ANNUAL REPORT 2019

RESILUX
INNOVATIVE PACKAGING

You get lots of bottle from Resilux preforms

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

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

WORD OF THE HONORARY PRESIDENT

We are happy to publish, yet again, honorable figures for 2019, which are a clear translation of who we are and what we can do; true to our adage of our 1997 stock listing: “we do it better, cheaper and faster”.

With our PET recycling technology, which can be counted amongst the most modern and efficient in the world, Resilux enters a field of activity of a completely new industry, the importance of which we cannot overestimate and which will in the future make a very important contribution to Resilux. The European Commission's support for this new circular economy will revolutionize the world through the wide reuse of used raw materials coupled with significant ecological output and a favorable environmental impact.

With our mold technology, we master the laws of steel and from this steel we are making an instrument of quality and efficiency.

With the recruitment of a COO, Resilux is taking an important organizational step. This should accelerate the transition and transformation of Resilux in various areas.

The fact that Resilux's operations are a clear task for the COO, result in there being more time available to consider Resilux's strategy, which is more important than ever in this difficult world. The current policy of strengthening the organization by creating a culture of ownership and responsibility for each employee, broadening the product mix and customer mix and continuing to strengthen the geographical spread of our factories supported by the PET recycling will support the achievement of favorable results. The main aim of this geographic spread is and remains to maximize contact and cooperation with customers through local production, together with significant savings in transport costs.

As honorary president, it is really satisfying for me to see that the expansion of our business continues.

A. De Cuyper
Honorary President of the board of directors

RESILUX PROFILE

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

Resilux is a family company by origin that became operational in June 1994. Since 1997, it has been listed on Euronext Brussels. The company has an extensive network of sales and service offices in various countries. Alongside the main establishment in Belgium, Resilux has a number of production units in Spain (1997), Russia (1999), Greece (2000), Switzerland (2000/2001), Hungary (2002), the United States (2001/2004), Serbia (2017) and Romania (2019). Resilux has various sales offices in the above countries, as well as in many other countries on different continents.

Resilux produces preforms and bottles for many applications and in various weights, colours and forms.

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

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

As of 2017, Resilux also has a PET recycling company in Switzerland (Poly Recycling AG). Poly Recycling AG focuses on the recycling of used PET bottles to convert them into high-quality PET recyclate ("rPET") that can be reused in the food sector as well as in other business sectors.

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

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

CONSOLIDATED KEY FIGURES (1)

	2019 IFRS	2018 IFRS	2017 IFRS
Key figures from the profit and loss account (in thousands of Euro)			
Turnover	413,790	398,017	328,677
Operating revenues	414,866	408,162	335,300
Added value (2)	90,658	88,274	75,741
Operating cash flow – EBITDA (3)	43,568	43,796	36,359
Depreciation and operational non-cash costs	18,483	16,613	15,757
Operating result	25,085	27,183	20,592
Financial result	-3,009	-3,846	-2,477
Result before taxes	22,076	23,336	18,115
Taxes	-5,666	-4,845	-2,292
Net result, part of Group	16,410	18,491	15,823
Key figures from the balance sheet (in thousands of Euro)			
Equity	148,504	137,566	121,485
Equity (incl. subordinated loans)	148,504	138,523	122,760
Net financial debt (excl. subordinated loans) (4)	48,918	30,678	6,844
Total assets and total liabilities	281,337	277,441	243,688
Key figures per share(5) (in thousands of Euro)			
Operating cash flow – EBITDA (3)	21.70	21.63	17.96
Operating result	12.50	13.42	10.17
Net result, part of Group	8.17	9.13	7.81
Average number of shares on 31 December (5)	2,007,360	2,024,860	2,024,860
Proposed gross dividend (6)	3.00	3.00	2.00

(1) Figures are fully in accordance with IFRS-rules.

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

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

(4) Interest-bearing Financial obligations minus available funds and investments.

(5) Per 16 May 2017, 44.450 new shares were issued pursuant to the exercise of warrants under Warrant Plan 2013.
In 2019 Resilux purchased 17.500 own shares which were subsequently cancelled

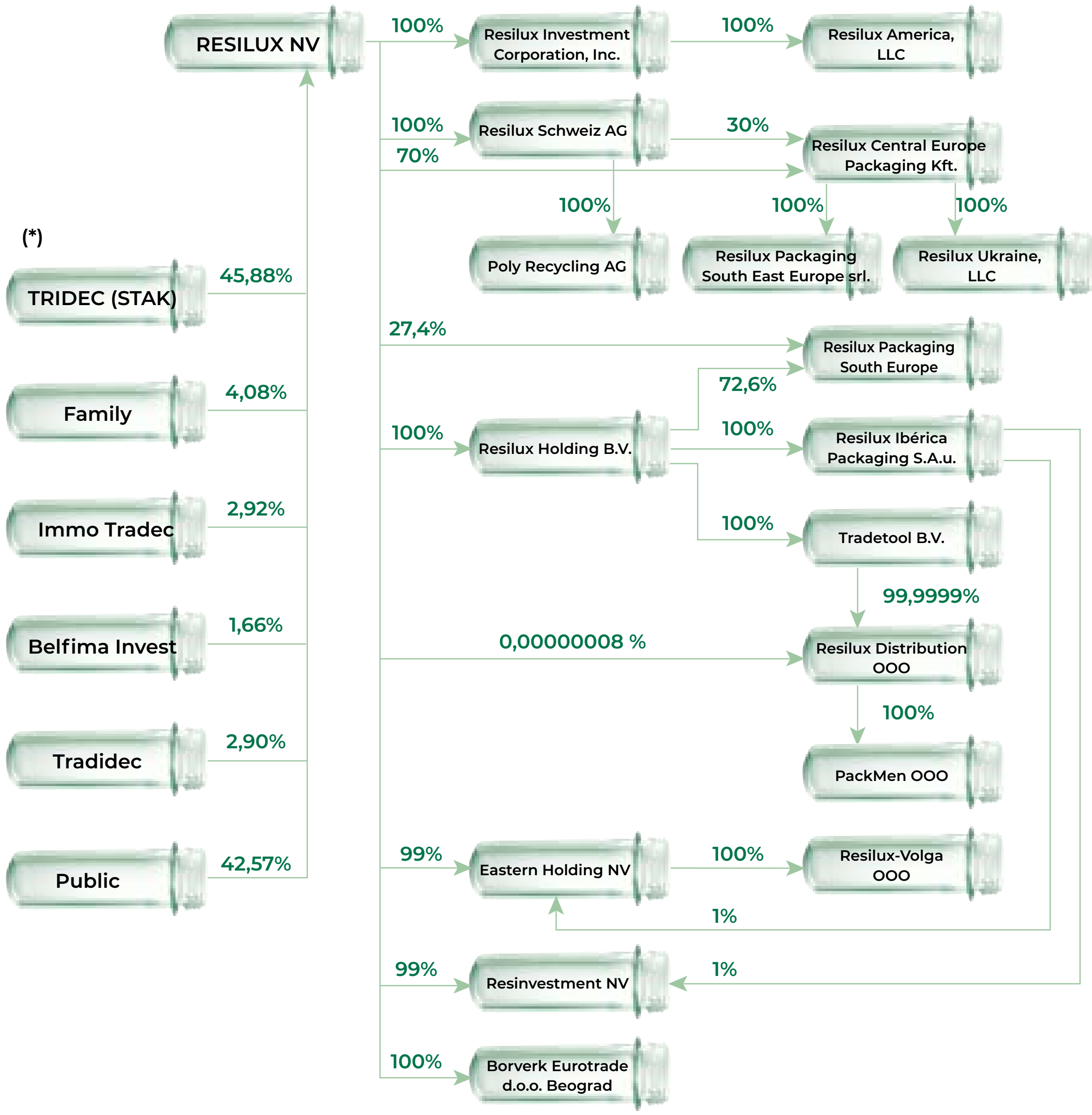
(6) The board of directors will propose to the general shareholders' meeting to pay a gross dividend of € 3.00 per share.

SHAREHOLDERS AND GROUP STRUCTURE

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

The capital of Resilux NV including share premiums amounts to € 3,600,430.43 on 31 December 2019 The registered capital stands at € 3,600,429 and is represented by 2,007,360 no par-value shares, which each represent a 1/2,007,360th share of the registered capital.

On 31 December 2019 the structure of the Resilux Group was as follows:



(*) Percentages calculated on the basis of the number of outstanding shares (2,007,360) and the share ownership as it appears from the latest notification in the context of the exemption from the obligation to launch a takeover bid under the provisions of the Law of 1 April 2007 on public takeover bids, as received on August 31, 2019.

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

1. Spain

In June 1997, the first foreign production unit called Resilux Ibérica Packaging S.A.u. became operational in Spain. According to IFRS, it is a 100% daughter of Resilux Holding B.V. with a capital of € 3,804,991.10 as per 31 December 2019.

2. Russia

Since its foundation in 2007, Resilux Distribution OOO organises the sales and purchase operations, and has a capital of RUR 108,811,252.70 as per 31 December 2019. The production operations are incorporated on the one hand into Resilux-Volga OOO, according to IFRS a 100% subsidiary of Eastern Holding NV with a capital of RUR 248,258,500 as per 31 December 2019 and on the other hand into Packmen OOO , according to IFRS a 100% subsidiary of Resilux Distribution OOO, with a capital of RUB 60,110,000 as per 31 December 2019.

3. Switzerland

In March 2000, Resilux NV acquired 100% of the shares of the Swiss company Altoplast-Claropac AG, a company that produced PET preforms and bottles. In March 2001, Resilux NV acquired 100% of the shares of a second Swiss company, Femit Plastic AG, a company that also produced PET preforms and bottles. In order to optimise synergies, the two companies were merged in 2004 and became Resilux Schweiz AG. As per 31 December 2019 this company has a capital of CHF 18,000,000.

Through a newly established Swiss subsidiary, Poly Recycling AG, Resilux NV acquired the PET recycling activities of Signode Industrial Group in September 2017. Poly Recycling AG is a 100% subsidiary of Resilux Schweiz AG, with a capital of CHF 100,000 as per 31 December 2019.

4. Greece

In June 2000, Resilux started up a production unit in Greece, Resilux Hellas A.B.E.E.. In the meantime, the name has changed to Resilux Packaging South Europe A.S. As per 31 December 2019 this 72.6% subsidiary of Resilux Holding B.V. has a capital of € 11,420,509.

5. United States

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

Since 1 January 2005, Resilux Investment Corporation, Inc. holds all shares of Resilux America, LLC. As per 31 December 2019 Resilux Investment Corporation Inc. has a capital of USD 30,250,000.

6. Hungary

In March 2002, Resilux started a new production unit in Hungary. A new company was set up for this purpose, Resilux Hungária Packaging Kft. of which currently 70% of the shares are held by Resilux NV and 30% by Resilux Schweiz AG. On June 14,, 2011, the company name has been changed into Resilux Central Europe Packaging Kft. As per 31 December 2019 the capital of Resilux Central Europe Packaging Kft. is HUF 2,619,200,000, share premium included.

7. Romania

On November 4, 2009 Resilux South East Europe srl. was established in Romania. On 7 July 2017, the company name has been changed to Resilux Packaging South East Europe srl. As per 31 December 2019 this 100% subsidiary of Resilux Central Europe Packaging Kft. has a capital of RON 107,000.

8. Ukraine

On June 13, 2014 Resilux Ukraine LLC was established. This company organises the sales operations in Ukraine. As per 31 December 2019 this 100% subsidiary of Resilux Central Europe Packaging Kft. has a capital of UAH 27,740,623.

9. Serbia

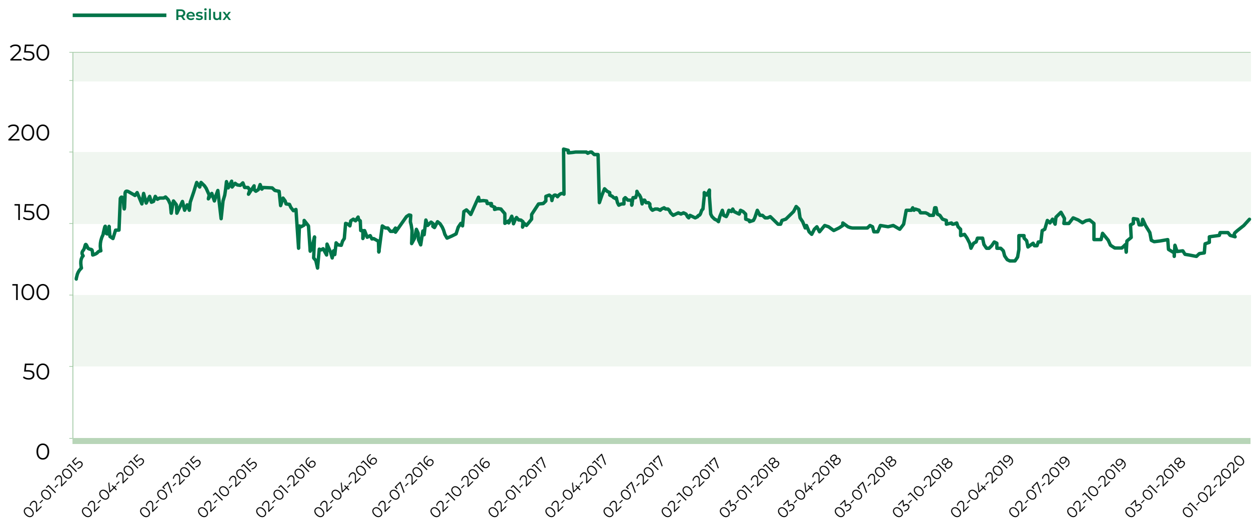
In March 2017, Resilux NV acquired 100% of the shares of the Serbian company Borverk Eurotrade d.o.o. Beograd, a company active in the production of PET preforms and bottles. This 100% subsidiary of Resilux NV has a capital of RSD 430,763,000 as per 31 December 2019.

RESILUX AND THE BRUSSELS STOCK EXCHANGE

Stock exchange listing

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

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



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

Key stock market figures	2019	2018	2017	2016	2015
Average daily volume in units	1,039	1,184	2,473	1,031	2,030
Number of shares on 31.12	2,007,360	2,024,860	1,980,410	1,980,410	1,980,410
Market capitalisation at closing price	292,070,880	244,198,116	291,174,868	310,924,370	284,386,876
Turnover	36,629,766	42,508,441	105,021,371	37,195,169	77,691,253
Highest price	152.40	115.00	190.75	159.95	172.10
Lowest price	118.80	119.40	143.40	116.40	106.15
Closing price	145.50	120.60	143.80	157.00	143.60
Average price	138.46	140.92	158.89	142.00	153.39
Price/Operating cash flow (1)	6.4	6.5	8.6	7.0	7.9

(1) Based on the average number of shares on 1st December and average price during the year.

Per 16 May 2017, 44.450 new shares were issued pursuant to the exercise of warrants under Warrant Plan 2013.

Resilux purchased 17,500 own shares in 2019, which were subsequently cancelled in 2019.

The Resilux share reached its highest price of € 152.40 on March 12, 2019 . The lowest share price was reached on January 3, 2019 and was € 118.80

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

FINANCIAL CALENDAR

Annual financial report 2019 and other legal documents available	15 April 2020
General shareholders' meeting 2020	15 May 2020
Dividend ex-date (*)	27 May 2020
Dividend record date (*)	28 May 2020
Dividend payment (payment date) coupon no. 19 (*)	29 May 2020
Publication of the half year results for financial year 2020 and analysts meeting	31 August 2020
Publication of the year results for financial year 2020 and analysts meeting	4 March 2021
General shareholders' meeting 2021	21 May 2021

(*) Subject to approval by the general shareholders' meeting 2020

INVESTOR RELATIONS

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

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FINANCIAL SERVICE PROVIDER

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

CAPITAL - SHARES - VOTING RIGHTS - SHAREHOLDERS - TRANSPARENCY LEGISLATION

Capital - shares - voting rights

The share capital of the company amounts to
€ 3,600,429. Following the cancellation of 17,500 treasury shares on 29 November 2019 the share capital is represented by 2,007,360 shares without nominal value, each representing 1/2,007,360th of the capital.

There are no more warrants outstanding.

Registered capital:	€ 3,600,429
Total amount of issued stock with voting right (no par-value)	2,007,360
Total amount of voting rights ("denominator") - 1 vote/share	2,007,360
Total amount of non-issued stock with voting rights in circulation (warrants)	0
Total amount of new stock with voting rights after exercising all warrants - 1 vote/new share	0
Total amount of stock with voting rights after exercising all warrants	2,007,360
Total amount of voting rights after exercising all warrants - 1 vote/share	2,007,360

Shareholders structure

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

On the basis of, on the one hand, the latest notification in the context of the exemption from the obligation to launch a takeover bid under the provisions of the Law of 1 April 2007 on public takeover bids, as received by the company on 31 August 2019, and, on the other hand, the new "denominator" as published by the company on 29 November 2019, Tridec Stichting Administratiekantoor (STAK) owned 921,000 shares of the company (45.88%), the De Cuyper family 81,812 shares (4.08%) and the companies Immo Tradec NV 58,534 shares (2.92%), Belfima Invest NV 33,340 shares (1.66%) and Tradidec NV 58,233 shares (2.90%) as per 31 December 2019.

Tridec STAK - a foundation under Dutch law, the De Cuyper family and the companies NV Immo Tradec, NV Belfima Invest and NV Tradidec act in concert.
Together they possess 1,152,919 company shares. This represents 57.43% of the shares, and therefore control over the company.

All remaining company shares (854,441 – 42.57%) are owned by the public.

Shareholder	Current voting rights/share	% of issued company stock
Tridec Stichting Administratiekantoor (*)	921,000	45.88%
De Cuyper family (*)	81,812	4.08%
NV Immo Tradec (*)	58,534	2.92%
NV Belfima Invest (*)	33,340	1.66%
NV Tradidec (*)	58,233	2.90%
Public	854,441	42.57%
Total	**2,007,360** ("denominator")	**100%**

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

The shareholders and control structure of Resilux NV is also available on the company's website - heading Investor Relations - General Information.

CORPORATE GOVERNANCE DECLARATION 2019

1. Declaration on Corporate Governance (part of the annual report on the statutory financial statements in accordance with article 3:6 Code on companies and associations)

The declaration on Corporate Governance is part of the annual report on the statutory financial statements and consequently subject to the review of the external auditor.

1.1 Corporate Governance Code - Reference code (article 3:6, §2, 1° Code on companies and associations)

As a Belgian company listed on Euronext Brussels, and pursuant to the Belgian Royal Decree of 12 may 2019 on the designation of a code in respect of corporate governance to be complied with by listed companies, Resilux NV applies since 1 January 2020 the Belgian Corporate Governance Code 2020 (Code) as the reference code and aims to comply with the principles and provisions of this Code, except for a number of reasoned deviations, in application of the "Comply or Explain" principle.

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

1.2 Comply or Explain (article 3:6, §2, 2° Code on companies and associations)

The deviations from provisions of the Code are explained as follows:

Provision 2.12 of the Code: "The board should review the executive management's performance and the realisation of the company's strategic objectives annually against agreed performance measures and targets."

The performance of the members of the executive management is reviewed on an annual basis by the board of directors. All members of the executive management are assessed against (the evolution of) certain personal, collective, financial and non-financial criteria and results. These criteria are not necessarily determined in advance for all members of the executive management in the form of specific performance measures and targets (for instance, where applicable, in the context of variable remuneration). The board of directors is of the opinion that its evaluation process is justified considering, among other things, the limited size and specific composition of the executive management. In light of relevant trends relating to Corporate Governance, the company will further assess its evaluation process in the coming years and will adjust or fine tune the process to the extent required.

Provision 7.3 of the Code: "The board should submit the policy to the general shareholders' meeting. When a significant proportion of the votes have been cast against the remuneration policy, the company should take the necessary steps to address the concerns of those voting against it, and consider adapting its remuneration policy."

The board of directors has decided to not yet submit the existing remuneration policy to the general shareholders meeting to be held on 15 May 2020. The remuneration policy to be approved by the general shareholders meeting should set out the contours for determining remuneration of directors and executive management for the coming years. The existing remuneration policy of the company will likely be subject to changes in the short term pursuant to the following:

- the remuneration policy applied by the company will in the future need to comply with the provisions of Directive (EU) 2017/828 of the European Parliament and the Council of 17 May 2017 (the "Second Shareholders Rights' Directive") as transposed into Belgian law. Although the Second Shareholders Rights' Directive should have been transposed into Belgian law by 10 June 2019 at the latest, the Belgian legislator has not yet approved any implementing measures. The legal framework that will be applicable to the company's remuneration policy in the near future is hence not yet clear; and

- in February 2020 the company has attracted Bénédicte Ciscato as Group HR director. In order to make optimal use of the experience and expertise in the field of HR that Mrs. Ciscato brings to the company, it is preferable to give the Group HR director the opportunity to make proposals and recommendations to the remuneration- and appointment committee and the board of directors in respect of the company's HR policy, including the general remuneration policy (applicable to the company and its subsidiaries) and the remuneration policy.

The board of directors has decided that it is preferable to only submit a remuneration policy to the general shareholders meeting if and when such remuneration policy fully takes into account the specific requirements that will be imposed by the Belgian transposition of the Second Shareholders Rights' Directive and the remuneration policy has (as the case may be) been amended in light of the experience and expertise of the Group HR director attracted by the company.

Provision 7.6 of the Code: "A non-executive board member should receive part of their remuneration in the form of shares in the company. These shares should be held until at least one year after the non-executive board member leaves the board and at least three years after the moment of award. However, no stock options should be granted to non-executive board members."

The board of directors has decided not to provide for remuneration in the form of shares in the company in its proposal to be submitted to the general shareholders meeting on 15 May 2020 pursuant to the (re-)appointment of non-executive directors.

In coming to its decision, the board of directors has considered that, in light of the limited size of the total remuneration package awarded to non-executive directors, the total or partial remuneration in the form of shares of the company would not have a meaningful impact on the behavior or decisions of the company's non-executive directors. The board of directors will in any event continue to safeguard that the contributions of the non-executive directors are made with the company's interest in the long term in mind. No stock options are granted to non-executive directors.

Provision 7.9 of the Code: "The board should set a minimum threshold of shares to be held by the executives."

The board of directors has currently not determined a minimum threshold of shares to be held by the executives. With respect to the managing directors, the board of directors has decided not to set a minimum threshold, in view of the fact that the managing directors are associated persons of the De Cuyper family (the reference shareholder of the company).

With respect to the other two members of the executive management (the Chief Operations Officer and Chief Financial Officer), the board of directors has decided not to set a minimum threshold. The board has determined that there are sufficient safeguards in place to ensure that the other members of the executive management take decisions and perform their tasks in accordance with the interest of the company in the long term. The managing directors monitor on a continuous basis that the competences and tasks delegated by them to the Chief Operations Officer and the Chief Financial Officer are adequately performed. In addition thereto, the performance of the Chief Operations Officer and the Chief Financial Officer are assessed annually by the board of directors.

Provision 9.2 of the Code: "At the end of each board member's term, the nomination committee should evaluate this board member's presence at the board or committee meetings, their commitment and their constructive involvement in discussions and decision-making in accordance with a pre-established and transparent procedure. The nomination committee should also assess whether the contribution of each board member is adapted to changing circumstances."

The remuneration- and nomination committee assesses at the end of the mandate of each director, the director's presence at the board or committee meetings, his commitment and constructive involvement in discussions and decision-making and whether the contribution of such director is adapted to changing circumstances. Such assessment does however not follow a strict pre-established procedure. The board of directors is of the opinion that the current approach is justified considering among other things the limited size and specific composition of the board of directors, its committees and the number of individual directors. In light of relevant trends relating to Corporate Governance, the company will further assess its evaluation process in the coming years and will adjust or fine tune the process to the extent required.

1.3 Internal control and risk management systems (article 3:6, §2, 3° Code on companies and associations)

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

General

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

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

- *Control Activities*
  The company's risks are managed on a regular and permanent manner and controlled by different agencies, departments, procedures, processes and systems:
  - Procedures, guidelines, processes, analysis and reports (whether automated or not)
  - Departments/functions that (partially) carry out control activities
    a) Finance department (reporting & controlling)
    b) Legal department
    c) Credit Management
    d) Sales Controller
    e) Quality control (production and products)
    f) Risk Manager and Health and Safety Officer
    g) IT department
  - The integration of control activities into important processes and systems (ICT)
  - The board of directors and its various committees
  - The management structure of the company and its affiliated companies
  - External audit

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

- *Supervision and steering*
  The quality and effectiveness of the internal controls and the control and management systems are supervised by:
  - The board of directors
  - The audit committee
  - Executive management (executive committee) and daily supervision
  - Finance & Controlling
  - The compliance function as exercised by the company secretary
  - The financial audit process carried out by the external auditor
  - External quality control/quality audit - BRC
  - Inspections done by the insurance company (Risk Management property damage)

On 26 March 2020 the audit committee declared the following:
The development of a reference framework for internal control and risk management within the company is a gradual, evolving process that should fit the needs and characteristics of the company. Furthermore, it depends on the aims, scope and complexity of the organisation's activities and processes or even the internationalisation thereof.

With respect to internal control and risk management, in 2019 the company has mainly focused on:
a) in general, the further formalization, professionalization, improvement and adjustment of the existing control environment, risk management processes and control activities (see further below);
b) procedures in respect of market abuse;
c) policies in respect of internal delegation of powers;
d) the quality management system;
e) health and safety management;
f) approval procedure for orders and invoices;
g) stock of risk management;
h) ERM procedure for product pricing
i) the further elaboration and implementation of an operational excellence plan in which all processes of the company are analysed and adjusted where necessary;
j) developing and optimizing reports and management information;
k) centralization and control of data.

The arrival of the new COO implies more in-house expertise in the field of internal control.

In general, the current systems and processes - given the organisation's scope, structure and operations - still function properly, however, since the previously envisaged progress regarding internal control and risk management over the years has been slower than expected and given the continuing growth expectations of the company, the need increases for further formalization and development in the fields of:

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

Decision:
In view of the above, the audit committee unanimously concludes that the existing internal control and risk management systems and procedures, their operation and their adjustment based on day-to-day supervision and control, still function sufficiently to effectively identify, manage and publish the key risks, but since the previously envisaged progress on internal control and risk management over the years has been slower than expected and taking into account the continuing growth expectations of the company, the need for further formalization and elaboration increases.

The audit committee previously requested management to develop a more concrete plan of action that will further formalize, professionalize, improve and adapt the existing control environment, risk management processes and control activities, in order to meet the objectives and needs of the organisation. In 2019 management has submitted its proposed plan of action to the audit committee, pursuant to which the company would be assisted by an external advisor with relevant expertise. Such external advisor has in the meantime been selected in function of the needs and expectations of the company. The plan of action will be further refined and implemented during the course of 2020.

In addition, a new COO Resilux has joined Resilux in the course of 2019. The arrival of the new COO implies more in-house expertise in the field of internal control. The arrival of a Group HR director in 2020 means that the company will be able to further improve its control environment in the short term specifically with respect to human resources. Furthermore, in 2020 the audit committee will pay particular attention to evaluating the cyber risk to which the company is exposed and, as the case may be, to devising a mitigating strategy in respect of the cyber risk to which the company is exposed.

The creation of the function of Internal Control and Risk Management Coordinator and the concrete fulfilment of his role has been approved in principle. However, the audit committee and the board of directors are of the opinion that setting up an internal audit function only makes sense if the control environment is adequately set up. The company is taking specific actions in this respect and will be assisted by an external advisor with relevant expertise. The concrete creation and specific role of the Internal Control and Risk Management Coordinator will be assessed in a timely manner.

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

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

Procedures and Reporting Processes

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

Control Activities

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

1.4 Information regarding article 34 of the Royal Decree of 14 November 2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market. (implementation of the takeover Directive) (see also article 3:6, §2, 4° Code on companies and associations regarding article 34, 3°, 5°, 7° and 8°).

a) On 31 December 2019 the registered capital of the company amounts to € 3,600,429 represented by 2,007,360 no par-value shares, which each represent 1/2,007,360th of the registered capital. All shares are fully paid up and each share confers the right to one vote.

Based on, on the one hand, the latest notification in the context of the exemption from the obligation to launch a takeover bid under the provisions of the Law of 1 April 2007 on public takeover bids, as received by the company on 31 August 2019, the shareholders' structure on 31 December 2019 is as follows::

Shareholder	Current voting rights/share	% of issued company stock
Tridec Stichting Administratiekantoor (*)	921,000	45.88%
De Cuyper family (*)	81,812	4.08%
NV Immo Tradec (*)	58,534	2.92%
NV Belfima Invest (*)	33,340	1.66%
NV Tradidec (*)	58,233	2.90%
Public	854,441	42.57%
Total	**2,007,360** ("denominator")	**100%**

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

b) No restrictions are laid down by statute or in the company's articles of association on the transfer of securities, nor on the exercise of voting rights that apply to the securities issued by the company.

c) Special control rights - Statutory provisions

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

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

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

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

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

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

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

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

At least three directors must be independent.

The members of the board of directors are appointed for a maximum period each of four years and can be reappointed.

The general shareholders' meeting can deliberate and vote for changes to articles, considering the conditions imposed by articles 540, 543, 558, 559 and onwards of the Companies Code.[1]

g) The powers of the governing body regarding the issuance or redemption of shares of the company.

The current articles of association of the company provide for the following regulations

Temporary provisions - Authorised capital
For a period of five years from the publication of the general shareholders' meeting's resolution of 17 May 2019 in the annexes to the Belgian Official Journal, the board of directors is authorised to increase the registered capital on one or more occasions with an amount of € 3,600,429.00 (three million, six hundred thousand, four hundred and twenty-nine euros).

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

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

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

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

The general shareholders' meeting has explicitly granted the board of directors the authority to increase the subscribed capital on one or more occasions as from the date of the notice from the Financial Services and Markets Authority (FSMA) to the company of a public takeover bid for the securities of the company, by means of monetary contributions with the cancellation or limitation of the existing shareholders' pre-emptive right or by means of non-monetary contributions in accordance with Article 607 of the Belgian Companies Code.[2] This authorisation is valid for a period of three (3) years to be calculated from the publication of the resolution of the general shareholders' meeting of 17 May 2019 in the annexes to the Belgian Official Journal.

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

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

1: As of 1 January 2020 these references should be read as references to articles 7:139, 7:140, 7:153, 7:154 and following of the Code on companies and associations.

2: As of 1 January 2020 this reference should be read as a reference to article 7:79 of the Code on companies and associations.

Temporary provisions - Purchase of own shares

The board of directors is authorised, in accordance with article 620 and following of the Companies Code[3], to acquire shares, profit-sharing certificates or associated certificates of the company at the expense of the latter, if this acquisition is necessary to preventing the company from suffering imminent, serious damage.
This authorisation is valid for a period of three (3) years to be calculated from the publication of the resolution of the extraordinary general shareholders' meeting of 17 May 2019 in the annexes to the Belgian Official Journal. This authorisation can be renewed for periods of three (3) years. Insofar as allowable by law (among others article 622 of the Companies Code), the authorisation to transfer ownership is valid without limitation in time.

The board of directors is authorised, in accordance with article 620 and following of the Companies Code[4], to acquire shares, profit-sharing certificates or associated certificates of the company at the expense of the latter, at a price per share that cannot be lower than the fractional value and cannot be higher than twenty per cent (20%) more than the highest closing price of the share over the last twenty trading days preceding the transaction. The limitation of article 620 §1, 2° of the Companies Code applies to this authorization. The authorization to acquire shares applies for a period of five (5) years to be calculated from the publication of the resolution of the extraordinary general shareholders' meeting of 17 May 2019 in the annexes to the Belgian Official Journal. This authorisation can be renewed for periods of five (5) years. Insofar as allowable by law (among others article 622 of the Companies Code), the authorisation to transfer ownership is valid without limitation in time.

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

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

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

The board of directors is authorized to cancel, whenever it wishes, the own shares that were acquired. The board of directors (or one or two directors designated by the board) is authorized to determine the effective cancellation of these shares before a notary and to amend and coordinate the articles of association in order to take into account the decisions taken in respect hereof.

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

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

3: As of 1 January 2020 this reference should be read as a reference to article 7:215 and following of the Code on companies and associations.

4: As of 1 January 2020 this reference should be read as a reference to article 7:218 of the Code on companies and associations.

1.5 The composition and functioning of the board of directors and its committees (article 3:6, § 2, 5° Code on companies and associations)

a) The board of directors

As of 17 May 2019, the board of directors of Resilux NV consists of the following seven members:

- FVDH BEHEER BV represented by its permanent representative Francis Vanderhoydonck, chairman, non-executive director;
- Didec Management BV, represented by its permanent representative Dirk De Cuyper, managing director, executive director;
- Fodec Management BV, represented by its permanent representative Peter De Cuyper, managing director, executive director;
- Intal BV represented by its permanent representative Johan Vanovenberghe, non-executive director, independent;
- Mitiska NV represented by its permanent representative Luc Geuten, non-executive director, independent;
- Martine Snels, non-executive director, independent;
- Annelies Goos, non-executive director.

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

Francis Vanderhoydonck, permanent representative of FVDH BEHEER BV, has a Masters degree in Law and Economic Sciences and obtained an MBA from New York University. From 1986 to 1998, he worked at Generale Bank, where he held a number of positions in the investment banking department. From 1995 to 1998, he was responsible for that department. He is currently active as non-executive director of various companies.

Dirk De Cuyper, permanent representative of Didec Management BV, obtained marketing, distribution and technical qualifications and worked for Netstal Maschinen AG, a manufacturer of industrial machinery including machines for the production of PET preforms, amongst others, as subcontractor in sales and services for the PET department. Since the establishment of Resilux NV until 17 May 2019 he was appointed as managing director responsible for the daily management of the company. Since 17 May 2019 he acts as permanent representative of Didec Management BV that was appointed as managing director responsible for the daily management of the company.

Peter De Cuyper, permanent representative of Fodec Management BV, has a Masters degree in Law and a Masters degree in Economic Law. After having worked as in-house lawyer for an insurance company in 1992, he became financial director of Resilux NV on 1 January, 1993 and held this position until October 2002. Until 17 May 2019 he was appointed managing director responsible for the daily management of the company. Since 17 May 2019 he acts as permanent representative of Fodec Management BV that was appointed as managing director responsible for the daily management of the company.

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

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

Martine Snels obtained a Master's degree in Agricultural Engineering (KU Leuven) and has over 25 years of international experience in B2B Food & Beverage. Between 1996 and 2019 she held different management roles at Kemin Industries, Nutreco, Friesland Campina and GEA Group. She was a member of the executive board of Royal FrieslandCampina in the Netherlands and of GEA Group AG in Germany. She is currently a member of the supervisory board and remuneration commission of Electrolux Professional AB in Stockholm and the supervisory board of Vion Food Group in the Netherlands. In addition, she strives towards the promotion of diversity with her own company L'Advance.

Annelies Goos has a Master's degree in Law (FUNDP Namur, KUL Leuven, University of Heidelberg) and obtained her postgraduate degree in supplementary fiscal studies (KUL Leuven). She started her career at KPMG and Deloitte as tax advisor in an international environment. During the period as from 2003 until 2018 she held different group management positions at Resilux NV, a.o. as Group Legal Counsel. Since 1 January 2019 Annelies Goos is employed by Belfima Invest NV and Tradidec NV. In her capacity of General Counsel she carries out assignments of legal, fiscal, administrative and project related nature.

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

FVDH BEHEER BVBA represented by its permanent representative Francis Vanderhoydonck and Annelies Goos have no executive role in Resilux NV. The same applies to the three independent - in accordance with the Code on companies and associations and the Corporate Governance Code 2020 - directors of Resilux NV, being:

- Intal BV, represented by its permanent representative Johan Vanovenberghe, who was appointed as a member of the board of directors on 17 May 2019 by the general shareholders' meeting. The mandate of Intal BV shall end at the general shareholder's meeting of 2020.
- Mitiska NV, represented by its permanent representative Luc Geuten, who was appointed as a member of the board of directors on 17 March 2019 by the general shareholders' meeting. The mandate of Mitiska NV shall end at the general shareholder's meeting of 2020.
- Martine Snels who was appointed as a member of the board of directors on 17 March 2019 by the general shareholders' meeting. The mandate of Martine Snels shall end at the general shareholder's meeting of 2020.

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

At least one third of the members of the board of directors is of another gender than that of the other members. In addition, concrete actions have been taken to ensure that in the composition of the new board of directors that will be proposed for approval at the general shareholders' meeting of shareholders on 15 May 2020 at least one third of the members of the board of directors is of another gender than that of the other members.

In 2019, the board of directors has deliberated eleven times. Francis Vanderhoydonck, Dirk De Cuyper (in his capacity of director until 17 May 2019 and in his capacity of permanent representative as from 17 May 2019), Annelies Goos and Luc Geuten were not once excused and absent. Johan Vanovenberghe was excused and absent once. Martine Snels (appointed as from 17 May 2019) was excused once and represented by proxy. Peter De Cuyper (in his capacity of director until 17 May 2019 and in his capacity of permanent representative as from 17 May 2019) and Guido Vanherpe (appointed until 17 May 2019) were excused and absent twice. Alex De Cuyper (appointed until 17 May 2019) was excused seven times and represented by proxy.

At these meetings, various issues were discussed, amongst them the company's strategy, the composition of the board of directors, the recruitment of a Resilux Group COO, the acquisition and cancellation of treasury shares, strategic projects, free cash flow policy, recycling, raw material markets, MAR regulations, compliance, discussions about the budgets and the approval of new investment projects, tax issues, the evolution of the operations and the situation of the subsidiaries, the financial results and reports, credit management, external audit, internal control and risk management, customer projects, real estate, research and development, establishment and approval of all the necessary legal documents, lawsuits and disputes, implementation and monitoring of a new regulation, Corporate Governance and the performances of and interaction with the executive committee.

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

The internal regulations of the board of directors are set out in the Corporate Governance Charter of Resilux NV. The internal regulations explain, among other things, the composition, the competences and the operation of the board of directors.

b) Audit committee

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

Currently the audit committee consists of four members, who are all non-executive directors, namely Intal BV represented by its permanent representative Johan Vanovenberghe, Mitiska NV represented by its permanent representative Luc Geuten, Martine Snels and Annelies Goos. At least one member is independent and has the necessary expertise in the area of auditing and accounting.

The audit committee deliberated four times in 2019. Francis Vanderhoydonck (appointed until 17 May 2019), Luc Geuten, Martine Snels (appointed from 17 May 2019) and Annelies Goos (appointed from 17 May 2019) were not once excused and absent. Johan Vanovenberghe and Guido Vanherpe (appointed until 17 May 2019) were excused and absent once.

During these meetings, various issues were discussed, including the monitoring of the financial reporting process and the effectiveness of the internal control and risk management of the company, advising on the (reappointment) of an external auditor, monitoring the statutory audit of the financial statements and the consolidated statements, including the follow up of questions and recommendations made by the external auditor, reviewing and monitoring the independence of the external auditor and the provision by the external auditor of additional services to the company.

The internal regulations of the audit committee are set out in the Corporate Governance Charter of Resilux NV. The internal regulations explain, amongst other things, the composition, the competences and the operation of the audit committee.

c) Remuneration and nomination committee

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

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

Currently, the remuneration and nomination committee consists of four members, who are all non-executive directors, namely FDVH BEHEER BV represented by its permanent representative Francis Vanderhoydonck, Intal BV represented by its permanent representative

Johan Vanovenberghe, Mitiska NV represented by its permanent representative Luc Geuten and Martine Snels.

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

The remuneration and nomination committee deliberated five times in 2019. Francis Vanderhoydonck, Luc Geuten and Martine Snels were not once excused and absent. Johan Vanovenberghe and Guido Vanherpe (appointed until 17 May 2019) were excused and absent once. Alex De Cuyper was excused on three occasions and represented by proxy.

During these meetings, various issues were discussed, including advising on the composition of the board of directors and the executive committee, the recruitment of a Resilux COO, advice on KPIs in the context of the variable remuneration of the principal representatives of the executive management, the redaction of the draft annual remuneration report and the evaluation of its effectiveness and its internal regulations .

The internal regulations of the remuneration and nomination committee are set out in the Corporate Governance Charter of Resilux NV. The internal regulations explain, among other things, the composition, the competence and the operation of the remuneration and nomination committee.

d) The executive management and executive committee

The composition and functioning of the executive management and the executive committee of the company has been gradually adjusted by the board of directors during 2019 and 2020. Among others, Marcel van de Sande was attracted as Chief Operating Officer of the company, the number of members of the executive committee was reduced to increase the efficiency of the executive committee and the role and functioning of the executive committee have been adjusted.
The governance structure on the date of this report on corporate governance is described below.

The executive management of Resilux NV currently consists of four members, of which two are non-directors:

- Didec Management BV, represented by its permanent representative Dirk De Cuyper, Managing Director;
- Fodec Management BV, represented by its permanent representative Peter De Cuyper, Managing Director;
- Marcel van de Sande, Chief Operating Officer;
- Peter Mommerency, Chief Financial Officer.

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

Didec Management BV, represented by its permanent representative Dirk De Cuyper, managing director (see higher for bio)

Fodec Management BV, represented by its permanent representative Peter De Cuyper, managing director (see higher for bio)

Marcel van de Sande has a background in Material Engineering. He has 25 years of international experience in operations, sales and general management. He started his career in 1994 at de Kruithoorn (the Netherlands). From 1996 till 2000 he was active in sales management. From 2000 till 2008 Marcel van de Sande was the general manager of Endra BV (part of the ITW group), a production and sales unit for the patented "end-sealer" technology. In 2009 Marcel van de Sande was appointed President & General Manager of the Plastics Division Europe of Signode Industrial Group, that was acquired by Carlyle in 2014 and was sold to Crown Holding in 2018. During this period, Marcel van de Sande was responsible for the recycling activities of Poly Recyling, that was acquired by the Resilux group in 2017. In 2019 Marcel van de Sande joined the Resilux Group as Chief Operating Officer.

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

The board of directors has delegated the daily management and certain additional powers to the managing directors. The managing directors are the main representatives of the executive management of the company.

The managing directors are assisted in the exercise of their duties by the other members of the executive management, being the Chief Operations Officer and Chief Financial Officer, to whom they have delegated certain tasks and powers.

Without prejudice to the powers delegated to each member of the executive management, the COO and CFO will submit every contemplated decision that may materially impact the company for discussion at the executive committee or will directly discuss it with one or both managing directors (as the case may be).

The board of directors has created an executive committee which comprises all members of the executive management of the company. As such, the executive committee does not have any specific formal powers, but is a forum for the COO and CFO to structurally report to the managing director and for deliberation among the executive management. The executive committee hence allows the managing directors to further coordinate and direct the management of the company. Furthermore the executive committee has an advising and supporting role vis-à-vis the managing directors, specifically with respect to the formulation of proposals to the board of directors and the implementing of decisions by the board of directors.

The executive committee meets as often as the company's interest requires a meeting to be convened. In principle, there is one meeting every 14 days at a fixed time.

The internal regulations of the executive management and the executive committee are set out in the Corporate Governance Charter of Resilux NV. The internal regulations explain, amongst other things, the competences as well as the operation and the composition of the executive management and executive committee.

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

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

With regard to the management (including daily management) of the company, we look for a balance, on the one hand, between the particular person having the required professional qualifications, expertise and management capacities to do his or her job and, on the other hand, considering the circumstances on the labour market, internal promotion opportunities, our structure, size and organisation. Taking into account the size and specific circumstances of the company, the limited size and composition of the board of directors and the executive management the company, however, does not formulate specific fixed targets regarding the number of board or management members that satisfy certain criteria regarding age, race, descent, education or (with respect to executive management) gender.

With respect to the executive management, the abovementioned policy was specifically applied during the selection process for the Chief Operations Officer, whereby the candidates have been assessed against the aforementioned policy. With respect to the board of directors, the remuneration and nomination committee and the board of directors have applied the policy in the preparation of the list of candidates to be appointed as director by the general shareholders' meeting on 17 May 2019.

The hiring process for a Chief Operations Officer has in 2019 ultimately resulted in the hiring of Marcel van de Sande and a further diversification of the executive management.

The application of the aforementioned policy at the level of the board of directors has resulted in a list of candidate directors, that taken as a whole represent a diverse team in terms of expertise, age and gender. At least one third of the members of the board of directors are of a gender that is different to that of the other members. Furthermore, concrete actions have been taken to ensure that in the composition of the new board of directors, that will be proposed for approval at the general shareholders' meeting on 15 May 2020 at least one third of the members of the board of directors are of a gender that is different to that of the other members.

1.7 Remuneration Report (article 3:6, §3 Code on companies and associations)

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

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

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

b) Statement of the applied remuneration policy

Non-executive directors
Article 22 of the company's articles of association states that the mandate of the board of directors is unpaid, unless the general shareholders' meeting decides otherwise.

With respect to the mandate of the non-executive directors, the general shareholders meeting approved on 17 May 2019 an increase of the remuneration compared to previous years – including the double remuneration for the non-executive chairman – and adjusted the remuneration in the sense that for the mandates starting on 17 May 2019 a portion of the remuneration is dependent on physical presence at the meetings of the board of directors.

Alex De Cuyper, chairman and non-executive director, was granted a remuneration in kind in the form of a car and a mobile phone (including coverage of the costs related to the use of these benefits in kind), which can be retained after the termination of his mandate on 17 May 2019 as a token of appreciation for his valued contributions to the company over the years.

Except for the aforementioned remuneration kind of the previous chairman, none of the non-executive directors are eligible for remuneration in shares nor any form of performance linked remuneration such as bonusses, share-related incentive programs in the long term, nor benefits in kind or related to pension-plans.

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

Executive directors

With respect to the mandates of the executive directors Dirk De Cuyper and Peter De Cuyper, ending on 17 May 2019, no additional remuneration was granted for the exercise of their mandate as executive director.

With respect to the mandates of the executive directors Didec Management BV, represented by its permanent representative Dirk De Cuyper, and Fodec Management BV, represented by its permanent representative Peter De Cuyper, starting on 17 May 2019 and ending on 15 May 2020 a remuneration was granted, subject to ratification by the general shareholders' meeting to be held on 15 May 2020, consisting of a fixed fee and a variable bonus component in cash subject to a cap, to be awarded depending on the effective realization of the targets (being EBITDA and profit-after-tax KPIs) set for the relevant year by the board of directors.

The relative importance of these components is as follows:

- for Fodec Management BV: a fixed remuneration of minimum 80.6% and a variable remuneration of maximum 19.4%;
- for Didec Management BV: a fixed remuneration of minimum 77.6% and a variable remuneration of maximum 22.4%.

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

When determining the remuneration, information available on the remuneration of similar positions in other (listed) Belgian and foreign companies, as well as the concrete duties within the company, are taken into account.

Executive management and executive committee

The remuneration policy and the individual remuneration of the members of the executive committee, including the executive directors in their capacity as member of the executive committee/ main representatives of the executive management, are proposed by the remuneration committee and subsequently approved by either the board of directors of the company or submitted by the board of directors to the general shareholders' meeting for approval.

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

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

Remuneration of Dirk De Cuyper and Peter De Cuyper (until 17 May 2019)

The remuneration package of Dirk De Cuyper and Peter De Cuyper, in their capacity of member of the executive committee, main representative of the executive management until 17 May 2019 consisted of a fixed fee, a number of common benefits in kind and a variable bonus component in cash subject to a cap, to be awarded depending on the effective realization of the targets (being EBITDA and profit-after-tax KPIs) set for the relevant year by the board of directors.

The relative importance of these components is as follows for both Dirk De Cuyper and Peter De Cuyper:

- a fixed remuneration of minimum 80%; and
- a variable remuneration of maximum 20%.

Remuneration of Didec Management BV and Fodec Management BV (as from 17 May 2019)

The board of directors has decided to, aside from the remuneration that Didec Management BV, represented by its permanent representative Dirk De Cuyper, and Fodec Management BV represented by its permanent representative Peter De Cuyper receive for the exercise of their mandate as executive director, not grant any additional remuneration for the exercise of the daily management and the membership of the executive committee.

Remuneration of the other members of the executive management

The remuneration package for the other members of the executive management consists of a fixed remuneration and a number of common benefits in kind and representation allowances. Only Marcel van de Sande is eligible for variable remuneration in cash up to maximum 20% of the fixed annual remuneration awarded to him. With respect to financial year 2020 the award of the annual bonus is subject to the realization of certain EBITDA and free cash flow KPIs as well as certain individual KPIs.

For all members of the executive committee that are not directors an additional pension plan is provided, based on a defined contribution. The management of the pension plan is entrusted to an insurance company.

None of the members of the executive committee were granted any rights to any performance related remuneration in the form of shares, options or other rights to acquire shares.

Remuneration policy for the next two financial years

Based on a recommendation by the remuneration committee, the board of directors has decided to adjust its remuneration policy for executive directors. The board of directors will submit for approval a remuneration proposal that consists of (only) a fixed fee for the executive directors to the general shareholders' meeting. The fixed fee that will be proposed has been determined taking into account certain assumptions regarding EBITDA and profit-after-tax. In case the EBITDA and/or profit-after-tax of the company would turn out lower than expected during the term of the mandate, the board of directors has reserved the right to, following consultation with the executive directors, submit an adjusted remuneration proposal to the general shareholders' meeting.

Also following a recommendation by the remuneration committee, the board of directors will submit for approval a proposal providing for a termination indemnity for the executive directors to the general shareholders' meeting to be held on 15 May 2020, provided that the extraordinary general shareholders' meeting decides to amend the articles of association to allow for termination indemnities. The proposed termination indemnity will however not exceed the amount of the total annual remuneration of each executive director.

Considering the relevant trends regarding legislation and Corporate Governance, and in particular the provisions of the Corporate Governance Code 2020 and the transposition of Directive (EU) 2017/828 of the European Parliament and the Council of 17 May 2017 into Belgian law, the company will continue to re-assess its remuneration policy and will adjust it where required.

c) Remuneration

Non-executive Directors

In 2019, the following remunerations were allocated to the non-executive directors:

FVDH BV, with permanent representative Francis Vanderhoydonck[1]	€	32,500.00
Intal BV, with permanent representative Johan Vanovenberghe	€	20,000.00
Mitiska NV, with permanent representative Luc Geuten	€	20,000.00
Martine Snels	€	12,500.00
Annelies Goos	€	12,500.00
Guido Vanherpe BVA, with permanent representative Guido Vanherpe[2]	€	7,500.00
Alex De Cuyper (provision of a car and a mobile phone[3]	€	8,977.69

1 Non-executive director, and as from 17 May 2019, chairman of the board of directors.

2 Non-executive director until 17 May 2019.

3 Chairman of the board of directors and non-executive director until 17 May 2019.

Remuneration of members of the executive committee, with the exception of the main representatives of the executive management

The members of the executive committee, with the exception of two main representatives of the executive management, were paid a total remuneration of € 920,692.04 in financial year 2019.

These amounts include:

- Basic salaries (gross): € 827,846.23
- Contributions to the pension scheme / group insurance: € 46,071.20
- Other components: benefits in kind and representation allowances: € 46,774.61

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

During the period from 1 January 2019 until 17 May 2019 Dirk De Cuyper and Peter De Cuyper were the main representatives of the executive management. As the executive functions executed by Dirk De Cuyper and Peter De Cuyper at the highest level of the Resilux Group are similar and complementary, they are both regarded as main representatives of the daily management / executive management during the aforementioned period.

As from 17 May 2019 Didec Management BV and Fodec Management BV are the main representatives of the executive management. As the executive functions executed by Didec Management BV and Fodec Management BV at the highest level of the Resilux Group are similar and complementary, they are both regarded as main representatives of the daily management / executive management as from 17 May 2019.

Remuneration of Dirk De Cuyper and Peter De Cuyper

Dirk De Cuyper and Peter De Cuyper received a joint fixed remuneration amounting to € 894,648.48 during financial year 2019.

These amounts include:

- Basic allowances: € 889,700.65
- Other components: € 4,947.83

In addition, Dirk De Cuyper and Peter De Cuyper jointly received during financial year 2019 a cash remuneration of in aggregate € 550,000 pursuant to the variable bonus schemes approved by the board of directors. This amount represents on the one hand the awarded bonus amount linked to the KPIs of 2018, and on the other hand, the awarded bonus amount linked to the KPIs of 2017 that was only effectively paid in 2019.

No additional pension plan has been put in place for Dirk De Cuyper and Peter De Cuyper.

Remuneration of Didec Management BV and Fodec Management BV

Didec Management BV and Fodec Management BV received a joint fixed remuneration amounting to € 964,500 during financial year 2019.

No additional pension plan nor other components have been put in place for Didec Management BV and Fodec Management BV..

d) Shares and share options - warrants

During 2019, no shares, share options, warrants or other rights to acquire shares were attributed to one or more directors or members of the executive committee.

e) Termination indemnities

The employment agreement with Marcel van de Sande provides in a contractual termination indemnity clause that provides for a termination indemnity, in case of termination by the company (other than for cause) equal to the highest of the legal termination indemnity and an indemnity of € 200,000 (gross) minus the legal termination indemnity and minus (if applicable) the indemnity paid out pursuant to the application of the non-compete obligation.

The mandate agreements with the executive directors and the employment agreements with the other members of the executive management do not contain any specific arrangements in respect of termination indemnities.

f) Claw-back of variable remuneration

No claw-back rights have been provided to the benefit of the company in respect of variable remuneration granted to the members of the executive management.

2. Corporate Governance Charter

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

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

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

3. Appraisals

Board of directors

In accordance with the relevant Corporate Governance principles, the board of directors has assessed the performance and contributions of the managing directors and the other members of the executive management on 2 March 2020.

The board of directors has taken note of the positive assessment by the remuneration and nomination committee in the context of the annual assessment of the performance and contribution of the members of the executive management. Following deliberation, the board of directors has also reached the same positive conclusion. In addition, the board of directors has taken note of the prospect as expressed by the remuneration and nomination committee that it can be expected that the company's governance will be further optimized (in turn furthering the attainment of the company's purpose) following (i) the adjustments to the structure and role of the executive committee, (ii) the creation of the COO role and (iii) the arrival of Group HR director that will further shape the group's HR policy.

Remuneration and nomination committee

In accordance with the relevant Corporate Governance principles, the following appraisals were held on 2 March 2020:

- assessment of the contribution and the performance of the managing directors and of the other members of the executive management;
- assessment of the directors whose mandate ends on 15 May 2020.

As part of its annual evaluation of the contributions and performance of the managing directors (Didec Management BV and Fodec Management BV) and - in the presence of the managing directors - those of the other members of the executive management (being Marcel van de Sande, COO, and Peter Mommerency, CFO), the members of the remuneration and nomination committee gave a positive appraisal. Another positive aspect is the fact that it can be expected that the company's governance will be further optimized (in turn furthering the attainment of the company's purpose) following (i) the adjustments to the structure and role of the executive committee, (ii) the creation of the COO role and (iii) the arrival of Group HR director that will further shape the group's HR policy.

The remuneration and nomination committee has in particular also assessed (i) the compliance with the company's code of ethics and conduct by the members of the executive management, and (ii) the management's responsiveness to the recommendations made in the external auditor's management letter. On the basis of the information available to the remuneration and nomination committee, the committee comes to a positive conclusion.

With respect to the assessment of the directors whose mandate terminates on 15 May 2020 and in accordance with the relevant provisions of the Code, the remuneration and nomination committee has assessed (without the director who is being assessed being present) for each director:

- his or her presence at the board or committee meetings;
- his or her commitment and constructive involvement in discussions and decision-making;
- whether the contribution of each board member is adapted to changing circumstances.

On the basis of the aforementioned criteria, the remuneration and nomination committee comes to a positive conclusion for each of the directors.

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

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

Cfr. reporting under "point 7. Legal conflicts of Interest" regarding the application of the legal conflicts of interest procedure in 2019.

5. Market abuse

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

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

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

The FSMA publishes notified transactions on its website on the grounds of article 25, §2 of the Law of 2 August 2002 on the supervision of the financial sector and on financial services. The content of notifications falls under the exclusive responsibility of the persons who are subject to the duty of notification. The company indicates on its website where these reports can be consulted.

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

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

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

6. Other transactions

No other transactions to report.

7. Legal conflicts of interest

Article 523 of the Companies Code (as applicable to the company until 31 December 2019) provides for a specific procedure to be applied at level of the board of directors in the event one or more directors is faced with a potential conflict of interest of a patrimonial nature regarding decisions to be taken or transactions to be carried out by the board of directors. The decision or transaction concerned, the resolution adopted as well as the patrimonial consequences must be recorded in the minutes and be included in extenso in the company's annual report.

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

Article 524 of the Companies Code (as applicable to the company until 31 December 2019) also provides for procedures and rules for transactions and decisions between affiliated companies. In particular, these transactions must be submitted to a committee of 3 independent directors. This committee is assisted by one or more independent experts appointed by the committee. The committee must present a motivated, written opinion to the board of directors on a number of legally defined items. After having taken note of the report, the board of directors must deliberate and vote on the proposed decision or transaction. If the board departs from the committee's recommendation, this must be recorded and motivated in the minutes. The statutory auditor assesses the reliability of the data provided in the committee's recommendation and in the minutes from the board of directors meeting. The committee's decision, an excerpt from the minutes of the board of directors and the statutory auditor's opinion are reported in the company's annual report.

These principles have been applied a number of times in 2019.

Conflicts of interests - Application of Article 523 of the Companies Code in 2019

In 2019, six situations occurred at the level of the board of directors that gave rise to the application of (only) article 523 of the Companies Code.

1. During the meeting of 29 January 2019 the board of directors has deliberated on and taken a decision regarding a services agreement between, on the one hand, the company, and on the other hand, Tradidec NV and Belfima NV, two affiliated companies of the De Cuyper family, relating to the provision of certain services of a legal, tax, administrative, project related, managerial and / or supportive nature for the benefit of the company.

   The following was recorded in the minutes of the meeting of 29 January 2019 in this respect:
   "Prior to the deliberations and decisions by the board of directors, Messrs Dirk De Cuyper (also on behalf of Alex De Cuyper) and Peter De Cuyper, each director of the company, made the following statements to the extent necessary and applicable in accordance with article 523 of the Companies Code.

   The meeting of the board of directors was requested to deliberate on a proposed services agreement between, on the one hand, the company, and on the other hand, Tradidec NV and Belfima NV, two affiliated companies of the De Cuyper family, relating to the provision of certain services of a legal, tax, administrative, project related, managerial and / or supportive nature as further described in the draft agreement (the "Transaction").

   Mr Peter De Cuyper informed the board of directors that Tradidec NV and Belfima Invest NV, two of his directly or indirectly affiliated companies, are the counterparties to the Transaction.
   Mr Dirk De Cuyper, on behalf of himself and on behalf of Alex De Cuyper; informed the board of directors that Tradidec NV and Belfima Invest NV, two of their directly or indirectly affiliated companies, are the counterparties to the Transaction.

Consequently, Messrs Alex De Cuyper, Dirk De Cuyper and Peter De Cuyper each potentially have an interest of a patrimonial nature as provided for in article 523 of the Companies Code that could possibly conflict with the decision to be taken by the board of directors.
Finally, Dirk De Cuyper (also on behalf of Alex De Cuyper) and Peter De Cuyper stated that they would notify the statutory auditor of the company of the aforementioned statements.

Dirk De Cuyper (also on behalf of Alex De Cuyper) and Peter De Cuyper then left the meeting of the board of directors in order not to take part in the further deliberations and the decision regarding the agenda item".

The minutes of the meeting of the board of directors then go on to state:
"The other members of the board of directors then deliberated and concluded as follows – provided that on the next meeting more information is provided on the proposed fee structure:
Decision: "The board of directors decided to approve the draft services agreement (relating to the provision of certain services of a legal, tax, administrative, project related, managerial and / or supportive nature) as presented to the board and that would be applicable to the company and Tradidec NV and Belfima Invest NV."

On the following meeting of the board of directors of 28 February 2019 this item was revisited and the following was recorded in the minutes:
"In respect of this agenda item eight (b), Messrs Alex De Cuyper, Dirk De Cuyper and Peter De Cuyper had already made statements, as necessary and applicable in accordance with articles 523 of the Companies Code, during the meetings of the board of directors held on 29 August 2018 and 29 January 2019.

These statements, which were recorded in the minutes of the meetings of the board of directors held on 29 August 2018 and 29 January 2019, were at this time repeated in full by the directors to the extent necessary and appropriate (also on behalf of Alex De Cuyper). The directors concerned also reiterated that they would notify the statutory auditor of the company of the aforementioned statements. Dirk De Cuyper (also on behalf of Alex De Cuyper) and Peter De Cuyper subsequently left the meeting of the board of directors so as not to participate in the further deliberation and decision-making regarding agenda item 8(b)."

The minutes of the meeting of the board of directors then go on to state:
"The board of directors takes note of the further information with respect to the fee structure included in the agreement and proceeds with the deliberation and decisionmaking in this respect."
Decision: "The board of directors has no further comments and confirms its decision taken at the occasion of the board of directors meeting held on 29 January 2019 regarding the approval of the draft services agreement (relating to the provision of certain services of a legal, tax, administrative, project related, managerial and / or supportive nature) as presented to the board and that would be applicable to the company and Tradidec NV and Belfima Invest NV."

2. During the meetings of 29 January 2019 and 28 February 2019 the board of directors has deliberated on and taken a decision regarding the granting of compensation to Francis Vanderhoydonck (or a company controlled by Francis Vanderhoydonck) for the advice that was rendered over the course of 2018 at the occasion of discussions and/or diligence in respect of potential transactions or expansion opportunities of a strategic nature for the company.

   The following was recorded in the minutes of the meeting of 29 January 2019 in this respect:
   "FVDH Beheer BVBA, represented by its permanent representative Francis Vanderhoydonck reports that Francis Vanderhoydonck (either personally or through an affiliated company for which he acts as the permanent representative) may receive compensation, after the fact, on the basis of a decision of the board of directors, for services he has rendered over the course of 2018 as advisor of the company and its management at the occasion of discussions and/or diligence in respect of potential transactions or expansion opportunities of a strategic nature for the company. In addition, the board of directors is requested to determine the principles of remuneration for any future services in this respect.

   Hence FVDH Beheer BVBA, represented by its permanent representative Francis Vanderhoydonck potentially has an interest of a patrimonial nature as provided for in article 523 of the Companies Code that could possibly conflict with the decision to be taken by the board of directors in respect of agenda item 8 (c).
   Finally, Francis Vanderhoydonck stated that he would notify the statutory auditor of the company of the aforementioned statements.
   Francis Vanderhoydonck then left the meeting of the board of directors in order not to take part in the further deliberations and the decision regarding agenda item 8(c)".

   The minutes of the meeting of the board of directors then go on to state:
   "The other members of the board of directors took note of the aforementioned statements of FVDH Beheer BVBA, represented by its permanent representative Francis Vanderhoydonck. Subsequently the other members of the board of directors proceeded to deliberating on the proposed agenda item.

   Decision: "The board of directors decided that

   a) the board would like to receive further details on the services rendered prior to the deliberation on and the decision regarding a potential compensation, ex post, for services rendered in 2018;
   b) as a general principle, compensation of this nature should take the form of a pre-approved fixed compensation (and not compensation on a commission basis), calculated on the basis of a fee (fixed per day) agreed in advance and a reasonable estimate of the time required for providing the services."

   On the following meeting of the board of directors of 28 February 2019 this item was revisited and the following was recorded in the minutes:
   "With respect to this agenda item, FVDH Beheer BVBA represented by its permanent representative Francis Vanderhoydonck has, in as far as required and applicable, already made a statement to the board of directors in accordance with article 523 of the Companies Code during the meeting of the board of directors of 29 January 2019.

   This statement, which was recorded in the minutes of the meeting of the board of directors held on 29 January 2019, is hereby repeated in full by the director in as far as required and applicable.

The director concerned also reiterates that he will inform the statutory auditor of the company of the aforementioned statement.

FVDH Beheer BVBA, represented by its permanent representative Francis Vanderhoydonck then left the meeting of the board of directors in order not to take part in the further deliberations and the decision regarding this agenda item."

The minutes of the meeting of the board of directors then go on to state:
"The other members of the board of directors took note of the preliminary statement by Dirk De Cuyper and the statement of FVDH Beheer BVBA, represented by its permanent representative Francis Vanderhoydonck, as well as the overview of services rendered in 2018 that was prepared by Francis Vanderhoydonck at the request of the board of directors. Subsequently the other members of the board of directors proceeded to deliberating on the proposed agenda item.

The minutes of the meeting of the board of directors then go on to state:
"The other members of the board of directors took note of the preliminary statement by Dirk De Cuyper and the statement of FVDH Beheer BVBA, represented by its permanent representative Francis Vanderhoydonck, as well as the overview of services rendered in 2018 that was prepared by Francis Vanderhoydonck at the request of the board of directors. Subsequently the other members of the board of directors proceeded to deliberating on the proposed agenda item.

Decision: "The board of directors decided

a) to approve an ex post compensation in the amount of € 30,015 (excluding VAT and out-of-pocket costs) for the services and advice rendered by Francis Vanderhoydonck (or through an affiliated company for which he acts as the permanent representative) in 2018 to the company other than pursuant to the exercise of his mandate as director;
b) to approve the following instructions with respect to possible future services:
   - as a general principle, services other than services pursuant to the exercise of a mandate as director can be rendered;
   - maximum rate of € 2,000 per day (excluding VAT and out-of-pocket costs);
   - for a maximum total amount of € 60,000 (being the equivalent of 30 full-time days at a maximum rate of € 2,000 per day). Should this amount be exceeded either in the context of a single assignment or in the context of multiple assignments, further approval should be requested to the board of directors;
   - the service provider and the company will report as soon as possible and regularly to the board of directors on the services provided and the ongoing assignments."

3. During the meeting of 29 January 2019 the board of directors has deliberated and decided to award the honorary-chairmanship of the company to Mr. Alex De Cuyper, and related thereto, to approve the continued use of the company car and cell phone by Mr. Alex De Cuyper.

   The following was recorded in the minutes of the meeting of 29 January 2019 in this respect:
   "Prior to the deliberations and decisions by the board of directors, Mr Dirk De Cuyper made the following statement on behalf of Alex De Cuyper, resigning director of the company, to the extent necessary and applicable in accordance with article 523 of the Companies Code.

   Pursuant to a recommendation made by the remuneration and nomination committee, the meeting of the board of directors was requested to deliberate on whether to award the honorary-chairmanship of the company to Mr. Alex De Cuyper, and related thereto, to approve the continued use of the company car and cell phone provided to him, as a token of appreciation for his advisory and leading role in the board of directors of the company over the years.
   Consequently, Mr. Alex De Cuyper potentially has an interest of a patrimonial nature as referred to in article 523 of the Companies Code that could possibly conflict with the decision to be taken by the board of directors.

   Finally, Dirk De Cuyper, on behalf of Alex De Cuyper, stated that he would notify the statutory auditor of the company of the aforementioned statements.
   Dirk De Cuyper, on behalf of Alex De Cuyper, then left the meeting of the board of directors in order not to take part in the further deliberations and the decision regarding the agenda item".

The minutes of the meeting of the board of directors then go on to state:
"The board of directors, decides to, together with the awarding of the honorary chairmanship to Mr. De Cuyper, approve the continued use by Alex De Cuyper of a car and cell phone, as a token of appreciation for his advisory and leading role in the board of directors of the company over the years."

4. During the meeting of 28 February 2019 the board of directors has deliberated on and taken a decision regarding the remuneration of the managing directors charged with the daily management of the company.

   The following was recorded in the minutes of the meeting in this respect:
   "Prior to the deliberations and decisions by the board of directors, Messrs Dirk De Cuyper and Peter De Cuyper, both managing directors of the company, made the following statements to the extent necessary and applicable in accordance with article 523 of the Companies Code.
   Upon recommendation of the remuneration and nomination committee, the meeting of the board of directors was requested to, following their appointment as directors by the general shareholders' meeting of 17 May 2019, appoint Messrs Dirk De Cuyper (or a management company appointed by Dirk De Cuyper) and Peter De Cuyper (or a management company appointed by Peter De Cuyper) as managing directors charged with the daily management of the company and to fix and approve the remuneration of the managing directors charged with the daily management of the company.

   Consequently, Messrs Dirk De Cuyper and Peter De Cuyper each potentially have an interest of a patrimonial nature as provided for in article 523 of the Companies Code that could possibly conflict with the decision to be taken by the board of directors.
   Finally, Dirk De Cuyper and Peter De Cuyper stated that they would notify the statutory auditor of the company of the aforementioned statements.

   Dirk De Cuyper and Peter De Cuyper then left the meeting of the board of directors in order not to take part in the further deliberations and the decision regarding the agenda item".

The minutes of the meeting of the board of directors then go on to state:
"The other members of the board of directors then deliberated and concluded as follows:
Decision: "Following deliberation, the board of directors decided to, in the context of the reappoint of Dirk De Cuyper and Peter De Cuyper as managing directors charged with the daily management of the company:

- Approve a total annual fixed compensation (on a consolidated basis at group level) of € 800,000 (excluding social security contributions due by the employer in respect of compensation paid abroad and excluding out-of-pocket costs);
- In particular with respect to Dirk De Cuyper, taking into account the specific tasks he carries out in practice, to approve the principle of allocation of part of his total annual compensation to a remunerated executive director mandate abroad;
- In case the daily management activities would not be carried out in their capacity of natural persons, but as permanent representatives of a management company, provide an additional amount in cwash of [€*] instead of the aforementioned common benefits in kind;
- approve a yearly variable remuneration linked to the effective realization of certain objective and quantifiable performance indicators determined in advance that are assessed over a one-year period. The variable remuneration cannot exceed 25% of the total annual fixed remuneration. The variable remuneration is paid out in cash;
- exclude any contributions for insurances or pensions (except for, as the case may be, mandatory social security contributions and withholdings abroad);
- not to provide remuneration linked to performance in the long term;
- discuss further and approve the draft of the management agreement on the next meeting;

- in respect of the supplemental fee replacing the common benefits in kind, Peter Mommerency will calculate the real cost of such benefits in kind and will fill out the missing number accordingly."

5. During the meeting of 28 February 2019 the board of directors has deliberated on and taken a decision regarding the determination of KPIs for 2019 in respect of the variable remuneration of the managing directors charged with the daily management of the company.

   The following was recorded in the minutes of the meeting in this respect:
   "Prior to the deliberations and decisions by the board of directors, Messrs Dirk De Cuyper and Peter De Cuyper, both managing directors of the company, made the following statements to the extent necessary and applicable in accordance with article 523 of the Companies Code.

   Upon recommendation of the remuneration and nomination committee, the meeting of the board of directors was requested, following their appointment as directors by the general shareholders' meeting of 17 May 2019, to appoint Messrs Dirk De Cuyper (or a management company appointed by Dirk De Cuyper) and Peter De Cuyper (or a management company appointed by Peter De Cuyper) as managing directors charged with the daily management of the company and to fix and approve the remuneration of the managing directors charged with the daily management of the company.
   In light thereof the meeting of the board of directors is requested to, following a recommendation by the remuneration and nomination committee, approve an annual variable compensation linked to the effective realization of certain objective and quantifiable performance indicators determined in advance that are assessed over a one-year period.

   As future beneficiaries of this variable compensation Messrs Dirk De Cuyper and Peter De Cuyper each potentially have an interest of a patrimonial nature as provided for in article 523 of the Companies Code that could possibly conflict with the decision to be taken by the board of directors.

   Finally, Dirk De Cuyper and Peter De Cuyper stated that they would notify the statutory auditor of the company of the aforementioned statements.
   Dirk De Cuyper and Peter De Cuyper then left the meeting of the board of directors in order not to take part in the further deliberations and the decision regarding the agenda item".

   The minutes of the meeting of the board of directors then go on to state:
   "The other members of the board of directors then deliberated and concluded as follows:
   Decision: "Following deliberation, the board of directors decided to approve the principles regarding variable compensation as attached hereto as Annex 1, in respect of financial year 2019, and taking into account the recommendation by the remuneration and nomination committee. The patrimonial consequences for the company are of a purely financial nature."

6. During the meeting of 28 February 2019 the board of directors has deliberated on and taken a decision regarding the awarding of variable remuneration for the main representatives of the executive management in respect of financial year 2018.

   The following was recorded in the minutes of the meeting in this respect:
   "Prior to the deliberations and decisions by the board of directors, Messrs Dirk De Cuyper and Peter De Cuyper, both managing directors of the company, made the following statements to the extent necessary and applicable in accordance with article 523 of the Companies Code.

   Upon recommendation of the remuneration and nomination committee, the meeting of the board of directors was requested to deliberate on the awarding of variable remuneration for the main representatives of the executive management in respect of financial year 2018.

As beneficiaries of this variable compensation Messrs Dirk De Cuyper and Peter De Cuyper each potentially have an interest of a patrimonial nature as provided for in article 523 of the Companies Code that could possibly conflict with the decision to be taken by the board of directors.
Finally, Dirk De Cuyper and Peter De Cuyper stated that they would notify the statutory auditor of the company of the aforementioned statements.

Dirk De Cuyper and Peter De Cuyper then left the meeting of the board of directors in order not to take part in the further deliberations and the decision regarding the agenda item".

The minutes of the meeting of the board of directors then go on to state:
"The other members of the board of directors then deliberated and concluded as follows:
Decision: "Following deliberation, the board of directors decided, in application of the principles regarding variable remuneration as determined by the board of directors on 6 March 2018, to calculate the variable remuneration for Dirk De Cuyper and Peter De Cuyper for 2018 as follows:

Audited financial results 2018 (as reported)		**Bonus**	
	EUR		EUR
EBITDA	44,371,000		75,000
Profit after Taxes	18,945,000		100,000
		Total	**175,000**

The patrimonial consequences for the company are of a purely financial nature."

Conflicts of interests - Application of Article 523 in combination with Article 524 of the Companies Code in 2019

In 2019, one situation occurred at the level of the board of directors that gave rise, in as far as required, to the combined application of article 523 and article 524 of the Companies Code. During the meetings on 29 January 2019, 28 February 2019 and 22 March 2019 the board of directors has applied, in as far as required, the procedure provided for in articles 523 and 524 of the Companies Code with respect to two lease transactions between, on the one hand, the company, and on the other hand, respectively, Immo Belinvest BV (in respect of the lease of industrial premises) and Immo Tradec (in respect of the lease of office space), both being affiliated companies of the De Cuyper family.

Application of article 523 of the Companies Code
The following was recorded in the minutes of the meeting on 29 January 2019 in this respect:
"With respect to this agenda item 8(a), Messrs. Alex De Cuyper, Dirk De Cuyper and Peter De Cuyper have, in as far as required and applicable, already made a statement to the board of directors in accordance with article 523 and/or 524 of the Companies Code during the meeting of the board of directors of 29 August 2018.

This statement, which was recorded in the minutes of the meeting of the board of directors held on 29 August 2018, is hereby repeated in full (also on behalf of Alex De Cuyper) in as far as required and applicable.
The directors concerned also reiterated that they will inform the statutory auditor of the company of the aforementioned statement.

Dirk De Cuyper (also on behalf of Alex De Cuyper) and Peter De Cuyper then left the meeting of the board of directors in order not to take part in the further deliberations and the decision regarding this agenda item 8(a)."

The minutes of the meeting of the board of directors on 29 January 2019 then go on to state:
"Deliberation by the board of directors
Considering that
- the preparatory notes provided to the board require further clarification on a number of points (a.o. leasing versus constructing);
- additional advice by an independent expert should be requested (assessment of the location, lease payment and lease term);
- the committee has not yet been able to issue a written motivated advice,

this agenda item is postponed until the committee has been able to finalize its tasks, it being understood however that the required draft reports and minutes will be prepared and an expert will be appointed to prepare the required valuation reports and to provide related advice."

On the following meeting of the board of directors of 28 February 2019 this item was revisited and the following was recorded in the minutes:
"With respect to this agenda item 8(a), Messrs. Alex De Cuyper, Dirk De Cuyper and Peter De Cuyper have, in as far

as required and applicable, already made a statement to the board of directors in accordance with article 523 and/or 524 of the Companies Code during the meetings of the board of directors of 29 August 2018 and 29 January 2019.
These statements, which were recorded in the minutes of the meetings of the board of directors held on 29 August 2018 and 29 January 2019, are hereby repeated in full (also on behalf of Alex De Cuyper) in as far as required and applicable. The directors concerned also reiterated that they will inform the statutory auditor of the company of the aforementioned statement.

Dirk De Cuyper (also on behalf of Alex De Cuyper) and Peter De Cuyper then left the meeting of the board of directors in order not to take part in the further deliberations and the decision regarding this agenda item 8(a)."

The minutes of the meeting of the board of directors on 29 January 2019 then go on to state:
"The board of directors establishes that the ad hoc committee that was formed consisting of independent directors has not yet been able to issue a written motivated advice, but takes note of the fact that the ad hoc committee expect to issue its advice in the second half of the month of March.
Decision: The board of directors decides to convene a meeting by conference call on 22 March 2019 in order to take note of the motivated advice and to proceed with the deliberation and decisionmaking in respect of this item.
In the meantime, the board of directors authorizes the company's management to already use the premises located at Damstraat 8, Wetteren as of February 2019 for storage purposes, and to determine that – provided that the procedure in respect of article 524 Companies Code has been finalized in a satisfactory manner –1 February 2019 is the effective date of the lease agreement.""

On the following meeting of the board of directors of 22 March 2019 this item was revisited and the following was recorded in the minutes:
"With respect to this second agenda item, Messrs. Alex De Cuyper, Dirk De Cuyper and Peter De Cuyper have, in as far as required and applicable, already made statements to the board of directors in accordance with article 523 and/or 524 of the Companies Code during the meetings of the board of directors of 29 August 2018.
These statements, which were recorded in the minutes of the meetings of the board of directors held on 29 August 2018, are hereby repeated in full in as far as required and applicable.
The directors concerned also reiterated that they will inform the statutory auditor of the company of the aforementioned statement.
Dirk De Cuyper and Peter De Cuyper then left the meeting of the board of directors in order not to take part in the further deliberations and the decision regarding this second agenda item."

Application of article 524 of the Companies Code
With respect to the approval of two lease agreement to be entered into by, on the one hand, the company (as lessee), and, on the other hand, respectively, Immo Belinvest NV and Immo Tradec NV (as lessors), the committee of independent directors (being (i) Guido Vanherpe BVBA, represented by its permanent representative Guido Vanherpe, (ii) Mitiska NV, represented by Arlini NV, permanently represented by Luc Geuten, and (iii) Intal BVBA, represented by its permanent representative Johan Van Ovenberghe) reports on the exercise of its duties, in as far as required and applicable, in accordance with article 524 of the Companies Code. The committee was assisted in carrying out its duties by Mr. Ignace Casteleyn, Senior Director, Industrial Agency JLL, that was selected by the committee in view of his relevant professional expertise and experience as independent expert further to the procedure prescribed by article 524 of the Companies Code. The committees deemed it was not required to select more than one expert.

The committee of independent directors came to the following conclusion:
"With the assistance of an independent expert in the sense of article 524§2 of the Companies Code, the committee of independent directors is of the opinion that the contemplated lease transactions between the company (lessee) and Immo Belinvest NV and Immo Tradec NV as lessors, two affiliated companies of the De Cuyper family (reference shareholder) – and in case of Immo Tradec NV also a direct shareholder in the company- are, taking into account the proposed terms and condition, not of a nature to result in a disadvantage to the company that in view of the company's policies would be manifestly illicit. The committee is also of the opinion that the contemplated lease transactions, in light of the proposed terms and conditions thereof, are not to the disadvantage of the company."

The minutes of the board of directors of 22 March 2019 then go on to state:
"Following the consideration of the advice by the

committee and further consideration on this agenda item, the board of directors decides to:

- approve the written advice dated 22 March 2019 of the committee, as assisted by an independent expert, and to also second and approve the conclusions and conditions in this report;
- to approve the contemplated lease transactions between the company (lessee) and Immo Belinvest NV and Immo Tradec NV as lessors, two affiliated companies of the De Cuyper family (reference shareholder) – and in case of Immo Tradec NV also a direct shareholder in the company- at the conditions set out in the advice of the committee"

The point of view of the statutory auditor in his report in accordance with article 524 of the Companies Code is as follows:
"On the basis of our activities we are of the opinion that the advice of the committee of independent directors and the financial date recorded in the minutes of the board of directors are reliable in the sense of article 524 of the Companies Code."

8. The auditor

The supervision of the financial statements is entrusted to BCVBA Ernst & Young Bedrijfsrevisoren, Pauline Van Pottelsberghelaan 12, B-9051 Gent, Belgium, represented by Mr. Marnix Van Dooren, whose mandate was approved by the general shareholders' meeting of 17 May 2013. At the general shareholders' meeting of 2016 the mandate was prolonged for a term of three years. At the general shareholders' meeting of 17 May 2019 the mandate was renewed for a term of three years, ending on the general shareholders' meeting of 2022.

The auditor has issued a report without reservation on the company for the statutory and consolidated financial statements of the financial year ending on 31 December 2019.

The fees that were paid to the auditor in 2019 are listed in the notes to the financial statements.

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

OPERATIONS

Production process

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

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

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

The two-stage process for producing PET bottles

PET preforms are produced in 4 steps:

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

The market players in the PET preform and bottle sectors

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

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

Packaging multinationals: integration of PET production

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

Production of PET bottles by filling companies

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

Independent producers: small scale by nature

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

Producers being part of a PET raw material producer

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

PET as a packaging material - position

Convincing product characteristics

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

Material properties	PET	Glass	Tins (alu.)
Transparency	++	++	- -
Resistance to breaking	++	- -	++
Liquid barrier	++	++	++
Gas barrier	+	++	++
Hot Fill (*)	+	++	++
Use in microwave ovens	+	++	-
Recyclability	++	++	++
Packaging/product interaction	++	++	+
Flexibility of design	++	++	+
(*) important for certain products with specific shelf life requirements			

Legenda: ++ uitstekend, + goed, - matig, - - zwak   Bron: Industriebronnen

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

A robust market share in the packaging market

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

The first phase of growth: large CSD packaging

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

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

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

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

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

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

Core activities

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

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

PET preforms

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

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

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

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

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

PET bottles

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

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

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

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

Blowing projects

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

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

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

Resilux currently has three in-house blowing projects.

Recycling

Poly Recycling mainly recycles PET. The raw materials are widely used PET bottles. These recyclables are mainly from Switzerland, some of them from the neighbouring countries. The raw material is washed automatically in modern facilities, sorted and extruded into specified granules.

Collected bales of PET are taken to Poly Recycling where, through state-of-the-art technology the PET is flaked, washed, melted, extruded and chopped into tiny pellets after which it can be used again as raw material for preforms and bottles.

The high degree of purity in the ppm range requires a multi-stage, technologically complex treatment. Thanks to years of recycling experience Poly Recycling has the know-how to set the process in various grades of raw materials and applications. To this end, several automatic detectors and systems are installed for the separation and control. The aim of our development is to achieve such a degree of purity whereby these products can be used for direct food contact applications.

In addition to the standard quality specifications we can develop tailor made qualities on request. The variables are colour, clarity, viscosity and bulk density. All RPET qualities are delivered according to exact specifications.

RPET is used for the production of bottles, fibres, films and strapping as well as for engineering compounds. Fibre applications are, for example, fleece jackets, sleeping bags and pillow fillings or sports shoes. Typical applications for films are blisters, chocolate trays and flower packaging. Other applications are found in shampoo and beverage bottles. Thanks downstream processing one can use RPET to make food packaging.

Research & Development

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

To assist its customers with their light-weighting programs and their barrier needs, Resilux has R&D activities in its own labs in Belgium, Spain and the USA, but also in the factories of local filling companies. This cooperation has helped Resilux to develop new barrier technologies like ResiOx® for improved oxygen barrier, ResiMid® and ResiMax® for improved CO_2 and O_2 barrier and ResiBlock®for light barrier. With these new barriers Resilux is considered as the reference for these new applications.

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

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

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

PRODUCTION UNITS

BELGIUM, Wetteren - Resilux NV

In addition to the statutory seat, Wetteren is also the largest production location for one-way, multiple use, and barrier PET preforms. Resilux NV has 21 production lines at the end of 2019, with a combined annual capacity of around 2,4 billion preforms. The production capacity in Wetteren is used for supplying preforms to the North-West of Europe, as well as for export outside Europe. The Belgian establishment specialises in developing new technologies, such as different applications to increase the barrier characteristics. These products can be delivered worldwide.

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

This production unit, located in the south of Spain between Sevilla and Badajoz, has 12 production lines with a total annual capacity of around 1.4 billion preforms. The clientele is growing steadily. The majority of the products are supplied in Spain and Portugal. Moreover, product applications have also increased greatly. Alongside preforms for waters, soft drinks and edible oils, preforms are also produced for filling with fruit juices. The Spanish entity has 4 blowing lines.

GREECE, Patras - Resilux Packaging South Europe A.S.

The Greek production unit is located in Patras, a medium sized port city around 200 km to the west of Athens, where the sales office is situated. This establishment was set up in the middle of 2000 and has 10 production lines at the end of 2019, with a total annual production capacity of around 1.3 billion preforms. The preforms (for water and carbonated soft drinks) are mainly intended for the Greek market. From here, exports can also go to parts of Central Europe, North Africa and the Black Sea regions. The Greek entity currently also has 2 blowing lines.

RUSSIA, Kostroma - Resilux-Volga OOO

Resilux currently produces in Russia using 13 production lines with a capacity of around 1.4 billion preforms. The factory is located in Kostroma, around 350 km to the north east of Moscow, where the sales office is located. The preforms are used for making bottles for water, fruit juices and beer and are sold exclusively in the Russian Federation.

SWITZERLAND, Bilten and GERMANY - Resilux Schweiz AG

Resilux Schweiz AG comprises all operations in Switzerland and Germany. Besides the preform activities, Resilux Schweiz AG also has important blowing activities. This entity currently has 9 production lines with a capacity of around 1.1 billion preforms and 5 blowing lines in Bilten. Besides this, Resilux Schweiz AG also has 2 in-house projects in Switzerland and 1 in-house project in Germany.

At the end of 2018, Resilux started building a new PET recycling plant in Bilten. This includes the Poly-Recycling activities that have been taken over in 2017. The collected bottles are recycled into RPet and thus re-used as basic raw material for the preforms. In this way, Resilux creates a "closed loop" system.

USA, Pendergrass, Atlanta - Resilux America, LLC

In December 2004, Resilux Investment Corporation, Inc. acquired all shares of Resilux America, LLC. Previously, this corporation was a joint venture, set up in 2000, together with American partner, Summit International, LLC, specialised in the design and development of PET packaging. In addition to the further development of new PET packaging, PET containers and preforms for niche markets are produced and commercialised. This mainly concerns non-season-related markets with a high added value, such as food products, household products, cosmetics, personal hygiene, pharmaceutical products and specialities. Resilux America has 12 preform lines with a total annual production capacity of 1.2 billion preforms, 9 single-stage blowing lines for jars and 7 dual-stage blowing lines for bottles.

HUNGARY, Tuszér - Resilux Central Europe Packaging Kft.

At the end of 2019, the facility in Hungary which became operational in March 2001, will produce with 11 production lines in Tuszer, which is situated near the border with Ukraine. The total capacity is 1.2 billion preforms. In addition, there is a sales office in Budapest from which customers are followed, who are mainly located in Central and Eastern Europe.

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

At the Serbian production unit, which was acquired by Resilux in March 2019, 7 production lines are operational at the end of 2017 with a capacity of 0.7 billion preformsa year. The customers are located in Central and Eastern Europe.

ROMANIA, Dascalu - Resilux Packaging South East Europe S.R.L

The Romanian production unit in Dascalu is located about 25-30 km north-east of the capital Bucharest. This site is operational since May 2019 and has 2 production lines at the end of 2019. The total capacity is currently 250 million preforms.

Sales network

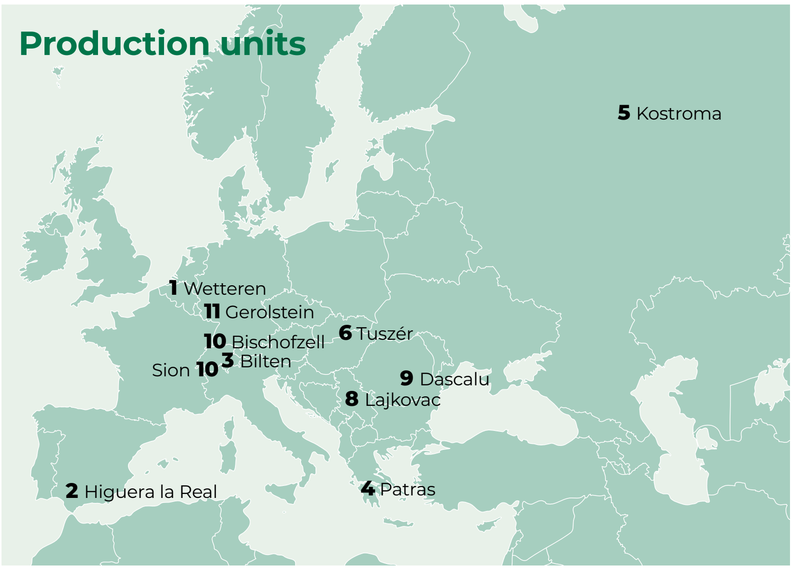
Besides the various production facilities, Resilux has an extensive sales network through its internal sales departments and by working with sales agents, distributors and local sales contacts.
This local presence enables to monitor developments on the different markets from very close by and to meet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

Overview of production units:

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

In-house projects:

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



DECLARATION

REGARDING THE INFORMATION GIVEN IN THE ANNUAL REPORT FOR THE FINANCIAL YEAR ENDING ON 31 DECEMBER 2019

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

We, the undersigned, Didec Management BV, represented by its permanent representative Dirk De Cuyper and Fodec Management, represented by its permanent representative Peter De Cuyper, acting in our capacity of Managing Directors, declare that to our knowledge:

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

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

Didec Management BV
represented by Dirk De Cuyper
Managing Director

Fodec Management BV
represented by Peter De Cuyper
Managing Director

REPORT OF THE BOARD OF DIRECTORS

In advance

The Corporate Governance Statement that, pursuant to article 3:6 §2 and §3 of the Code on companies and associations, must be included in the annual report of the board of directors regarding the 2019 annual statutory accounts, is included in this annual financial report regarding the 2019 accounting year (2019 Annual Report) under the Corporate Governance Declaration and is an integrated part of this Report of the board of directors.

1. Introduction

Resilux has realised during 2019 an increase of the sold volumes, turnover and added value. The growth is the result of a further diversification of customers and products and of investments in capacity expansion. Because of higher operational costs, the EBITDA remained more or less stable.

2. Consolidation base

The consolidation base remained unchanged during 2019.

3. IFRS

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

4. Operating results

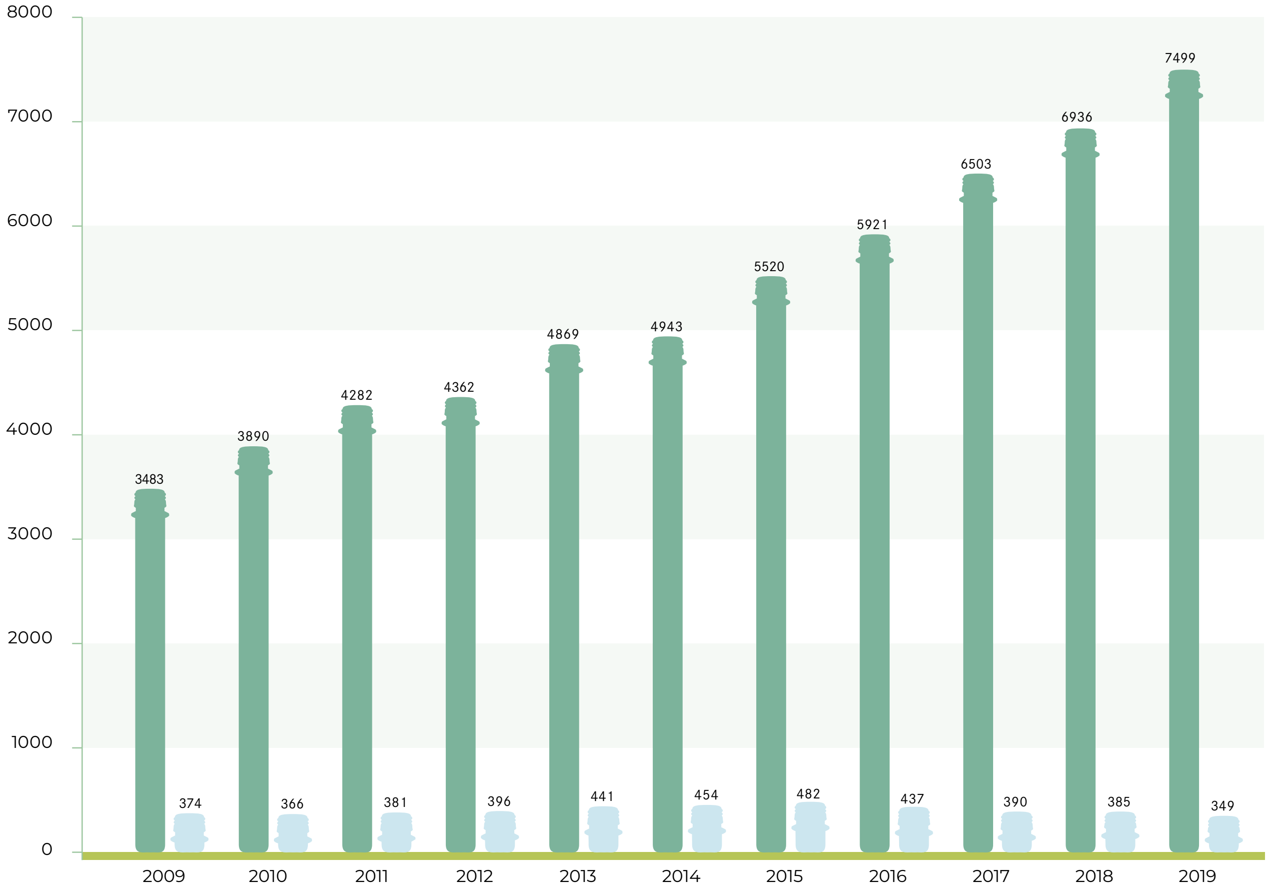
Preforms and bottles sold

The number of preforms sold increased during the financial year 2019 by 8.1% to 7,499 million compared to 6,936 million in 2018. Sales of preforms had during the first half and the second half year of 2019 more or less the same growth.

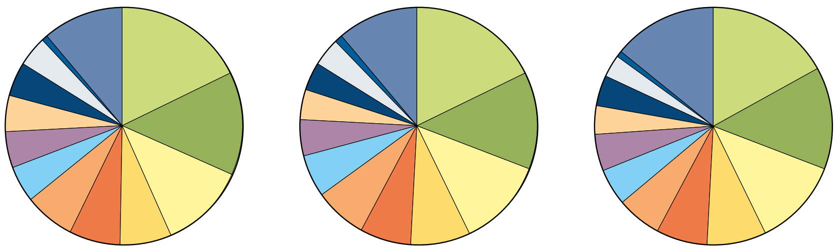
Although the weather conditions were not ideal, the growth of the preforms continued in almost all regions of Europe with the exception of France and Germany. In North America there was a decrease of the volumes sold. The total sales on the export markets increased compared to last year. The growth is the result of further capacity expansion, increased sales efforts and a further diversification of products and customers. In May 2019 a new production facility in Romania was opened.

The number of bottles sold decreased by 9.1% to 349 million. There was a decrease in sales of bottles sold in Switzerland and United States of America and an increase in Spain and Greece.

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

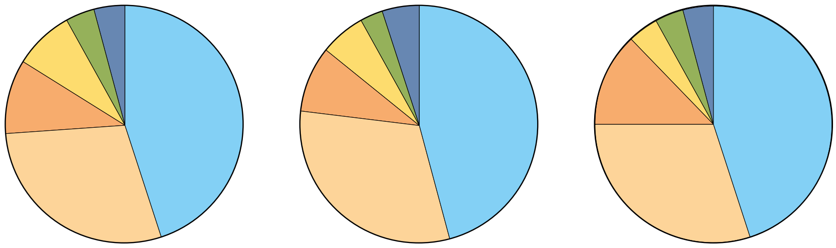


Preforms sold per country:



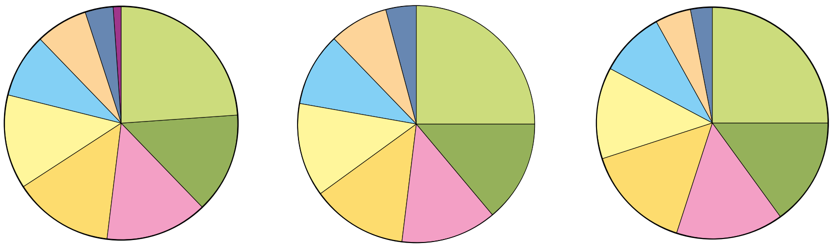
	in 2019	in 2018	in 2017
Eastern and Central Europe	18%	18%	17%
Russia	14%	13%	12%
Spain and Portugal	12%	12%	14%
US and Canada	7%	8%	5%
Greece and Cyprus	7%	7%	7%
France	6%	7%	8%
Germany	5%	6%	6%
Italy	5%	5%	5%
Switzerland	5%	4%	4%
Benelux	5%	4%	3%
Scandinavia	4%	4%	4%
United Kingdom	1%	1%	1%
Others	11%	11%	14%

Bottles sold per country:



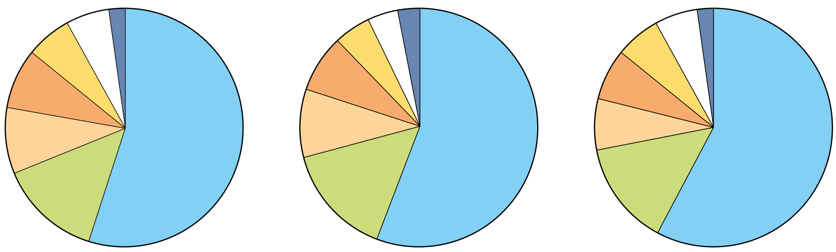
	in 2019	in 2018	in 2017
Switzerland	45%	46%	45%
US	29%	31%	30%
Germany	10%	9%	13%
Spain	8%	6%	4%
Greece	4%	3%	4%
Others	4%	5%	4%

Preforms sold per production unit:



	in 2019	in 2018	in 2017
Belgium	24%	25%	25%
Spain	14%	13%	15%
Greece	14%	13%	15%
Russia	14%	13%	13%
Hungary	13%	14%	15%
Switzerland	9%	10%	9%
US	7%	8%	5%
Serbia	4%	4%	3%
Romania	1%	0%	0%

Sales per type of preform:



	in 2019	in 2018	in 2017
Water / Carbonated drinks	55%	56%	58%
Fruit juices	14%	15%	14%
Detergent	9%	9%	7%
Oil	8%	8%	7%
Beer	6%	5%	6%
Milk	6%	4%	6%
Others	2%	3%	2%

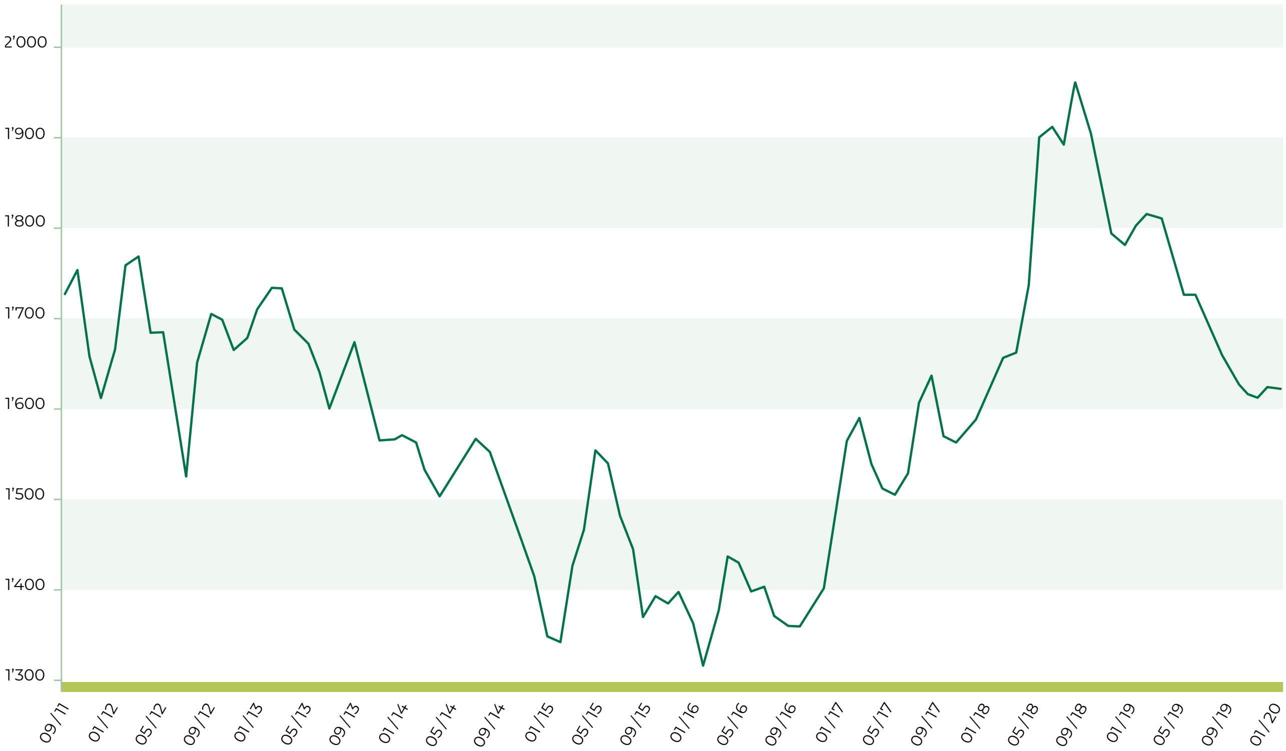
The PET packaging market remains to have a competitive advantage over other forms of packaging in terms of energy and raw materials consumption.

The geographical spread in Europe continues to be an important factor. The quantitative and qualitative strengthening of the sales organization also continued in 2019 to be a priority contributing to growth.

The split between the different applications remained quite stable. Carbonated drinks and water remain also in 2019 the applications with the highest sales. The sales of preforms for milk had the highest increase in percentage terms.

Raw Materials

Benelux (Euro per ton)[1]



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

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

Resilux wants to further limit its dependence on seasonal activities in the coming years.

The prices of the raw materials increased slightly during the first quarter of 2019 and showed a continuous decrease during the rest of the year. The average raw material price of 2019 was more or less 4% lower than in 2018.

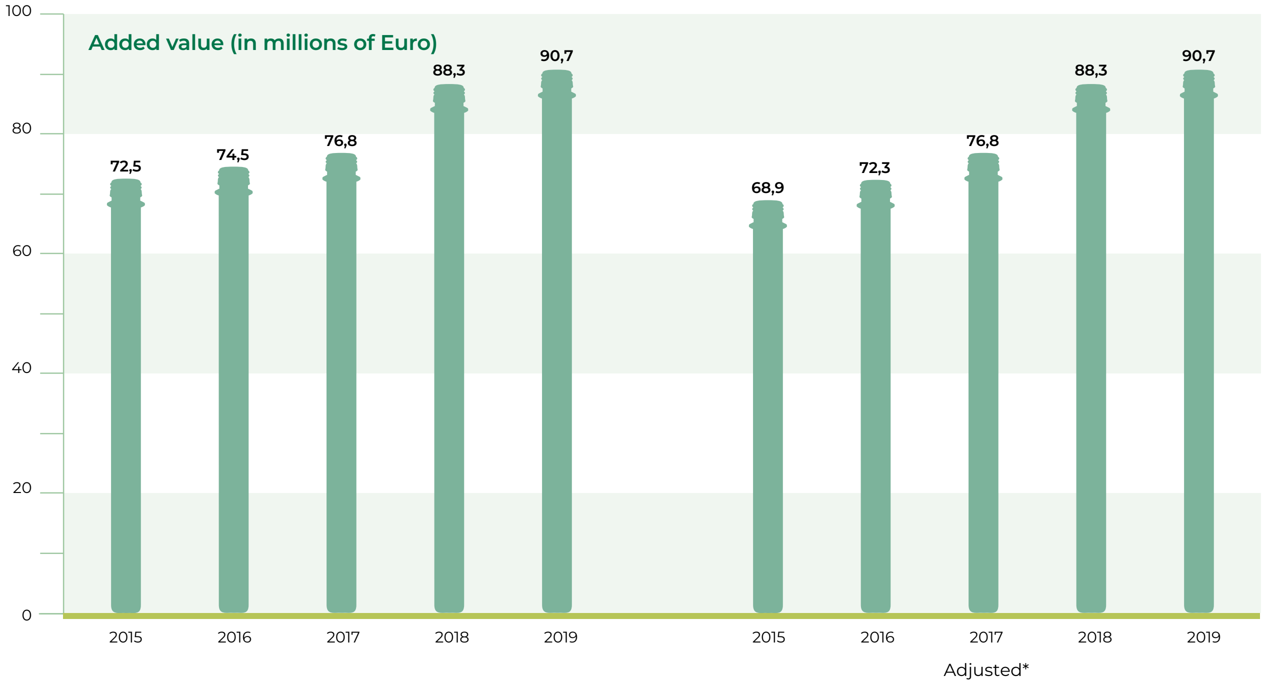
Turnover

The turnover increased during 2019 by 4.0% up to € 413.8 million. This increase is a combination of higher volumes, lower average raw material prices and a positive exchange rate effect due to an average weaker Euro.

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

Added Value

Compared to the year of 2018, the added value for 2019 increased by 2.7% or € 2.4 million to € 90.7 million. The limited increase of the added value is the result of a negative impact of lower output and start-up costs of the new PET recycling factory in Bilten en costs for closing the old recycling factory in Weinfelden. In 2019, Resilux also had start-up costs related to the new preform factory in Romania.

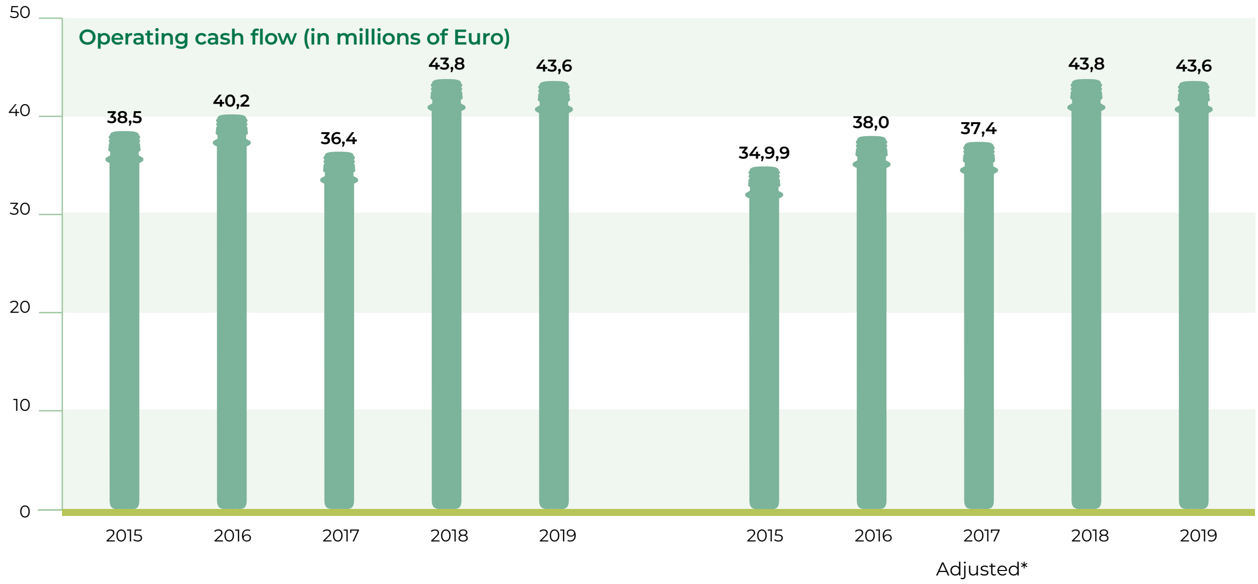


Operational cash costs

The increase in other goods and services is for the major part explained by an increase in costs for electricity, transportation and repair and maintenance. This increase of costs is the result of higher produced and sold volumes. The total personnel costs increased by € 1.7 million.

Consolidated operating cash flow (EBITDA)

Consequently, the consolidated operating cash flow (EBITDA) decreased by € 0.2 million and amounts to € 43.6 million for the year 2019 compared to € 43.8 million for 2018. The impact of the mentioned start-up of the new PET recycling factory in Bilten and the new preform factory in Romania amounts to more or less € 1.5 million.



(*) adjusted is excluding non-recurrent items for years 2015 / 2016 (divested Airolux) en 2017 (non-recurrent consultancy costs)

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

Consolidated operating cash flow (EBITDA) (in thousands of Euro)	2019	2018	Change	2019 as a % of the total
Resilux Western Europe	9,387	12,228	-23.2%	21.5%
Resilux Spain	7,016	5,619	24.9%	16.1%
Resilux Russia	3,798	3,766	0.8%	8.7%
Resilux Southern Europe, excluding Spain	4,712	2,610	80.5%	10.8%
Resilux Switzerland	9,442	11,449	-17.5%	21.7%
Resilux United States of America	4,794	6,392	-25.0%	11.0%
Resilux Eastern Europe, excluding Russia	2,868	2,976	-3.6%	6.6%
EBITDA before consolidation adjustment	42,017	45,040	-6.7%	96.4%
Consolidation adjustment	1,551	-1,244	224.7%	3.6%
EBITDA after consolidation adjustment	43,568	43,796	-0.5%	100.0%

Compared to 2018, there was an increase in 2019 EBITDA in the regions of Spain and South Europe. The EBITDA in Russia remained stable compared to last year and the other regions showed a decrease of the EBITDA.

Investments

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

Investments in the last financial years (in thousands of Euro)	2019	2018
Investments in intangible fixed assets	144	149
Investments in tangible fixed assets	28,194	35,271
Disinvestments	-662	-509
Capital subsidies	-769	-375
Total investments	**26,907**	**34,536**

The investments in intangible and tangible fixed assets during 2019 amounted to € 28.3 million compared to € 35.4 million in the year 2019. These investments mainly relate to investments in the new preform factory in Romania, in finalising the new PET recycling factory in Bilten, in capacity expansion and in moulds.

In 2019 an amount of € 0.8 million of capital grants was deducted from acquisitions.

The total net investments amount to € 29.9 million compared to € 34.5 million in 2018.

Operating Result

The depreciations and amortisations increased by € 1.9 million and amounted to € 18.5 million in the year 2019.

The operating result for 2019 amounts to € 25.1 million compared to € 27.2 million for 2018, which means a decrease of € 2.1 million.

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

Consolidated operating result (EBIT) (in thousands of Euro)	2019	2018	Evolutie	2019 as a % of the total
Resilux Western Europe	4,896	7,560	-35.2%	19.5%
Resilux Spain	5,849	4,285	36.5%	23.3%
Resilux Russia	2,604	2,749	-5.3%	10.4%
Resilux Southern Europe, excluding Spain	3,602	1,442	149.8%	14.4%
Resilux Switzerland	4,958	7,755	-36.1%	19.8%
Resilux United States of America	1,349	3,487	-61.3%	5.4%
Resilux Eastern Europe, excluding Russia	423	1,008	-58.0%	1.7%
Operating profit before consolidation adjustment	23.681	28,286	-16.3%	94.4%
Consolidation adjustment	1.404	-1,103	227.3%	5.6%
Operating profit after consolidation adjustment	25.085	27,183	-7.7%	100.0%

5. Financial results

Net financial result

The total financial result decreased from € -3.8 million to € -3.0 million. The decrease of the financial result is mainly due to less negative foreign exchange results in 2019 compared to 2018. The total interest expenses for 2019 increased by € 0.2 million. The total net financial result amounted to € -3.0 million.

Profit

During 2019, a pre-tax profit was realized of € 22.1 million compared to € 23.3 million in 2018.

The total taxes for 2019 amount to € -5.7 million. This amount includes taxes payable for € -4.8 million and deferred taxes for € -0.9 million. After taxes, Resilux has realized a net profit of € 16.4 million compared to € 18.5 million in 2018 or a decrease of € 2.1 million.

Net financial debt

As per December 31st 2019, Resilux has a net financial debt of € 48.9 million compared to a net financial debt of € 76.2 million per June 30th, 2019 and a net financial debt of € 30.7 million per December 31st, 2018. The change versus December 31st 2018 is mainly the result of the realised cash flows from operating activities, the investments made, the increase in working capital, the dividends paid out during the first half of 2019 and buy back of own shares in the second half of 2019.

The net financial debt also includes an increase of € 1.2 million due to the application of IFRS 16 standard. As of 2019 operational lease obligations are included as financial debt on the balance sheet.

For further comments regarding the results and balance sheet structure we refer to "Comments IFRS 2019 compared to 2018: assets, liabilities, income statement and cash flow statement" on page 126. These comments are an integrated part of this report of the board of directors.

6. Principal risks and uncertainties

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

Exchange rate risks

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

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

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

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

Resilux had the following outstanding exchange contracts on 31/12/2019:

sales	USD	10,950,000	for	EUR	9,725,311.20
sales	GBP	1,250,000	for	EUR	1,372,267.49
sales	EUR	11,500,000	for	CHF	12,581,000.00
purchases	EUR	2,400,000	at	HUF	798,130,000.00

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

Interest rate risks

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

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

- There ar no cap contracts.
- Interest rate swap contracts for an amount of € 169,625, with maximum duration up to 2024 and with interest rates between 0.8% and 1.73% .

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

Purchase of raw materials and risk of inventories

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

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

Credit risk

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

Seasonality

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

Capital structure

Resilux is aiming at keeping the ratio between net financial debt and operational cashflow at a level that can be considered by the financial markets as healthier than normal. During 2018 Resilux is meeting largely the covenants of the external financing agreements.

7. Research and development

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

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

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

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

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

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

During 2019 there were no costs of own research and development that qualified for capitalisation on the balance sheet.

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

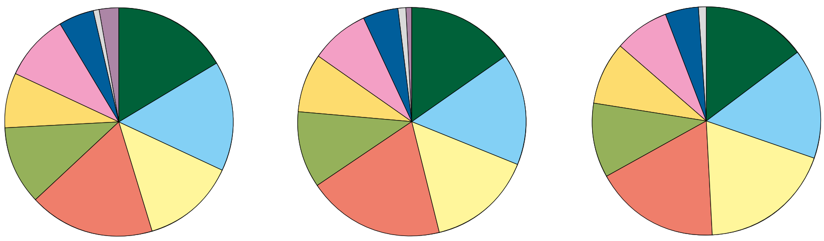
In the coming years, Resilux wants to increase the technology component as well in the production process as in the finished product.

8. Personnel and organisation

The workforce consisted of 907 people on 31 December 2019, compared to 869 people on 31 December 2018 and 845 people in 2017.

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

Number of employees on December 31



Number of employees on December 31	2019	2018	2017
Belgium	149	135	125
Switzerland	141	136	133
Russia	122	130	158
United States	160	170	152
Spain	101	95	89
Greece	72	71	73
Hungary	85	74	67
Serbia	46	43	40
Ukraine	7	8	8
Romania	24	7	0

The average workforce expressed in full-time equivalents was 898 in 2019, compared to 837 in 2018 and 736 in 2017.

9. Warrants

As per 31 December 2019 there are no outstanding warrants.

10. Acquisition and cancellation of own shares (article 7:220 Code on companies and associations)

On 26 March 2019 the board of directors approved a share buyback program, whereby an intermediary with a discretionary mandate could acquire a maximum number of 17,500 own shares, for a maximum amount of € 2,500,000. In addition and under certain conditions, block transactions can also be considered during open periods.

The purpose of the buy-back program was to reduce the company's excess cash and to decrease the company's share capital through the cancellation of all or part of the company's own shares acquired within the frame of the buy-back program. The company was authorized to decide not to destruct all own shares acquired and to reserve a part of these shares in view of the possible elaboration of a management incentive plan.
The buy-back program started on 4 April 2019 and ended on 9 September 2019. In the framework of the aforementioned program, a total number of 17,500 own shares were acquired.

Date of purchase	Number	Price per share	Total amount (EUR)
21/06/2019	5	130.00	650
06/09/2019	70	129.56	9,069
09/09/2019	17,425	130.00	2,265,207
TOTAL	**17,500**	**-**	**2,274,926**

The fractional value of the own shares that were acquired amounted to € 1.78 per share. These shares represented 0.86% of the issued capital or in aggregate € 31,116.97.

On 29 November 2019 the cancellation of these 17.500 own shares was enacted.

11. Important recent developments

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

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

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

Resilux has invested in the latest and most modern technology for a state-of-the-art PET recycling company in Bilten, Switzerland. The factory became operational in early 2019.

Already in 2017, Resilux took over the PET recycling activities from a supplier that had already been working together in Switzerland for many years for the purchase of recycled PET. Via the vertical integration of the recycling of PET bottles and the processing of recycled PET in the production of preforms, Resilux becomes an even greater player in the circular economy with the aim of maximizing the reuse of raw materials. This makes Resilux more sustainable and makes a positive contribution to the environment.

12. Justification of the independence and expertise of at least 1 member of the audit committee (article 3:32,6° Code on companies and associations)

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

To justify the independence and expertise regarding auditing and accounting of at least one member of the audit committee pursuant to Articles 3:6, §1,9° and 3:32,6° of the Code on companies and associations, for each member of the audit committee, reference is made to that person's biography, as well as to the confirmation of the independence as included in the Corporate Governance Declaration of the annual financial report covering the financial year 2019 (Annual Report 2019).

13. Internal control and risk management systems (article 3:32, 7° Code on companies and associations)

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

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

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

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

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

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

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

14. Declaration on non-financial information (article 3:32 §2 Code of companies and associations)

1. About Resilux

1.1. Activities

Resilux is specialised in the production and sale of PET preforms and bottles. At the end of 2017, Resilux expanded its core business by adding the recycling of used PET bottles to produce a high-quality PET recyclate (rPET), which can then be used again, both in the food sector and in other business sectors.

PET preforms and bottles come in many shapes, sizes, weights and colours and are especially used by companies in the food sector to pack waters, cold drinks, oils, fruit juices, beer and other applications of various formats intended for consumer consumption. PET bottles are also used as packaging for cosmetics, liquid soaps, cleaning agents and medicines.

Resilux's direct customers are mainly producers of drinks, food and household products, which implies a further connection with end consumers of food and drink products (packaged in "pre-produced" PET packaging from Resilux).

The company, which has its headquarters in Belgium, was incorporated by the De Cuyper family in 1994. The Company's shares have been listed on Euronext Brussels since 3 October 1997. The capital and shareholder structure is explained in greater detail in, among other places, the chapter "Shareholders and Group Structure" and the "Corporate Governance Statement" of the 2019 Annual Report.

Resilux has production sites in Belgium, Spain, Switzerland, Greece, Russia, Hungary, Serbia, Germany and the US, which give it a wide geographical spread. In April 2019 a new PET recycling plant was started in Bilten - Switzerland. To strengthen its local position, in May 2019 a new production site was started near Bucharest in Romania. A brief description of each of these locations can be found in the chapter "Production units" in the 2019 Annual Report. Given the nature of its operations, the geographic spread of the production locations is of strategic importance for Resilux. The sales areas are situated within a specific action radius around the production sites and are therefore mainly in Europe, North America and Russia. Resilux has only limited sales in export markets.

Resilux's customer portfolio is scattered within each sales region and includes both global multinationals and local market players active in the food and drink sector. Resilux generates the majority of its sales in the European market (incl. Switzerland).

The chapter entitled "Annual Report of the board of directors" in the 2019 annual report describes the scope of the Resilux organisation, its activities, sales volumes, turnover, assets, investments, balance sheet and other financial results at both the detailed and consolidated levels.

The average size of the workforce as of 31 December 2019 expressed in full-time equivalents was 898 employees. A breakdown per site can be found in section 8 of the chapter "Annual Report of the board of directors" in the 2019 annual report. For its production activities Resilux does not make any significant use of people who are not employed by Resilux. Resilux's activities are generally subject to a certain degree of seasonality. As a result the number workers can increase temporarily during peak periods. Staff data is reported by the respective personnel managers of each production site to the personnel manager of Resilux NV. In 2019, Resilux has started rolling out a HR software programme in the group, which will make efficient, uniform and more detailed reporting possible.

Resilux has built up expertise in 3 types of activities:

(i) converting PET raw material granulate into PET preforms (injection moulding process);
(ii) blowing PET preforms into bottles (blowing);
(iii) taking used and collected PET bottles and reprocessing them into high-quality recycled raw material (rPET) that can be used again both in the food industry and in other sectors.

Resilux's core business is the production of PET preforms. PET preforms and bottles are produced from PET pellets. These PET pellets can be initially manufactured from crude oil or gas and also via a recycling process involving collected and already-used PET bottles. PET pellets are delivered in bulk or in big bags via road transport (possibly combined with sea transport) by local (European, North American, Russian) or Asian raw material suppliers. The PET preforms are manufactured by drying the PET grains, melting them in an extruder and then injecting them into a mould under high pressure (injection moulding). The produced PET preforms are packaged in large reinforced cardboard boxes which can be reused a number of times, or in reusable wire mesh boxes.

A PET preform is in fact a semi-finished packaging item which will become part of a packaged end-product in a further production and treatment process. The PET preforms produced by Resilux are loaded for transport and usually delivered to producers of consumer goods via road transport. In certain regions transport over rail or with container ships is used. These producers heat the PET preforms during their own production and treatment process to a temperature between the glass transition temperature and the melting temperature so that the PET preforms become soft, after which they are blown out into a PET bottle in the desired shape. The manufacturers then fill the PET bottle with a product, label it and seal it with a cap before adding further packaging for distribution to retailers and end consumers.

To a much more limited extent and only for a number of customers or for specific applications, and on the condition that it is economically justified, Resilux not only produces PET preforms but also blows them out into bottles which are then sold to fillers. If large volumes are involved, Resilux does this in-house at the customer site or in the immediate vicinity.

Needless to say that PET packaging, like all other types of plastic packaging, is a very topical subject. Bearing witness to this are global media coverage as well as, for example, the recent European Union legislative initiative (Directive of the European Parliament and of the Council on the reduction of the impact of certain plastic products on the environment) and sector-related initiatives taken by the packaging industry working together with other stakeholders to effectively address factors linked to plastic packaging that have a negative impact on the environment.

Poly Recycling AG, the Resilux recycling plant in Switzerland, processes used PET bottles and reworks them into fully-fledged PET flakes or pellets (rPET). To this end, first and foremost used PET bottles collected within Switzerland are acquired and delivered in pressed bales. Poly Recycling AG also purchases additional material from partners outside Switzerland. The rPET produced is used in part by Resilux for processing into PET preforms and in part supplied to third parties (outside the food sector) who use the recyclate as a raw material for the manufacture of their products.

The production of PET preforms and bottles, as well as the processing of rPET, are to a large extent a capital-intensive, automated production process.

Resilux generally relies on 3 types of suppliers for the production of PET preforms (and bottles). The choice for each type of supplier is relatively limited:

- Raw material suppliers of PET and rPET pellets (Europe, Russia, USA, Asia)
- Machine builders (injection moulding lines and blowing lines)
- Mould makers (injection moulds, blowing moulds)

The decision to expand the use of uniform machinery and interchangeable production tools and components means that Resilux generally relies on permanent and reliable European suppliers.

Compared to the types of suppliers mentioned above, all the other suppliers that Resilux uses (for cardboard boxes, colourings, maintenance products, etc.) are relatively limited in number and type. Resilux usually purchases these types of item locally.

Apart from the above, there were no significant changes in the Resilux production chain in 2019.

Resilux endeavours to be cost-conscious and also environmentally-conscious in the choices it makes when purchasing energy (renewable as much as possible) and packaging (reusable or recyclable). It focuses on production efficiency and on product development that reduces the impact of PET packaging and the associated production process on the environment, and when making investments it pays attention to resource-saving and sustainability aspects. The strategic choice made in 2017 to start PET recycling activities in addition to the production of PET packaging contributes to the expansion of a circular economy and breaches the traditional linear ascending relationship between the production of PET packaging and PET waste, resulting in a reduced negative impact on the environment.

1.2. Governance

The strategy, policy and day-to-day management are conducted by the managing directors of the company, being Didec Management BV, represented by Dirk De Cuyper, and Fodec Management BV, represented by Peter De Cuyper, also affiliates of the reference shareholders, together with the other members of the board of directors. The managing directors are assisted in the performance of their duties by the other members of the executive management, being the Chief Operations Officer and the Chief Financial Officer, to whom they have delegated certain of their responsibilities and powers. In addition, each of several production sites has a local general manager.

1.3. Business ethics

It is up to us, to work at achieving an honest business culture and that in our daily conduct we set priority that business is always done honestly, professionally and ethically..

The values that apply within Resilux, meets internationally recognised ethical standards. Honest and proper conduct, partnership, respectful treatment, mutual recognition, equal treatment, being transparent are part of our internal code of conduct and executive management ensures that these values are respected.

In 2019 a major update of the 'Resilux Business Ethics Policy' was made. The purpose of this Ethics Code is to ensure that all employees of Resilux and anyone acting on behalf of Resilux and other stakeholders, have a common framework and consistent standpoint on how we do business. This code contains specific rules of conduct for Resilux employees to ensure ethical business conduct and compliance with all relevant laws and regulations throughout Resilux. More details about this topic can be found in paragraph 3.2 about personnel and social matters and 3.3 about economical value creation.

Resilux is a member of Sedex. Sedex is one of the world's leading ethical trade service providers, working to improve working conditions in global supply chains. Resilux units are regularly SMETA audited (4-pillars). SMETA stands for Sedex Members Ethical Trade Audit. All business units have been SMETA audited and 3 renewal audits have taken place in 2019. No major non-compliances were raised.

Resilux will make efforts to map this further, both for its own organisation and for its most important suppliers.

We will continue to work on the conscious and specific promotion of these values and behavioural norms in a more formal manner, both within the Resilux organisation and towards stakeholders, and in the first instance more specifically towards customers and suppliers.

2. Sustainability strategy - Statement from the CEO

In our modern society, it is almost impossible to imagine a world without PET packaging. As a producer of PET packaging, Resilux, in the interest of its stakeholders, wants to be able to deliver packaging that:

- is safe and suitable for consumer goods;
- has a preserving or shelf-life-extending function for food;
- is easy and efficient to use;
- is affordable and of high-quality.

The Resilux stakeholders are in the first place the employees, customers, suppliers, shareholders and investors and – specifically on the basis of what follows – by extension also the consumer community, local authorities, other industrial players, sector associations and legislative powers.

However, the increasing consumption of PET packaging has also had an impact on the environment in recent decades. Human health and prosperity are directly linked to the environment. That is why it is important at every stage of the life cycle of PET packaging to take into account the environment from which we extract the raw materials and also the welfare of the people for whom the packaging is ultimately manufactured.

With the primary objective of contributing to the efforts that must be taken worldwide with regard to climate change and gradually tackling the environmental impact of factors related to PET packaging, as well as of maintaining and increasing the company's own entrepreneurial value in the long term, Resilux has the following ambitions:

- Implementing the concept of industrial ecology (in which used PET packaging is not seen as "waste", but as a valuable raw material instead). The aim here is to keep the value of a product, material or raw material in the economy for as long as possible. Recycling as a waste management method is an example of this.
- Actively contributing to the transition from a linear economy to a circular economy by:
  - extending and improving the life cycle of PET packaging through recycling activities, process development, product innovation, product development and product quality;
  - breaking the link between economic growth and environmental impact – mainly because of the proportional increase in PET waste – and decoupling the production of PET packaging from the correlative increase in PET waste.
- Taking concrete steps to connect and bring people, governments and businesses together as this is essential for creating behavioural change, the only valid long-term solution, and to accelerate the transition to sustainable consumption and production systems that benefit social and economic development, taking into account the actual carrying capacity of an ecosystem:
  - encouraging and facilitating general awareness that climate change affects the entire world population across borders and that it is the responsibility of everyone, wherever and whoever they may be, to combat climate change and to inform stakeholders properly;
  - stakeholder engagement – engaging employees, customers, suppliers, shareholders, consumers of consumer goods, legislatures, local authorities, other industrial players and sector associations in the activities of Resilux;
  - bringing about cooperation between all parties involved in the value chain.
- Gradually improving the ecological footprint directly linked to its own production activities through energy management and reduction of CO_2 emissions, waste management and sustainable investments.
- Actively caring for employees and society.
- Engaging in ethical entrepreneurship.

In the short term, Resilux intends to do the following:

- Take further steps in the expansion of recycling activities. In the longer term this will also depend on the extent to which the market continues to evolve and on the implementation of European and national initiatives or regulations;
- perform an energy audit and prepare a further action plan;
- set concrete objectives over time that, where possible, reduce the environmental impact related to the transport of raw materials and products;
- undertake active steps with regard to stakeholder engagement, and more specifically define actions to increase employee involvement, gauge the concrete expectations of customers and suppliers, evaluate concrete cooperation initiatives within the sector, carry out membership scans;
- develop policy regarding supporting charities and charitable projects, specifically those with a positive social and/or sustainable impact;

- improve HR policy, with more attention for diversity, training and employee development;
- make progress on sustainability reporting and KPI performances. In this regard, this statutory duty to report, as well as, for example, our participation to the Carbon Disclosure Project (CDP), will contribute to the fact that we will increasingly better be able to organise and position ourselves in our sustainability policy and our sustainability reporting.

By becoming increasingly transparent as a company and therefore less risky, we are endeavouring and hoping to give stakeholders and society in the long term the confidence that is expected of every company.

3. Material sustainability themes

Sustainability focuses on meeting the needs of the present without compromising the ability of future generations to meet their needs. The concept of sustainability is composed of three pillars: environmental, social and economic. In an internal working group at the head office with representation from various departments, the following material themes were defined, which are looked at in this report below. Although there are still many areas to be dealt with, the greatest weight in terms of materiality lies with environmental matters.

Resilux actively participates in the circular economy.

- Environmental matters
  - Consumption and processing of raw materials and packaging
  - Energy management and emissions
  - Transport
  - Water consumption
  - Waste management
  - PET recycling (circular economy)
- Social and personnel matters
  - Working environment
  - Health and safety at work
  - Employee training
  - Equal opportunities and diversity
  - Human rights
  - Health and safety for customers and the environment
- Economic value creation and corruption

3.1. Environmental issues

Human health and prosperity are directly linked to the state of the environment. Due to the impact on the environment of the increasing consumption of PET packaging in recent decades, we realise that we also have an active share in what drives people and society today with regard to sustainability and that it is our responsibility as a company, when conducting our activities, to consciously engage in the economical use of reserves and raw materials, reduce CO_2 emissions and prevent environmental pollution.

We see it as our task to increase awareness of this responsibility among the policy makers and management of the organisation and, where possible, also to create or encourage it among our employees and throughout our production chain.

We actively participate in the circular economy in which raw materials and materials are repeatedly reused or reworked into new raw materials, and to continue to expand our activities in this regard.

The following principal factors and elements provide the framework for the area within which Resilux undertakes continual action and can continue to make efforts that increasingly contribute to sustainability and thus benefit the environment and society.

3.1.1. Consumption and processing of raw materials and packaging

Raw materials

- PET (in contrast to some other types of plastic) is 100% recyclable and can be reprocessed into a new fully-fledged PET raw material.
- Resilux has been using rPET for the production of PET preforms and bottles since 2001.
- Resilux also offers reusable PET bottles (the product does, however, have a limited market).
- In the last decade, product innovation and development have led to a decrease in the average preform weight of more than 35%, which results in a proportional raw material saving for the production of a same quantity of PET preforms.
- In 2019, Resilux processed approximately 225,000 tonnes of PET in the preform business, of which 5% rPET.

Packaging

(the data regarding packaging are only for the preform business and not for the recycling business. This data also excludes Borverk).

- Where possible, Resilux opts for reusable packaging for its industrial production process (wire mesh boxes, reusable boxes). The PET preforms produced by Resilux are packaged in “boxes”, either cardboard-tube-reinforced cardboard boxes or wire mesh boxes.
- Approximately 13% of the boxes used are wire mesh boxes. These are collected from the customer and used over and over again. The wire mesh boxes have an average useful life of about 10 years.
- The remaining 87% of packaging boxes are made from cardboard. Resilux aims to achieve a maximum return of these cardboard boxes from customers. In 2019, a return rate of 35% was achieved. These cardboard boxes can generally be reused 3 times.
- For the cardboard tubes and pallets, return rates of 40% and 35% respectively were achieved.

3.1.2. Energy management and emissions

Resilux strives to consistently adapt production facilities and infrastructure to modern standards and safety regulations and to continuously improve the efficiency of the production process and equipment.

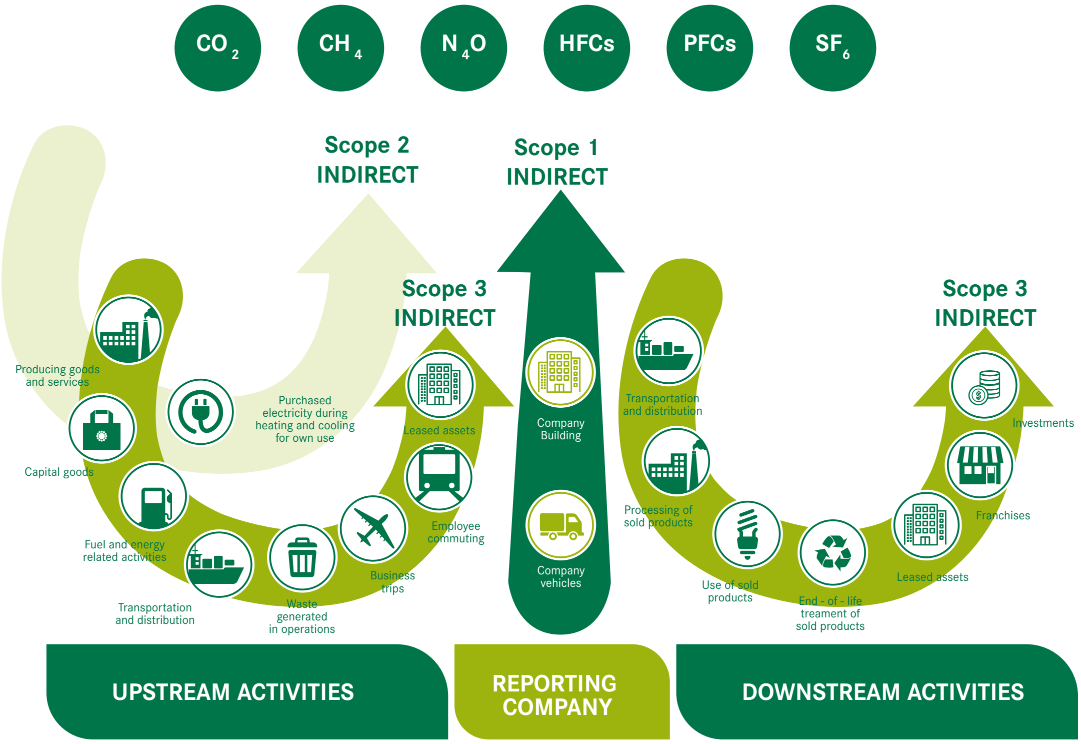
Electricity is the main energy source that Resilux uses to run its production activities.

- The reduction of the average preform weight by more than 35% in the last decade has in any case led to energy savings of more than 25% during the preform production process. The blowing process also requires less energy due to this weight reduction.
- Resilux is planning to carry out a total energy audit in the short term. The objectives are achievable targets for reducing energy consumption and improving our carbon footprint.
- Emissions data:

The CO_2 footprint, as presented, includes scope 1 (direct emissions within the company) as well as scope 2 (indirect emissions from the electricity consumption).

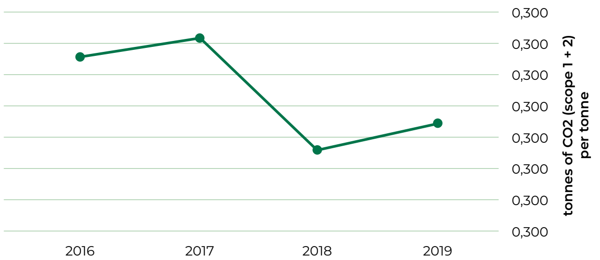
Emissions from all production sites (injection, blowing and recycling activities) attributable to the Resilux group during the 2019 reporting year were taken into account. Emissions from vehicles owned by Resilux are also reported. Given their insignificant contribution to the total volume, emissions from satellite offices (scope 2) were not included in the calculation. We used 2016 as the reference year for this report.

Electricity from renewable energy accounted for 31% of our total electricity supply in 2019. It should also be mentioned that the production plants in Spain and Aproz (Switzerland) use 100% green energy.



Below you see the evolution of the emission intensity for preform production (scope 1 and 2 emissions). These emissions account for more than 80% of Resilux Group emissions. In 2019 the emission intensity increased slightly. This is the result of positive evolutions in majority of the sites, which has been offset by a temporary negative impact linked to the start-up and expansion of sites that are growing. It is expected that in 2020 we continue to see a positive trend.

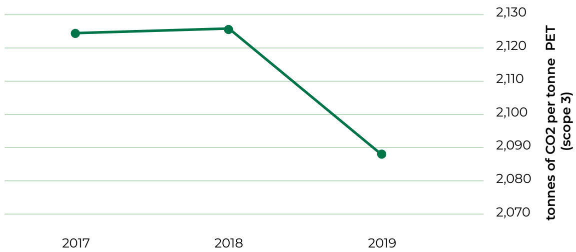
Emission intensity group injection activities



The use of recycled PET material has a tremendous positive impact on carbon emissions : one tonne of recycled PET material at PolyRecycling produces 15 to 20 times less CO_2 emissions than one tonne of virgin PET material.

Seen the large importance for the carbon footprint of the injection activities, Resilux also started to assess the emissions of its suppliers making the PET raw material (upstream scope 3). In 2019 the emissions linked to the PET supply (scope 3) of the injection activities were approximately 8 times higher than the emissions of the injection activities of Resilux (scope 1 + 2). Thanks to the increased use of recycled PET – 5% in 2019 - 24'000 tonnes of CO_2 emissions were avoided. This reduction corresponds to on third of the total emissions of the entire Resilux group (scope 1 + 2). The amount of recycled PET is expected to increase significantly over the coming years.

Emission intensity PET supplies



3.1.3. Transport

- One lorry can transport an average of 570,000 PET preforms, compared to "only" 30,000 PET bottles. Thus, the PET preform itself implies a significant overall transport saving.
- Techniques have been developed that allow 20% more

PET preforms to be packed in 1 box, with an immediate proportional impact on transport.

- Resilux strives for efficient use of transport combining deliveries and packaging returns.
- Resilux opts for an optimal geographical spread in order to make transport as efficient as possible, both for the supply of raw materials and for delivering products to customers. The distance between our production site and the customer's location is on average between 500 and 700 km (excluding export).

3.1.4. Water consumption

- PET preforms production
  In general, water consumption during the PET preforms production process is relatively limited and mainly relates to water evaporated in cooling towers. Depending on availability, rainwater, well water and city water are used in this respect.

  The quantity of waste water is limited to blowdown water from the cooling towers. To limit the amount of blowdown water advanced water treatment techniques and hybrid cooling towers are used. Seen the nature of the blowdown water (concentrated water with bio-degradable additives), it can be discharged into open channels, canals or water bodies. All applicable local laws and norms are respected.

- Recycling activities
  The washing line for the recycling plant consumes city water. The installation has been designed to be as efficient as possible with regards to water consumption. Multiple process stages each have their own circuit and are decentral.
  At the end all waste water is centralised in a collection tank which feeds a water purification plant. In this way it can be guaranteed that all quality and quantity requirements set by the local permit are respected. The quality of the discharged water is monitored daily.

- Sanitary water:
  City water is chiefly used for domestic and sanitary purposes in the buildings and offices.
  Typically this also generates waste water.

Currently, there is not enough quantitative consumption data available in order to report any figures.

3.1.5. Waste management

Resilux has formulated the following ambitions:

- Encourage the prevention of waste.
- Avoid the use of environmentally-hazardous or polluting products.
- Actively strive to reduce waste (bulk transport, reusable packaging, etc.).
- As much as possible, inject waste into the circular economy for reuse or reprocessing into new raw materials (paper and cardboard, plastics, metals, big bags, PET production waste (preforms and raw materials)).
- Waste collection in accordance with the statutory provisions in order not to damage the environment.

The PET preform production process generates the following types of waste outflow:

- Hazardous waste : hydraulic oil and batteries
- Non-hazardous waste : PET production waste (PET preforms and PET pellets), paper/cardboard, metal, big bags and plastic bags and industrial (non-sorted) waste

The main waste flow is PET production waste which is removed for recycling in the legally prescribed manner. After maximum reuse, the other waste streams are also separated and removed via the legally prescribed channels and, wherever possible, recycled. For these waste flows, there is currently not enough consolidated quantitative consumption data available to report them in a relevant numerical form.

At the European production sites, waste management takes place in accordance with the following European legislation on packaging and packaging waste:

- Directive 94/62/EC of the European Parliament and of the Council of 20 December 1994 on packaging and packaging waste (OJ L 365 31.12.1994, p. 10-23);
- the framework directive on waste (2008/98/EC).

3.1.6. PET recycling activity

On April 3rd 2019 Poly Recycling AG opened the new installed PET bottle Recycling plant in Bilten, Switzerland. Since its acquisition in October 2017 a new state of the art PET recycling facility was designed, ordered and commissioned on the existing location of Resilux Schweiz AG. This new concept will recycle old PET bottles into new preform/bottles in one location. The speed of development is focused to produce required quality for our customers for the different applications. Poly Recycling processes mainly collected used PET bottles (primarily via the Swiss collection system) into a new fully-fledged PET raw material (rPET).

In the development of improving the circular economy, PET has already proven to be the best polymer in class.

This recognition has been reported since many years, but has now been picked up by legislation to further stimulate its position.

The adopted EU Directive of Single Used Plastics (SUP) provides the following with regard to PET bottles:
- mandatory percentage of rPET in each PET bottle: 25% in 2025 and 30% in 2030;
- mandatory percentage of used PET bottles to be collected (applicable to each country): 77% in 2025 and 90% in 2030.

There is a strong desire on the part of the sectors involved (both the producers of the packaging and the industrial customers for this packaging) to see a significant increase in the share of rPET in PET packaging. However, this requires cooperation between the various market players and increases the importance and need for tilizatio European legislation that forces governments to collect significantly more used PET packaging from the market and thus provide the necessary supply of recyclable material. This is a necessary condition for the tilization of the existing production capacity and also to be able to expand this over time, achieve the necessary industrial changes and represent the interests of the stakeholders.

Being successful in the customer qualifications for the new installed PET recycling facility in Bilten, the basis is created to expand our position in the use of rPET into the production. Short time is to optimize our current facility and prepare for further expansion to cover our future requirements. The needs of our customers will drive our speed of development towards the 2025 legal targets. Having the long-time experience in the use of rPET as well the knowledge of several technologies inhouse, Resilux is well positioned to master this development together with our customers.

Resilux has the capacity to process 30’000 tonnes per year of used PET bottles into rPET. About 25% of that weight (labels, ink, glue, remaining contents, bottle caps) is separated during the sorting and washing process. The PET recycling process yields approximately 22’000 tonnes of rPET which, depending on the quality and the number of steps in the recycling process applied, can once again be used, partly in the food and drinks sector (e.g. for new PET bottles) and partly in various other industries such as:
- Cosmetics packaging or detergents (PET has a high chemical resistance value);
- Packaging industry in general (films, containers, strappers (sturdy packaging ribbons));
- Clothing industry (known as “polyester” such as in fleece jackets, sleeping bags, cushion fillings or sports shoes);
- Automotive industry (airbags, seat belts, air filters, etc.).

In Europe, 3’400’000 tonnes of PET bottles were produced in 2018. A total of 1’920’000 tonnes (55-60%) of this were recovered for recycling. Collection rates vary greatly from country to country and are influenced by the applicable collection and sorting system (or lack thereof). Of the collected volume of 1’920’000 tonnes of used PET bottles, approximately 1’400’000 tonnes of rPET can be produced.

3.2. Social and personnel matters

Our employees are of crucial importance to the success of our enterprise and to putting the company’s strategy and policies into practice. It is therefore our responsibility to create the right working environment, ensure the right working conditions, contribute to the personal development of each employee and place a high value on long-term cooperation.

We also consider it important to offer equal opportunities to all in all aspects of employment and look with an open mind at differences in race, gender, origin, language, education, age, etc.

Over the last years, Resilux consciously paid attention to the long-term succession at general management level of each of its business units and takes action step-by-step where necessary so that the continuity of its business operations in all areas and at all locations can also be guaranteed in the long term.

The flat work structures that have always contributed to flexibility and speed of action, will need to be given more backbone, as the business and the organisation continue to grow. In this context, a COO for the Resilux Group strengthened the management team as from May 2019 and a Global HR Director was recruited in 2019 and will strengthen the management team.

At operational level, good technical training for production staff is essential in order to guarantee high product quality and achieve the required production efficiency.

As a company, Resilux is supporting local organisations that are in line with the group core values. In this respect in 2019 more than 40 initiatives over the different business units were supported for an amount of more than € 100'000. These donations were favouring cancer research and support, culture, sports and children.

3.2.1. Working environment

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

Resilux has a relatively low staff turnover, which means that knowledge and expertise have been built up over the years.

3.2.2. Health and safety at work

In 2019 safety has been put forward as one of the core values of Resilux. Within Resilux Group, each unit needs to build this safety culture further into the organization and make safety a part of its DNA. This requires each Resilux employee, to be aware of his surroundings on the job, take notice and actions against potentially dangerous situations. This mindset, commitment and self-awareness should be the normal way of life at Resilux and as well in our daily lives.

The journey to a safe environment never ends, it will certainly test the dedication to become safe along the way. Resilux employees must take responsibility and accountability to themselves. The goal is to ensure that each and every colleague goes home to its family safe and secure, every day. Together and with everyone's support this task will certainly be achieved.

For 2019 the following main achievements should me mentioned:

- Safety appears on every agenda in every meeting. By doing this the awareness of all employees is raised.
- A detailed reporting of safety incidents has been started over the group. Any incident is reported promptly to the group COO and safety incident analyses are discussed on the highest level.
- Each plant has implemented visible safety. As an example can be mentioned the implementation of the safety cross in every site.

Moreover the following should be mentioned about safety:

- Resilux provides a safe and hygienic work environment adopting the necessary measures to prevent accidents, eliminating the dangers or minimizing the risk of their occurrence.
- Resilux complies with the relevant applicable legislation for labour, health and safety.
- Safe and hygienic working conditions and strict compliance with the safety prescriptions form part of our quality management system and are closely monitored and audited.
- Team are in charge of identifying improvements in preventive matters and ensuring that workers receive training regularly on hazards and their prevention in different places of work and hazards associated with their job.
- We use the occupational accidents Frequency level (Fg) as the Group's safety KPI. (Fg = # lost time incidents x 1'000'000 / # hours worked) For 2019, we note an Frequency level of 15 across the entire group. This is

despite, the higher number than last year, a positive result since it reflects a higher transparency about incidents. We want to keep the focus on this, further raise safety awareness and reduce the number of incidents at work.

3.2.3. Employee training

Resilux provides its employees with the following types of education and training, among others:

- Language training to promote integration and cooperation at international level
- Internal technical training courses: Resilux has a specialised team of technicians who train and provide technical support for technical colleagues at all production sites.
- Sales Academy: specific training for the sales department has been rolled out at each site.
- Upon request, employees can follow external training courses for specific topics (financial, HR, ICT, legal, safety and health) on an individual basis and at the expense of the employer.

3.2.4. Equal opportunities and diversity

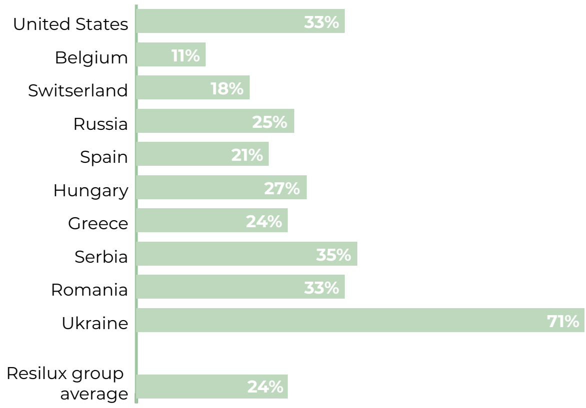
We find it important to offer everyone equal opportunities in all aspects of employment and we look at differences in race, gender, origin, language, education, age, religion, marital status, ancestry, pregnancy, physical or mental disability, medical condition, sexual orientation, ideas or beliefs or any other characteristic protected by all anti-discrimination legislation, with an open mind.

Diversity implies being able to deal with different perspectives and ideals and we view these as a stimulus for good business operations at all company levels. We seek equilibrium, on the one hand, between the particular person having the required professional qualifications, expertise and capacities to do his or her job and, on the other hand, considering the circumstances on the labour market, internal opportunities, our structure, size and organisation and attention for diversity.

In 2018 and 2019 concrete actions were taken to increase the gender diversity with regards to the composition of the board of directors. Action was taken to have at least one third of the members of the board of a different gender than the other members. The composition of the management and administrative bodies of the company are explained in detail in section 1.5 of the chapter Corporate Governance Statement and in the Corporate Governance Charter of the company, as published on the website www.resilux.com under the heading Investor Relations.

In the coming years further action will be taken to increase the gender diversity at all levels, departments and units of the Resilux Group.

% of female employees



3.2.5. Human rights

Human rights related topics are part of the SMETA audit - mentioned in the paragraph about 'Business ethics'. There are no indications or reasons to believe that within the Resilux group fundamental rights, such as the right to unite, prohibition of child or forced labour or the right to a basic wage, have been violated.

Resilux will make efforts to map this further, both for its own organisation and for its most important suppliers.

3.2.6. Health and safety for customers and the environment

PET packaging intended for the food industry meets strict safety standards. As such Resilux only works with certified raw materials that are suitable for processing in the food industry. In this sense, PET packaging is not a direct danger to health or the environment. To date, no violations have been noted in this regard on the part of Resilux.

Within Europe, the essence of the current legislation on suitable packaging for food is contained in framework Regulation (EC) No 1935/2004 on materials and articles intended to come into contact with food and in Regulation (EU) No 10/2011 on plastic materials and articles intended to come into contact with food. The European Food Safety Authority (EFSA) provides further guidance in this respect.

New Swiss rules regarding materials that come into contact with food (FCMs) entered into force in May 2017. This new 'Food Act 2017' contains provisions from various European Union (EU) regulations.

In the grand scheme of things, used PET packaging forms part of the debate surrounding the impact of the increasing presence of micro-plastics on the environment and the health of the population. This increasing presence of micro-plastics in nature is largely the result of poor and inadequate large-scale waste management. The long-term consequences have not yet been established with any degree of certainty, but Resilux endorses the efforts that must be made worldwide to tackle the plastic waste mountain (landfill, litter, plastic soup) and aligns its sustainability policy with it.

3.3. Economic value creation

The 2019 annual report includes a 'Consolidated financial statements' chapter with all the detailed financial information for the 2019 financial year. The consolidated financial statements chapter contains a section entitled "Notes to the consolidated financial statements". With regard to the group's specific pension plans, reference is made to the information found in note 15.

In addition, the 2019 annual report contains the chapter "Annual Report of the board of directors" in which the board looks further at the consolidated results of the group for the 2019financial year. For information specifically relating to the economic value generated, see points 4 and 5 in that chapter.

The financial information and consolidated financial statements have been audited by an external auditor. The "Consolidated financial statements" chapter of the 2019 annual report includes the auditor's report on the audit of the 2019 consolidated financial statements in its entirety.

3.3.1. Bribery and corruption

Corruption, bribery and unfair competition in business transactions distort fair competition under similar circumstances, lead to a loss of transparency, increase costs and are morally unacceptable. Self-regulation plays an important role in fighting corruption.

The risk of cases of bribery or corruption is assessed as rather low for each of the production sites and for all Resilux activities and no cases have been confirmed or reported.

In this respect, the following approach contributes to the risk management:

- Management monitors compliance with legal regulations regarding bribery, corruption and competition.
- We ensure that employees feel encouraged to bring dilemmas to management's attention so that they themselves do not, secretly or unknowingly, undertake improper actions or participate in improper practices.
- Resilux does not donate to political parties. Applications for sponsoring must first be sent to the CEOs for approval. Charitable donations must be lawful and ethical in accordance with the local laws and customs.
- The number of intermediaries that Resilux calls upon is extremely limited and they are selected very carefully.
- We are in favour of exchanging data digitally when exporting/importing products. The digital exchange of documents leads to less or no physical interaction and this reduces the chance of enticing corruption. For example, when the value of the goods and the number of the products to be transferred are communicated in advance, the importer does not know which official deals with the communication and the official does then not know who he would need to approach in the company.
- The cases in which and the amounts that employees are allowed to pay in cash are extremely limited and the four-eyes principle applies to making payments and bank transfers.
- Resilux also maintains strict rules regarding its financial administration and compliance with the generally accepted accounting principles. All business information and transactions must be properly recorded in good time in the financial administrative system, with an adequate amount of detail to give a true reflection of the transactions.

Resilux endorses the efforts that must be made worldwide to tackle the plastic waste mountain.

A renewed HR policy will focus more on communication and training of staff with regard to the prevention of bribery and corruption.

4. Reporting framework

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

A list of the companies for which information is included in this report with regard to non-financial reporting can be found in note 2 of the consolidated financial statements in the Resilux annual report for 2019.

The period for which non-financial information is reported is the same as that for the financial reporting and concerns the 2019 financial year. The non-financial reporting is prepared annually together with the financial reporting. The previous period that was reported on is the 2018 financial year. That information is contained in the Resilux annual report for the 2018 financial year.

This report was prepared with reference to the GRI Standards option Core included in the index below. Each relevant GRI reference in question is also listed in the preamble to each specific chapter, heading or paragraph of this report.
In principle, the data provided concerns PET preform activities, excluding the production of PET bottles and recycling activities, unless explicitly stated.

This annual report is in each case included in the annual report of the board of directors with regard to the company financial statements, as well as in the annual report of the board of directors with regard to the consolidated financial statements, which is included in full in the Annual Report for 2019, which can be downloaded from www.resilux.com, under the heading Investor Relations - Annual Reports.

The statutory auditor checks whether the content of the report meets the legal requirements in that respect.

Questions regarding this non-financial reporting may be sent by e-mail to legal.department@resilux.com.

GRI Index:

GRI Index	Topic specific disclosures (KPI): GRI Standard	Report Reference
Disclosure 102-1	Name of the organization	Chapter 1.1 Activities
Disclosure 102-2	Activities, brands, products, and services	Chapter 1.1 Activities
Disclosure 102-3	Location of headquarters	Chapter 1.1 Activities
Disclosure 102-4	Location of operations	Chapter 1.1 Activities
Disclosure 102-5	Ownership and legal form	Chapter 1.1 Activities
Disclosure 102-6	Markets served	Chapter 1.1 Activities
Disclosure 102-7	Scale of the organization	Chapter 1.1 Activities
Disclosure 102-8	Information on employees and other workers	Chapter 1.1 Activities
Disclosure 102-9	Supply chain	Chapter 1.1 Activities
Disclosure 102-10	Significant changes to the organization and its supply chain	Chapter 1.1 Activities
Disclosure 102-11	Precautionary Principle or approach	Chapter 1.1 Activities
Disclosure 102-14	Statement from senior decision-maker	Chapter 2 Sustainability strategy
Disclosure 102-16	Values, principles, standards, and norms of behavior	Chapter 1.3 Business ethics
Disclosure 102-18	Governance structure	Chapter 1.2 Governance
Disclosure 102-40	List of stakeholder groups	Chapter 2 Sustainability strategy
Disclosure 102-42	Identifying and selecting stakeholders	Chapter 2 Sustainability strategy
Disclosure 102-45	Entities included in the consolidated financial statements	Chapter 4 Reporting framework
Disclosure 102-46	Defining report content and topic Boundaries	Chapter 4 Reporting framework
Disclosure 102-47	List of material topics	Chapter 3 Material sustainability themes
Disclosure 102-50	Reporting period	Chapter 4 Reporting framework
Disclosure 102-51	Date of most recent report	Chapter 4 Reporting framework
Disclosure 102-52	Reporting cycle	Chapter 4 Reporting framework
Disclosure 102-53	Contact point for questions regarding the report	Chapter 4 Reporting framework
Disclosure 102-54	Claims of reporting in accordance with the GRI Standards	Chapter 4 Reporting framework
Disclosure 102-55	GRI content index	Chapter 4 Reporting framework
Disclosure 102-56	External assurance	Chapter 4 Reporting framework
GRI 201-1	Direct economic value generated and distributed	Chapter 3.3 Economic value creation
GRI 201-3	Defined benefit plan obligations and other retirement plans	Chapter 3.3 Economic value creation
GRI 205-1	Operations assessed for risks related to corruption	Chapter 3.3 Economic value creation
GRI 301-1	Materials used by weight or volume	Chapter 3.1.1 Consumption and processing of raw materials and packaging
GRI 301-2	Recycled input materials used	Chapter 3.1.1 Consumption and processing of raw materials and packaging
GRI 302-1	Energy consumption within the organization	Chapter 3.1.2 Energy management and emissions
GRI 302-3	Energy intensity	Chapter 3.1.2 Energy management and emissions

GRI 302-4	Reduction of energy consumption and requierements of products and services	Chapter 3.1.2 Energy management and emissions
GRI 303-1	Water withdrawal by source	Chapter 3.1.4 Water consumption
GRI 303-2	Water sources significantly affected by withdrawal of water	Chapter 3.1.4 Water consumption
GRI 305-1	Direct (Scope 1) GHG emissions	Chapter 3.1.2 Energy management and emissions
GRI 305-2	Energy indirect (Scope 2) GHG emissions	Chapter 3.1.2 Energy management and emissions
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GRI 401-1	New employee hires and employee turnover	Chapter 3.2.1 Workforce
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GRI 412-1	Operations that have been subject to human rights	Chapter 3.2.5 Human rights
GRI 416-1	Assessment of the customer health and safety impacts of product and service categories	Chapter 3.2.6 Health and safety for customers and the environment
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Chapter 3.2.6 Health and safety for customers and the environment

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

a. On 31 December 2019 the registered capital of the company amounts to € 3,600,429 represented by 2,007,360 no par-value shares, which each represent 1/2,007,360th of the registered capital. All shares are fully paid up and each share confers the right to one vote.

Based on, on the one hand, the last notification in the context of the exemption from the obligation to launch a takeover bid under the provisions of the Law of 1 April 2007 on public takeover bids, as received by the company on 31 August 2019, and on the other hand, the adjusted "denominator" as published by the company on 29 November 2019, the shareholders' structure on 31 December 2019 can be presented as follows:

Shareholder	Current voting rights/share	% of issued company stock
Tridec Stichting Administratiekantoor (*)	921,000	45.88%
De Cuyper family (*)	81,812	4.08%
NV Immo Tradec (*)	58,534	2.92%
NV Belfima Invest (*)	33,340	1.66%
NV Tradidec (*)	58,233	2.90%
Public	854,441	42.57%
Total	**2,007,360** ("denominator")	**100%**

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

b) No restrictions are laid down by statute or in the company's articles of association on the transfer of securities, nor on the exercise of voting rights that apply to the securities issued by the company.

c) Special control rights - Statutory provisions

Article 15 - Nomination right

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

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

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

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

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

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

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

For the composition of the board of directors, the necessary diversity and complementarily regarding skills, practice and knowledge is taken into account.

At least three directors must be independent.

The members of the board of directors are appointed for a maximum period each of four years and can be reappointed.

The general shareholders' meeting can deliberate and vote on changes to the articles of association of the company, taking into account the conditions imposed by articles 540, 543, 558, 559 and onwards of the Companies Code [1].

g) Powers of the governing body regarding the issuance or redemption of shares of the company.

The current articles of association of the company provide for the following regulations

Temporary provisions - Authorised capital

For a period of five years from the publication of the general shareholders' meeting's resolution of 17 May 2019 in the annexes to the Belgian Official Journal, the board of directors is authorised to increase the registered capital on one or more occasions with an amount of € 3,600,429.00 (three million, six hundred thousand, four hundred and twenty-nine euros).

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

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

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

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

The general shareholders' meeting has explicitly granted the board of directors the authority to increase the subscribed capital on one or more occasions as from the date of the notice from the Financial Services and Markets Authority (FSMA) to the company of a public takeover bid for the securities of the company, by means of monetary contributions with the cancellation or limitation of the existing shareholders' pre-emptive right or by means of non-monetary contributions in accordance with Article 607 of the Belgian Companies Code[2]. This authorisation is valid for a period of three (3) years to be calculated from the publication of the resolution of the general shareholders' meeting of 17 May 2019 in the annexes to the Belgian Official Journal.

If a capital increase is implemented by means of cash subscriptions with an issue premium, the board of directors will be authorised to stipulate that the issue premium will be earmarked for the non-distributable 'issue premiums' account, which will constitute a guarantee to third parties to the same extent as the registered capital and, except

1: As of 1 January 2020 these references should be read as references to articles 7:139, 7:140, 7:153, 7:154 and following of the Code on companies and associations.

2: As of 1 January 2020 this reference should be read as a reference to article 7:79 of the Code on companies and associations.

for the possibility of conversion into capital by the board of directors, may only be disposed of in accordance with the conditions laid down by the Belgian Companies Code for amendments to the articles of association.

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

Temporary provisions - Purchase of own shares
The board of directors is authorised, in accordance with article 620 and following of the Companies Code[3], to acquire shares, profit-sharing certificates or associated certificates of the company at the expense of the latter, if this acquisition is necessary to preventing the company from suffering imminent, serious damage. This authorisation is valid for a period of three (3) years to be calculated from the publication of the resolution of the extraordinary general shareholders' meeting of 17 May 2019 in the annexes to the Belgian Official Journal. This authorisation can be renewed for periods of three (3) years. Insofar as allowable by law (among others article 622 of the Companies Code[4]), the authorisation to transfer ownership is valid without limitation in time.

The board of directors is authorised, in accordance with article 620 and following of the Companies Code[3] to acquire shares, profit-sharing certificates or associated certificates of the company at the expense of the latter, at a price per share that cannot be lower than the fractional value and cannot be higher than twenty per cent (20%) more than the highest closing price of the share over the last twenty trading days preceding the transaction. The limitation of article 620 §1, 2° of the Companies Code applies to this authorization. The authorization to acquire shares applies for a period of five (5) years to be calculated from the publication of the resolution of the extraordinary general shareholders' meeting of 17 May 2019 in the annexes to the Belgian Official Journal. This authorisation can be renewed for periods of five (5) years. Insofar as allowable by law (among others article 622 of the Companies Code[4]), the authorisation to transfer ownership is valid without limitation in time.

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

(i) in the framework of transactions, such as takeovers or acquisition of tangible or intangible assets, opportune for the strategic development of the company, and at a price at least equal to the average closing price of the share of the most recent thirty (30) calendar days preceding the transaction, decreased with ten percent (10%) and at most equal to the average closing quote of the share of the most recent thirty (30) calendar days preceding the transaction, increased with ten percent (10%);
(ii) in the framework of exercising stock options granted to the personnel of the company or its subsidiaries or self-employed service providers with a high management position within the company or its subsidiaries, and at a price of the option at least equal to the average closing quote of the share of the most recent thirty (30) calendar days preceding the granting of the options, decreased with ten percent (10%) and at most equal to the average closing quote of the share of the most recent thirty (30) calendar days preceding the granting of the options, increased with ten percent (10%).

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

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

3: As of 1 January 2020 this reference should be read as a reference to article 7:215 and following of the Code on companies and associations.

4: As of 1 January 2020 this reference should be read as a reference to article 7:218 of the Code on companies and associations..

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

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

Subsequently, pursuant to Article 74 § 8 of the Law of 1 April 2007 on Takeover Bids, the parties below have informed the company of subsequent changes with regard to their shareholding in the company by letters dated 3 September 2012, 29 August 2014, 31 August 2015, 31 August 2018 and 31 August 2019. As a result, the situation as of 31 August 2019 can be summarized as follows:

	Identity of the persons who, acting in concert, as of 31 August 2019, held, more than 30% of the voting shares in RESILUX NV	Identity of the person ultimately having control	Number of shares	%
1.	STAK TRIDEC Houtsnip 17 3766 VD Soest The Netherlands	-	921,000	
		STAK TRIDEC	**921,000**	**45.48%**
2.	Belfima Invest NV BE 0466 014 328	Peter De Cuyper p.a. Damstraat 4 9230 Wetteren	33,340	
3.	Peter De Cuyper p.a. Damstraat 4 9230 Wetteren	-	35,465	
		Peter De Cuyper	**68,805**	**3.40%**
4.	Tradidec NV BE 0464 996 422	Dirk De Cuyper p.a. Damstraat 4 9230 Wetteren	58,233	
		Dirk De Cuyper	**58,233**	**2.88%**
5.	Immo Tradec NV BE 0439 777 214	Tradec Invest NV BE 0453 976 133	58,534	
		Tradec Invest NV	58,534	2.89%
7.	Others (natural persons < 3%)		347	
		Others	**347 + the usufruct, including the voting rights of 46,000 shares**	**2.29%**
	Total			**56.94%**

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

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

Under normal market conditions Resilux expects for 2020 a further growth of the volumes as a result of optimal utilisation of the in 2019 installed increased capacity. Resilux expects that this volume growth will lead to increased operational results for 2020.

Resilux expects to invest around € 17.5 million. The planned capital expenditures will be mainly in the increase and the replacement of production capacity and additional production tools.

Resilux expects to reduce the net financial debt again by the end of 2020.

Resilux will keep focus on diversification of customers and product mix and a further strengthening of the organization.

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

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

The outbreak of the coronavirus (Covid-19) in early 2020 and the results of the measures taken to contain the virus, could impact our financial performance of 2020 and the measurement of certain assets and liabilities. Accordingly, we may thus possibly need to record material adjustments in our accounts during 2020. Based on the facts known as of today, we have currently no knowledge of financial impacts on the 2019 financial statements or possible adjustments in the accounts of 2020.

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

18. Appropriation of results

The board of directors of Resilux NV proposes to the general shareholders' meeting to pay a gross dividend of € 3.00 per share for the financial year 2019.

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

Profit of the financial year to be appropriated	4,005
Profit brought forward from the previous financial year	52,053
Total profit to be appropriated	56,058
Profit to be distributed	-6,022
Transfer of other reserves	-2,280
Profit to be carried forward	**47,756**

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

Consolidated reserves

Reserves carried forward on 31 December 2018	134,940
Consolidated profit for the financial year	16,410
Actuarial gains and losses (net)	-1,152
Cancellation of own shares	-2,280
Dividend on shares	-6,075
Total consolidated reserves on 31 December 2019	**141,843**

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BALANCE SHEET

Balance sheet (in thousands of Euro)

	Notes	31.12.2019	31.12.2018
Non-current assets		**139,573**	**128,048**
Goodwill	4	18,500	18,500
Intangible assets	5	487	871
Property, plant & equipment	6	113,512	102,140
Other financial assets	7	17	17
Deferred tax	8	4,954	5,895
Non-current receivables	9	2,103	625
Current assets		**141,764**	**149,393**
Inventories	10	67,167	78,918
Trade receivables	9	52,868	48,337
Other current assets	9	11,572	11,223
Cash and cash equivalents	11	10,157	10,915
TOTAL ASSETS		**281,337**	**277,441**
Equity	**12**	**148,504**	**137,566**
Non-current liabilities		**24,918**	**30,338**
Subordinated loans	13	0	0
Interest-bearing borrowings	13	11,686	17,936
Other amounts payables	14	2,910	3,661
Provisions	15	8,767	7,086
Deferred tax	8	1,555	1,655
Current liabilities		**107,915**	**109,537**
Subordinated loans	13	0	956
Interest-bearing borrowings	13	47,388	23,658
Trade payables	14	45,053	70,821
Income tax payables		2,380	1,646
Other amounts payables	14	13,094	12,456
TOTAL LIABILITIES		**281,337**	**277,441**

INCOME STATEMENT

Income statement (in thousands of Euro)

	Notes	2019	2018
Operating revenues		**414,866**	**408,162**
Turnover		413,790	398,017
Changes in inventories finished goods		-3,555	8,218
Other operating income	16	4,631	1,927
Operating expenses		**389,781**	**380,979**
Raw materials and consumables used		260,637	258,820
Services and other goods		63,571	61,068
Remuneration, social security charges and pensions	17	45,004	43,264
Depreciation and amortisation expense		18,483	16,613
Other operating expenses	16	2,086	1,214
Operating result		**25,085**	**27,183**
Financial income	18	6,903	6,795
Financial expenses	18	-9,912	-10,642
Result before taxes		**22,076**	**23,336**
Income taxes	19	-5,666	-4,845
Net result		**16,410**	**18,491**
Net profit per share in €	22	8.17	9.13

STATEMENT OF OTHER COMPREHENSIVE INCOME

Statement of other comprehensive income (in thousands of Euro)

	Toelichting	2019	2018
Attributable to profit or loss: the owners of the parent		16,410	18,491
Statement of the unrealized results			
Unrealised currency translations adjustments for foreign entities (*1)		4,035	1,361
Actuarial gains and losses (gross) (*2)	15	-1,134	348
Deferred Taxes (*2)		-18	-69
Total of the unrealized results		**2,883**	**1,640**
Total of the comprehensive income		**19,293**	**20,131**

(*1) can be reclassified in the income statement

(*2) cannot be reclassified in the income statement

CASH FLOW STATEMENT

Cash flow Statement (in thousands of Euro)

	Notes	31.12.2019	31.12.2018
Operating activities			
Profit before taxes		22,076	23,337
Depreciation and amortization	5/6/10	18,483	16,613
Financial income		-6,904	-6,796
Financial expense		9,912	10,642
Adjustment of the fair value of a contingent consideration		-714	0
Gain on disposal fixed assets	16	-69	-112
Changes in trade receivables	9	-2,320	-5,432
Changes in inventory	10	13,341	-22,998
Changes in trade payables	14	-26,625	9,741
Other changes in net working capital		-1,945	-2,232
Change in net working capital		-17,549	-20,921
Interest received	18	62	37
Interest paid	18	-2,204	-1,958
Income taxes paid	19	-4,174	-5,828
Cash flow from operating activities		**18,919**	**15,014**
Cash flow from investing activities			
Investments in tangible and intangible fixed assets	5/6	-28,338	-35,422
Receipt of government grants	6	769	375
Proceeds on disposals of fixed assets		731	621
Cash flow from investing activities		**-26,838**	**-34,426**
Financing activities			
Dividends paid		-6,075	-4,050
Purchase own shares		-2,275	0
Proceeds from (+), payments (-) of subordinated loans	13	-956	-319
Proceeds from (+), payments (-) of long-term liabilities	13	-6,782	-5,799
Proceeds from (+), payments (-) of short-term liabilities	13	23,053	12,702
Cash flow from financing activities		**6,965**	**2,534**
Net increase / decrease in cash and cash equivalents	11	-954	-16,878
Effect of exchange rate changes on cash and cash equivalents	11	196	330
Cash and cash equivalents at January 1st	11	10,915	27,463
Cash and cash equivalents at December 31		**10,157**	**10,915**

EQUITY

Equity (in thousands of Euro) – Note 12

	Amount of shares	Share capital	Share premium	Revaluation surplus	Other reserves	Actuarial results	Currency translations	Total
On 1 January 2019	**2,024,860**	**3,601**	**0**	**2,371**	**134,171**	**-1,603**	**-974**	**137,566**
Consolidated result for the financial year		0	0	0	16,410	0	0	16,410
Unrealized results (gross)		0	0	0	0	-1,134	4,035	2,901
Deferred taxes		0	0	0	0	-18	0	-18
Total of the unrealized results		**0**	**0**	**0**	**16,410**	**-1,152**	**4,035**	**19,293**
Cancellation of own shares	-17,500	0	0	0	-2,280	0	0	-2,280
Dividend on shares		0	0	0	-6,075	0	0	-6.075
On 31 December 2019	**2,007,360**	**3,601**	**0**	**2,371**	**142,226**	**-2,755**	**3,061**	**148,504**

	Amount of shares	Share capital	Share premium	Revaluation surplus	Other reserves	Actuarial results	Currency translations	Total
On 1 January 2018	**2,024,860**	**3,601**	**0**	**2,371**	**119,730**	**-1,882**	**-2,335**	**121,485**
Consolidated result for the financial year		0	0	0	18,491	0	0	18,491
Unrealized results (gross)		0	0	0	0	348	1,361	1,709
Deferred taxes		0	0	0	0	-69	0	-69
Total of the unrealized results		**0**	**0**	**0**	**18,491**	**279**	**1,361**	**20,131**
Dividend on shares		0	0	0	-4,050	0	0	-4,050
On 31 December 2018	**2,024,860**	**3,601**	**0**	**2,371**	**134,171**	**-1,603**	**-974**	**137,566**

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1. ACCOUNTING PRINCIPLES

1. Statement of compliance and basis of presentation

The consolidated financial statements of Resilux Group have been prepared in accordance with International Financial Reporting Standards (IFRS), which comprise standards and interpretations approved by the IASB.
The company has opted not to apply early application of standards and interpretations issued up to 31 December 2018 with an effective date after 31 December 2019.

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

The accounting policies have been applied consistently with the previous year.
The consolidated financial statements are prepared as of and for the period ending 31 December 2019.
The statements are presented before the effect of the profit appropriation of the parent company to the general shareholders' meeting.

2. Principles of consolidation

General

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

Subsidiaries

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

Acquisitions of subsidiaries are accounted for in accordance with IFRS 3 'Business Combinations'.

Joint ventures

Joint ventures are companies in which Resilux NV directly or indirectly holds a significant influence and which are not subsidiaries or joint ventures. This is assumed to be the case when the Group holds at least 50% of the voting rights attached to the shares.
The Financial statements of these companies are prepared in accordance with the same accounting policies used for the Group. The consolidated financial statements contain the share of the Group in the result of associated companies in accordance with the equity method from the day that the joint control or the significant influence is acquired until the day it ends. If the share of the Group in the losses of the associated companies is greater than the carrying amount of the participation, the carrying amount is set at zero and additional losses are recognized only insofar the Group has assumed additional obligations. Participations in associated companies are revalued if there are indications of a possible impairment or if the reasons for earlier impairments are no longer there.

A list of the company's subsidiaries and joint ventures is set out in note 2. 'Consolidated companies' on 31 December 2019.

3. Foreign currency translation

a) Functional and presentation currency

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

b) Transactions and balances

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

c) *Financial statements of foreign operations*

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

4. Goodwill

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

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

Goodwill is stated at cost less accumulated impairment losses.

5. Intangible assets

Intangible assets acquired separately are capitalized at cost. After initial recognition, intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses. (refer accounting policy 14)

Intangible assets acquired as part of a business combination are capitalized at fair value separately from goodwill if the fair value can be measured reliably on initial recognition. Intangible assets are amortized on a straight-line basis not exceeding 5 years.

6. Research and development costs

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

7. Licenses, patents and similar rights

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

8. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses (see accounting principle 14). Land is not depreciated. Costs include purchase price (less any discounts and rebates), import duties, non refundable taxes and any directly attributable costs of bringing the asset to its working condition. Directly attributable costs include, e.g. initial delivery, handling and installation costs and the estimated cost of dismantling and removing the asset and restoring the site. The cost of a self constructed asset is determined using the same principles as for an acquired asset.

Subsequent expenditure related to on an item of property, plant and equipment is capitalized when it is probable that it will result in additional future benefits, in excess of the originally assessed standard of performance of the existing asset, and the expenditure can be measured reliably. All other subsequent expenditure is expensed as incurred.

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

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

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

9. Leases

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

Resilux applies IFRS16 as from the financial year 2019. Resilux recognizes right-to-use assets and lease payables for leases previously classified as operating leases, excluding short-term and low-value leases. The right-to-use assets are recognized at the value of the lease debts. The lease debts are recognized on the basis of the present value of the remaining lease payments, discounted at the incremental interest rate on the date of initial application.

10. Investments

All investments are initially recognized at cost, being the fair value of the consideration given and including acquisition charges associated with the investment (see accounting principle 14).
Shares are valued at fair value, the impact of the impairment is booked in the other comprehensive income statement or in the profit and loss statement.

11. Inventories

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

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

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

12. Trade and other receivables

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

13. Cash and cash equivalents

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

14. Impairment of assets

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

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

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

15. Provisions

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

16. Interest-bearing loans and borrowings

All loans and borrowings are initially recognized at cost, being the fair value of the consideration received net of issue costs associated with the borrowing. After initial recognition, interest-bearing loans and borrowings, are subsequently measured at amortised cost using the effective interest method. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

17. Trade and other payables

Trade and other payables are stated at cost.

18. Employee benefits

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

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

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

Resilux has a group insurance contract for its employees in Belgium. The new law about supplementary pension plans has been published on 18th of December 2015. This law includes changes that may have an impact on the accounting for defined contribution and defined benefit plans under IAS 19R in Belgium.

The first change relates to the minimum guaranteed return. The new law replaces the 3.25% (employer) and 3.75% (employee) as from 1/1/2016 by a formula based upon the 10-year OLO yield with a minimum of 1.75% and a maximum of 3.75%. For insured plans, the current 3.25% and 3.75% remain applicable for contributions paid before 2016.

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

19. Revenue recognition

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

20. Government grants

Government grants are recognized when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grants relates to an expense item, it is recognized as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

Where the grant relates to an asset, the fair value is deducted from the carrying amount of the asset. The grant is recognized as income over the life of the depreciable asset by way of reduced depreciation charge.

21. Derivative financial instruments

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

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

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

22. Income taxes

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

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

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

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

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

23. New and amended IFRS-standards and IFRIC-Interpretations, effective for financial years starting as per January 1, 2019.

Resilux applied the same IFRS standards as those adopted in the previous years, except for some of the new and amended IFRS standards and IFRIC interpretations applicable for Resilux and effective for the financial year as of 1st January 2019, as described below:

Resilux applies, for the first time, IFRS 16 Leases.

Resilux applies, for the first time, IFRIC 23 Uncertainty over income tax treatment. The application of IFRIC 23 has not a material impact on the consolidated financial statements of Resilux for 2019.

Several other amendments and interpretations apply for the first time in 2019, but do not have a material impact on the consolidated financial statements of Resilux for 2019.

IFRS 16 Leases

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases - Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. 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.

Resilux adopted IFRS 16 using the modified retrospective approach of adoption with the date on initial application of 1 January 2019. Resilux elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. Resilux also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

The effect of adoption of IFRS 16 as at 1 January 2019 is as follows:

- Tangible fixed assets increased by k € 423.
- Interest bearing loans including lease liabilities (current and non-current) increased by the same amount k € 423.

a) Nature of the effect of adoption of IFRS 16

Resilux has lease contracts for various items of plant, machinery, vehicles and other equipment. Before the adoption of IFRS 16, Resilux classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. A lease was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to Resilux; otherwise it was classified as an operating lease. Finance leases were capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between interest (recognized as finance costs) and reduction of the lease liability. In an operating lease, the leased property was not capitalized and the lease payments were recognized as rent expense in profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognized under other receivables and other payables, respectively. Upon adoption of IFRS 16, Resilux applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which has been applied by Resilux.

Leases previously classified as finance leases

Resilux did not change the initial carrying amounts of recognized assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognized under IAS 17). The requirements of IFRS 16 were applied to these leases from 1 January 2019.

Leases previously accounted for as operating leases
Resilux recognized right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets were recognized based on the amount equal to the lease liabilities. Lease liabilities were recognized based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The lease liabilities as at 1 January 2019 can be reconciled to the operating lease commitments as of 31 December 2018 as follows:

Reconciliatie operationele lease commitments 31.12.18 to lease liabilities as at 1 January 2019	**In € 000 Impact IFRS16**
Operating lease commitments as per 31 December 2018	**678**
Weighted average incremental borrowing rate as at 1 January 2019	1%
Discounted operating lease commitments as at 1 January 2019	**675**
Less	
Commitments relating to short-term leases	-252
Add	
Commitments relating to leases previously classified as finance leases	105
Lease liabilities as at 1 January 2019	**528**

b) Summary of new accounting policies
Set out below are the new accounting policies of Resilux upon adoption of IFRS 16, which have been applied from the date of initial application:

Right-of-use assets
Resilux recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless Resilux is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities
At the commencement date of the lease, Resilux recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by Resilux and payments of penalties for terminating a lease, if the lease term reflects Resilux exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, Resilux uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets
Resilux applies the short-term lease recognition exemption over all categories of underlying assets (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases over all categories of underlying assets that are considered of low value (i.e., below € 5,000). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Significant judgement in determining the lease term of contracts with renewal options
Resilux determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

c) Amounts recognized in the statement of financial position and profit or loss
Set out below, are the carrying amounts of Resilux's right-of-use assets and lease liabilities and the movements during the period:

Right-of-use in € 000	**Land & Buildings**	**Machinery & Equipment**	**Vehicles**	**Total**	**Lease liabilities**
As at 1 January 2019	209	223	214	646	528
Additions / Disposals	1,167	167	0	1,328	1,328
Depreciation expense	-274	-217	-65	-556	
Interest expense					0
Payments					-468
Translation adjustments	0	3	0	3	2
As at 31 December 2019	**1,102**	**170**	**149**	**1,421**	**1,390**

The above table includes the new IFRS 16 leases as well as the finance leases identified under IAS 17.
Per December 31, 2019 the implementation of IFRS 16 increased tangible fixed assets by k € 1.251, and increased lease liabilities by k € 1.248.

Resilux recognized rent expense from short-term leases, leases of low-value assets and variable lease payments of k € 187.

Given the limited amounts, the impact of the application of IFRS 16 for 2019 resulted in a limited impact on:

- (Adjusted) EBITDA of + k € 344
- Additional depreciations: - k € 339

24. New and amended IFRS-standards and IFRIC-Interpretations, effective for financial years starting after January 1, 2019.

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

- Amendments to References to the Conceptual Framework in IFRS Standards, effective 1 January 2020
- Amendments to IFRS 3 Business Combinations – Definition of a business, effective 1 January 2020
- Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Interest Rate Benchmark Reform
- Amendments to IAS 39 Financial Instruments: Recognition and measurement and IFRS 7 Financial Instruments: Disclosures - Interest Rate Benchmark Reform
- IFRS 17 Insurance Contracts, effective 1 January 2021
- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Definition of material, effective 1 January 2020

2. CONSOLIDATED COMPANIES

Full consolidation

The consolidated financial statements 2019 include the accounts of Resilux NV and its subsidiaries listed in the table below.

Resilux NV	Damstraat 4, 9230 Wetteren RPR Ghent, division Dendermonde BE 0447.354.397	Belgium	100%
Eastern Holding NV	Reukenwegel 40, 9070 Destelbergen; RPR Ghent, division Ghent BE 0897.458.153	Belgium	100%
Resinvestment NV	Damstraat 4, 9230 Wetteren RPR Ghent, division Dendermonde BE 0897.468.051	Belgium	100%
Resilux Holding B.V.	Luna Arena, Herikerbergweg 238, 1101 CM Amsterdam	Netherlands	100%
Tradetool B.V.	Luna Arena, Herikerbergweg 238, 1101 CM Amsterdam	Netherlands	100%
Resilux Ibérica Packaging S.A.u.	Ctra. Nacional 435, KM 99, 06350 Higuera La Real	Spain	100%
Resilux-Volga OOO	Bazovaya Street 12, 156000 Kostroma	Russia (Federation)	100%
Resilux Distribution OOO	Zoologicheskaya Str.26, build.2, room IX, 123056, Moscow	Russia (Federation)	100%
Packmen OOO	Elektrichesky lane, 12, office 2 123056, Moscow	Russia (Federation)	100%
Resilux Schweiz AG	Industrie Ost, 8865 Bilten	Switzerland	100%
Poly Recycling AG	Industrie Ost, 8865 Bilten	Switzerland	100%
Resilux Packaging South Europe A.S.	Industrial Area of Patras, OT 21 / B2-A5 / 25018 Patras	Griekenland	100%
Resilux Investment Corporation, Inc.	Orange Street, City of Wilmington 1209, County of New Castle - Delaware 19801	USA	100%
Resilux America, LLC	John Brooks Road 265, Pendergrass, Georgia 30567	USA	100%
Resilux Central Europe Packaging Kft.	Aradi u. 8 5th floor/d 8/10, 1062 Boedapest	Hungary	100%
Resilux Packaging South East Europe srl.	Sat Dascalu, Comuna Dascalu, Calea Bucureşti nr. 63, Judetul Ilfov, 077075	Romania	100%
Resilux Ukraine, LLC	Zhylyanska street 146, 01032 Kiev	Ukraine	100%
Borverk d.o.o. Beograd	Mike Alasa Street 40, Belgrade	(Republic) Serbia	100%

3. SEGMENT REPORTING

Segment reporting (in thousands of Euro)

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

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

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

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

Disaggregation of the turnover	**2019**	**2018**
Products		
Sales of preforms	361,105	342,546
Sales of bottles	39,737	41,583
Sales of raw materials	12,948	13,888
Total turnover	**413,790**	**398,017**
Geographical segments		
Western Europe	102,119	98,070
Spain	57,366	48,116
Russia	49,287	47,878
Southern Europe (excluding Spain)	44,686	36,497
Switzerland	72,259	75,067
United States	55,439	58,049
Eastern Europe (excluding Russia)	75,935	73,626
Adjustments / eliminations	-43,301	-39,286
Total turnover	**413,790**	**398,017**
Timing of revenue recognition		
Goods transferred at a point in time	413,790	398,017
Services transferred over time	0	0
Total turnover	**413,790**	**398,017**

2019	Western Europe	Spain	Russia	South Europe (excluding Spain)	Switzerland	United States	Eastern Europe (excluding Russia)	Total segments	Adjustments and eliminations	Consolidated
External customers	84,334	54,624	48,174	44,181	63,526	54,926	65,101	414,866	0	414,866
Inter segment	27,712	2,835	240	1,163	11,538	3	11,776	55,267	-55,267	0
Total operating income	112,046	57,459	48,414	45,344	75,064	54,929	76,877	470,133	-55,267	414,866
Depreciation and amortisation expense	4,491	1,167	1,194	1,110	4,484	3,445	2,445	18,336	147	18,483
Operating cash flow (EBITDA)	9,387	7,016	3,798	4,712	9,442	4,794	2,868	42,017	1,551	43,568
Operating result (EBIT)	4,896	5,849	2,604	3,602	4,958	1,349	423	23,681	1,404	25,085
Total assets	187,029	47,207	22,216	25,787	100,835	37,691	67,640	488,405	-207,068	281,337
Total liabilities	92,241	12,709	7,004	15,986	41,711	19,022	54,733	244,406	-111,573	132,833
Investment expenditures tangible and intangible assets	3,147	1,950	2,388	626	6,337	4,534	8,498	27,480	513	27,993

2018	Western Europe	Spain	Russia	South Europe (excluding Spain)	Switzerland	United States	Eastern Europe (excluding Russia)	Total segments	Adjustments and eliminations	Consolidated
External customers	84,072	46,741	49,129	36,219	68,006	60,477	63,518	408,162	0	408,162
Inter segment	27,595	2,841	48	1,064	7,678	27	11,836	51,089	-51,089	0
Total operating income	111,667	49,582	49,177	37,283	75,684	60,504	75,354	459,251	-51,089	408,162
Depreciation and amortisation expense	4,668	1,334	1,017	1,168	3,694	2,905	1,968	16,754	-141	16,613
Operating cash flow (EBITDA)	12,228	5,619	3,766	2,610	11,449	6,392	2,976	45,040	-1,244	43,796
Operating result (EBIT)	7,560	4,285	2,749	1,442	7,755	3,487	1,008	28,286	-1,103	27,183
Total assets	184,431	46,568	21,200	25,680	98,747	42,561	46,120	465,307	-187,866	277,441
Total liabilities	84,936	16,712	9,291	18,167	44,321	23,864	33,917	231,208	-91,333	139,875
Investment expenditures tangible and intangible assets	5,146	1,045	1,600	707	16,105	5,954	3,992	34,549	498	35,047

4. GOODWILL

Goodwill (in thousands of Euro)

	2019	2018
At cost		
On January 1st	18,500	18,500
Effect of acquistions	0	0
On December 31	**18.500**	**18,500**
Impairment		
On January 1st	0	0
Impairment	0	0
On December 31	**0**	**0**
Net book value		
On January 1st	18,500	18,500
On December 31	**18,500**	**18,500**

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

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

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

The remaining amount of goodwill of € 13,685 relates to the Swiss preforms and bottles activities of Resilux.

Calculations showed that the ecomic value exceeds the net asset value of the segment. The economic value is calculated as the discounted value of the expected cash flows for the next three years. The residual value is determined after three years, taking into account a growth rate of 2%. The used discount rate represents the actual market assesment of the specific risks for the cash generating unit. The discount rate takes into account debt and equity. The cost of the equity is determined by the expected return on investment by the shareholders of the Group. The cost of debt is based upon intrest-bearing loans of the Group. The specific risk of the segment is taking into account by applying individual beta factors. These beta factors are revised every year based upon available public data. The applied weighted average cost of capital is 6.90% for Switzerland an 9.40% for Serbia.

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

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

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

5. INTANGIBLE ASSETS

Intangible assets (in thousands of Euro)

	Patents and licences	Other	Total
On 31 December 2018			
Cost or valuation	3,528	2,934	6,462
Accumulated depreciations	2,964	2,627	5,591
Net book amount on 31 December 2018	**564**	**307**	**871**
Intangible assets, gross			
Net book amount on January 1st, 2019	3,528	2,934	6,462
- Additions	144	0	141
- Transfers	51	0	51
- Disposals	0	0	0
- Foreign currency translations (+)(-)	1	60	61
On 31 December 2019	**3,724**	**2,994**	**6,718**
Depreciation and impairment			
Net book amount on January 1st, 2019	2,964	2,627	5,591
- Depreciation charge for the year	272	311	583
- Transfers	0	0	0
- Disposals	0	0	0
- Foreign currency translations (+)(-)	1	56	57
On 31 December 2019	**3,237**	**2,994**	**6,231**
Net book amount on 31 December 2019	**487**	**0**	**487**

	Patents and licences	Other	Total
On 31 December 2017			
Cost or valuation	2,785	3,246	6,211
Accumulated depreciations	2,138	2,787	4,925
Net book amount on 31 December 2017	**647**	**639**	**1,286**
Intangible assets, gross			
Net book amount on January 1st, 2018	2,785	3,426	6,211
- Additions	110	39	149
- Transfers	633	-361	272
- Disposals	0	-228	-228
- Foreign currency translations (+)(-)	0	58	58
On 31 December 2018	**3,528**	**2,934**	**6,462**
Depreciation and impairment			
Net book amount on January 1st, 2018	2,138	2,787	4,925
- Depreciation charge for the year	162	457	619
- Transfers	663	-431	232
- Disposals	0	-228	-228
- Foreign currency translations (+)(-)	1	42	43
On 31 December 2018	**2,964**	**2,627**	**5,591**
Net book amount on 31 December 2018	**564**	**307**	**871**

The external costs for research and development, which are not capitalised in 2019, amount to € 438
The external costs for research and development, which are not capitalised in 2018, amount to € 696

6. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment (in thousands of Euro)

	Land and buildings	Plant and equipment	Furniture and vehicles	Leased fixed assets	Other tangible assets	Assets under construction	**Total**
On 31 December 2018							
Cost or valuation	84,649	212,736	7,063	2,546	1,509	5,106	313,609
Accumulated depreciations	44,039	158,409	5,289	2,321	1,411	0	211,469
Net book amount on 31 December 2018	**40,610**	**54,327**	**1,774**	**225**	**98**	**5,106**	**102,140**
Tangible fixed assets, gross							
On 1 January 2019	84,649	212,736	7,063	2,546	1,509	5,106	313,609
- Additions	3,430	18,832	945	1,753	36	2,853	27,849
- Transfers	3,586	2,017	15	-862	51	-4,858	-51
- Disposals	-82	-2,320	-518	-12	-89	-19	-3,040
- Foreign currency translations (+)(-)	1,639	3,699	90	62	-2	58	5,546
On 31 December 2019	**93,222**	**234,964**	**7,595**	**3,487**	**1,505**	**3,140**	**343,913**
Depreciation and impairment							
On 1 January 2019	44,039	158,409	5,289	2,321	1,411	0	211,469
- Depreciation charge for the year	3,197	13,379	773	556	20	0	17,925
- Transfers	0	859	0	-859	0	0	0
- Disposals	-21	-1,823	-486	-10	-37	0	-2,377
- Foreign currency translations (+)(-)	841	2,418	70	58	-3	0	3,384
On 31 December 2019	**48,056**	**173,242**	**5,646**	**2.066**	**1.391**	**0**	**230,401**
Net book amount on 31 December 2019	**45,166**	**61,722**	**1,949**	**1,421**	**114**	**3,140**	**113,512**

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

An amount of € 769 was deducted from capital grants from the acquisitions of realized investments in plant, machinery and equipment.
No interest costs are capitalized.
This concerns investments in connection with the capacity expansions in machines and molds. This amount also includes investments in the new preform factory in Romania and the finalisation of the new state-of-the-art PET recycling company in Bilten in Switzerland.

Regarding rights and commitments not reflected in the balance sheet we refer to note 22.
The financial lease agreements (excluding leases previously classified as operating leases) are mainly assets in production machines and equipment. The book value of these leased fixed assets amounts to € 169 as per 31 December 2019 and to € 223 as per 31 December 2018. These leasing agreements have possibilities to prolong, purchase options but no clauses to adjust the prices.

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

	Land and buildings	Plant and equipment	Furniture and vehicles	Leased fixed assets	Other tangible assets	Assets under construction	**Total**
On 31 December 2017							
Cost or valuation	75,676	182,307	6,411	3,533	1,510	8,258	277,695
Accumulated depreciations	40,424	145,438	4,914	2,420	1,274	0	194,470
Net book amount on 31 December 2017	**35,252**	**36,869**	**1,497**	**1,113**	**236**	**8,258**	**83,225**
Tangible fixed assets, gross							
On 1 January 2018	75,676	182,307	6,411	3,533	1,510	8,258	277,695
- Additions	5,605	23,484	905	17	102	4,785	34,898
- Transfers	2,011	6,820	116	-1,060	30	-7,957	-40
- Disposals	-29	-1,293	-352	0	-130	-68	-1,872
- Foreign currency translations (+)(-)	1,386	1,418	-17	56	-3	88	2,928
On 31 December 2018	**84,649**	**212,736**	**7,063**	**2,546**	**1,509**	**5,106**	**313,609**
Depreciation and impairment							
On 1 January 2018	40,424	145,438	4,914	2,420	1,274	0	194,470
- Depreciation charge for the year	2,970	12,009	694	567	20	0	16,260
- Transfers	0	704	0	-716	12	0	0
- Disposals	-7	-1,147	-317	0	108	0	-1,363
- Foreign currency translations (+)(-)	652	1,405	-2	50	-3	0	2,102
On 31 December 2018	**44,039**	**158,409**	**5,289**	**2,321**	**1,411**	**0**	**211,469**
Net book amount on 31 December 2018	**40,610**	**54,327**	**1,774**	**225**	**98**	**5,106**	**102,140**

7. OTHER FINANCIAL ASSETS

Other financial assets (in thousands of Euro)

	2019	2018
Other financial assets	17	17
	17	**17**
The financial assets can classified as follows:		
Financial assets / Shares	17	17
Financial assets / Shares - impairment	0	0
	17	**17**

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

8. DEFERRED TAX ASSETS - DEFERRED TAX LIABILITIES

Deferred tax assets - deferred tax liabilities (in thousands of Euro)

	Net		Income statement	
	2019	**2018**	**2019**	**2018**
Non-current assets				
Other assets	-1,842	-1,028	-532	-222
Property, plant and equipment	3	-50	55	53
Intangible assets	14	1	13	6
Current assets				
Inventories	-96	-407	329	-107
Trade receivables	12	-427	446	-360
Other current assets	-53	-151	105	-51
Non-current liabilities				
Interest-bearing loans and borrowings	-4	-5	0	31
Provisions	78	88	-10	2
Provisions pension	1,105	1,103	-26	17
Current liabilities				
Trade payables	-70	62	-141	79
Other amounts payables	41	415	-452	214
Deferred tax on temporary differences	-812	-399	-213	-339
Other	-15	-100	-118	-85
Tax values of deferred taxation	-48	-54	6	9
Tax values of net operating losses	4,273	4,793	-607	1,086
Foreign currency translations	0	0	-7	-14
Recognized unrealized results	0	0	30	80
Gross tax assets / liabilities	**3,399**	**4,240**	**-909**	**737**

On losses carried forward for an amount of € 208, the Group has decided not to book any deferred tax assets. An amount of € 63 is transferable for 9 years and an amount of € 145 is transferable indefinitely.

In 2019, carry-forward losses were capitalized for a tax amount of € 247.

9. TRADE RECEIVABLES AND OTHER ASSETS

Trade receivables and other assets (in thousands of Euro)

	2019	2018
Other receivables – long term (*)	2,103	625
Trade receivables – short term	56,401	51,861
Trade receivables – provision for impairment of receivables	-3,533	-3,524
Trade and other receivables - net	**54,971**	**48,962**
VAT receivables	5,722	4,427
Prepaid taxes	1,045	456
Fair value financial instruments (note 20)	0	0
Other receivables - due within the financial year (*)	670	420
Other receivables	2,662	1.774
Accruals/deferrals	1,474	4,146
Other assets	**11,573**	**11,223**

(*) Other long-term receivables

Trade receivables are non-interest bearing and have a payment term of 30-120 days.

The normal payment terms vary from country to country. In addition to the payment conditions, Resilux also applies credit limits that are set per customer. At each reporting date, a check is made as to whether an impairment is necessary for the overdue trade receivables. This is done individually per customer, taking into account the payment history and if the customer is covered by the credit insurance. For overdue receivables, a reminder procedure is started.

As per 31 December 2019 a provision was made for impairment of trade receivables for an amount of € 3,533 (2018: € 3,524).

The ageing analysis of trade receivables is as follows:

net book value		not due	due on reporting date				
			overdue less than 30 days	overdue between 31 and 60 days	overdue between 61 and 90 days	overdue between 91 and 120 days	overdue more than 120 days
2019	52,868	41,623	5,470	2,009	1,372	429	1,965
2018	48,337	30,158	12.656	2.050	806	481	2.186

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

	2019	2018
As per January 1	3,524	3,715
Expense of the current financial year (including reversed amounts)	517	-159
Used provisions	-533	-26
Currency translations	25	-6
As per December 31	**3,533**	**3,524**

The majority of receivables for which an impairment loss has been recorded are receivables that are overdue for more than 120 days.

The breakdown of the other receivables were as follows:

Per 31 December 2019	Total	less than 1 year	1-5 year	more than 5 year
Other receivables – leasing	446	344	102	0
Other receivables – non leasing	2,327	326	1,955	46
Total	**2,773**	**670**	**2,057**	**46**

The other receivables - leasing concern contracts as a lessor for a blowing project in the Spanish and Belgian entities.
The other receivables – non leasing concern long term loans with customers.

10. INVENTORIES

Inventories (in thousands of Euro)

	2019	2018
Raw materials	30,818	39,349
Trade goods	1,029	640
Finished goods at cost	36,965	40,164
Write-down	-1,645	-1,235
Total inventories	**67,167**	**78,918**

Guarantees are provided for an inventory amount of € 8,853.

11. CASH AND CASH EQUIVALENTS

Cash and cash equivalents (in thousands of Euro)

	2019	2018
Cash at bank and in hand	10,157	10,915
Deposits	0	0
	10,157	**10,915**

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

12. EQUITY

Equity

All shares are fully paid. As per 31 December 2019, the share capital is represented by 2,007,360 shares without nominal value, each representing 1/2,007,360th of the share capital.
In 2019, Resilux purchased 17,500 own shares. These shares were subsequently canceled in 2019.
The authorised capital amounts to € 3,600,429.00 .
Revaluation gains are related to the one-off revaluation of land and buildings during the transition to IFRS on 1 January 2004.

13. INTEREST-BEARING LOANS AND BORROWINGS

Interest-bearing loans and borrowings (in thousands of Euro)

	2019	2018
Non-current subordinated loans	0	0
Current subordinated loans	0	956
Total	**0**	**956**
Analyses of the subordinated loans as interest rate: - fixed 8%		

In 2013, the BMI granted a subordinated loan to Resilux NV for an amount of € 1,500.
Until 2015 a part of the interest was added to the capital. Early 2019, the remaining outstanding amount was fully repaid.

Non-current liabilities	**2019**	**2018**
Non-current financial debts	10,715	17,919
Non-current finance lease liabilities	971	17
	11,686	**17,936**

Current liabilities	**2019**	**2018**
Current financial debts	7,337	5,472
Current finance lease liabilities	419	88
Financial debts less than one year	39,632	18,098
	47,388	**23,658**

Analysis of long-term financial debts by currency :

	2019
EUR	12,179
USD	7,251
Other	12
Total	**19,442**

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

	2019
Fixed (1.85% - 5.2%)	11,319
- variable, swapped into fixed (0.8%)	6,875
- lease liabilities IFRS 16	1,248
total	**19,442**

Analysis of financial debts less than one year by currency :

	2019
EUR	33.612
HUF	2.447
RUB	3.230
UAH	343
Total	**39.632**

Note 22 includes information relating to rights and commitments.
For the financial year 2019, Resilux is largely meeting the covenants of the external financing agreements.

	01.01. 2019	cash flows	currency effect	new leases	other	31.12.2019
Non-current financial debts	17,919	0	134	0	-7,337	10,716
Non-current finance lease liabilities	17	0	0	1,189	-235	971
Current financial debts	23,570	16,062	0	0	7,337	46,969
Current finance lease liabilities	88	-126	0	0	457	419
Non-current subordinated debts	0	0	0	0	0	0
Current subordinated debts	956	-956	0	0	0	0
Total financial liabilities	**42,549**	**14,980**	**134**	**1,189**	**222**	**59,074**

	01.01. 2018	cash flows	currency effect	new leases	other	31.12.2018
Non-current financial debts	22,995	0	396	0	-5,472	17,919
Non-current finance lease liabilities	114	0	0	0	-97	17
Current financial debts	10,414	7,684	0	0	5,472	23,570
Current finance lease liabilities	784	-793	0	0	97	88
Non-current subordinated debts	956	0	0	0	-956	0
Current subordinated debts	319	-319	0	0	956	956
Total financial liabilities	**35,582**	**6,572**	**396**	**0**	**0**	**42,550**

The ‘other’ section contains the transfer from long term to short term.

The future cash flows of the long-term financial debts, including the interests payables, can be broken down as follows:

	6 months or less	6-12 months	1-5 years	over 5 years	**Total**
On 31 December 2019					
Financial debts	3,669	3,668	10,715	0	18,052
Finance lease liabilities	2	417	971	0	1,390
Total cash flows	**3,671**	**4,085**	**10,686**	**0**	**19,442**

14. TRADE PAYABLES AND OTHER LIABILITIES

Trade payables and other liabilities (in thousands of Euro)

Long term trade and other payables	**2019**	**2018**
Trade payables	0	0
Other payables	2,910	3,661
	2,910	**3,661**

Current trade and other payables	**2019**	**2018**
Trade payables	45,053	70,821
Other long-term liabilities due within one year	224	278
Other liabilities	8,069	5,716
Derivatives (note 20)	462	701
Accrued expenses and deferred income	4,339	5,760
	58,147	**83,276**

Trade payables per 31 December 2019 are expected to be paid in the first quarter of 2020.

Other payables - long term

On 31 December 2019	**less than 1 year**	**1-5 year**	**more than 5 years**	**Total**
Other payables - long term	224	2,910	0	3,134
Total	**224**	**2,910**	**0**	**3,134**

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

15. PROVISIONS

Provisions (in thousands of Euro)

	Onerous contract	**Disputes**	**Pension & similar rights**	**Total**
On 1 January 2018	12	283	6,792	7,087
Additional provisions	0	0	1,495	1,495
Unused amounts reversed	-8	0	-68	-76
Used provisions	0	0	0	0
Foreign currency translations	0	0	261	261
On 31 December 2018	**4**	**283**	**8,481**	**8,767**

Pensions and similar rights

The supplementary pension plan for employees in general consists of defined contribution arrangements.
The costs of the premiums paid are entered in the profit and loss account under remuneration, labour-related contributions and pensions. The contributions are managed by an insurance company responsible for the guaranteed return on the contributions of the employer and of the employees. As well as per 31 December 2019 and as per 31 December 2018, these returns were met and as a result no obligation is included in the balance sheet.

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

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

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

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

Defined benefit pension	**2019**	**2018**
Amounts stated in the balance sheet		
Net receivables (-liabilities)	-8,313	-6,556
Defined benefits obligation (-)	-25,423	-23,930
Fair value of plan assets	17,110	17,735
Receivables (-liabilities) under the defined benefit pension schemes, total		
Liabilities (-)	-25,423	-23,930
Assets	17,110	17,375
Movements in the net asset (liability) stated in the balance sheet		
Net asset (liability) stated in the balance sheet, **opening balance**	-6,556	-6,358
Currency effects	-234	-224
Net expenses recognized income statement	-1,235	-1,265
Net expenses recognized in other comprehensive income statement	-1,153	409
Contributions by employer / employee	865	882
Net receivables (-liabilities) stated in the balance sheet, **closing balance**	**8,313**	**6,556**

Net expenses recognized in the income statement		
Current service costs	1,155	1,198
Interest expenses on defined benefit obligation	222	171
Interest income on plan assets (-)	-165	-126
Administration cost excluding cost for managing plan assets	22	34
Net expenses stated in the income	1,235	1,277
Net expenses recognized in the other comprehensive income		
Actuarial gains / losses	1,476	-288
Of which: actuarial (gains) / losses arising from financial assumptions	2,209	-396
Of which: actuarial (gains) / losses arising from demographic assumptions	390	-294
Of which: experience (gains) / losses	-1,123	402
Return on plan assets, excluding interest income	-322	-121
Net expenses stated in the unrealized results	1,154	-409
Movements in liabilities of the defined benefit pension schemes		
Obligations of the defined benefit pension plans, **opening balance**	-23,930	-21,191
Currency effects	-790	-693
Current service cost	-1,155	-1,198
Interest expenses	-222	-171
Contributions by employee	-667	-694
Payments to (+) / deposits of benefits (-)	2,769	-314
Actuarial gains / losses, net	-1,476	289
Administration cost excluding costs for management of plan asset	-8	-8
Insurance premiums	25	21
Taxes paid	32	30
Obligations of the defined benefit pension plans, **closing balance**	**-25,423**	**-23,930**
Movements in plan assets		
Fair value of plan assets, **opening balance**	17,195	14,831
Currency effects	735	471
Interest income on plan assets	165	126
Return on plan assets, excluding interest income	279	81
Contributions by employer / employee	1,532	1,576
Payments to beneficiaries (-)	2,770	314
Administration cost	-14	-13
Taxes paid	-31	-30
Insurance premiums	-25	-21
Remeasurements	43	40
Fair value of plan assets, **closing balance**	**17,110**	**13,375**

Sensitivity analyses		
Obligation of defined benefit pension plans at 31.12		
Discount rate		
Increase by 25 basis points	24,290	22,945
Decrease by 25 basis points	26,651	24,993
Expected rate of salary increases		
Increase by 25 basis points	25,591	24,056
Decrease by 25 basis points	25,285	23,796
Life Expectations		
Increase life expectancy by one year	25,862	24,300
Decrease life expectancy by one year	24,985	23,558
Specific information per country:		
Switzerland		
Principal actuarial assumptions		
Discount rate at 01.01	0.80%	0.65%
Expected rate of salary increases	0.75%	0.75%
Applied mortality tables	BVG2015 GT	BVG2015 GT
Average duration of the defined benefit pension plans in years	20.3	19.4
Other information		
Expected contribution in the next financial year	1,153	1,283
Actual return on plan assets	2.71%	1.88%
Belgium		
Principal actuarial assumptions		
Discount rate at 01.01	0.70%	1.75%
Expected rate of salary increases	2.25% - 3.05%	2.45% - 3.25%
Applied mortality tables	MR/FR (-5)	MR/FR (-5)
Average duration of the defined benefit pension plans in years	**21.8**	**21.4**
Other information		
Expected contribution in the next financial year	370	326
Actual return on plan assets	1.70%	1.39%

The provision for pension & similar rights also includes a specfic labour-related liability related to the plant in Greece for an amount of € 168.

16. OTHER OPERATING INCOME

Other operating income (expense) (in thousands of Euro)

Other operating income	**2019**	**2018**
Grants	188	49
Insurance reimbursement	2,092	271
Gains on disposal fixed assets	181	210
Other operating income	1,456	1,397
Adjustment earn out Borverk	714	0
	4,631	**1,927**
Other operating expenses	**2019**	**2018**
(Gains) / losses on trade receivables	517	-159
Loss on disposal of fixed assets	112	98
Other operating expenses	1.457	1,275
	2,086	**1,214**

The ‘other operating income’ includes charges of expenses to customers, received compensations for claims and other items.

The other operating expenses mainly include other taxes.

17. EMPLOYEE BENEFIT EXPENSE

Employee benefit expense (in thousands of Euro)

	2019	**2018**
Wages and salaries	33,404	31,603
Social security costs	6,165	6,079
Other personnel expenses	5,435	5,582
Total personnel charges	**45,004**	**43,264**
Average workforce	**898**	**837**

The ‘other personnel expenses’ include mainly provisions for holiday pay, year-end bonuses and other bonuses. This line also includes the extra-legal pension costs.

There are no outstanding warrants as of 31 December 2019

18. FINANCE INCOME (EXPENSE)

Finance income (expense) (in thousands of Euro)

	2019	2018
Interest income	42	37
Net foreign exchange results	6,578	5,972
Other finance income	283	786
	6,903	**6,795**
Interest expenses	2,174	1,924
Interest expenses financial leasings	30	34
Net foreign exchange results	7,185	7,945
Fair value financial instruments (note 20)	88	102
Other finance expenses	435	637
	9,912	**10,642**
Finance income - expenses (net)	**-3.009**	**-3,847**

19. INCOME TAXES

Income taxes (in thousands of Euro)

	2019	2018
Current income taxes	-4,757	-5,582
Deferred income taxes	-909	737
Total taxes	**-5,666**	**-4,845**
Average actual rate	25.66%	20.76%
Current income before taxes	**22,076**	**23,336**
Theoretical tax rate (tax rate mother company)	29,58%	29.58%
Theoretical taxes related to current income before taxes	-6,530	-6,902
Non-deductible expenses	-522	-685
Change of tax rate	211	860
Use of tax assets, not recognised in prior years	-1,109	-34
Effect of the different tax rates in other countries	1,589	1,627
Tax adjustments related to prior periods	226	-1,219
Fiscal exemptions	469	206
Capitalisation of tax losses from the past	0	1,302
Income taxes	**-5,666**	**-4,845**

20. DERIVATIVE FINANCIAL INSTRUMENTS

Unless stated otherwise in the table below, management is of the opinion that the financial assets and liabilities that are valued at amortized cost approach the fair value.

The book values included in the balance sheet relate to the following categories within the financial assets and liabilities :

	31.12.2019		31.12.2018	
In thousands of Euro	**Book value**	**Fair value**	**Book value**	**Fair value**
Financial assets				
Other financial assets	17	17	17	17
Trade and other receivables	66,543	66,543	60,185	60,185
Cash and cash equivalents	10,157	10,157	10,915	10,915
Financial assets at fair value	0	0	0	0
Financial obligations				
Financial and other loans				
- Trade and other debts	61,057	61,057	86,938	86,938
- Interest-bearing liabilities	59,074	59.074	42,550	42,550
Financial liabilities at fair value	462	462	701	701

The fair values of the financial assets and liabilities are determined as follows:

The fair value of the financial assets and liabilities are recognized at the amount for which the instrument can be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation. The following methods and assumptions have been used to estimate the fair value:

Cash and short-term deposits, trade receivables, trade payables and other short-term receivables and payables are close to their carrying amount, due to the short-term maturity dates of these instruments.

Long-term fixed interest and variable interest receivables / loans are evaluated by the group on the basis of parameters such as interest, specific risk factors and individual creditworthiness. On the basis of the evaluation, impairments are recorded taking into account the expected losses of these receivables. On 31 December 2019, the carrying amount of such receivables, after deduction of impairments, is not substantially different from their calculated fair value.

Loans from banks and other financial liabilities are calculated on the basis of the discounted value of future cash flows for the principal and interest at a market-based discount rate with rates currently available on debts with similar conditions, credit risks and remaining maturities.

Foreign currency risk

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

Resilux had the following outstanding exchange contracts on 31/12/2019:

sale	USD	10,950,000	for	EUR	9,725,311.20
sale	GBP	1,250,000	for	EUR	1,372,267.49
sale	EUR	11,500,000	for	CHF	12,581,000.00
purchase	EUR	2,400,000	at	HUF	798,130,000.00

Estimated sensitivity to currency fluctuations (in thousands of Euro)

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

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

A decrease of 10% of the conversion rate towards the used rate for 2019 would have an affect on the operational result as follows: for the USD -122, for the RUB -237, for the CHF -247, for the HUF -121 and for the RSD -29.

A decrease of 10% of the translation rate towards the used rate for 2019 would have the following affect on the currency translation in the equity: for the USD -1,697, for the RUB -1,383, for the CHF -3,843, for the HUF -952 and for the RSD -305.

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

Interest rate risk

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

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

- There ar no Cap contracts.
- Interest rate swap contracts for an amount of € 169,625, with maximum duration up to 2024 and with interest rates between 0.8% and 1.73%

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

On 31 December 2019 Resilux had the following financial instruments valued at fair value (in thousands of Euro):

	2019	2018
Assets valued at fair value		
Foreign exchange contracts	6	10
Liabilities valued at fair value		
Foreign exchange contracts	-81	-144
Interest swaps	-387	-567
Total	**-462**	**-701**

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

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

Price risk

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

Credit risk

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

21. KERNCIJFERS PER AANDEEL

Key figures per share (in Euro)

based on the number of shares per 31 December	2019	2018
Operating cash flow	21.70	21.63
Operating result	12.50	13.42
Net profit Group share	8.17	9.13
Number of shares	2,007,360	2,024,860
Proposed gross dividend per share	3.00	3.00
Total dividend (in thousands of Euro)	6,022	6,075

There is no dilutive effect, the diluted net earnings per share is equal to the net earnings per share.

22. RIGHTS AND COMMITMENTS NOT REFLECTED IN THE BALANCE SHEET

ResilResilux has provided the following collateral to guarantee debts (in thousands of Euro):

Subscription amount of the collateral	117,498
Outstanding debt for which collateral has been provided	36,047
Amount of the actual mortgage:	28,023
Outstanding debt:	11,251
Amount of proxy to mortgage:	18,483
A private mandate to pledge business assets:	36,265
Shares pledged:	34,727
Outstanding debt:	24,797
Net book value of the assets for which collateral has been provided	57,396

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

23. RELATED PARTY TRANSACTIONS

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

In 2019, the following fees were attributed to the non-executive directors:

FVDH BVBA, with permanent representative Francis Vanderhoydonck	€	32,500.00
Intal BVBA, with permanent representative Johan Vanovenberghe	€	20,000.00
Mitiska NV, with permanent representative Luc Geuten	€	20,000.00
Martine Sels	€	12,500.00
Annelies Goos	€	12,500.00
Guido Vanherpe BVBA, with permanent representative Guido Vanherpe	€	7,500.00
Alex De Cuyper (provision of a car and a mobile phone)	€	8,977.69

Remuneration of members of the executive committee, with the exception of the main representatives of the executive management

The members of the executive committee, with the exception of two main representatives of the executive management, were paid a total remuneration of € 920,692.04 in financial year 2019.
These amounts include:

- Basic salaries (gross): € 827,846.23
- Contributions to the pension scheme / group insurance: € 46,071.20
- Other components: benefits in kind and representation allowances: € 46,774.61

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

During the period from 1 January 2019 until 17 May 2019 Dirk De Cuyper and Peter De Cuyper were the main representatives of the executive management. As the executive functions executed by Dirk De Cuyper and Peter De Cuyper at the highest level of the Resilux Group are similar and complementary, they are both regarded as main representatives of the daily management / executive management during the aforementioned period.

As from 17 May 2019 Didec Management BV and Fodec Management BV are the main representatives of the executive management. As the executive functions executed by Didec Management BV and Fodec Management BV at the highest level of the Resilux Group are similar and complementary, they are both regarded as main representatives of the daily management / executive management as from 17 May 2019.

Remuneration of Dirk De Cuyper and Peter De Cuyper

Dirk De Cuyper and Peter De Cuyper received a joint fixed remuneration amounting to € 894,648.48 during financial year 2019.

These amounts include:

- Basic allowances: € 889,700.65 ,000.00
- Other components: € 4,947.83

In addition, Dirk De Cuyper and Peter De Cuyper jointly received during financial year 2019 a cash remuneration of in aggregate € 550,000 pursuant to the variable bonus schemes approved by the board of directors. This amount represents on the one hand the awarded bonus amount linked to the KPIs of 2018, and on the other hand, the awarded bonus amount linked to the KPIs of 2017 that was only effectively paid in 2019.

No additional pension plan has been put in place for Dirk De Cuyper and Peter De Cuyper.

Remuneration of Didec Management BV and Fodec Management BV

Didec Management BV and Fodec Management BV received a joint fixed remuneration amounting to € 964,500.00 during financial year 2019.

No additional pension plan nor other components have been put in place for Didec Management BV and Fodec Management BV.

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

24. AUDITOR AND RELATED PERSONS

Auditor and related persons (in thousands of Euro)

Fee for the auditor BCVBA Ernst & Young Bedrijfsrevisoren for all companies:	
Within the Group	343
Fee for exceptional services of special assignments performed within the Company by the Auditor:	
Other tasks not part of the legally defined auditing tasks	14

25. EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

The outbreak of the coronavirus (Covid-19) in early 2020 and the results of the measures taken to contain the virus, could impact our financial performance of 2020 and the measurement of certain assets and liabilities. Accordingly, we may thus possibly need to record material adjustments in our accounts during 2020. Based on the facts known as of today, we have currently no knowledge of financial impacts on the 2019 financial statements or possible adjustments in the accounts of 2020.

In the meantime Resilux has taken the necessary safety measures and until the date of preparation of this annual report, all factories within the Resilux group produce at normal capacity and goods are delivered to customers as usual.

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

IFRS COMMENTS FOR 2019 COMPARED TO 2018

Assets (in thousands of Euro)

Goodwill (€ 18,500)
Goodwill is the difference between the purchase price of the shareholding and the value of the net assets acquired, revalued according to the consolidated accounting policies of Resilux. The amount of € 18.5 million per 31 December 2019 remained unchanged compared to 31 December 2018. An amount of € 13.7 relates to the Swiss operations. During 2017, there has been an increase of the goodwill by € 3.8 and € 1.0 million as a result of the acquisitions of respectively Borverk in Serbia and Poly Recycling in Switzerland.

Intangible fixed assets (€ 487)
Intangible fixed assets mainly consist of externally procured development technology, as well as patents and licences for preforms.

Tangible fixed assets (€ 113,512)
During the financial year, an additional net amount of € 26.8 million was invested in tangible fixed assets. These investments are mainly made in additional production capacity in machines and moulds. Furthermore this amount includes the investments in the new preform factory in Romania and of the new state-of-the-art PET recycling factory in Bilten in Switzerland. During 2019 an amount of € 0.8 million of grants was deducted from the acquisitions. The net investment in 2018 was € 34.4 million.

The depreciation on tangible fixed assets in 2019 was € 17.9 million and are mainly related to production technology.

Other financial assets (€ 17)

Deferred taxes (€ 4,954)
Deferred taxes are calculated on temporary differences between the book value of the assets and liabilities in the balance sheet and their tax value. The deferred tax is booked to the asset or liability according to the net position per fiscal unit. Deferred taxes are mainly caused by differences in depreciation rates for tangible fixed assets, and tax losses that can be carried forward.

Long term receivables (€ 2,103)
This amount covers contracts as lessor for different blowing projects and long term loans to customers.

Stocks (€ 67,167)
The total stock increased by € 11.8 million or 14.9% with respect to the previous financial year. The total stock of raw materials decreased by € 8.8 million and the stocks of finished products and trade goods decreased by € 3.0 million. This decrease is a combination of decreased volumes and decreased raw material prices.

Trade debtors (€ 52,868)
The total amount of trade debtors increased by € 4.5 million. This is the result of the increase of volumes sold.

Other assets (€ 11,572)
The main items under other assets are VAT to be reclaimed, other receivables and costs to be carried forward.

Cash at bank and in hand (€ 10,157)
For an explanation of the change in the cash at bank and in hand and short term investments, please refer to the cash flow statement in this annual report on page 86.

Liabilities (in thousands of Euro)

Capital (€ 3,601)

The share capital per 31 December 2019 amounts to € 3.6 million. The capital is fully paid up. In 2019 17,500 own shares were bought back, these shares were canceled during 2019.

The history of the capital is as follows:

Date	Type of operation	Amount of the capital (in Euro)	Number of shares
05/05/1992	Formation	123,947	500
02/11/1993	Capital increase	545,366	2,200
27/06/1995	Capital increase	3,197,826	3,642
16/06/1997	Capital increase	4,268,726	4,362
04/09/1997	Shares split by 325	4,268,726	1,417,650
03/10/1997	Capital increase / stock exchange entry	15,423,935	1,777,650
24/12/1998	Capital increase	16,235,717	1,871,210
19/11/1999	Capital increase	16,236,000	1,871,210
19/12/2006	Capital increase	17,183,856	1,980,410
16/05/2014	Capital increase	17,569,952	2,024,860
28/06/2017	Capital decrease	3,600,462	2,024,860
Year 2019	Purchase and cancellation of own shares	3,600,462	2,007,360

Consolidated reserves (€ 141,843)

The consolidated reserves on 31 December 2019 were as follows:

Reserves carried forward on 31 December 2018	134,940
Consolidated profit for the financial year	16,410
Dividend paid	-6,075
Cancelation of own shares	-2.280
Actuarial gains / losses (net)	-1,152
Total consolidated reserves on 31 December 2019	**141,843**

Foreign currency translations (€ 3,061)

The conversion of foreign shareholdings in the consolidation to Euro had a positive effect of € 4.0 millon on the capital and reserves in 2019. The currency translations on 31 December 2018 were € -1.0 million.

Subordinated loans long term (€ 0) and short term (€ 0)

The BMI (Belgische Maatschappij voor Internationale Investering) has in 2013 granted a subordinated loan to Resilux NV for a total amount of € 1.5 million, until 2015 a part of the interest was added to the outstanding capital. The total remaining outstanding amount of € 1.0 million has been repaid early 2019.

Interest-bearing financial liabilities long term (€ 11,686) and short term (€ 47,388)

The long term financial liabilities decreased by € 6.2 million compared to 31 December 2018. The short term debts (including the current portion of debts payable after one year) increased by € 23.7 million.

For a further explanation of the change in the debts, we refer to the cash flow statement on page 86 of this report.

Current assets less current liabilities decreased per 31 December 2019 by € 6.0 million to € 33.9 million. Per 31 December 2018 the current assets less current liabilities was € 39.9 million.

Provisions (€ 8,767)

The total amount of provisions increased by € 1.7 million and includes mainly the net obligation for the defined benefit pension plan.

Deferred taxes (€ 1,555)

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

Trade creditors (€ 45,053)

Trade creditors decreased by € 25.8 million or 36.4% compared to the previous year. The is explained by lower amounts payables to suppliers of raw materials and of capital expenditures per 31 December 2019 compared to 31 December 2018.

Taxes (€ 2,380)

Per 31 December 2019 this section consisted mainly of income tax payable in Belgium, Greece and Switzerland. In 2018 the amount payable was € 1.6 million.

Other liabilities long term (€ 2,910) and short term (€ 13,094)

The long term liabilities relate to a loan of the Ministry of Industry in Spain and a remaining amount payable relating to the purchase price of the acquisition of Borverk Eurotrade in Serbia. This section of the short term liabilities contains debts relating to remuneration and labour-related contributions, and also accrued costs and interest and income to be carried forward.

Income statement (in thousands of Euro)

Operating income (€ 414,866)

The operating income increased by 1.6% compared to the previous financial year. The turnover in 2019 increased compared to the previous financial year by 4.0% and amounts to € 413.8 million. This is the result of an increase of the volumes sold by 7.2%, lower average raw material prices and a positive foreign exchange effect as a result of an average weaker Euro. The change in stocks of finished products in 2019 was € -3.6 million. In the financial year 2018 there was an increase in stocks of finished products by € 8.2 million. The other oprating income increased by € 2.7 million, mainly due to compensation of insurance companies for damages. Furthermore this section also include capital gain made on sold equipment, charging of costs to customers, received compensation for claims and other operating income.

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

Operating charges (€ 389,781)

The increase compared to the previous financial year was € 8.8 million.

The total cost of goods purchased for resale, raw materials and consumables increased by € 1.8 million. This increase is the result of higher production volumes in line with the sold volumes and average lower raw material prices.

The total amount of services and other goods and other expenses increased by € 3.4 million. Furthermore the increased is explained by higher production volumes and as a consequence higher variable production expenses like electricity and repair and maintenance. Also the transportation costs increased due to increase volumes sold.

Total remuneration costs have increased by € 1.7 million. The increase is explained by a higher number of employees and a weakening of de €, the group reporting currency.
The depreciation and amortisation expenses increased by € 1.9 million compared to 2018. The depreciations increased as a result of higher capital expenditures during the most recent years.

Net financial result (€ -3,009)

The total financial result decreased from € -3.8 million to € -3.0 million. The decrease of the financial result is mainly due to less negative foreign exchange results in 2019 compared to 2018. The total interest expenses for 2019 increased by € 0.2 million.

Taxes (€ -5,666)

The total income taxes payables amount to € -4.8 million. The movement in deferred taxes is negative for € -0.9 million. This negative amount is mainly the result of a correction on temporary differences from the past for the Resilux subsidiary in the United States of America.

Cash flow statement (in thousands of Euro)

The cash flow statement has been prepared after the conversion of the balance sheet per 31 December 2018 at closing rate per 31 December 2019.

The cash flow statement shows a gross operating cash flow during the financial year of € 18.9 million, compared to € 15.0 million in 2018. This is mainly explained by a decrease of the profit before taxes by € 1.3 million. The total net working capital in 2019 increased by € 17.5 million. In 2018 there was an increase fo the net working capital by € 20.9 million. The increase of the net working capital in 2019 is the result of a decrease in stocks (€ 13.3 million), an increase of the trade debtors (€ 2.3 million), an decrease in trade creditors (€ 26.6 million) and a decrease in other working capital (€ 1.9 million).

The financial resource requirement for investment operations in 2019 was € -26.8 million. The gross investments in tangible and intangible fixed assets amount to € 28.3 million compared to € 35.4 million in 2018.

During 2019 the net cash flow from financing activities was € +7.0 million compared to € +2.5 million in 2018. In 2019 a dividend was paid of € 6.1 million. There was also a share buy back for an amount of € 2.3 million during 2019.

On balance, during the financial year, there was a decrease in cash at bank and in hand after currency effects by € 1.0 million, compared to a decrease of € 16.9 million in 2018.

INDEPENDENT AUDITOR'S REPORT

Independent auditor's report to the general meeting of Resilux NV for the year ended 31 December 2019

As required by law and the Company's articles of association, we report to you as statutory auditor of Resilux NV (the "Company") and its subsidiaries (together the "Group"). This report includes our opinion on the consolidated balance sheet as at 31 December 2019, the consolidated income statement, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year ended 31 December 2019 and the disclosures (all elements together the "Consolidated Financial Statements") as well as our report on other legal and regulatory requirements. These two reports are considered one report and are inseparable.

We have been appointed as statutory auditor by the shareholders' meeting of 17 May 2019, in accordance with the proposition by the Board of Directors following recommendation of the Audit Committee. Our mandate expires at the shareholders' meeting that will deliberate on the Consolidated Financial Statements for the year ending 31 December 2021. We performed the audit of the Consolidated Financial Statements of the Group during 7 consecutive years.

Report on the audit of the Consolidated Financial Statements

Unqualified opinion

We have audited the Consolidated Financial Statements of Resilux NV, that comprise of the consolidated balance sheet on 31 December 2019, the consolidated income statement, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement of the year and the disclosures, which show a consolidated balance sheet total of € 281.337 thousand and of which the consolidated income statement shows a profit for the year of € 16.410 thousand.

In our opinion, the Consolidated Financial Statements give a true and fair view of the consolidated net equity and financial position as at 31 December 2019, and of its consolidated results for the year then ended, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union ("IFRS") and with applicable legal and regulatory requirements in Belgium.

Basis for the unqualified opinion

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

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

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current reporting period.
These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and

in forming our opinion thereon, and consequently we do not provide a separate opinion on these matters.

Goodwill impairment

Description of the key audit matter

Goodwill amounts to k€ 18.500 or 7% of the consolidated balance sheet at 31 December 2019. The Group reviews the carrying amount of its cash generating units ("CGU") annually or more frequently if impairment indicators are present. The impairment assessment involves a comparison of the estimated recoverable amount of each CGU to its carrying amount. Additional information is provided in Note 4 of the Consolidated Financial statements.

The Group's assessment of impairment of goodwill is a key audit matter because it is a judgmental process which requires significant estimates made by management concerning the future cash flows, the weighted average cost of capital ("WACC"), and the growth rate of revenue and costs to be applied in determining the value in use.

Summary of the procedures performed

Our audit procedures included, among others, the following:

- We have analyzed the Group's impairment test model including the significant underlying assumptions;;
- We have verified the definition of the cash generating units according to IFRS;
- We made an assessment of the historical accuracy of management's judgements, and compared the expected revenue growth and EBITDA percentage on revenue for all cash generating units with the Group's business plan as adopted previously and approved by the Board of Directors for those periods;
- We used a valuation expert in our firm to assist us in assessing the methodology, clerical accuracy, long term growth rate and discount rate by comparison to market information, past performance, the Group's cost of capital and relevant risk factors;
- We assessed the sensitivity analyses prepared by management to understand the impact of reasonable changes in the key assumptions;
- We considered additional impairment triggers by reading board minutes, and holding regular discussions with management;
- We assessed the adequacy of the Group's disclosures in Note 4 to the Consolidated Financial Statements.

Valuation of deferred tax assets

Description of the key audit matter

Deferred tax assets on tax losses and tax credits carried forward amount to k€ 4.273 or 2% of the consolidated balance sheet at 31 December 2019, (as described on Note 8 of the Consolidated Financial Statements).

The Group recognizes deferred tax assets for tax losses and tax credits carried forward to the extent that it is probable that future taxable profit will be available against which unused tax losses and tax credits can be utilized. Management supports the recoverability of the deferred tax assets mainly with income projections which contain estimates for future taxable results.

The valuation of deferred tax assets is significant to our audit because management's assessment process is complex and is based on estimates of future taxable results.

Summary of the procedures performed

Our audit procedures included, among others, the following:

- Evaluating the amounts and local expiry periods of the unused tax losses and tax credits carried forward and together with any other applicable restrictions on recovery for each relevant jurisdiction, including the impact of changes in tax legislation;
- Testing management's analysis of the recoverability of the deferred tax assets, including, estimations of future taxable results, the applicable tax legislation and tax planning assumptions;
- Assessing and discussing management's estimations of future taxable results including the underlying assumptions such as revenue growth, gross margin and cost developments by comparing with historical performance;
- Assessing the adequacy of the Group's disclosure in Note 8 of the Consolidated Financial Statements.

Pension plans

Description of the key audit matter

The Group has a number of pension plans with guaranteed minimum returns that qualify as defined benefit schemes under IAS 19. The provision for these plans amount to a net liability of k€ 8.313 as at 31 December 2019 or 3% of the consolidated balance sheet.

This area is important to our audit because of the magnitude of the amounts, the judgments involved concerning the actuarial assumptions (such as discount rates, inflation, mortality and increase in salaries,...) and the technical expertise required to evaluate these provisions and to properly reflect the impacts in the Consolidated Financial Statements in accordance with IAS 19. Changes in those assumptions (including, salary increases, inflation, discount rate and mortality) can have a material impact on the calculation of the liability.

Summary of the procedures performed

Our audit procedures included, among others, the following:

- Assessing the actuarial report prepared by the external actuary engaged by the Group to ensure that all characteristics of the plans have been properly considered in the actuarial calculations;
- Assessing the expertise, independence and integrity of the external actuary engaged by the Group;
- Comparing the input data used for the calculation of the provisions by the external actuary (such as population, age, years of service, wage,...) with source information of the human resources department of the Group;
- Assessing the appropriateness of the actuarial assumptions (such as discount rates, inflation, mortality, salary increase,...) with the assistance of our internal actuarial specialists;
- Verifying that the actuarial calculations are properly reflected in the provisions recorded in the Consolidated Financial Statements and ensuring that impacts are correctly recorded in accordance with IAS19;
- Assessing the adequacy of the Group's disclosure in Note 15 of the Consolidated Financial Statements.

Responsibilities of the Board of Directors for the preparation of the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the Consolidated Financial Statements that give a true and fair view in accordance with IFRS and with applicable legal and regulatory requirements in Belgium and for such internal controls relevant to the preparation of the Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error. As part of the preparation of Consolidated Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, and provide, if applicable, information on matters impacting going concern, The Board of Directors should prepare the financial statements using the going concern basis of accounting, unless the Board of Directors either intends to liquidate the Company or to cease business operations, or has no realistic alternative but to do so.

Our responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance whether the Consolidated Financial Statements are free from material misstatement, whether due to fraud or error, and to express an opinion on these Consolidated Financial Statements based on our audit. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

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

- identification and assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, the planning and execution of audit procedures to respond

to these risks and obtain audit evidence which is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatements resulting from fraud is higher than when such misstatements result from errors, since fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining insight in the system of internal controls that are relevant for the audit and with the objective to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluating the selected and applied accounting policies, and evaluating the reasonability of the accounting estimates and related disclosures made by the Board of Directors as well as the underlying information given by the Board of Directors;
- conclude on the appropriateness of the Board of Directors' use of the going-concern basis of accounting, and based on the audit evidence obtained, whether or not a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's or Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going-concern;
- evaluating the overall presentation, structure and content of the Consolidated Financial Statements, and evaluating whether the Consolidated Financial Statements reflect a true and fair view of the underlying transactions and events.

We communicate with the Audit Committee within the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the audits of the subsidiaries. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities.
We provide the Audit Committee within the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee within the Board of Directors, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our report, unless the law or regulations prohibit this.

Report on other legal and regulatory requirements

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation and the content of the Board of Directors' report on the Consolidated Financial Statements, the non-financial information attached to the Board of Directors' report, and other information included in the annual report.

Responsibilities of the auditor

In the context of our mandate and in accordance with the additional standard to the ISAs applicable in Belgium, it is our responsibility to verify, in all material respects, the Board of Directors' report on the Consolidated Financial Statements, the non-financial information attached to the Board of Directors' report, and other information included in the annual report, as well as to report on these matters.

Aspects relating to Board of Directors' report and other information included in the annual report

In our opinion, after carrying out specific procedures on the Board of Directors' report, the Board of Directors' report is consistent with the Consolidated Financial Statements and has been prepared in accordance with article 3:32 of the Code of companies and associations (former article 119 of the Belgian Company code).

In the context of our audit of the Consolidated Financial Statements, we are also responsible to consider whether, based on the information that we became aware of during the performance of our audit, the Board of Directors' report and other information included in the annual report, being:

- Section 3: consolidated key figures (page 7)
- Section 4: shareholders and group structure (page 8)
- Section 17: abridged statutory annual accounts Resilux NV (page 135 until 140)

contain any material inconsistencies or contains information that is inaccurate or otherwise misleading. In light of the work performed, there are no material inconsistencies to be reported. In addition, we do not provide any assurance regarding the Board of Directors' report and other information included in the annual report.

The non–financial information required by article 3:32, § 2, of the Code of companies and associations has been included in the Board of Directors' report on the Consolidated Financial Statements. The Company has prepared this non-financial information based on Global Reporting Initiative ("GRI") standards. However, we do not comment on whether this non-financial information has been prepared, in all material respects, in accordance with GRI standards. We do not express any form of assurance regarding the individual elements included in this non-financial information.

Independence matters

Our audit firm and our network have not performed any services that are not compatible with the audit of the Consolidated Financial Statements and have remained independent of the Company during the course of our mandate.

The fees related to additional services which are compatible with the audit of the Consolidated Financial Statements as referred to in article 3:65 of the Code of companies and associations were duly itemized and valued in the notes to the Consolidated Financial Statements.

Other communications

- This report is consistent with our supplementary declaration to the Audit Committee as specified in article 11 of the regulation (EU) nr. 537/2014.

Ghent, 14 April 2020

EY Bedrijfsrevisoren BV
Statutory auditor
Represented by

Marnix Van Dooren *
Partner
*Acting on behalf of a BV/SRL

ABRIDGED STATUTORY ANNUAL ACCOUNTS OF RESILUX NV 2019

The statutory annual accounts of the Resilux NV company are presented in an abridged form. In accordance with the Royal Decree of January 30, 2001 in execution of the Companies Act, these annual accounts, the annual report and the report of the auditor are submitted to the National Bank of Belgium.

The auditor has issued a report without reservations.

The full version of the statutory annual account, as well as the accompanying reports, are available on the company's website as from 15 April 2020. On request, a copy of these documents can be obtained free of charge at the company's registered seat.

BALANCE

Balance sheet after appropriation of profit

Assets (in thousands of Euro)	2019	2018
FIXED ASSETS	**115,211**	**150,125**
Intangible fixed assets	**385**	**508**
Tangible fixed assets	**11,289**	**12,929**
Land and buildings	4,120	3,669
Installations, machinery and equipment	5,777	8,314
Furniture and vehicles	876	647
Leasing and other similar rights	2	2
Other tangible assets payments	59	56
Assets under construction and advance payments	455	241
Financial fixed assets	**103,537**	**91,688**
Affiliated enterprises	103,413	91,568
Shareholdings	84,170	81,525
Receivables	19,243	10,043
Companies with which there is a shareholding relationship	17	17
Shareholdings	17	17
Receivables	0	0
Other financial fixed assets	107	103
Accounts receivable and cash guarantees	107	103
CURRENT ASSETS	**33,888**	**41,995**
Accounts receivable after more than one year	**0**	**0**
Other accounts receivable	0	0
Stocks and contracts in progress	**14,022**	**17,075**
Stocks	14,022	17,075
Raw materials and consumables	7,011	9,756
Finished goods	5,983	6,478
Goods purchased for resale	1,028	841
Advance payments	0	0
Accounts receivable within one year	**18,980**	**22,195**
Trade debtors	7,127	7,798
Other accounts receivable	11,853	14,397
Cash at bank and in hand	**555**	**967**
Accrued charges and deferred income	**331**	**1,758**
TOTAL ASSETS	**149,099**	**147,120**

Liabilities (in thousands of Euro)	2019	2018
CAPITAL AND RESERVES	**54,366**	**59,323**
Capital	**3,600**	**3,600**
Issued capital	3,600	3,600
Share premium account	**0**	**0**
Reserves	**3,010**	**3,670**
Legal reserve	360	360
Untaxed reserve	1,292	1,952
Available reserves	1,358	1,358
Profit / loss brought forward	**47,756**	**52,053**
Investment grants	**0**	**0**
PROVISIONS AND DEFERRED TAXES	**114**	**169**
Provision for liabilities and charges	**66**	**115**
Pensions and similar obligations	0	0
Other liabilities and charges	66	115
Deferred taxes	**48**	**54**
CREDITORS	**94,619**	**87,628**
Accounts payable after one year	**2,205**	**57**
Financial debts	0	57
Subordinated loans	0	0
Leasing and other similar obligations	0	0
Credit institutions	0	0
Others loans	2,205	0
Accounts payable within one year	**92,174**	**87,141**
Current portion of accounts payable after one year	57	1,267
Financial debts	26,240	5,693
Credit institutions	26,240	5693
Trade creditors	13,940	19,584
Suppliers	13,940	19,584
Prepayments Received	0	0
Taxes, remuneration and social security	2,511	2,375
Taxes	690	1,317
Remuneration and social security	1,821	1,058
Other accounts payable	49,426	58,222
Accrued charges and deferred income	**240**	**430**
TOTAL LIABILITIES	**149,099**	**147,120**

PROFIT AND LOSS ACCOUNT

Profit and loss account (presentation in vertical form) (in thousands of Euro)

	2019	2018
Operating income	**110,705**	**107,300**
Turnover	102,192	98,073
Change in stock of finished goods and goods in progress	-496	1,253
Own work capitalised	0	0
Other operating income	8,899	7,727
Non recurrent operating income	110	247
Operating charges	**105,671**	**100,898**
Goods for resale, raw materials and consumables	66,601	64,271
Purchases	64,064	66,175
Change in stocks (-/+)	2,537	-1,904
Services and other goods	22,588	21,100
Remuneration, social security charges and pensions	11,745	10,515
Depreciation and amounts written off formation expenses, Intangible and tangible fixed assets	4,738	4,657
Amounts written off stocks and trade creditors	-244	104
Provisions for liabilities and charges	0	0
Other operating charges	238	184
Non recurrent operating charges	5	67
Operating profit	**5,034**	**6,402**
Financial income	**2,866**	**13,629**
Recurrent financial income	2,426	13,629
Income from financial fixed assets	19	11,221
Income from current assets	582	465
Other financial income	1,825	1,943
Non recurrent financial income	440	0
Financial charges	**3,377**	**3,414**
Recurrent financial charges	3,377	3,414
Interest and other debt charges	1,147	1,181
Other financial charges	2,230	2,233
Non recurrent financial charges	0	0
Profit / loss for the financial year before taxes	**4,523**	**16,617**
Transfer from deferred taxes	**6**	**9**
Transfer to deferred taxes	**0**	**0**
Taxes	**1,184**	**2,373**
Taxes	1,184	2,373
Adjustment corporate taxes	0	0
Profit / loss for the financial year	**3,345**	**14,253**
Substraction to untaxed reserves	**660**	**309**
Transfer to untaxed reserves	**0**	**-651**
Profit / loss for the financial year to be appropriated	**4,005**	**13,911**

APPROPRIATION OF PROFIT

Appropriation of profit (in thousands of Euro)

	2019	2018
Balance of profit to be appropriated	**56,058**	**58,127**
Profit for the financial year to be appropriated	4,005	13,911
Profit / loss brought forward from the previous financial year	52,053	44,216
Addition to equity	**2,280**	**0**
To other reserves	2.280	0
Profit / loss to be carried forward	**47,756**	**52,053**
Profit to be distributed	**6,022**	**6,075**
Dividends	6,022	6,075

NOTES TO THE ACCOUNTS

VIII. Statement of capital (in thousands of Euro)

	Amounts	Number of shares
Capital		
Issued capital (heading I.A. of liabilities)		
- At the end of the preceding period	3,601	
- At the end of the period	3,601	
Structure of the capital		
Different categories of shares		
Shares without face value that each represent 1/2,007,360th of the capital		2,007,360
Registered shares - bearer shares/dematerialised		
Registered		2,856
Dematerialised		2,004,504
Amount of authorised capital, not issued	**3,601**	

Shareholder structure of the company at the year end, as shown by the latest notifications that the company has received:

Notification in accordance with the transparency legislation (Law of 2 May 2007 on the disclosure of major shareholdings in issuers whose shares are admitted to trading on a regulated market and laying down miscellaneous provisions) and notifications in the context of the exemption from the obligation to launch a take-over bid under the provisions of the Law of 1 April 2007 on public takeover bids.

Wie	Aantal aandelen	% (1)
Tridec Stichting Administratiekantoor under Dutch law, Houtsnip 17, 3766 VD Soest, The Netherlands Acting in mutual consultation with the De Cuyper family, NV Immo Tradec, NV Belfima Invest and NV Tradidec	921,000	(45.48%)
Family De Cuyper - Notifier: Dirk De Cuyper, Acting in mutual consultation with Tridec Stichting Administratiekantoor, NV Immo Tradec, NV Belfima Invest and NV Tradidec	81,812	(4.08%)
NV Immo Tradec – BE 0439 777 214 Acting in mutual consultation with Tridec Stichting Administratiekantoor, Family De Cuyper, NV Belfima Invest and NV Tradidec	58.534	(2,92%)
NV Tradidec – BE 0464 996 422 Acting in mutual consultation with Tridec Stichting Administratiekantoor, Family De Cuyper, NV Belfimat Invest NV Immo Tradec	58,233	(2.90%)
NV Belfima Invest – BE 0466 014 328 Acting in mutual consultation with Tridec Stichting Administratiekantoor, Family De Cuyper, NV Immo Tradec and NV Tradidec	33,340	(1.66%)

(1) % calculated based on the total existing numbers of shares (2,007,360)

GENERAL INFORMATION ON RESILUX NV

General information on Resilux NV

1. GENERAL INFORMATION

1.1. Name

RESILUX NV

1.2. Registered office

Damstraat 4 - 9230 Wetteren - Belgium

1.3. Company number

RPR Ghent – division Dendermonde
VAT BE 0447.354.397

1.4. Incorporation, amendments to the company's articles of association, duration

The company was incorporated on 5 May 1992, by notarial deed published in the Annexes to the Belgian Official Journal of 28 May 1992 under number 920528-59.

The company's articles of association have been amended several times, the last time on 29 November 2019.

The company has been incorporated for an indefinite period of time.

1.5. Legal form

Resilux is a limited liability company (société anonyme/naamloze vennootschap) incorporated under Belgian law.

1.6. Financial year

As from 2001, the financial year commences on January 1st and ends on December 31 of each year. Previously, the financial year used to cover the period as from July 1st to June 30th of the following year. Exceptionally, the 1999/2000 financial year was extended by six months.

1.7. Audit of the annual accounts

The supervision of the annual accounts is entrusted to BCVBA Ernst & Young Bedrijfsrevisoren, Pauline Van Pottelsberghelaan 12, B-9051 Gent, Belgium, represented by Mr. Marnix Van Dooren whose mandate was granted by the general shareholders' meeting of 17 May 2013. At the general shareholders' meeting of 2016 the mandate has been renewed for the first time for a term of three years. At the general shareholders' meeting of 17 May 2019 the mandate was renewed again for a term of three years, ending on the general shareholders' meeting of 2022.

For the statutory and consolidated annual accounts of the financial year ending on 31 December 2019, the Auditor has issued a report without reservations.

1.8. Consultation of company documents

The company's statutory and consolidated annual accounts and the accompanying reports are deposited with the National Bank of Belgium.

According to the articles 7:132 and 7:148 of the Code on companies and associations, the annual accounts and accompanying reports are yearly sent, free of charge, to the nominal shareholders, to the warrant holders, to the directors and to the auditor.

Every holder of dematerialised shares can, by submitting a certificate drawn up by a recognised account holder or settlement services confirming the number of dematerialised shares subscribed under the name of the shareholder, obtain a copy of the documents at the headquarters of the company once the convocation for the general shareholders' meeting has been published.

Once the convocation for the general shareholders' meeting has been published, every holder of nominal shares, every holder of dematerialised shares and every warrant holder may consult the following at the company headquarters:

1. the list of shareholders whose shares are not fully paid up, with reference to the amount of their shares and their place of residence;

2. the list of public funds, shares, bonds and other stock of companies who are part of the portfolio.

The annual financial report with the abridged statutory and consolidated annual accounts, the reports from the board of directors and the auditor regarding the consolidated annual accounts for the financial years 2003 to 2019 can be consulted in Dutch and in English (and in French until the financial year 2012) on the company's website (www.resilux.com) and are also available in hardcopy on request. Only the Dutch version of the annual report is legally binding. The versions in other languages are free translations of the original Dutch version.

The full version of the approved statutory accounts, with the accompanying undersigned reports from the board of directors and the auditor regarding the financial years 2006 to 2019 are published on the company's website.

Any interested party can register free of charge to receive emails with press releases and the compulsory financial information, which is also available on the company's website.

The convocation for the general shareholders' meetingis published in the Belgian Official Journal.

The convocation for the general shareholders' meeting/extraordinary general shareholders' meeting is published in the Belgian Official Journal, in a national newspaper and in media that may be reasonably assumed to ensure the effective dissemination of information to the public within the European Economic Area that is quickly and non-discriminatory accessible, and is also available on the website, as well as the respective power of attorney forms, - if appropriate - the draft amendments of the company's articles of association, and the undersigned minutes from the last general shareholders' meeting.

Decisions regarding the appointment and dismissal of members of the board of directors as well as other decisions or reports that must be published by law are published in the Annexes to the Belgian Official Journal and are also announced on the company's website.

The company's articles of association and special reports required by the Code of Companies are available for consultation at the court registry of the Commercial Court of Dendermonde, and also at the headquarters of the company and on the company's website.

The Corporate Governance Charter can be consulted on the company's website.

2. EXCERPTS FROM THE COMPANY'S ARTICLES OF ASSOCIATION

2.1. Objects of the company

Article 2 - Objects

The objects of the company are, both for its own account and for that of third parties or in participation with third parties, acting by itself or through the agency of any other natural or legal person in Belgium or abroad:

1. To perform all transactions relating to the trade, import and export, purchase and sale, demonstration, hiring out, representation and commission trade:
   - in relation to synthetic materials, finished products and related articles, the manufacturing or recycling thereof in wholesale and retail trade and thus to perform all relevant transactions without any restriction.

   This description thus both covers production by means of all existing technologies, including

injection, extrusion, blow moulding, thermoforming, welding techniques and others, and the combination or purchase of all forms of synthetic materials, raw materials, semi-finished and finished products, moulds or other technical peripherals, the hiring of agencies in these agreements as well as the marketing and sale of all these products.
- in relation to all machines that are of use to the plastic processing industry, spare parts and accessories, including both the company's own construction of these machines, moulds and technical peripherals and all forms of services for the plastic processing industry, such as training, breakdown, repair, innovation, installation and consulting services.

2. Taking out of patents on own inventions or those relating to the improvement of existing systems, the granting of license agreements.

3. The supervision of all managerial instructions, the performance of all mandates and duties that relate directly or indirectly to its company objects or may contribute towards the achievement of its objects.

The company may perform all commercial, industrial, financial, movable or immovable transactions that may be directly or indirectly necessary or useful for the achievement of its objects.

The company may by means of contribution, merger, subscription, purchase of shares or in any other way be involved in all dealings that have similar or related objects or whose objectives are important to the achievement of its company objects.

2.2. Capital

Article 5 - Share capital
The registered capital is fixed at € 3,600,429.00 represented by 2.007.360 no par-value shares, which each represent 1/2.007.360th of the registered capital.

Article 6 - Change of the subscribed capital
The registered capital may not be increased or decreased, other than by means of a resolution of the general shareholders' meeting of shareholders, deliberating according to the conditions required for the amendment of the articles of association.

The general shareholders' meeting may only adopt a resolution to reduce the registered capital in accordance with the rules laid down in Articles 612, 613 and 614 of the Belgian Companies Code.

Article 7 – Authorised capital
In accordance with Article 603 of the Belgian Companies Code, the board of directors may be granted the authority to increase the registered capital on one or more occasions. The capital may be increased by means of a monetary or non-monetary contribution as well as by the conversion of reserves, subject to compliance with Article 603 et seq. of the Belgian Companies Code. In addition to the issue of ordinary shares, capital increases decided on by the board of directors, may also be implemented through the issue of preference shares, through the issue of shares without voting rights, through the issue of shares in favour of personnel and through the issue of convertible bonds and warrants.

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

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

The general shareholders' meeting may expressly grant the board of directors the authority to increase the subscribed capital on one or more occasions as from the date of the notice from the Financial Services and Markets Authority (FSMA) to the company of a public takeover bid for the shares of the company , by means of monetary contributions with the cancellation or limitation of the existing shareholders' pre-emptive right or by means of non-monetary contributions in accordance with Article 607 of the Belgian Companies Code.If a capital increase is implemented by means of cash subscriptions with an issue premium, the board of directors will be authorised to stipulate that the issue premium will be credited to the non-distributable 'issue premiums' account, which will constitute a guarantee to third parties to the same extent as the registered capital and, except for the possibility of conversion into capital by the board of directors, may only be disposed of in accordance with the conditions laid down by the Belgian Companies Code for amendments to the articles of association.The board of directors is authorised to amend the company's articles of association in accordance with the capital increase that was decided on within the scope of its authority.

Article 8 – Nominal shares – Bearer shares – Dematerialised shares
The partly paid-up shares are registered.
The fully paid-up shares and other securities of the company are registered or dematerialised, within the limits envisaged by the applicable legislation.

The holder of dematerialised securities may at any time request the conversion thereof into registered securities and vice versa at his expense.
The dematerialised security is represented by an entry on account, in the name of the owner or holder, at an approved account holder or at a settlement institution.

A register will be kept at the company's registered office for every category of registered securities in accordance with Article 463 of the Belgian Companies Code. Any holder of securities may examine the register in relation to his securities.

The board of directors is authorised, subject to compliance with the statutory rules, to replace the existing register with an electronic register.

In case of an electronic share register, a new copy will be made after every alteration. These copies will be kept at the company's registered office.

Article 11 - Preferential right
In case of a capital increase, implemented other than by way of a non-monetary contribution or merger, and subject to any different decision by the general shareholders' meeting or the board of directors, the existing shareholders will be given preference to the new shares, in proportion to the part of the registered capital represented by their shares.

The pre-emptive right may be exercised for a period of at least fifteen days, to be calculated from the day on which the subscription for new shares opens.
The subscription price and the period during which the pre-emptive right may be exercised will be determined by the general shareholders' meeting or, if the resolution to increase the capital has been adopted in accordance with Article 603 of the Belgian Companies Code, by the board of directors.

If the ownership of shares is divided into usufruct and bare ownership, the bare owner of the shares will have the pre-emptive right. In case of pledged shares, the owner-pledgor will have the pre-emptive right.

If the general shareholders' meeting or board of directors decides to request an issue premium, this must be fully paid upon subscription and credited to a non-distributable reserve that may only be reduced or reversed by a resolution of the general shareholders' meeting or the board of directors that is adopted in the manner required for an amendment of the articles of association. The issue premium will serve as a guarantee to third parties to the same extent as the registered capital.

2.3. Management

Article 14 - Transparency declaration
The applicable quota pursuant to Articles 6 to 10 inclusive of the Belgian Act of 2 May 2007 on disclosure of major holdings in issuers whose shares are admitted to trading on a regulated market and laying down miscellaneous provisions is determined at 3%, 5% and multiples of 5%.

2.4. Management and Supervision

Article 15 - Right of nomination
The company is managed by a board of directors of at least three and no more than seven members, shareholders or otherwise, who are appointed by the general shareholders' meeting, which may suspend and dismiss them at any time. Their term of office may not exceed four years. The directors are eligible for reappointment. At least three of the directors must be independent.

Four of the directors will be appointed from among the candidates nominated for that purpose by the trust office 'TRIDEC', insofar as it, as well as all entities that are directly or indirectly controlled by it (control is understood as the competence de iure or de facto to have a decisive influence on the appointment of the majority of its directors or managers or on the orientation of its policy), directly or indirectly hold at least thirty-five per cent of the company's shares at the time of both the nomination of the candidate directors and the appointment by the general shareholders' meeting.

Article 23bis
In accordance with Article 524bis of the Belgian Companies Code, the board of directors may assign its management powers to a management committee, however without this assignment being able to relate to the general policy of the company or all acts that are reserved for the board of directors on the basis of other statutory provisions.

The conditions for the appointment of the members of the management committee, their dismissal, their remuneration, their term of office and the procedures of the management committee will be determined by the board of directors.
The board of directors is responsible for supervising that committee.

A member of the management committee who has a direct or indirect conflict of interests of a financial nature with a decision or transaction that falls within the scope of the committee's authority must notify the other members thereof before the committee deliberates. The provisions of Article 524ter of the Belgian Companies Code must also be observed.
An audit committee and a remuneration committee will be established within the board of directors in accordance with Article 526bis and 526quater of the Belgian Companies Code.

2.5. General shareholders' meeting

Article 29 - Meeting
The general shareholders' meeting will be held every year at three o' clock in the afternoon on the third Friday of May, at the registered office or at another venue as stipulated in the meeting notices, in order to listen to the annual report and the audit report as drawn up respectively by the board of directors and the statutory auditors being read out, to approve the annual financial statements and remuneration report, to appoint directors and statutory auditors and to generally deliberate on all agenda items.

If this day is a public holiday or an extra day's holiday following a public holiday (typically to make a long weekend), the meeting will be held on the next working day.

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

After the approval of the annual financial statements, the meeting will hold a special vote to decide whether or not to discharge the directors and statutory auditors from liability.

Article 30 - Right to add items to the agenda and file new proposed resolutions
The board of directors or the statutory auditor(s) will convene the general shareholders' meeting .
The meeting notices will at least contain the information provided for in Article 533bis of the Belgian Companies Code. They will be given in the form and within the periods prescribed by Articles 533 et seq. of the Belgian Companies Code.

The agenda must contain the items to be discussed and the motions. The audit committee's motion for the appointment or reappointment of the statutory auditor will be included in the agenda.

The people who must be given notice of a general shareholders' meeting pursuant to the Belgian Companies Code and who participate in or arrange to be represented at a meeting will be regarded as having been given valid notice. The same people – before or after a general shareholders' meeting that they have not attended – may also waive their right to rely on a lack of notice or a defective notice.

One or more shareholders, who jointly hold at least 3% of the company's registered capital, may, in accordance with Article 533ter of the Belgian Companies Code, have items to be discussed placed on the agenda of the general shareholders' meeting and submit motions with regard to items to be discussed that are included or are to be included on the agenda.

The shareholders will not be entitled to do this if a second extraordinary general shareholders' meeting is convened because the required quorum was not

reached for the first extraordinary general shareholders' meeting .
Requests must comply with the requirements of Article 533ter of the Belgian Companies Code.

Requests will be formulated in writing and accompanied either by the text of the items to be discussed and the relevant motions or the text of the motions to be placed on the agenda.

A postal or e-mail address will be stated, to which the company will send proof of receipt of these requests.

The company must receive these requests by no later than the twenty-second day prior to the date of the general shareholders' meeting. They must be sent to the company with due observance of the formalities mentioned in the meeting notice.
The company will confirm receipt of the requests within a period of forty-eight hours calculated from that receipt.

The company must publish the amended agenda not later than the fifteenth day prior to the date of the general shareholders' meeting.

The items to be discussed and the motions that are placed on the agenda under this provision will only be discussed if the aforementioned share of the registered capital is registered in accordance with Article 31 of these articles of association.

Article 31- Admission requirements
The right to participate in and to exercise the right to vote at the general shareholders' meeting will only be granted on the basis of the accounting entry of the shareholder's registered shares at midnight (Belgian time) on the fourteenth day prior to the general shareholders' meeting, either by their entry in the company's share register or by their entry in the accounts of an approved account holder or a settlement institution, regardless of the number of shares that the shareholder holds on the date of the general shareholders' meeting.

The time and date referred to in the first paragraph form the registration date.

The shareholder must state that he wishes to participate in the general shareholders' meeting no later than the sixth day prior to the date of the meeting, with due observance of the formalities mentioned in the meeting notice and by submitting the proof of registration that was handed to him, by the approved account holder or settlement institution, to the company or to the person appointed by the company for that purpose.
The holders of warrants and bonds and the holders of depositary receipts, whether these securities are registered or dematerialised, may attend the general shareholders' meeting, provided that the conditions for admission laid down for the shareholders are fulfilled.

The name and address or registered office of every shareholder that has given notice of his wish to participate in the general shareholders' meeting will be included in a register designated by the board of directors, together with the number of shares that he held on the registration date, which he used to indicate his willingness to participate in the general shareholders' meeting , as well as the description of the documents that prove that he did hold those shares on the registration date.

Article 32- Representation by proxy
All shareholders who are entitled to vote may vote in person or by proxy. A shareholder may only designate one person as proxy holder for a specific general shareholders' meeting, notwithstanding the exceptions provided for by the Belgian Companies Code. The proxy holder must not be a shareholder.
The company will provide the forms that may be used for voting by proxy on its website, supplemented, where applicable, by any additional items to be discussed and additional motions that are placed on the agenda and/or simply by any motions that are formulated.

The designation of a proxy must be in writing and signed by the shareholder.

The board of directors may determine the form of proxies in the meeting notice. Notice of the proxy to the company must be given in writing and in accordance with the terms set out by the board of directors in the meeting notice.

The company must receive the original proxy by no later than the sixth day prior to the date of the general shareholders' meeting.

Proxies that are communicated to the company before the publication of a supplemented agenda, in accordance with Article 533ter of the Belgian Companies Code, will remain valid for the items to be discussed on the agenda to which they apply. Notwithstanding the above, the proxy holder may deviate during the meeting from any instructions of the principal in respect of the items to be discussed on the agenda for which new motions have been submitted in accordance with Article 533ter of the Belgian Companies Code, if carrying out those instructions could prejudice the principal's interests. The proxy holder must notify the principal hereof.

The proxy must state whether the proxy holder is authorised to vote or must abstain from voting on the new items to be discussed on the agenda.

Article 33 - Organisation
Each general shareholders' meeting is chaired by the chairman of the board of directors or, in his absence, by a managing director or, in his absence, by the oldest director.

The chairman appoints the secretary, who does not have to be a shareholder or director.

If justified by the number of shareholders, the meeting will elect two vote tellers. The directors in attendance make up the general shareholders' meeting committee.

Article 35 - Number of votes - Exercise of the voting right
Every share confers the right to one vote.

The voting right associated with jointly owned shares may only be exercised by the person designated by all co-owners. The voting right associated with a share that is encumbered with a usufruct vests in the usufructuary. The voting right associated with a share that is pledged vests in the owner-pledgor.

The holders of bonds may attend the general shareholders' meeting in an advisory role.

In accordance with Article 541 of the Belgian Companies Code, the voting right for partially paid-up shares will be suspended if the requested payments are not made when they become due and payable.

Article 36 - Attendance List, Question law, Majorities, Remote voting
An attendance list stating the names of the shareholders and the number of shares with which they are participating in the meeting will be signed by each of them or their representatives before the meeting is opened.

The representatives of legal entity shareholders must submit the documents that establish their capacity as a body or special representative.

An attendance list that indicates the names and addresses of the holders of bonds, warrants and depositary receipts that were issued with the company's cooperation, as well as the number of securities that they hold, will also be signed by these holders or their proxy holders.

The general shareholders' meeting cannot deliberate on items that are not on the agenda, unless all shareholders are personally present or represented at the meeting and unilaterally agree to extend the agenda.

The directors will answer the questions put to them by the shareholders, during the meeting or in writing, in relation to their report or the agenda items, insofar as the disclosure of details or facts is not of such a nature that it could prejudice the company's business interests or the confidentiality which the company or its directors have undertaken to observe.

The statutory auditor(s) will answer the questions put to him/them by the shareholders, during the meeting or in writing, in relation to his/their report, insofar as the disclosure of details or facts is not of such a nature that it could prejudice the company's business interests or the confidentiality which the company, its directors or the statutory auditor(s) have undertaken to observe.

As soon as the meeting notice is published, the shareholders may direct written questions to the directors in relation to their report or the agenda items, and to the statutory auditors in relation to their report, insofar as those shareholders comply with the formalities of Article 31 of these articles of association. These questions must reach the company by no later than the sixth day prior to the meeting.

Barring any statutory provisions or provisions of the articles of association to the contrary, resolutions will be adopted by an ordinary majority of the votes cast, regardless of the number of shares represented at the meeting. Blank and invalid votes will not be counted as cast votes.

If a single candidate does not achieve an absolute majority of the votes cast in case of a resolution to appoint a director or statutory auditor, a second vote will take place between the two candidates who received the most votes.
If the votes are tied in case of the second vote, the oldest candidate will be elected.
A secret ballot will only take place if it is requested by the majority of members of the general shareholders' meeting.

The above does not affect the right of any shareholder to vote by letter using a form that will be provided by the company, on condition that the board of directors provided for this option in the meeting notice.

The form for voting by letter must include at least the following information, as provided for in Article 550 §2 of the Belgian Companies Code:

1. the name and place of residence or registered office of the shareholder;
2. the number of votes that the shareholder wishes to cast during the general shareholders' meeting;
3. the form of the held shares;
4. the agenda of the meeting, including the motions;
5. the period within which the company must receive the form for remote voting;
6. the signature of the shareholder.

Forms that do not refer to either the manner of voting or abstention are void.

If a motion which has already been voted on is altered during the meeting, the voting will be deemed to be void.

The company must receive the form for voting by letter by no later than the sixth day prior to the general shareholders' meeting.

The form for remote voting that is sent to the company for a specific meeting will apply to successive meetings that are convened with the same agenda.

A shareholder who has voted remotely by letter may not choose any other manner of participation in the meeting for the number of votes thus cast.

Forms for remote voting that were received by the company before the publication of a supplemented agenda, in accordance with Article 533ter of the Belgian Companies Code, will remain valid for the items to be discussed on the agenda to which they relate. Notwithstanding the above, voting on an item to be discussed on the agenda for which a new motion has been submitted, in accordance with Article 533ter of the Belgian Companies Code, will be void.

The holders of registered bonds or warrants, as well as the holders of registered depositary receipts that are issued with the company's cooperation, are entitled to inspect the adopted resolutions at the company's registered office.

2.6. Appropriation of profit

Article 41 - Payment

The surplus of the balance sheet that remains after the deduction of all costs and charges of any nature, depreciation/amortisation and tax and other provisions constitutes the net profit.
The following will be deducted from this profit:

- five % for the creation of a statutory reserve fund until this fund totals one-tenth of the registered capital;
- the balance will be at the disposal of the general shareholders' meeting, which will decide on its appropriation on the understanding that no dividends may be paid or profit-sharing bonuses awarded if the assets, as they appear on the balance

sheet minus the provisions and debts, are or would be lower than the sum of the paid-up capital plus the reserves, all in accordance with Article 617 of the Belgian Companies Code;
- the board of directors is granted the authority, although under its own responsibility, to pay an interim dividend on the result of the financial year, subject to the provisions of Article 618 of the Belgian Companies Code.

Article 42 - Payment of dividends
The payment of dividends will take place each year at the time and place determined by the general shareholders' meeting or the board of directors.

2.7. Winding up - Liquidation

Article 43 - Early winding up
In accordance with Articles 633, 634, 645 and 646 of the Belgian Companies Code, the company may be dissolved early by means of a resolution of the general shareholders' meeting, deliberating as for the amendment of the articles of association.

Article 44 - Liquidation
In case of the dissolution of the company, the general shareholders' meeting will appoint one or more liquidators and determine their powers and remuneration.

In the absence of such an appointment, the board of directors acting in the capacity of a liquidation committee will oversee the liquidation.

In the absence of any decision to the contrary, liquidators will act jointly and have the most extensive powers in accordance with Articles 186, 187, 188 and 190 to 195 inclusive of the Belgian Companies Code.

Article 45 - Distribution
After the payment of all debts, charges and expenses of the company, the net assets will firstly be used to return the fully paid-up amount of the shares that have not yet been repaid in cash or in kind. Any surplus will be awarded in equal parts to the shares.

If the net proceeds are insufficient to repay all the shares, the liquidators will pay those in preference that are fully paid-up to a greater extent until they are on an equal footing with the shares that are fully paid-up to a lesser extent or make a further call for capital that is payable by these latter shares.

2.8. Temporary provisions

Authorised capital
For a period of five years from the publication of the general shareholders' meeting's resolution of May 2019 in the annexes to the Belgian Official Journal, the board of directors is authorised to increase the registered capital on one or more occasions with an amount of € 3,600,429.00 (three million, six hundred thousand, four hundred and twenty-nine euros).

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

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

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

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

The general shareholders' meeting has explicitly granted the board of directors the authority to increase the subscribed capital on one or more occasions as from the date of the notice from the Financial Services and Markets Authority (FSMA) to the company of a public takeover bid for the securities of the company, by means of monetary contributions with the cancellation or limitation of the existing shareholders' pre-emptive right or by means of non-monetary contributions in accordance with Article 607 of the Belgian Companies Code[1]. This authorisation is valid for a period of three (3) years to be calculated from the publication of the resolution of the general shareholders' meeting of 17 May 2019 in the annexes to the Belgian Official Journal.

1: As of 1 January 2020 this reference should be read as a reference to article 7:79 of the Code on companies and associations.

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

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

Purchase of own shares

The board of directors is authorised, in accordance with article 620 and following of the Companies Code[2], to acquire shares, profit-sharing certificates or associated certificates of the company at the expense of the latter, if this acquisition is necessary to preventing the company from suffering imminent, serious damage. This authorisation is valid for a period of three (3) years to be calculated from the publication of the resolution of the extraordinary general shareholders' meeting of 17 May 2019 in the annexes to the Belgian Official Journal. This authorisation can be renewed for periods of three (3) years. Insofar as allowable by law (among others article 622 of the Companies Code[3]), the authorisation to transfer ownership is valid without limitation in time.

The board of directors is authorised, in accordance with article 620 and following of the Companies Code[4], to acquire shares, profit-sharing certificates or associated certificates of the company at the expense of the latter, at a price per share that cannot be lower than the fractional value and cannot be higher than twenty per cent (20%) more than the highest closing price of the share over the last twenty trading days preceding the transaction. The limitation of article 620 §1, 2° of the Companies Code applies to this authorization. The authorization to acquire shares applies for a period of five (5) years to be calculated from the publication of the resolution of the extraordinary general shareholders' meeting of 17 May 2019 in the annexes to the Belgian Official Journal. This authorisation can be renewed for periods of five (5) years. Insofar as allowable by law (among others article 622 of the Companies Code[5]), the authorisation to transfer ownership is valid without limitation in time.

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

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

2: As of 1 January 2020 this reference should be read as a reference to article 7:215 and following of the Code on companies and associations.

3: As of 1 January 2020 this reference should be read as a reference to article 7:218 of the Code on companies and associations.

4: As of 1 January 2020 this reference should be read as a reference to article 7:215 and following of the Code on companies and associations.

5: As of 1 January 2020 this reference should be read as a reference to article 7:218 of the Code on companies and associations.

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

The board of directors is authorized to cancel, whenever it wishes, the own shares that were acquired. The board of directors (or one or two directors designated by the board) is authorized to determine the effective cancellation of these shares before a notary and to amend and coordinate the articles of association in order to take into account the decisions taken in respect hereof.