



## Envipco Announces First Quarter 2019 Unaudited Results

Regulated Information

### Consolidated Statement of Comprehensive Income

in EUR thousands

	Unaudited Q1 2019	Unaudited Q1 2018
Operating revenues	8,154	6,512
Cost of revenue	(4,797)	(3,717)
Leasing depreciation	(533)	(481)
<b>Gross profit</b>	<b>2,824</b>	<b>2,314</b>
Operating expenses	(4,000)	(3,001)
<b>Other income/(expenses)</b>		
- Miscellaneous income/(expenses)	9	3
<b>Operating Results</b>	<b>(1,167)</b>	<b>(684)</b>
Net financial items	(54)	(112)
<b>Results before tax</b>	<b>(1,221)</b>	<b>(796)</b>
Income taxes	(33)	(15)
<b>Net Results</b>	<b>(1,254)</b>	<b>(811)</b>
<b>Other comprehensive income</b>		
<b>Items that will be reclassified subsequently to profit and loss</b>		
Exchange differences on translating foreign operations	372	(395)
Other movements/minority	-	-
Total other comprehensive income	372	(395)
<b>Total comprehensive income</b>	<b>(882)</b>	<b>(1,206)</b>
<b>Profit/(loss) attributable to:</b>		
Owners of the parent	(1,254)	(1,206)
Non-controlling interests	-	-
<b>Total profit/(loss) for the period</b>	<b>(1,254)</b>	<b>(1,206)</b>
<b>EBITDA (earnings before interest, taxes, depreciation and amortization)</b>	<b>(224)</b>	<b>-</b>
<b>Earnings/(loss) per share (EPS)</b>	<b>(0.31)</b>	<b>(0.21)</b>
Number of weighted average shares used in calculation of EPS (in thousands) (excluding treasury shares)	4,098	3,838

### Consolidated Balance Sheet

in EUR thousands

	Unaudited As of 31/3/19	Unaudited As of 31/3/18
<b>Assets</b>		
Fixed assets and investments	17,621	16,611
Cash and cash equivalents	3,597	1,132
Other current assets	18,754	16,201
<b>Total assets</b>	<b>39,972</b>	<b>33,944</b>
<b>Equity &amp; Liabilities</b>		
Shareholders' equity	25,090	19,397
Non-controlling interest	27	22
Long term liabilities	3,224	3,927
Current liabilities	11,631	10,598
<b>Total Equity &amp; Liabilities</b>	<b>39,972</b>	<b>33,944</b>

## 2019 First Quarter Highlights – Consolidated Results:

- Revenues for the first three months of 2019 increased 25.2% to €8.15m from €6.51m in 2018. Both the North America and European businesses showed growth for Q1 2019 over Q1 2018. The North America business growth included a favorable currency impact which represented 9.3% of the growth.
- Gross profit for Q1 2019 increased to €2.82m from €2.31m in Q1 2018. Excluding the currency impact, Q1 2019 gross profit increased by 12.9% from Q1 2018.
- Gross profit margin remained stable at 35.0% when comparing Q1 2019 to Q1 2018. Q1 gross profit margin is traditionally below the gross profit margin for the full year due to lower throughput volumes and lower manufacturing overhead absorption. For the full year 2019, we expect stable to improving gross profit margin compared to 2018.
- Net loss for Q1 2019 increased to €1.25m from a loss of €0.81m in Q1 2018. This result was impacted by additional Holding Company cost of €0.27m mainly tied to IP litigation and by new market development costs in Europe of €0.36m.
- EBITDA for Q1 2019 decreased to (€0.22m) from €0.00m in Q1 2018. EBITDA in Q1 2019 was negatively impacted by the increased Holding Costs and new market development costs in Europe offset by IFRS 16 impact.
- Loss per share increased to €0.31 in Q1 2019 from €0.21 in Q1 2018.
- Shareholders' equity at 31/03/2019 decreased by €0.88m from year end 31/12/2018 based on the Q1 2019 Net loss offset by a positive translation reserve of €0.37m for the quarter.
- The company has sufficient financing arrangements in place to fund its growth strategy.
- The Company has accelerated its new market development efforts especially in regard to the Scottish and UK markets. The Scottish Government has outlined its plan for the deposit return scheme targeting plastic, can and glass drink containers. The deposit value is proposed at 20p per container, all retail outlets must accept return of drink containers and the law is expected to go live at the beginning of 2021. Envipco's Edinburgh office and display center is opening in June. Our UK MD and Scottish GM are actively engaged in a number of commercial discussions.
- The Company substantially increased its IP litigation cost in Q1 2019 tied to certain court proceedings. The Company recently received an unfavorable ruling on a patent and is awaiting a full report of the decision by the German court. The Company expects to appeal this decision and anticipates to continue incurring costs on this matter. The Company incurred €0.32m in Q1 2019 compared with €0.16m in Q1 2018 in legal costs.

Gool Santchurn, CEO of the Envipco Group: "Our results show our sustained performance in North America and also our ability to position the Company for growth in the European markets. Building on our Sweden and Greece market presence and considerate of our market development investments; we expect the company to meaningfully benefit from the clear direction of new DRS regulations in Europe."

Please refer to our website [www.envipco.com](http://www.envipco.com) to download a full pdf version of our Q1 Report.

For further information please contact:

Floor van Maaren / Eva Lindner  
Lindner & van Maaren  
+31 6 29597746 / +31 6 34222831

ENVIPCO HOLDING N.V.  
Board of Directors  
Arnhemseweg 10  
3817 CH Amersfoort  
The Netherlands

Amersfoort, 31 May 2019  
Tel: +31 33 285 1773

Website: [www.envipco.com](http://www.envipco.com)  
Email: [gools@envipco.com](mailto:gools@envipco.com)

## About Envipco Holding N.V.

Envipco Holding N.V. (Envipco), [www.envipco.com](http://www.envipco.com), is a Netherlands-based holding company listed on Euronext Amsterdam and Brussels (Symbol: ENVI). Envipco, with operations in several countries around the globe, is a recognized leader in the development and operation of reverse vending machines (RVMs), automated technological systems for the recovery of used beverage containers. Known for its innovative technology and market leadership, Envipco holds several intellectual property rights for RVM systems, including but not limited to beverage refund deposit markings, material type identification, compaction and accounting.

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