordance with the Group's accounting policy.

5.18. TRADE AND OTHER PAYABLES

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The Board of Directors consider that the carrying amount of trade payables approximates their fair value as those balances are short-term.

There are no trade payables older than 60 days (with the exception of disputes), hence an age analysis is irrelevant.

'000 €	**31/12/2018**	31/12/2017
Trade creditors and accruals	**13.207**	17.726
Other payables and accruals	**3.149**	2.812
	16.356	20.538

5.19. LIQUIDITY RISK

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

	31/12/2018			31/12/2017		
'000 €	**< 1 year**	**1-5 years**	**> 5 years**	< 1 year	1-5 years	> 5 years
Trade and other liabilities	**16.356**	**-**	**-**	20.538	-	-
Bank overdrafts	**2.035**	**-**	**-**	5.503	-	-
Advances on factoring	**7.172**	**-**	**-**	13.466	-	-
Finance lease obligations	**144**	**177**	**-**	-	-	-

5.20. FINANCIAL INSTRUMENTS

The major financial instruments of the Group are financial and trade receivables and payables, investments, cash and cash equivalents as well as derivatives.

The financial instruments as on 31 December 2018 are presented below:

'000 €	Categories	Book value	Fair value	Level
I. Fixed assets				
II. Current Assets				
Trade and other receivables	A	22.633	22.633	2
Cash and cash equivalents	B	121	121	2
Derivatives	C	0	0	1
Total financial instruments on the assets side of the balance sheet		**22.754**	**22.754**	
I. Non-current liabilities				
Interest-bearing liabilities	A	-	-	2
Other non-current liabilities	A	-	-	2
Other financial liabilities	C	-	-	2
II. Current liabilities				
Interest-bearing liabilities	A	9.207	9.207	2
Current trade and other debts	A	16.356	16.356	2
Derivatives	C	59	59	1
Total financial instruments on the liabilities side of the balance sheet		**25.622**	**25.622**	

The financial instruments as on 31 December 2017 are presented below:

'000 €	Categories	Book value	Fair value	Level
I. Fixed assets				
II. Current Assets				
Trade and other receivables	A	35.513	35.513	2
Cash and cash equivalents	B	148	148	2
Derivatives	C	213	213	1
Total financial instruments on the assets side of the balance sheet		**35.874**	**35.874**	
I. Non-current liabilities				
Interest-bearing liabilities	A	-	-	2
Other non-current liabilities	A	-	-	2
Other financial liabilities	C	-	-	2
II. Current liabilities				
Interest-bearing liabilities	A	18.969	18.969	2
Current trade and other debts	A	20.538	20.538	2
Derivatives	C	71	71	1
Total financial instruments on the liabilities side of the balance sheet		**39.578**	**39.578**	

The categories correspond with the following financial instruments:

A. Financial assets or liabilities held until maturity, at the amortised cost.
B. Investments held until maturity, at the amortised cost.
C. Assets or liabilities, held at the fair value through the profit and loss account.

The aggregate financial instruments of the Group correspond with levels 1 and 2 in the fair values hierarchy. Fair value valuation is carried out regularly.

- Level 1: unadjusted quoted prices in an active market for identical assets or liabilities.
- Level 2: the fair value based on other information, which can, directly or indirectly, be determined for the relevant assets or liabilities.

The valuation techniques regarding the fair value of the level 2 financial instruments are the following:

- The fair value of the other level 2 financial assets and liabilities is almost equal to their book value:
  - either because they have a short-term maturity (like trade receivables and debts),
  - or because they have a variable interest rate.
- For fixed-income payables the fair value was determined using interest rates that apply to active markets.

The transition from IAS 39 to IFRS 9 will not have a material impact for the Group. Below, we have summarized the changes in categories for the financial assets and liabilities in the balance sheet of Campine following the conversion from IAS 39 to IFRS 9.

On 01/01/2018 '000 €	IAS 39 category	IFRS 9 category
Current assets		
Trade and other receivables	Loans and receivables	Financial assets at amortised cost
Cash and cash equivalents	Loans and receivables	Financial assets at amortised cost
Derivatives	Financial assets at FVTPL (held for trading)	Financial assets mandatorily measured at FVTPL
TOTAL FINANCIAL ASSETS		
Non-current liabilities		
Interest bearing liabilities	Financial liabilities measured at amortised cost	Financial liabilities measured at amortised cost
Other non-current liabilities	Financial liabilities measured at amortised cost	Financial liabilities measured at amortised cost
Other financial liabilties	Financial liabilities measured at amortised cost	Financial liabilities measured at amortised cost
Current liabilities		
Interest bearing liabilities	Financial liabilities measured at amortised cost	Financial liabilities measured at amortised cost
Current trade and other debts	Financial liabilities measured at amortised cost	Financial liabilities measured at amortised cost
Derivatives	Financial liabilities at FVTPL (held for trading)	Financial liabilities at FVTPL (held for trading)
TOTAL FINANCIAL LIABILITIES		

5.21. PROVISIONS

'000 €	Soil sanitation cost	Other	Total
On 31 December 2017	1.090	-	1.090
Additional provision in the year		-	-
On 31 December 2018	**1.090**	**-**	**1.090**

'000 €	**31/12/2018**	31/12/2017
Analysed as:		
Current liabilities	**-**	-
Non-current liabilities	**1.090**	1.090
	1.090	**1.090**

The provisions amounted to 1.090 K€ on 31/12/2018. These mainly relate to the soil sanitation obligation on and around the site of the Group and were determined in compliance with the requirements of OVAM – by an independent study bureau.

5.22. NON-CASH TRANSACTIONS

No additions to fixtures and equipment were financed by new finance leases during the year.

5.23. CONTINGENT LIABILITIES

The power to pledge the trade fund was granted to the banks for an amount of 10.680 K€ (31/12/2017: € 10.867 K).

5.24. COMMITMENTS

In the normal course of business the Group has commitments to buy and sell metals in the future.

5.25. OPERATING LEASE ARRANGEMENTS

The Group will apply IFRS 16, using the modified retrospective approach (i.e. without restatement of the 2018 figures) and will exclude services from its lease liabilities. On January 1, 2019, the right-of-use assets was measured at an amount equal to the respective lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the consolidated statement of financial position immediately before January 1, 2019. As of January 1, 2019, lease liabilities recognized in accordance with IFRS 16 Leases amount to 240 K€. No impact on the retained earnings is expected.

Leased assets relate to company cars. The expected repayments of operating lease liabilities during 2019, which will no longer be recognized as an operating lease expense as was the case in accordance with IAS 17 Leases but rather as a repayment of lease liabilities, amount to 102 K€. A substantial part of this amount will impact the depreciation charges in 2019, whereas only a small part of the amount will impact the financial charges in 2019.

The Group also applies the practical expedients for operational leases of which the contract has a limited duration or operational leases where the underlying assets have a low value. These types of operational leases were recognized under IAS 17 as future lease payments.

Existing operating leases as lessee:

'000 €	**31/12/2018**	31/12/2017
Minimum lease payments under operating leases recognised as an expense in the year	**152**	145

At the balance sheet date, the Group has outstanding commitments under non-cancellable operating leases, which fall due as follows:

'000 €	**31/12/2018**	31/12/2017
Within one year	**144**	109
In the second year to fifth year inclusive	**177**	145
	321	254

Operating lease payments represent rentals payable by the Group for vehicles and equipment. This concerns company cars, copiers and printers. There were no restrictions nor purchase obligations added to the agreements and these were not index related. Leases are negotiated for an average term of four years.

5.26. SHARE-BASED PAYMENTS

During the financial year closed on 31 December 2018 none of the members of the Executive Management Team received any shares, share options or other rights to acquire shares of the company or Group.

5.27. EMPLOYEE BENEFITS EXPENSE

'000 €	**31/12/2018**	31/12/2017
Long term		
Pension cost (incl. early retirement)	**309**	220
Short term		
Salaries	**9.744**	9.489
Contribution social security	**2.888**	2.806
Structural reduction social contribution	**-819**	-771
Other employee benefits expense	**1.492**	1.659
	13.614	13.403
Average number of FTE's	**179**	170

5.28. EMPLOYEE BENEFITS EXPENSE

Following amounts with regard to the (early) retirement are booked on the balance sheet:

'000 €	**31/12/2018**	31/12/2017
Defined benefit plan	**910**	908
Early retirement provision	**399**	474
	1.309	1.382

5.28.1. Defined benefit plan

The Group operates a funded defined benefit plan for qualifying employees of Campine and its subsidiary in Belgium. The defined benefit plan foresees an amount based on the salary and seniority payable as of the age of 60. For the financed plans, plan assets consist of mixed portfolio's of shares, bonds or insurance contracts. The plan assets do not contain direct investments in Campine shares or in fixed assets or other assets used by the Group.

The current value of the retirement benefit obligations and the assets has evolved as follows:

'000 €	Pension obligation (IAS 19 R)	Plan Assets	Deficit	Net liability / (asset)
On 31 December 2017	5.154	-4.247	907	907
Components of defined benefit cost				
Service cost in P/L				-
Current service cost (net of employee contributions)	393			393
Past service cost (incl effect of curtailments)				-
Settlement (gain)/loss				-
Service cost				**393**
Net interest on the net liability / (asset) in P/L 3.00%				
Interest cost on pension obligation	66			66
Interest income on plan assets		-56		-56
Interest on effect of the asset ceiling				-
Net interest				**10**
Administration costs paid from plan assets in P/L				-
Components of defined benefit cost recognised in P/L				**403**
Remeasurements of the net liability / (asset) in OCI				
Actuarial (gain) / loss arising from				
• Changes in demographic assumptions				-
• Changes in financial assumptions	-248			-248
• Experience adjustments	67			67
Return on plan assets (excl. amounts in net interest)		165		165
Change in effect of the asset ceiling (excl. amounts in net interest)				-
Total remeasurement recognised in OCI				**-16**
Defined benefit cost (total amount recognised in P/L and OCI)				**387**
Cash Flows				
Employee contributions				-
Employer contributions to plan assets (incl. 4,4% taxes)		-384		-384
Benefit payments from plan assets	-186	186		-
Direct benefit payments by employer				-
Taxes paid from plan assets (4,4%)	-15	15		-
Taxes paid directly by employer (8,86%)	-30	30		-
On 31 December 2018	**5.201**	**-4.291**	**910**	**910**

'000 €	Pension obligation (IAS 19 R)	Plan Assets	Deficit	Net liability / (asset)
On 31 December 2016	4.907	-4.069	838	838
Components of defined benefit cost				
Service cost in P/L				-
Current service cost (net of employee contributions)	335			335
Past service cost (incl effect of curtailments)				-
Settlement (gain)/loss				-
Service cost				**335**
Net interest on the net liability / (asset) in P/L 3.00%				
Interest cost on pension obligation	63			63
Interest income on plan assets		-54		-54
Interest on effect of the asset ceiling				-
Net interest				**9**
Administration costs paid from plan assets in P/L				-
Components of defined benefit cost recognised in P/L				**344**
Remeasurements of the net liability / (asset) in OCI				
Actuarial (gain) / loss arising from				
• Changes in demographic assumptions				-
• Changes in financial assumptions				0
• Experience adjustments	57			57
Return on plan assets (excl. amounts in net interest)		32		32
Change in effect of the asset ceiling (excl. amounts in net interest)				-
Total remeasurement recognised in OCI				**89**
Defined benefit cost (total amount recognised in P/L and OCI)				**433**
Cash Flows				
Employee contributions				-
Employer contributions to plan assets (incl. 4,4% taxes)		-364		-364
Benefit payments from plan assets	-165	165		-
Direct benefit payments by employer				-
Taxes paid from plan assets (4,4%)	-14	14		-
Taxes paid directly by employer (8,86%)	-29	29		-
On 31 December 2017	**5.154**	**-4.247**	**907**	**907**

The duration of the benefit plan with fixed income is 13,5 years.

The duration of the benefit plan with fixed costs is 18,5 years.

Major actuarial assumptions in use at balance sheet date:

	Valuation at	
	31/12/2018	31/12/2017
Discount rate	**1,57%**	1,31%
Expected rate of salary increases	**2,90%**	2,90%
Inflation	**1,90%**	1,90%

Split of the plan assets on balance sheet date:

	31/12/2018	31/12/2017
Equity securities, incl. cash	**7%**	5%
Fixed income securities	**93%**	95%
Total	**100%**	**100%**

Sensitivity analysis of a percentage increase or decrease in the discount rate or an increase in salary to the retirement benefit obligation:

Discount rate	**-0,50%**		**0,50%**
Assumptions	**1,07%**	1,57%	**2,07%**
Pension obligation (K€)	**5.643**	5.201	**4.806**

Salary increase	**-0,50%**		**0,50%**
Assumptions	**2,40%**	2,90%	**3,40%**
Pension obligation (K€)	**5.154**	5.201	**5.250**

The Group expects to contribute 320 K€ to its defined benefit plans.

5.28.2. Early retirement provisions

Early retirement provisions are set up based on agreements with those affected on amounts to be paid until the age of 65 year. The provision on 31 December 2018 amounts to 399 K€ (on 31/12/2017: 474 K€).

5.29. MARKET RISK

5.29.1. Interest risk

Funding of the company is done through bank loans, bank overdrafts and factoring.

On 31/12/2018 bank loans amounted to 0 €, bank overdrafts and advances on factoring amounted to 9.207 K€. Bank loans are arranged at fixed rates. The bank overdrafts and advances on factoring are arranged at variable rates (see note 5.16).

An increase or decrease of the interest with 10% would have an impact on the income statement of -18 K€ (in case of 10% increase) or +18 K€ (in case of 10% decrease) based upon the amount on 31/12/2018. The retained earnings will also be influenced.

5.29.2. Foreign Exchange risk

The Group is managing its foreign currency risk by matching foreign currency cash inflows with foreign cash outflows (USD is our main foreign currency).

An increase or decrease of the USD/EUR rate with 10% would have an impact on the income statement of -39 K€ (in case of 10% increase) or +39 K€ (in case of 10% decrease) based upon the assets and liabilities denominated in USD on 31 December 2018. The retained earnings will also be influenced.

5.29.3. Price risk

The value of these fixed price contracts and the future LME commitments are both shown in the balance sheet; changes in the values will be shown in the profit and loss account (see note 5.14.1. Derivatives).

There is no price risk on the fixed price contracts as the impact of price fluctuation on respective fixed purchase and sell contracts are compensated by the impact on the respective sell and purchase contracts on the LME.

A movement of the LME lead- and tin futures price by 10% would have impacts on the income statement. The immediate effect based on the underlying open position on 31 December 2018 of a price fall of 10% would be +294 K€ or of a price raise of 10% would be -294 K€.

5.30. EVENTS AFTER THE BALANCE SHEET DATE

The legal procedure about the battery hall was finalised on 7 February 2019 by a definite verdict, resulting in both a positive result as well as the release of the cash restricted in its use in the first semester of 2019.
No other significant events – affecting Campine – occurred after the close of the financial year.

5.31. RELATED PARTIES

As to the transparency notification of 7 December 2018 the current shareholder strucure of Campine is as follows:

Name	Number of shares	% of the share capital
1. Hempel Special Metals Holding GmbH Weißensteinstraße 70, 46149 Oberhausen, Duitsland	540.000	36,00%
2. F.W. Hempel Metallurgical GmbH Weißensteinstraße 70, 46149 Oberhausen, Duitsland	537.900	35,86%

The participation in Campine NV held by Camhold NV (36%) automatically transferred to its parent company Hempel Special Metals Holding GmbH due to the dissolution and liquidation of Camhold NV. Since the acquisition on 12 April 2017 of the shares in Camhold NV by Hempel Special Metals Holding GmbH, the latter already indirectly held these 36% of the voting rights in Campine NV.

On 29 November 2018 the shares of F.W. Hempel & Co Erze und Metalle (GmbH & Co) KG as well as the shares of Hempel GmbH have been contributed to a family foundation under German law carrying the name F.-W. Hempel Familienstiftung. As a consequence this foundation became part of the chain of control of Campine NV. F.-W. Hempel Familienstiftung holds therefore indirectly 71,86% of Campine NV's voting rights so that the threshold of 70% was exceeded.

Mr. Friedrich Wilhelm Hempel remains the ultimate controlling shareholder with 71,68% of Campine NV's voting rights.

Transactions between the company and its subsidiary, which are related parties of the company, have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group and the management and key-management are disclosed in the remuneration report. Details of transactions between the Group and other related parties are disclosed below.

5.32. RELATED PARTY TRANSACTIONS

All related party transactions are conducted on a business base and in accordance with all legal requirements and the Corporate Governance Charter.

5.32.1. Trading transactions

In 2018, Group entities entered into the following trading transactions with related parties that are not members of the Group:

- Purchase of antimony metal from F.W. Hempel Intermétaux SA 9.834 K€ (2017: 14.007 K€). There is no open amount on 31/12/2018.
- Purchase of lead wastes from Hempel Legierungsmetalle GmbH for 1.465 K€ (2017: 1.848 K€). Open amount on 31/12/2018: 80.430 €.

5.32.2. Other transactions

Camhold performed certain administrative/management services for the Campine Group, for which a management fee of € 12 K (2017: € 18K) was charged and paid, being an appropriate allocation of costs incurred by relevant administrative departments.

The companies below passed through personnel and IT expenses to the Campine Group:

- Hempel Special Metals Asia: 60 K€ (2017: 61 K€). Open amount on 31/12/2018: 4.338 €.
- F.W. Hempel Metallurgical: 324 K€ (2017: 328 K€). Open amount on 31/12/2018: 19.389 €.
- F.W. Hempel & Co Erze und Metalle: 92 K€ (2017: 99 K€). There is no open amount on 31/12/2018.

The Campine Group passed through personnel and IT expenses to

- F.W. Hempel & Co Erze und Metalle: 8 K€ (2017: 14 K€). There is no open amount on 31/12/2018.

5.33. RIGHTS AND OBLIGATIONS NOT INCLUDED IN THE BALANCE SHEET

Commercial commitments:

There are firm commitments to deliver or receive metals to customers or from suppliers at fixed prices.

'000 €	**31/12/2018**	31/12/2017
Commercial commitments for metals purchased (to be received)	**10.735**	14.488
Commercial commitments for metals sold (to be delivered)	**15.421**	19.043

5.34. COMPENSATION OF KEY MANAGEMENT PERSONNEL

The total remuneration of the Executive Management Team including the Board members amounts to 1.400 K€ (2017: 1.707 K€). For further details, we refer to the remuneration report.

During the financial year closed on 31 December 18 none of the above mentioned persons received any shares, share options or other rights to acquire shares of the company or Group. The remuneration of the members of the Executive Management Team is decided upon by the Nomination and Remuneration committee, based on market trends and individual performances.

5.35. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors and authorised for issue on 28 February 2019.

Statutory auditor's report

to the shareholders' meeting of Campine NV for the year ended 31 December 2018

(Consolidated financial statements)

In the context of the statutory audit of the consolidated financial statements of Campine NV ("the company") and its subsidiaries (jointly "the group"), we hereby submit our statutory audit report. This report includes our report on the consolidated financial statements and the other legal and regulatory requirements. These parts should be considered as integral to the report.

We were appointed in our capacity as statutory auditor by the shareholders' meeting of 9 May 2017, in accordance with the proposal of the board of directors issued upon recommendation of the audit committee and presentation of the works council. Our mandate will expire on the date of the shareholders' meeting deliberating on the financial statements for the year ending 31 December 2019. Due to a lack of online archives dating back prior to 1997, we have not been able to determine exactly the first year of our appointment. We have performed the statutory audit of the consolidated financial statements of Campine NV for at least 21 consecutive periods.

Report on the audit of the consolidated financial statements

UNQUALIFIED OPINION

We have audited the consolidated financial statements of the group, which comprise the consolidated balance sheet as at 31 December 2018, the consolidated income statement, the consolidated overview of the total result, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, as well as the summary of significant accounting policies and other explanatory notes. The consolidated balance sheet shows total assets of 61.570 (000) EUR and the consolidated income statement shows a consolidated net profit for the year then ended of 5.830 (000) EUR.

In our opinion, the consolidated financial statements of Campine NV give a true and fair view of the group's net equity and financial position as of 31 December 2018 and of its consolidated results and its consolidated cash flow for the year then ended, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

BASIS FOR THE UNQUALIFIED OPINION

We conducted our audit in accordance with International Standards on Auditing (ISA), as applicable in Belgium. In addition, we have applied the International Standards on Auditing approved by the IAASB applicable to the current financial year, but not yet approved at national level. Our responsibilities under those standards are further described in the "Responsibilities of the statutory auditor for the audit of the consolidated financial statements" section of our report. We have complied with all ethical requirements relevant to the statutory audit of consolidated financial statements in Belgium, including those regarding independence.

We have obtained from the board of directors and the company's officials the explanations and information necessary for performing our audit.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matters
Exposure of the economic performance to evolution in market prices	
The Group's earnings are highly dependent on the market prices of raw materials and metals, which are subject to (significant) fluctuations because of changing supply and/or demand of raw materials and end products, or because of speculation on the market. This can affect the company's financial statements in the following areas:	During our audit procedures, we have performed the following with respect to inventory valuation and operating and hedging result:
Inventory valuation: Inventories are valued according to the FIFO method due to which they are closely aligned with the evolution of market prices. Consequently, significant price evolutions have a direct impact on the valuation of inventory. As a result of frequent price changes in the market, the company performs a monthly Lower of Cost or Market analysis. The provision for Lower of Cost or Market is mainly calculated on the raw materials and the byproducts as the finished goods are manufactured when a client order is received. During its analysis of the Lower of Cost or Market provision, the company reviews the valuation of its inventory against independent market benchmarks for lead and antimony prices.	**Inventory valuation:** We have reviewed the valuation of raw materials as well as the valuation of these raw materials in work in progress and finished goods in order to conclude on the correct valuation of the inventory following the FIFO principle. Additionally, we also verified the calculations and challenged the analyses and judgments made by management in determining the provision for Lower of Cost or Market against independent market benchmarks for lead and antimony prices.
Operating and hedging result: Fluctuations in market prices have a direct impact on the turnover and the cost of goods sold, however the company is confronted with a time lag on the price levels of both financial flows and accordingly is subject to potential significant impacts on the operational margin. To manage exposures on open inventory balances, the company enters into hedge contracts for lead activities.	**Operating and hedging result:** We have identified and tested the relevant key internal controls with respect to the revenue and expenditure business cycle to conclude on the appropriateness of revenue and cost of goods sold being recognized. We reviewed the detailed analysis of the margin per business unit as prepared by management in which the operational results of these business units are rationalized versus the evolution of market prices.

The market value of the hedging contracts as disclosed in note 5.14 are reconciled with the confirmations of the brokers, and the fair market value of the outstanding hedge contracts is rationalized. Additionally, for a sample of settled hedge transactions, the results accounted for are validated with the settlement agreements received from the brokers, in order to verify the accuracy of the results recorded.

Accounting of provisions for soil sanitation

As of 31 December 2018, the total provisions for liabilities and charges amounted to 1.090 KEUR, of which the full amount relates to provisions for soil sanitation.

These provisions are set up based on sanitation obligations that exist as of balance sheet date or will become effective based on management's investments plans, which were formally approved by the Board of Directors at balance sheet date. The decision to construct new warehouses or production facilities often involves the obligation to sanitize the underlying soil.

The liability and sanitation responsibility as well as the costs with respect to the sanitation operations are determined based on a report received from an external environmental expert who ensures compliance with the environmental regulation.

We have focused on this area of the financial statements as changes in management decisions or changes in legislation can significantly impact the amount recorded with respect to provisions for soil sanitation in the financial statements.

During our audit procedures, we have performed the following with respect to the provisions for soil sanitation, as disclosed in note 5.21:

We obtained an understanding of the recognition process for provisions for soil sanitation and evaluated the design of, and performed tests of controls in this area.

We have reviewed all communication with the external service provider to identify any changes regarding the current sanitation obligations or changes in legislation which might result in a correction with respect to the provisions recognized in the result of previous years.

Additionally, we have also discussed with management the investment plans which were approved by the Board of Directors in order to review potential new sanitation obligations.

We have also performed a test of detail with respect to the actual sanitation operations executed in the current period in order to benchmark the budgeted sanitation cost provided for in prior periods against the actual sanitation cost incurred in the current period.

For new sanitation provisions, we have performed a sensitivity analysis in order to:

- Analyze the appropriateness and validity of the assumptions used by management to determine the provision
- Challenge the management estimates with the report from the external service provider and recent actual costs of sanitation operations
- Review consistency of the process with respect to the calculation of soil sanitation provisions.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS FOR THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The board of directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements the board of directors is responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters to be considered for going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the group or to cease operations, or has no other realistic alternative but to do so.

RESPONSIBILITIES OF THE STATUTORY AUDITOR FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and we communicate with them about all relationships and other matters that may reasonably be thought to bear our independence, and where applicable, related safeguards.

From the matters communicated to the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes any public disclosure about the matter.

Other legal and regulatory requirements

RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The board of directors is responsible for the preparation and the content of the directors' report on the consolidated financial statements.

RESPONSIBILITIES OF THE STATUTORY AUDITOR

As part of our mandate and in accordance with the Belgian standard complementary (Revised in 2018) to the International Standards on Auditing (ISA) as applicable in Belgium, our responsibility is to verify, in all material respects, the director's report on the consolidated financial statements as well as to report on these matters.

ASPECTS REGARDING THE DIRECTORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS AND OTHER INFORMATION DISCLOSED IN THE ANNUAL REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

In our opinion, after performing the specific procedures on the directors' report on the consolidated financial statements, this report is consistent with the consolidated financial statements for that same year and it has been established in accordance with the requirements of article 119 of the Companies Code.

In the context of our statutory audit of the consolidated financial statements we are also responsible to consider, in particular based on information that we became aware of during the audit, if the directors' report on the consolidated financial statements is free of material misstatement, either by information that is incorrectly stated or otherwise misleading. In the context of the procedures performed, we are not aware of such material misstatement.

STATEMENTS REGARDING INDEPENDENCE

- Our audit firm and our network have not performed any prohibited services and our audit firm has remained independent from the company during the performance of our mandate.
- The fees for the additional non-audit services compatible with the statutory audit of the consolidated financial statements, as defined in article 134 of the Companies Code, have been properly disclosed and disaggregated in the notes to the consolidated financial statements.

OTHER STATEMENTS

- This report is consistent with our additional report to the audit committee referred to in article 11 of Regulation (EU) No 537/2014.

Antwerp, 12 April 2019

The statutory auditor
DELOITTE Réviseurs d'Entreprises SCRL
Represented by Luc Van Coppenolle

Corporate Data

Corporate data

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Represented by Luc Van Coppenolle

Financial calender

28 May 2019	General Meeting of Shareholders
14 June 2019	Payment of dividend
13 June 2019	Record date
12 June 2019	Ex-date
Last week of September 2019	Announcement of half-year results
Last week of March 2020	Announcement of 2019 annual results

Recover.
Renew.
Repeat.

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