



**Envipco Holding N.V.**  
 Innovative recycling systems  
 For a cleaner environment

| <b>Envipco Reports 2017 Audited Annual Results</b>   |                            |                         |                         |
|--|----------------------------|-------------------------|-------------------------|
| Amersfoort, The Netherlands, 30 April 2018   |                            |                         |                         |
| <b>All Figures in EURO thousands</b>   |                            |                         |                         |
| <b>Consolidated Statement of Comprehensive Income</b>  |                            | <b>Audited</b>          | <b>Audited</b>          |
|  |                            | <b>Year to 31/12/17</b> | <b>Year to 31/12/16</b> |
| Operating revenues   |                            | 34,049                  | 33,114                  |
| Cost of revenue  |                            | (19,743)                | (19,257)                |
| Leasing depreciation   |                            | (2,188)                 | (2,204)                 |
| Gross profit   |                            | 12,118                  | 11,653                  |
| Operating expenses   |                            | (11,297)                | (10,326)                |
| Other income/(expenses)  |                            |                         |                         |
| - Miscellaneous income/(expenses)  |                            | 9                       | 49                      |
| Operating results  |                            | 830                     | 1,376                   |
| Net financial items  |                            | (168)                   | (261)                   |
| Profit / (loss) before tax   |                            | 662                     | 1,115                   |
| Taxes  |                            | (3,201)                 | 4,136                   |
| Net profit / (loss) after tax  |                            | (2,539)                 | 5,251                   |
| <b>Other comprehensive income</b>  |                            |                         |                         |
| Exchange differences on translating foreign operations   |                            | (2,279)                 | 733                     |
| Other movements/minority   |                            | (7)                     | -                       |
| <b>Total other comprehensive income</b>  |                            | <b>(2,286)</b>          | <b>733</b>              |
| <b>Total comprehensive income</b>  |                            | <b>(4,825)</b>          | <b>5,984</b>            |
| Net results attributable to : Owners of the parent   |                            | (2,540)                 | 5,241                   |
|  | : Non-controlling interest | 1                       | 10                      |
|  |                            | <b>(2,539)</b>          | <b>5,251</b>            |
| <b>EBITDA</b> (earnings before interest, taxes, depreciation and amortisation)                             |                            | <b>4,248</b>            | <b>4,559</b>            |
| <b>Earnings/(loss) per share (EPS)</b>   |                            | <b>(0.69)</b>           | <b>1.46</b>             |
| Number of weighted average shares used in calculation of EPS (in thousands)<br>(excluding treasury shares) |                            | <b>3,655</b>            | <b>3,598</b>            |
| <b>Consolidated Balance Sheet</b>  |                            | <b>Audited</b>          | <b>Audited</b>          |
|  |                            | <b>31/12/17</b>         | <b>31/12/16</b>         |
| <b>ASSETS</b>  |                            |                         |                         |
| Fixed assets and investments   |                            | 16,541                  | 21,564                  |
| Cash and cash equivalents  |                            | 1,788                   | 1,416                   |
| Other current assets   |                            | 16,721                  | 17,765                  |
| <b>TOTAL ASSETS</b>  |                            | <b>35,050</b>           | <b>40,745</b>           |
| <b>LIABILITIES &amp; EQUITY</b>  |                            |                         |                         |
| Shareholders equity  |                            | 20,603                  | 23,452                  |
| Non-controlling interest   |                            | 22                      | 29                      |
| Long term liabilities  |                            | 4,359                   | 5,441                   |
| Current liabilities  |                            | 10,066                  | 11,823                  |
| <b>TOTAL LIABILITIES &amp; EQUITY</b>  |                            | <b>35,050</b>           | <b>40,745</b>           |

## Financial Highlights

### Key Developments

The Group's key developments during 2017 were as follows:

- a) Revenues grew in 2017 by 2.8% to €34.05m from €33.11m in 2016.
- b) Gross profit increased 4.0% for 2017 to €12.12m from €11.65m in 2016. For the year 2017, gross profit margin improved to 35.6% from 35.2% in 2016.
- c) EBITDA declined 6.8% in 2017 to €4.25m from €4.56 in 2016. The decline is attributable to increased operating expenses around European market activities along with increased IP enforcement legal cost.
- d) Net profit (loss) after taxes declined to a loss of €(2.54m) in 2017 from a profit of €5.24m in 2016. This decline principally resulted from changes in USA tax law and expected timing on utilization of tax loss carryforwards.
- e) Strong growth in Sweden with continuing adoption of the company's revolutionary bulk-feed Quantum platform.
- f) Sale of 240,000 treasury shares that generated €1.97m of proceeds used for European expansion.
- g) Significant increase in prospects for new Container Deposit Systems in Europe tied to growing awareness and activism to address plastic container pollution.

### Results

Total revenues increased 2.8% in 2017 to €34.05m. North American revenues were flat in 2017 compared to 2016. In local currency, the 2017 North American revenue was up 2.0% when taking effect of the Euro to USD currency conversion. European revenues were up 45.0% in 2017 to €3.91m from €2.70m in 2016. Sweden was up 138.0% in 2017 to €2.61m. Gross profit increased 4.0% in 2017 to €12.12m.

Net profit before tax declined to €0.66m in 2017 from €1.12m in 2016. The decline is attributable to increased operating expenses for the year 2017 of 9.4% to €11.30m. Approximately €0.60m of the increase relates to expanded manufacturing capability, improved systems and processes and expanded market specific R&D in our German operation. Holding expenses increased by €0.30m related to increased IP legal cost and increased R&D amortization expense.

Net profit (loss) after tax declined to a loss of €(2.54m) in 2017 compared to a profit of €5.24m in 2016. For 2017, taxes increased to an expense of €3.20m from an income of €4.14m in 2016. In 2016, the company recognized a €4.0m tax loss carry-forward. In October 2017, the USA passed tax reform legislation that significantly reduced the corporate tax rate from 35% to 21%. This tax rate change necessitated an overall review of the associated tax asset. As part of this review, the company evaluated the tax rate, accelerated depreciation provisions, anticipated operational investments and potential timing tied to new container deposit legislation. While we anticipate that the tax loss carry-forwards will be fully realized in the future, we have adjusted the asset carrying value for the tax rate changes and potential timing.

EBITDA for the year 2017 declined to €4.25m from €4.56m in 2016. The decline is attributable to increased operational expenses in our German operation as discussed above.

Shareholders' equity declined to €20.6m at year end 2017 compared to €23.5m at year end 2016. Shareholders' equity in 2017 was positively impacted by issuance of 240,000 treasury shares that generated €1.97m in proceeds and by €0.66m from operating performance. Shareholders' equity was negatively impacted by €2.3m in currency translation adjustments and by the tax asset adjustments of €3.2m of capitalisation in future years.

Please refer to our web site [www.envipco.com](http://www.envipco.com) to download a full pdf version of our 2017 Annual Report inclusive of our management report on the 2017 results and the future outlook.

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### 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 NYSE Euronext Brussels (new Symbol ENVI). Envipco, with operations in several countries around the globe, is a recognised leader in the development and operation of reverse vending machines (RVMs), automated technological systems for the recovery of used beverage containers. Envipco's turnkey solutions cover all aspects of beverage container recycling - from recovery, validation, compaction, sorting, transportation and logistics, to accounting for every container, to recycling and processing used beverage containers to prepare for conversion into new containers and consumer products. 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.