JENSEN-GROUP

ANNUAL REPORT 2017

Your Performance in Mind

JENSEN. Local in the World.

The Dutch language text of the Annual Report is the official version. The English language version is provided as a courtesy to our shareholders. JENSEN-GROUP has verified the two language versions and assumes full responsibility for matching both language versions.

In this report, the terms “JENSEN-GROUP” or “Group” refer to JENSEN-GROUP NV and its consolidated companies in general. The terms “JENSEN-GROUP NV” and “the Company” refer to the holding company, registered in Belgium. Business activities are conducted by operating subsidiaries throughout the world. The terms “we”, “our”, and “us” are used to describe the Group.

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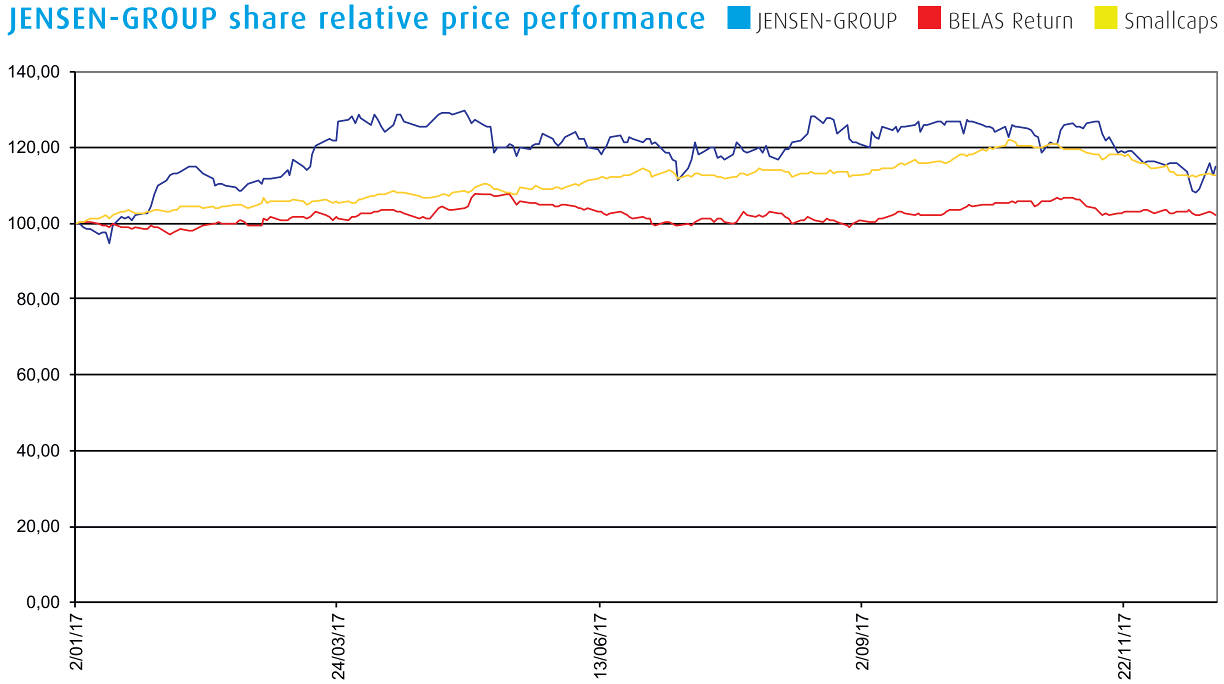
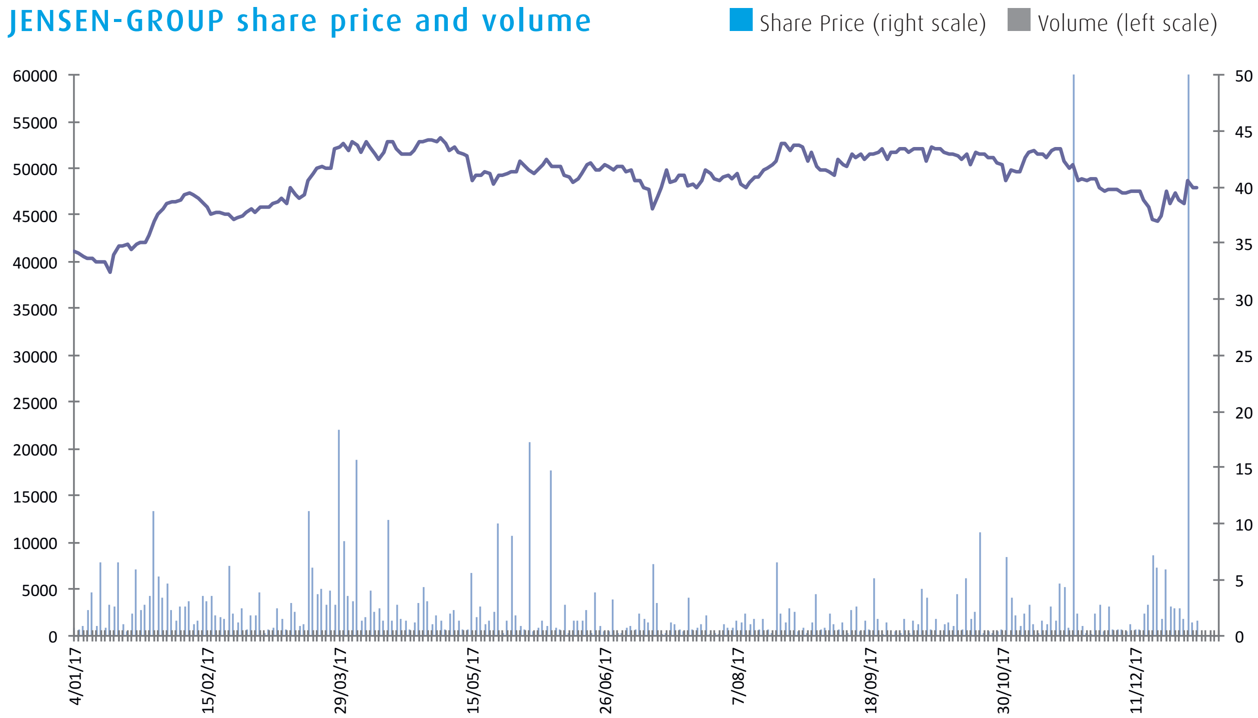
Key figures per share Financial year ended (in euro)	December 31 2017	December 31 2016
Operating cash flow (EBITDA)	4.38	3.64
Net profit share of the Group (= earnings per share)	2.70	2.19
Net cash flow	3.26	2.63
Equity (= book value)	14.52	12.82
Gross dividend	0.50	0.40
Number of shares outstanding (average)	7,818,999	7,818,999
Number of shares outstanding (year-end)	7,818,999	7,818,999
Share price (high)	44.39	35.10
Share price (low)	32.40	23.01
Share price (average)	40.76	28.46
Share price (December 31)	39.90	34.60
Price/earnings (high)	16.40	16.00
Price/earnings (low)	12.00	10.50
Price/earnings (average)	15.10	13.00
Price/earnings (December 31)	14.80	15.80

JENSEN-GROUP share relative price performance



BELAS: Brussels All Shares

JENSEN-GROUP share price and volume



Consolidated key figures Financial year ended (in thousands of euro)	December 31 2017	December 31 2016
Revenue	338,088	318,169
Operating profit (EBIT)	29,882	25,063
Operating cash flow (EBITDA)	34,244	28,483
Net interest charges	473	641
Profit before taxes	29,148	23,735
Net profit continuing operations	20,375	16,932
Result from assets held for sale	23	-248
Result of companies consolidated under equity method	589	251
Result attributable to Non Controlling Interest	-119	-184
Net profit (= share of the Group)	21,106	17,119
Added value	142,467	127,658
Net cash flow	25,468	20,539
Equity	113,506	100,238
Net financial debt (+) /Net cash (-)	-23,038	-3,169
Working capital	105,526	104,102
Non-Current Assets (NCA)	31,284	32,866
Capital Employed (CE)	136,810	136,968
Market capitalization (high)	347,085	274,447
Market capitalization (low)	253,336	179,915
Market capitalization (average)	318,702	222,529
Market capitalization (December 31)	311,978	270,537
Entreprise value (December 31) (EV)	288,940	267,368
RATIOS		
EBIT/Revenue	8.84%	7.88%
EBITDA/Revenue	10.13%	8.95%
ROCE (EBIT/CE)	21.83%	19.07%
ROE (Net profit/Equity)	19.75%	18.27%
Gearing (Net debt/Equity)	-	-
EBITDA Interest coverage	72.40	44.44
Net financial debt/EBITDA	-0.38	-0.05
Working capital/Revenue	31.00%	31.46%
EV/EBITDA (December 31)	8.44	9.39

DEFINITIONS

- Added value: Operating profit plus remuneration, social security and pension charges plus depreciation and amortization, amounts written off on inventories and trade debtors, impairment losses and provisions for liabilities and charges.
- Capital Employed (CE): Working capital plus intangible and tangible fixed assets. The average CE is used for ratios, being the beginning balance + ending balance divided by two.
- EBITDA Interest Coverage: EBITDA relative to net interest charges.
- EBITDA: Earnings before interest, taxes, depreciation and amortization. Equals operating profit plus depreciation and amortization, amounts written off on inventories and trade debtors, impairment losses and provisions for other liabilities and charges.
- Enterprise value (EV): Net financial debt plus market capitalization.
- Gearing: Net financial debt in relation to equity.
- Net cash flow: Net profit plus depreciation and amortization, amounts written off on inventories and trade debtors, impairment losses and provisions for liabilities and charges.
- Non-current assets: Intangible and tangible fixed assets.
- Price/earnings ratio: Share price divided by net profit.
- Return on Capital Employed (ROCE): Operating profit relative to capital employed. The average capital employed is used for ratios, being the beginning balance + ending balance divided by two.
- Return on Equity (ROE): Net profit in relation to equity. The average equity is used for ratios, being the beginning balance + the ending balance divided by two.
- Working capital: Inventories plus current trade debtors and gross amounts due from customers for contract work minus trade payables minus advances received on contracts in progress. Average working capital is used for ratios, being the beginning balance + ending balance divided by two.

Message to our Shareholders

Creating the future in laundry automation
After an excellent start to the year with record first half year revenues, sales remained strong in the second half to give once again record revenue and profit.

We have experienced exceptional increase in turnover above 50% over the past four years. To support this growth, we have made significant investments in strengthening the organization and our key processes, expanding our manufacturing capacity and investing in activities to support long-term growth.

We maintain our strategy of building a local presence in every significant market, thereby increasing our global presence. This year, JENSEN-GROUP acquired the activities of one sub-supplier to improve quality control and to be able to react more quickly to market conditions, and it increased its shareholding in Tolon, Turkey.

In December 2017, JENSEN-GROUP announced the acquisition of a minority shareholding in Inwatec, based in Odense, Denmark. Our participation in Inwatec will enhance our market position in areas like laundry robotics, AI (Artificial Intelligence), and automation, and give us complementary products like a mat roller, a mat storage unit and X-ray machines. In addition, we set up a new business unit called Material Handling and Automation to better capture the opportunities in improving the material flow in heavy-duty laundries.

After a year of investment in our Chinese facility, we developed further our two-tier sales strategy with high-tech products from our Western factories and single machines exported from China under the 'ALPHA by JENSEN' product line brand. This two-tier strategy allows us to better satisfy our customers' needs. This strategy is also supported with products from our partner TOLON, which enables us to enter commercial laundries as well as large on-premises laundries.

Our joint venture Gotli Labs with ABS, the leading laundry software provider, is developing positively. Our goal is to develop further our software solution GLOBE to improve our customers' productivity and expand our offering of state-of-the art software solutions to the heavy-duty laundry industry. The integration of technology and software allows customers to monitor and track production in real-time, and to use the acquired information to improve their performance. The new software takes our industry to an unprecedented level of data management and prepares us for Industry 4.0 and the Internet of Things.

In summary, our investments in the past two years are supporting our growth with two new factories, new distribution companies, the acquisition of a sub-supplier, a JV for software, an investment in robotics and a participation in TOLON. All these investments prepare the ground for future growth. Next to record turnover, all these ventures started to contribute to profitability this year. The Board of Directors and management strongly believe in the vision behind these investments and the growth opportunities that they offer for JENSEN-GROUP in the long-term.

Our staff and employees have worked under significant pressure this year. They have been able to meet customer expectations, despite the additional workload from the many new ventures as well as from reaching record turnover.

In our “Go East” strategy, our offices in China, Dubai and Japan have contributed to our results and we have been able to establish state-of-the art references in all three markets. In China, a major project has been delivered this year setting a new benchmark in the market. Such references constitute the basis for further investments and additional projects.

We have benefited from the rebound in orders in Europe as well as from a strong market in the United States. We continue our efforts to decrease our dependence on Europe as almost 42% of our turnover is now outside Europe.

New products and services, geographic expansion, recovery in certain European markets and our continued efforts to become more local have contributed to this year’s growth. Our customer-centered strategy is paying off and we are determined to develop new products and services which will delight our end-customers.

EBIT and net income are higher than in the previous year despite the high investments in assets, systems and talent, which increased depreciation and overheads. The production capacity utilization and activity levels at our sales and service centers were very high throughout the year.

Despite an increase in working capital due to higher sales and investments, we closed the year with a much higher net cash position. The cash flow generated by the business allowed us to fund the organic growth as well as the targeted acquisitions without adding to net debt.

Continued investment in product development, alignment of our core processes and market presence enable us to better meet our customers’ needs and expectations. Many of these developments are targeted at reducing consumption of energy and water as well as increasing the up-time of our equipment. Our CleanTech products and our approach enable customers to cut their average water consumption to below 3 liters per kg linen. Our energy reduction program has made it possible to operate at below 1 KW/h per kg linen processed. Our latest software developments, new product developments and actions taken to measure KPIs of typical heavy-duty laundries will allow our customers to reach even lower consumption figures and costs.

JENSEN-GROUP continues to invest in building a unique JENSEN culture within our many operations worldwide. The Group is managed by a truly international JENSEN Management Team. In management development, we focus on providing better guidance to local teams and on better overall alignment with the Group strategy and processes, in order to be the best global heavy-duty laundry solution provider with a local presence in each significant market.

Our continuing success demonstrates our ability to adapt quickly to different market conditions, making our brand, our products and our employees stronger. Our performance in the past years confirms that our investments in Asia and in geographic expansion create healthy growth.

We start 2018 with a strong order backlog including some very large projects. After a record 2017, our objective is to maintain the high volume for 2018. We rely on our highly motivated staff to continue to pursue each business opportunity in all existing markets. Broadening our presence makes the JENSEN-GROUP less vulnerable to a downturn in any given region of the world.

We thank our customers for their continued trust and loyalty. We will strive to meet their expectations in terms of the productivity, reliability, cost effectiveness and reduced environmental impact of our products.

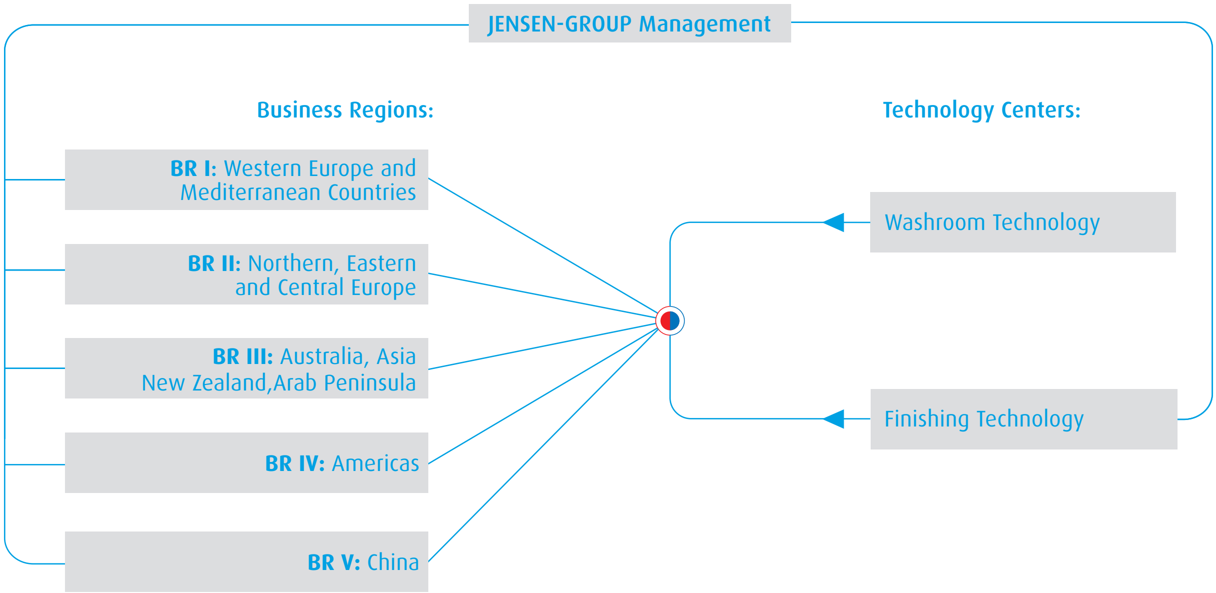
We also thank our staff throughout the world for their dedication, their commitment to the JENSEN-GROUP values, their ability to constantly adapt and their drive to improve. As we set higher performance standards, we expect more from our people. We will continue to invest in our employees which will enable the Group to continue its growth.

Last but not least, we thank our shareholders for their support to the Board of Directors and to management in our journey to be the leader in this industry.

Jesper Munch Jensen
Chief Executive Officer

Raf Decaluwé
Chairman of the Board of Directors

Profile of the Jensen-Group



Mission statement

It is the aim of the JENSEN-GROUP to offer the best solutions to our customers worldwide in the heavy-duty laundry industry. We work for and with our customers to supply sustainable single machines, systems, turnkey solutions and laundry process automation. Laundries supplied by JENSEN reach the highest level of productivity in the industry.

We will continuously develop our people and grow our efficiency so that we can offer environmentally friendly innovative products and services.

By combining our global skills and offering local presence to our customers, we are able to create profitable growth and responsible industry leadership.

Making a difference

Through technical excellence, significant investment in product development and specialized industry knowledge, the JENSEN-GROUP is able to plan, develop, manufacture, install and service everything from single machines and processing lines to complete turnkey solutions. Our partners include textile rental suppliers, industrial laundries, central laundries as well as hospital and hotel on premise laundries. We believe that our customers know their laundry better than anybody else and that with the help of the JENSEN-GROUP’s comprehensive laundry competence and experience we are able to find the right solution for their specific requirements.

Organization

All products designed and manufactured by the JENSEN-GROUP are under the responsibility of two technology centers: washroom technology and finishing technology (flatwork and garment). In order to better align the production structure and processing standards, both technology centers report to the Chief Operating Officer. Next to this, the JENSEN-GROUP is organized into five Business Regions spanning the world. The two technology centers develop, manufacture and deliver a full, innovative and competitive range of JENSEN products to our customers through our worldwide network of Sales and Service Centers (SSCs) and authorized local distributors. This worldwide distribution network together with our laundry design capabilities, project management expertise and our after-sales service capability make the JENSEN-GROUP uniquely positioned to act locally while meeting our customer's expectations fast and reliably whether the requirement is a single machine or a complete turnkey solution anywhere in the world.

Revenue figures

In million euro	
2017	338
2016	318

Manufacturing

The JENSEN-GROUP has a manufacturing platform of six factories in five countries (three continents). Each manufacturing site focuses on specific technologies for the heavy-duty laundry industry.

Distribution

The JENSEN-GROUP sells its products and services under the JENSEN brand and the 'ALPHA by JENSEN' brand through wholly-owned sales and service centers and through independent authorized distributors worldwide.

Competitive advantage

Our market coverage, our extensive know-how, our turnkey project expertise and our range of heavy-duty machines and systems are unique for the heavy-duty laundry industry.

Markets

The JENSEN-GROUP generates its revenue geographically as follows:

In million euro	Europe	Americas	Middle East, Far East and Australia	Total
2017	197	79	62	**338**
2016	175	78	65	**318**

JENSEN Sales & Service Centers

1 Paris, France
2 Ghent, Belgium
3 Nieuwegein, Netherlands
4 Odry, Czechia
5 Lodz, Poland
6 Stockholm, Sweden
7 Singapore, Asia
8 Burgdorf, Switzerland
9 Panama City, USA
10 Harsum, Germany
11 Sydney, Australia
14 Banbury, UK
15 Novedrate, Italy
16 Shanghai, China
18 Dubai, U.A.E.
19 Sao Paulo, Brazil
20 Vienna, Austria
21 Tokyo, Japan
22 Auckland, New Zealand
23 Barcelona, Spain
24 Oslo, Norway
26 Copenhagen, Denmark

JENSEN Technology Centers

Washroom Technology

9 Panama City, USA
10 Harsum, Germany
17 Xuzhou, China
25 Pattensen, Germany

Finishing Technology

12 Rønne, Denmark
13 Borås, Sweden
17 Xuzhou, China

JENSEN Shareholdings & Joint ventures

25 TOLON, Izmir, Turkey
26 Gotli Labs, Steinhausen, Switzerland

JENSEN-GROUP (Fully controlled entities)

- JENSEN-GROUP
  - Sales and Service Centers
    - JENSEN AG Burgdorf – Switzerland
    - JENSEN Asia – Asia
    - JENSEN – Benelux
    - JENSEN Brazil – Brazil
    - JENSEN China – China
    - JENSEN Denmark – Denmark
    - JENSEN France – France
    - JENSEN GmbH – Germany
    - JENSEN Italy – Italy
    - JENSEN Japan – Japan
    - JENSEN Laundry Systems – Australia
    - JENSEN – Middle East
    - JENSEN New Zealand – New Zealand
    - JENSEN Norge – Norway
    - JENSEN Österreich – Austria
    - JENSEN Spain – Spain
    - JENSEN Sverige – Sweden
    - JENSEN UK – UK
    - JENSEN USA – USA
  - Manufacturing Companies
    - Business Unit Washroom Technology
      - JENSEN China – China
      - JENSEN Components – Germany
      - JENSEN GmbH – Germany
      - JENSEN USA – USA
    - Business Unit Finishing Technology
      - JENSEN China – China
      - JENSEN Denmark – Denmark
      - JENSEN Sweden – Sweden

Profile

The JENSEN-GROUP is a leading one-stop supplier for large turnkey projects worldwide. It is present with its own Sales and Service Centers in the world's most important markets, selling a range of single machines, systems, turnkey projects, services and spare parts.

The JENSEN-GROUP produces equipment and solutions in the following manufacturing companies:

- Washroom Technology: JENSEN GmbH in Harsum and JENSEN Components in Pattensen, Germany, JENSEN USA in Panama City, FL, USA and JENSEN China in Xuzhou, China;
- Finishing Technology: JENSEN Denmark in Rønne, Denmark, JENSEN China in Xuzhou, China and JENSEN Sweden in Borås, Sweden.

We think globally and act locally

The JENSEN-GROUP sells equipment and solutions through own sales and service centers (SSCs) and through independent distributors. The relative share of sales through our own SSCs has increased in recent years. These SSCs operate in the most important heavy-duty markets: Australia, Austria, Benelux, Brazil, China, Denmark, France, Germany, Italy, Japan, Middle East, New Zealand, North America, Norway, Singapore, Spain, Sweden, Switzerland and United Kingdom. Sales and service centers play a critical coordination role for the increasing number of complex installation projects involving several of our production companies simultaneously. Local presence enables us to deliver after-sales services on demand to our customers. On top of that, we have an experienced distributor network base in more than 40 countries.

Activities 2017

In million euro	2017	2016
Revenue	338	318
EBIT	30	25
Investments	3	10
Number of employees	1,725	1,520

Revenue increased thanks to a high order intake throughout the year and the completion of several large projects.

Also during the year the workload was well balanced among the plants and the second half showed again strong activities. The Group enjoyed the benefit of flexible employment systems in various countries and of a very flexible workforce.

The own sales and service centers (SSCs) continued to generate the majority of our turnover, confirming the importance of having our own local presence in the main markets.

For 2017, the JENSEN-GROUP reports net investment of 3.4 million euro. The main items were the acquisition of one of the Group's major German suppliers, the increase in the shareholding in TOLON GLOBAL MAKINA Sanyi Ve Tikaret Sirketi A.S., Turkey, by 6.33% to 36.33%, plus equipment and vehicles. The net investment of 10.1 million euro in 2016 was mainly related to the acquisition of the Group's Norwegian distributor, the acquisition of an equity stake of 30% in TOLON GLOBAL MAKINA Sanyi Ve Tikaret Sirketi A.S., Turkey, of land and a building in Denmark, leasehold improvements in China, product transfers, plus equipment and vehicles.

Outlook 2018

The order backlog at year-end is 8% higher than last year. Excluding orders that will not be delivered in 2018 and taking into account finished goods and work in progress, production backlog is 2% higher than at December 2016. The JENSEN-GROUP considers the order backlog strong to get off to a good start in 2018. The main business risks have not changed materially from last year. Major risk factors are the volatility in the financial markets affecting our customers' investment decisions and their capacity to find financing, competitive pressure and political instability and uncertainty in certain parts of the world. The Group does not expect a significant impact from Brexit. Potential impact of possible protectionist movements in various parts of the world cannot be assessed today. Other risks that mainly affect our margin are exchange rate volatility and fluctuating raw material prices, energy and transportation costs. We refer to the separate section in the report of the Board of Directors, setting out the risk factors associated with our business and industry.

The operational objectives for 2018 are to continue the growth in Asia and North America and to maintain our sales and market share stable in Europe. In operations, a new Business Unit 'Material Handling and Automation' will be introduced in January 2018 to group all activities around laundry logistics. The cooperation with TOLON Global of Turkey and with Inwatec of Denmark will be further intensified in 2018. In product development we are focusing our activities on further automation, decreased use of natural resources and energy and on efficiency gains for our customers. Optimizing our internal processes remains another area of continuous improvement.

Information for shareholders and investors

The JENSEN-GROUP NV share is quoted on the Euronext Stock Exchange under the ticker JEN (Reuters: JEN.BR Bloomberg JEN.BB) since June 1997. The ISIN code is BE0003858751. The quote of the JENSEN-GROUP shares can be found online on the following websites:

- JENSEN-GROUP: http://www.jensen-group.com
- Euronext: https://europeanequities.nyx.com.

Share price evolution

The JENSEN-GROUP NV stock price increased from 34.60 euro at the end of 2016 to 39.90 euro at the end of 2017, with an average daily trading volume of 3,535 shares compared with 3,777 in 2016 (see graph page 5).

Communication strategy

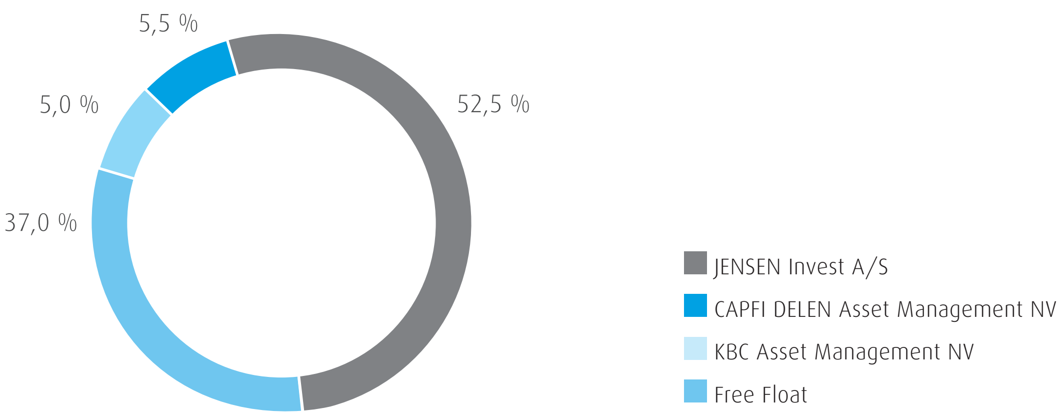
JENSEN-GROUP will maintain its communication strategy based on the following principles:

- Organizing two analysts' meetings per year, following publication of the half year and the full year results;
- Communicating quarterly trading updates after the first and third quarter of the year;
- Communicating any major changes in the financial position and earnings of the Company;
- Distributing its press releases to professional and private investors and posting them on its corporate website;
- Posting the votes and minutes of the Shareholders' meetings on its corporate website;
- Providing all communication, including the corporate website, in English and Dutch;
- Making information on shareholdings and the financial calendar available on the corporate website;
- Attending small cap investor events upon request;
- Phone conferences with analysts and existing or potential shareholders upon request.

Change in ownership structure

During 2017, JENSEN-GROUP received two notifications from CAPFI DELEN Asset Management NV, the first informing it that CAPFI DELEN'S participation had dropped below the 5% threshold to 4.8% and the second informing that it crossed again the 5% threshold. The JENSEN-GROUP also received a notification from KBC Asset Management NV informing it that the latter holds 5% of the shares in the JENSEN-GROUP.

The ownership structure as per December 31, 2017 is set out below:



Shareholders' calendar

- May 14, 2018 (evening): Publication of the Q1 trading update;
- May 15, 2018: 10 a.m. Annual Shareholders' Meeting at the JENSEN-GROUP Headquarters, Ghent;
- August 2018: Half year results 2018 (analysts' meeting);
- November 2018: Publication of the Q3 trading update;
- March 2019: Full year results 2018 (analysts' meeting).

The Investor Relations Manager is also available to meet individual shareholders, analysts, specialized journalists and institutional investors to enable them to see the JENSEN-GROUP's short and long-term potential, with respect to both the business as a whole and/or specific activities. Presentations, meetings and site visits are organized upon request.

The JENSEN-GROUP's Annual Report, press releases and other information are available on the corporate website (http://www. jensen-group.com).

Shareholders wishing to convert registered shares into dematerialized shares can contact the Investor Relations Manager.

Shareholders and investors who want to receive the Annual Report, the financial statements of JENSEN-GROUP NV, press releases or other information with respect to JENSEN-GROUP can also contact the Investor Relations Manager:

JENSEN-GROUP NV
Mrs. Scarlet Janssens
Bijenstraat 6
BE 9051 Ghent (Sint-Denijs-Westrem)
Belgium
Tel. +32.9.333.83.30
E-mail: investor@jensen-group.com

Litigations

Provisions have been set up in respect of all claims that, based on prudent judgment, are reasonably founded. We keep track of all potential litigations and pending legal cases at Group level. In this chapter, we only cover cases against the Company or one of its subsidiaries. Pending issues per major category are:

Product liability claims:

- 2 product liability claims in the USA
- 6 product liability claims in the EU
- 1 product liability claim in Australia

Claims from employees:

- 1 claim from an employee in the USA

Commercial claims:

- 1 claim in Asia

Environmental risk:

- One ongoing case in the USA

Most of these claims are covered by insurance. Based on legal advice taken, management does not expect these claims to significantly impact the Group's financial position or profitability. Where necessary, a realistic provision has been made.

Human Resources

The number of employees at year-end has developed as follows:

2017	1,725
2016	1,520

Product Development

The JENSEN-GROUP's key technologies encompass the entire laundry process, including the washroom itself, the logistics of moving linen and textiles, finishing with feeders, ironers and folders, as well as software technology to control the overall process. In short, a large number of different technologies are used in the process of recycling soiled linen and textiles into clean linen.

Given the wide range of technologies needed to cater for the needs of our customer base, we do not focus on fundamental research and development. Our task is to take existing technologies and incorporate them into our industry's processes.

In recent years we have invested in further upgrading and expanding our product range in particular in laundry robotics, AI (Artificial Intelligence), automation, new software applications for our industry and in environmentally friendly products. Many developments that target natural resource and energy savings for our customers are grouped under our CleanTech brand. Together with ABS, the JENSEN-GROUP created a joint venture Gotli Labs AG. Gotli Labs will further develop our offering of state-of-the-art software solutions for the heavy-duty laundry industry. The integration of technology and software allows customers to monitor and track production in real-time and use the acquired information to improve productivity based on relevant data. The new product from Gotli Labs labelled GLOBE and the investments in Inwatec for automation and AI will bring our industry up to a new level and prepares ourselves for Industry 4.0 and the Internet of Things. Process control and production monitoring software have become crucial in offering the customer a total laundry-operation solution.

The Group has numerous patents on features of our machinery, and our product development teams in our various competence centers are continuously examining the possibility of protecting our innovative developments.

Patents and notarial depositions are used primarily to prove prior art. We protect our patents on a case-by-case basis and primarily in the larger markets.In general, JENSEN-GROUP invests in the range of 2% to 3% of its turnover in Product Development every year. We believe this figure represents more or less the industry average.

Investments and Capital Expenditures

During 2017, the JENSEN-GROUP reports net investments of 3.4 million euro. The main items were the acquisition of one of its major German suppliers, the increase in the shareholding in TOLON GLOBAL MAKINA Sanyi Ve Tikaret Sirketi A.S., Turkey, by 6.33% to 36.33%, and equipment and vehicles.

During 2016, the JENSEN-GROUP invested 10.1 million euro, mainly in the acquisition of its Norwegian distributor, the acquisition of an equity stake of 30% in TOLON GLOBAL MAKINA Sanyi Ve Tikaret Sirketi A.S., Turkey, in land and a building in Denmark, in leasehold improvements in China, in product transfers, in equipment and in vehicles.

Outlook 2018

The Group expects capital expenditure in 2018 to be higher than in 2017. The Group will invest primarily in IT and machinery, intends to further increase, as foreseen in the contract, its shareholding in TOLON GLOBAL MAKINA Sanyi Ve Tikaret Sirketi A.S., Turkey by 6.33% and, as announced, took a participation in Inwatec ApS, a Danish company that manufactures high-end heavy-duty laundry products.

FINANCIAL REPORT 2017

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Report of the Board of Directors

The JENSEN-GROUP's revenue increased from 318.2 million euro to 338.1 million euro (+6.3%) as a result of high order intake and high activity levels in the various business regions and in the plants throughout the year.

On the balance sheet, working capital at closing date was only 1.4 million euro higher than last year because of the increased activity level. At the end of 2017, the JENSEN-GROUP has a net cash position of 23.0 million euro. Compared to December 2016, net cash increased by 19.9 million euro. At the end of 2017, the JENSEN-GROUP was in full compliance with its bank covenants.

Headcount increased from 1,520 to 1,725, reflecting the higher activity level and the JENSEN Components acquisition.

Results 2017

Operating profit increased by 19.2% to 29.9 million euro thanks to the higher revenue (+6.3%) compared to 2016.

Net financial charges decreased by 44.7% as JENSEN-GROUP reports a currency profit as against a currency loss last year.

Taxes increased by 29% as profit increased and as deferred tax assets had to be revalued at lower tax rates (USA).

The result from companies accounted for by the equity method (participation in TOLON) increased from 0.3 million euro to 0.6 million euro.

The above-mentioned factors together resulted in an increase in net profit from 17.1 million euro to 21.1 million euro (+23.3%).

Outlook 2018

The order backlog at year-end is 8% higher than last year. Excluding orders that will not be delivered in 2018, and taking into account the finished goods and work in progress, production backlog is 2% higher than as at December 2016. The JENSEN-GROUP considers the order backlog strong to get off to a good start in 2018.

The main business risks have not changed materially from last year. Major risk factors are the volatility in the financial markets affecting our customers' investment decisions and their capacity to find financing, competitive pressure and political instability and uncertainty in certain parts of the world. The Group does not expect a significant impact from the Brexit. The potential impact of possible protectionist movements in various parts of the world cannot be assessed today. Other risks that mainly affect our margin are exchange rate volatility and fluctuating raw material prices, energy and transportation costs.

Risk factors

Net profit depends on reaching a certain level of sales to absorb overhead costs.

Any major drop of activity has an immediate effect on operating profits.

The Group has six fully-owned production sites, in the following countries:

- Sweden
- Denmark
- Germany
- USA
- China

Each production and engineering center ("PEC") is specialized in a specific part of the laundry operation (Washroom, Finishing Technology) or in a specific type of linen (flatwork, garment or special applications such as mats, continuous roller towels or wipers).

The Group has its own distribution channels (Sales and Service Centers – or "SSC") in the most important markets:

- Benelux
- Germany
- Sweden
- Denmark
- Norway
- France
- Italy
- Spain
- USA
- UK
- Australia
- Singapore
- Middle East
- China
- Switzerland
- Austria
- Brazil
- Japan
- New Zealand

Next to the SSCs, JENSEN-GROUP has sales representatives in:

- Poland
- Czech Republic

On top of that, JENSEN-GROUP has an experienced distributor network in more than 40 countries.

Each SSC is staffed to handle turnkey projects and systems as well as single machine sales and after-sales services.

In each PEC and SSC we have the supporting functions needed to administer the legal entity. In order to absorb these overheads, sufficient volume is needed. The activity level determines production volume and can be influenced by factors beyond our control. Since our products are investment goods, the international investment climate more particularly in healthcare, hospitality (hotels and restaurants) and in industrial clothing can have a significant influence on the overall market demand and sales opportunities. The impact of a sudden decrease in turnover cannot be fully offset by a decrease in overheads and infrastructure costs and as such can have a negative impact on our activity level, our financial condition and our operating results.

Largest customers are getting larger as they consolidate and become increasingly international.
An important part of the business is to deliver solutions and machines to the textile rental industry. The ongoing consolidation and internationalization in this industry is making a significantly greater part of the business dependent on relations with these larger groups.

Price fluctuations or shortages of raw materials and the possible loss of suppliers could adversely affect the operations.
JENSEN-GROUP purchases a large number of different components as well as raw materials such as black iron, stainless steel and aluminum. The price and availability of these raw materials and components are subject to market conditions affecting supply and demand. In a competitive market, there is no assurance that increases or decreases in raw material and other costs will be translated quickly into higher sales or lower purchase prices. Nor can there be any assurance that the loss of suppliers or components would not have a material adverse effect on our business, financial condition and results of operations. We currently do not undertake commodity hedging.

JENSEN-GROUP operates in a competitive market.
Within the worldwide heavy-duty laundry market, JENSEN-GROUP encounters several competitors, both small and large. There can be no assurance that significant new competitors or increased competition from existing competitors will not have an adverse effect on our business, financial condition and results of operations.

In addition, the Group may face competition from companies outside of the United States or Europe who have lower costs of production (including labor or raw materials). These companies may pass on these lower production costs as price decreases to customers and as a result, our revenues and profits could be adversely affected.

Currency risks and the economic and political risks of selling products in foreign countries.
Sales of equipment and projects to international customers represent a major part of the net revenues. Demand for our products is and may be affected by economic and political conditions in each of the countries in which we sell our products and by certain other risks of doing business abroad, including fluctuations in the value of currencies (which may affect demand for products produced in the euro zone). We do hedge exchange rate fluctuations between the major currencies for our operations, these being the EUR, USD, CHF, GBP, DKK, NOK, SEK, SGD, CNY, JPY, AUD and NZD.

Vendor financing.

Since the 2008 banking crisis, many customers have experienced difficulties in obtaining financing to invest in expansion or equipment renewal. Under certain specific conditions JENSEN-GROUP is offering financing solutions to customers. This creates exposure for the Company in terms of having to take back machinery over the lifetime of the financing contract. We manage our exposure by aligning the take-back price to the second-hand market values as much as possible.

Policy choices can affect the healthcare sector.

JENSEN-GROUP sells to industrial laundries which handle, amongst others, linen for the healthcare sector. Policy choices can affect the standards of hygiene or the financial capability of hospitals. This may influence sales at specific points in time as well as product development in order to find solutions for the most stringent hygiene requirements.

JENSEN-GROUP is dependent on key personnel.

JENSEN-GROUP is dependent on the continued services and performance of the senior management team and certain other key employees. The employment agreements with senior management and key employees are for an indefinite period of time. The loss of any key employee could have a material adverse effect on the business, financial condition and results of operations because of their experience and knowledge of our business and customer relationships.

The nature of the business exposes JENSEN-GROUP to potential liability for environmental claims and JENSEN-GROUP could be adversely affected by new, more stringent environmental, health and safety requirements.

The Group is subject to comprehensive and frequently changing federal, state and local, environmental, health and safety laws and regulations, including laws and regulations governing emissions of air pollutants, discharges of waste and storm water and the disposal of hazardous wastes. We cannot predict the environmental liabilities that may result from legislation or regulations adopted in the future, the effect of which could be retroactive. The enactment of more stringent laws or stricter interpretation of existing laws could require additional expenditures by us, some of which could have an adverse effect on our business, financial condition and results of operations.

The Group is also subject to liability for environmental contamination (including historical contamination caused by other parties) at the sites it owns or operates. As a result, the Group is involved, from time to time, in administrative and judicial proceedings and inquiries related to environmental matters. There can be no assurance that we will not be involved in such proceedings in the future, and we cannot be sure that our existing insurance or additional insurance will provide adequate coverage against potential liability resulting from any such administrative and judicial proceedings and inquiries. The aggregate amount of future clean-up costs and other environmental liabilities could have a material adverse effect on our business, financial condition and results of operations.

For the past several years, JENSEN-GROUP has strictly followed an environmental remediation plan relating to our former Cissell manufacturing facility. The last sampling tests done by a third party environmental-engineering company each year, with an exhaustive review every five years, are in line with expectations. The latest projected end date for this remediation plan is 2025. However, there can be no complete assurance that significant additional civil liability or other costs will not be incurred by us in the future with respect to the Cissell facility or other facilities.

The operations are also subject to various hazards incidental to the manufacturing and transportation of heavy-duty laundry equipment. These hazards can cause personal injury and damage to and destruction of property and equipment. There can be no assurance that as a result of past or future operations, there will not be injury claims by employees or third parties. Furthermore, we also have exposure to present and future claims with respect to worker safety, workers' compensation and other matters. There can be no assurance as to the actual amount of these liabilities or the timing of them. Regulatory developments requiring changes in operating practices or influencing demand for, and the cost of providing, our products and services or the occurrence of material operational problems, including but not limited to the above events, may also have an adverse effect on our business, financial condition and results of operations.

JENSEN-GROUP may incur product liability expenses.

The Group is exposed to potential product liability risks that arise from the sale of our products. In addition to direct expenditures for damages, settlements and defense costs, there is a possibility of adverse publicity as a result of product liability claims. We cannot be sure that our existing insurance or any additional insurance will provide adequate coverage against potential liabilities and any such liabilities could adversely affect our business, financial condition and results of operations.

JENSEN-GROUP is subject to risks of future legal proceedings.

At any given time, JENSEN-GROUP is a defendant in various legal proceedings and litigation arising in the ordinary course of business. Although we maintain insurance coverage, there is no assurance that this insurance coverage will be adequate to protect us from all material expenses related to potential future claims for personal and property damage or that these levels of insurance coverage will be available in the future at economical prices or for that matter, available at all. A significant judgment against us, the loss of a significant permit or other approval or the imposition of a significant fine or penalty could have an adverse effect on our business, financial condition and future prospects.

Interest rate fluctuations could have an adverse effect on our revenues and financial results.

The Group is exposed to market risk associated with adverse movements in interest rates. JENSEN-GROUP maintains long-term interest rate hedges and loans with fixed interest rates in order to limit this risk, but a general increase in interest rates might have an unfavorable effect on the overall investment climate and as such on our business, financial condition and results of operations.

The use of debt could adversely affect our financial health if covenants are not met.

The JENSEN-GROUP's major financial institution partners are Nordea and KBC. The Group's borrowing agreements include financial covenants with one of the financial institutions. These covenants could have a restricting effect on our financial capacity.

To service the indebtedness, JENSEN-GROUP will require a certain amount of cash flow. The ability to generate cash depends on many factors beyond our control.
The ability to make scheduled payments of principal and interest with respect to our indebtedness, to fund our planned capital expenditures and our research and development efforts and to finance our expansion in capacity, will depend on our ability to generate cash, on future financial results and the development of the major financial institutions we work with. These institutions, to a certain extent, are subject to the risk factors mentioned above.

JENSEN-GROUP operates with several information and communication technologies. (ICT)
JENSEN-GROUP uses for its worldwide operations several tools, devices and software in its ICT and machine operating environment. Digital technologies, devices and media bear manifest risks and opportunities. Machinery is more interconnected and prepared for IoT. As a result, the Group faces cyber risks. Any ICT failure in the area of security and systems access or in machine operating environments might cause operational disruption, damage to reputation, and financial losses. JENSEN-GROUP manages these risks by closely following the latest technological developments. Next to this, the Group selects the best suppliers for software and ICT. Cybersecurity is a major criterion when selecting these suppliers.

Non-financial information

In accordance with Directive 2014/95/EU (further 'the Directive') of the European Parliament and of the Council of 22 October 2014, we have added this separate section containing non-financial information which is considered to be relevant for the stakeholders of the JENSEN-GROUP.
In providing this information, we have taken into account the requirements defined by the Directive, while also drawing inspiration from the Global Reporting Initiative guidelines (GRI G4).
Alongside the financial information on the JENSEN-GROUP (which can be found in the 'Financial Report 2017' section of this Annual Report), this section describes non-financial activities which are relevant to our stakeholders and by which we make a difference.
We summarize our sustainability in three dimensions. These are:

Environment

People

Society (including corporate governance)

In order to understand the different dimensions, we briefly elaborate on the business model of the JENSEN-GROUP. For more information on this model, we also refer to other sections of the Annual Report.

Business model

The aim of the JENSEN-GROUP is to offer the best solutions to its worldwide customers in the heavy-duty laundry industry. Technical excellence, significant investment in product development and specialized industry knowledge enable the JENSEN-GROUP to plan, develop, manufacture, install and service everything from single machines to complete systems, turnkey solutions and process automation.

We consider product development a key part of our business model, as scarcity of resources and a greater focus on ecology increase the need for sustainable laundry solutions.
All products designed and manufactured by the JENSEN-GROUP fall under the responsibility of two technology centers: Washroom Technology and Finishing Technology (flatwork, garments and mats). The two technology centers develop, manufacture and deliver a full range of innovative and competitive JENSEN products to our customers through our worldwide network of Sales and Service Centers (SSCs) and authorized local distributors, organized into five Business Regions. This worldwide distribution network together with our laundry design capabilities, project management expertise and after-sales service capability make the JENSEN-GROUP a credible one-stop supplier uniquely positioned to act locally, meeting our customer's requirements and expectations fast and reliably, whether for a single machine or a complete turnkey solution, anywhere in the world.
The relative share of sales through our own SSCs has increased in recent years. These SSCs operate in the most important heavy-duty markets: Australia, Austria, Benelux, Brazil, China, Denmark, France, Germany, Italy, Japan, Middle East, New Zealand, North America, Norway, Singapore, Spain, Sweden, Switzerland and United Kingdom.

The JENSEN-GROUP mission is summarized with the one-liner: 'Your Performance in Mind'. The JENSEN-GROUP is committed to offering the best solutions to heavy-duty laundries worldwide. For this we are in a constant dialogue with our customers, through local presence, in order to identify the best solutions for them. Based on our global experience, these solutions consider the total cost of ownership and are aimed at continuously raising productivity and reducing the ecological impact of our equipment and our own processes. We are committed, engaged, dedicated and responsible every time we interact with our customers.

Finally, part of our business model is to expand geographically. We have recently enlarged our offices in China, Dubai and Japan as part of our 'Go East' strategy. Believing in the benefits of local presence, we continue to expand throughout the world in order to keep communication lines with our end-customers as short as possible.

ENVIRONMENT

Nowadays our customers, and by extension all of our stakeholders, face a rapidly changing environment. The JENSEN-GROUP takes sustainability and environmental protection seriously and is pursuing a continuous energy reduction strategy in order to rise to the challenges of the future like climate change and the finiteness of fossil fuels. In particular, the increasing scarcity of water and energy call for an increased focus on ecology.

We have installed appropriate internal policies to help us identify any environmental risks of our business, both internal (arising during the manufacturing process) and external (created by the use of our equipment). For further information on environmental risks we refer the reader to the 'Risk Factors' section in the Annual Report 2017.
Continued investment in product development, alignment of our core processes and in-depth market presence enable us to better meet our customers' needs. Many of these developments are targeted at reducing energy and water consumption as well as increasing the up-time of our equipment. In general, JENSEN-GROUP invests in the range of 2% to 3% of its turnover in Product Development every year.

A major thrust of our product development work is directed at natural resource and energy savings and otherwise reducing the environmental impact of our equipment. This includes continuously monitoring the performance of our equipment during the development phase. Many product developments that target natural resource and energy savings for our customers are grouped under our CleanTech brand.

CleanTech

CleanTech describes knowledge-based products and services that improve operational performance, productivity and efficiency while reducing costs, input, energy consumption, waste and pollution.
Our CleanTech technology has produced some remarkable resource and energy savings for our customers in recent years. Average water consumption is now under 3 liters per kg linen, and energy consumption under 1 KW/h per kg linen processed. Our advanced solutions offer energy savings of up to 60% per year, combined with lower investment and installation costs. Productivity is up to 25% higher thanks to shorter drying and finishing cycle times.

Right now we are working to take the energy reduction program a step further through investments in software and by on-site measurement of KPIs of typical heavy-duty laundries.
These CleanTech products are detailed on our corporate website, with full details on their resource and energy savings potential (see https://www.jensen-group.com/products/jensen-cleantech.html).

Manufacturing process

The JENSEN-GROUP has a manufacturing platform of six factories in five countries on three continents. Each manufacturing site focuses on specific technologies for the heavy-duty industry. We want to develop environmentally-friendly equipment, manufactured in the most ecologically responsible way. As part of this thrust, we are continuously monitoring our factories in order to reduce their impact on the environment.

An environmentally-friendly manufacturing process starts with selecting the most appropriate supplier. As the JENSEN-GROUP wants to become a partner to our customers, the Group is constantly looking for partnerships with suppliers who can contribute to any resource and energy-savings opportunities.

Safety

At JENSEN-GROUP, the wellbeing of our employees and customers is crucial. We want our employees around the globe to work in safe and ergonomically sound environments. Health and safety are therefore a priority at each JENSEN-GROUP location. At all our production sites, the performance evaluation of plant managers includes the occurrence of work accidents and remedial initiatives taken.
Our responsibility for safety continues after our equipment is manufactured and has left our premises. We consider the safety of our customers' operators and anyone using our equipment to be as important as that of our own employees. We comply with all European safety regulations (European Standards, ENs) and other local requirements. At the same time, we believe that machine safety has to go beyond regulations. Already during the product development phase, we focus on the ergonomics and overall safety of our equipment. With this mindset we have been able to reduce working accidents to an absolute minimum; even so, we consider each occupational accident as one too many. Health and safety is and will therefore remain a cornerstone of our strategy.

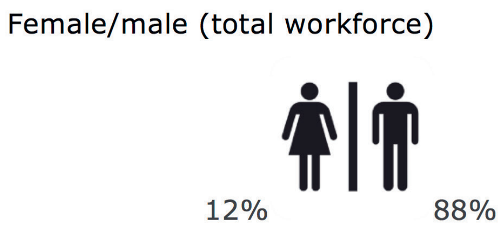
PEOPLE

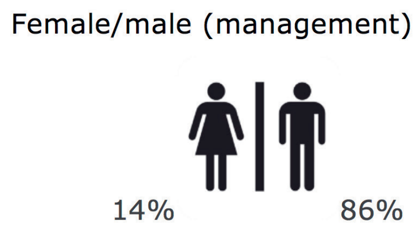
Our second sustainability dimension relates to people. Our customers and employees are the basis of our success and they are in a constant dialogue through our local presence, in order to identify the best solution for each customer.

Employees

The JENSEN-GROUP is fully aware of its responsibility to its employees. Driven by what we call the JENSEN spirit, our culture is open and international. We offer opportunities for achievement, recognize people's contributions, give each team member as much responsibility as possible, and offer training and development opportunities. This open culture results in job satisfaction for each employee and into a long-term employment at the JENSEN-GROUP, as shown by the high average career lengths.

The JENSEN-GROUP makes no distinction whatsoever in terms of age, gender, culture, religion, origin or other diversity features. We are committed to providing equal opportunity in employment and to respecting the rights and dignity of each employee. We also prohibit all forms of discrimination in recruitment and promotion. We have decided to drive the JENSEN-GROUP by culture. When we all live the JENSEN spirit, we naturally do the right things. We count 44 nationalities in the JENSEN-GROUP.





As a direct consequence of our type of business, the percentage of women is rather low, though with a higher percentage in management. Furthermore, the Belgian Law of 28 July 2011 on gender diversification requires that at least one third of the Board of Directors be female. As of today, there is one woman on the Board. The Group is making arrangements to be compliant by the end of 2018. For more information on the gender diversification legislation, we refer to the Annual Report (page 44).

People development

To fulfil our mission and to achieve our JENSEN spirit, we need to attract and retain talented people and develop the skills of our current and future leaders. In recent years, the JENSEN-GROUP has heavily invested in the development of its employees, through corporate training, local training and individual initiatives. Training is given through the JENSEN Academy to all organizational levels, through webinars and by onboarding training for new employees, new managers and new project managers. The JENSEN factories also offer apprenticeships in a range of professions. Training programs include technical and function-specific training, as well as leadership modules that help our employees develop and cooperate in a global business environment. We believe that developing our teamwork and collaboration is critical to our success.

Social dialogue

We want to further strengthen our open culture and to embed it throughout the Group. For this, we use a variety of communication channels and platforms to inform our employees about corporate targets, strategies and current developments. Jennet, the intranet of the JENSEN-GROUP, offers information on a wide range of subjects, including product information, HR information, and our Ethics Code, Principles and Guidelines. While Jennet is a valuable tool for disseminating information within the JENSEN-GROUP, we also encourage the use of internal social media, including an app on employees' smartphones, as a modern way of sharing news and interacting. The various departments then determine their own priorities using these general communication tools and devise action plans to achieve this.

With our 'we think globally, and act locally' approach, a lot of authority is shifted towards local management. We therefore need to make sure that a number of rules are respected. At the JENSEN-GROUP, these are summarized in our 'Principles and Guidelines' which can be found on the JENSEN intranet. We also encourage managers to enter into dialogue with their teams, putting transparency into practice.

Customers

The JENSEN culture makes the difference: our corporate culture incorporates our past, our present with the preferred values that we live by, and our future. We want to be able to automate and duplicate our JENSEN-GROUP culture throughout the organization. Therefore, we believe that our corporate culture is a dynamic process which directly incorporates the needs of our customers. As our customers know the laundry business better than anybody else, we want to create partnerships with them. Constant dialogue with our customers, through local presence, results in long-term relationships. In this way we know their needs and can focus on efficiencies to provide sustainable laundry solutions and systems. Our CleanTech solutions are helping us gain new customers that require ecological processes to meet Corporate Social Responsibility guidelines or to obtain quality certificates.

With JENSEN-GROUP, our customers have a strong partner they can rely on from the initial consultation, to the planning, correct installation and start-up of the equipment and through to after-sales service. This includes regular technical inspections of the JENSEN equipment and customer training. Both of these reduce maintenance costs for our customers and help avoid equipment downtime, resulting into increased productivity and profitability. We believe this strong business partnership between the JENSEN-GROUP and its customers places us both in a winning position.

SOCIETY

Our last sustainability dimension relates to all the ways the JENSEN-GROUP is making a difference for society at large. At the JENSEN-GROUP we are convinced that our responsibility goes beyond our employees and our customers, towards the communities where we provide employment and to society at large.

Strategy and brand

At the JENSEN-GROUP our strategy is to expand our global reach by building a local presence in every significant market. Our brand represents quality and tailor-made solutions for our customers. It is this message that we want also to convey to the wider community: we bring quality to the community by complying with all legal requirements, we make a difference by entering into local level partnerships and respecting local habits and needs. We also want our JENSEN equipment to be as efficient and as environmentally friendly as possible. We refer to the environmental dimension for further information on this topic.

Changing markets

Today the world is becoming a global village, with people travelling more than ever before. This offers opportunities both for growth, with an increased need to process hotel and catering linen, and for increasing the JENSEN-GROUP's positive social impact through providing environmentally-friendly equipment.

The JENSEN-GROUP is keen to increase its presence in certain emerging markets. For these we develop standardized, less expensive and low wear and tear equipment. We have labelled this equipment ‘ALPHA by JENSEN’. This is one example of the JENSEN-GROUP being flexible and adaptive to changing customer and society needs.

Corporate governance

As the JENSEN-GROUP NV share is quoted on the Euronext Stock Exchange, the Group has adopted the Belgian Corporate Governance Code, in its revised 2009 version, and a risk management and internal control process. For more information on these, we refer to the separate Corporate Governance chapter in the Annual Report and to the Corporate Governance Charter on our website.

We acknowledge that adopting the Corporate Governance Code positively contributes to a better society by inspiring greater trust among our investors and other stakeholders. We consider trust in our brand and our organization to be a crucial part of our strategy. We have therefore also implemented a strict policy to prevent Insider Trading as well as a whistle-blowing procedure. These policies significantly reduce the risk of improper conduct or appearance thereof. We also refer to page 50 of the Annual Report for more information on this policy.

Social responsibility initiatives

We strive to maintain an open culture throughout the organization. Although we do not have a centralized policy on social responsibility, we have created an environment in which personal initiatives are highly appreciated. We are strongly convinced that our employees are best placed to identify local needs in which the JENSEN-GROUP can make a difference. We believe that our people live out our value statement ‘we think globally and act locally’.

Conflict of interest

Under Belgian company law, the members of the Board of Directors are required to give the Chairman prior notice of any agenda items in respect of which they have a conflict of interest with the Company, either direct or indirect, whether of a financial or other nature, and to refrain from participating in the discussions of and voting on those items. This is also a standard item on the agenda of each Board meeting. Two potential conflicts arose in the course of 2017 at the meeting of the Board of Directors which was held on March 15, 2017. During this meeting, the re-elections of SWID AG and TTP bvba as members of the Board of Directors and the dividend proposal were discussed. The minutes of this meeting are included below:

"Minutes of meeting March 15, 2017:

On March 15, 2017 at 10.15 a.m. the Board of Directors of JENSEN-GROUP NV held a meeting at the office of JENSEN-GROUP NV, Bijenstraat 6 in 9051 Sint-Denijs-Westrem, Belgium.

The following directors were present:

- *Gobes Comm. V., represented by Mr. Raf Decaluwé*
- *SWID AG, represented by Mr. Jesper Munch Jensen*
- *TTP bvba, represented by Mr. Erik Vanderhaegen*
- *Pubal Consult LLP represented by Mr. Jobst Wagner*
- *Inge Buyse BVBA, represented by Mrs. Inge Buyse*
- *Mr. Peter Rasmussen*

The following invitees were attending:

- *Werner Vanderhaeghe, Esq.*
- *Mr. Markus Schalch*
- *Mr. Steen Nielsen*
- *Mrs. Scarlet Janssens (in part)*

Mr. Decaluwé presided. Mr. Vanderhaeghe acted as Secretary. The Chairman pointed out that notice of the meeting had been given by email of March 3, 2017, that all of the directors were present and that the meeting was validly constituted. The Chairman then suggested that the meeting consider the following items of business.

Conflict of interest

The Chairman informed the members of the Board that, by letter dated March 7, 2017 and addressed to the Board of Directors and to the Corporation's statutory auditor, SWID AG, Pubal Consulting LLP and TTP bvba had given notice of a conflict of interest in relation to the items re-election as a member of the Board of Directors and, with respect to SWID AG as well as Pubal Consulting LLP, in relation to the proposal for dividend. The letters were handed over to the Secretary for filing with the Board's records. Messrs. Jensen, Wagner and Vanderhaegen confirmed that they will abstain from discussion and the vote relative to those items on the agenda. The other members of the Board then confirmed that none of the items on the present agenda raised a conflict of interest.

Following a brief review of the items on the agenda by the Chairman and of the various documents relative to these items that were sent to the members of the Board, the Chairman then moved for a decision on the items that required approval of the Board, and after discussion, the Board resolved as follows:

...

The Chairman then recalled for the members of the Board the issue of the expiration of the mandates of SWID AG and of TTP bvba as a director, the caveat of the limitation on the status of TTP bvba as independent director and the proposal by the Remuneration Committee referred to earlier in the meeting. He then moved for a decision and the Board adopted the following resolution:

(in English)
"Upon a motion duly made, the Board of Directors resolved unanimously, with Messrs. Jensen and Vanderhaegen abstaining from the discussion and vote, to propose SWID AG, represented by Mr. Jesper Munch Jensen, and TTP bvba, represented by Mr. Erik Vanderhaegen, for reappointment by the shareholders to the Board of Directors, for a term of 4 years and with respect to TTP bvba, with the qualification as independent director; resolved further to submit such proposal for approval by the shareholders at its Annual Meeting to be held on May 16, 2017."

...

<u>Presentation and Approval Financial statements 2016 JENSEN-GROUP NV – Preparation and approval of report to Shareholders – Proposal for dividend</u>
The Chairman reviewed with the Board the draft financial statements and consolidated accounts of the Corporation for the year ended as at December 31, 2016, the proposal for the Report to the Shareholders on the Corporation's activities in the course of 2016 and the proposal for the payment of a dividend. Copies of the draft financial statements, the consolidated accounts and the draft Report are annexed to these minutes as Appendix 1.

At the suggestion of the Chairman, the Board resolved to adopt the following resolution:

(In English)
"Upon a motion duly made, the Board of Directors resolved unanimously to approve the financial statements of the Corporation for the year ended as at December 31, 2016 and the proposal for the Report to the Shareholders on the Corporation's activities and the Corporate Governance Statement, as presented at this meeting and as annexed to the minutes of this meeting; resolved further that the Chairman and the Managing Director are authorized to amend such Report if and when such amendments are necessary and provided such amendments are not material; resolved further that the Chairman and the Managing Director are authorized and directed to

finalize and formally file the Corporation's financial statements."
"Upon a motion duly made, the Board of Directors resolved unanimously to approve the consolidated accounts for the year ended as at December 31, 2016 including the explanatory notes, as presented at this meeting and as annexed to the minutes of this meeting; resolved further that the Chairman and the Managing Director are authorized and directed to finalize such consolidated accounts and to amend such notes if and when such amendments are necessary and provided such amendments are not material."
"Upon a motion duly made, the Board of Directors resolved unanimously, but with Messrs. Jensen and Wagner abstaining from the deliberation and vote, to approve the proposal for the payment of a dividend to the Corporation's shareholders in the amount of 0.25 euro per share plus a supplemental dividend of 0.25 Euro per share, payable as of May 31, 2017."

...

There being no further business to discuss, the meeting was adjourned at 04.00 p.m."

Investments and capital expenditures

Investments and capital expenditures in 2017 amounted to 3.4 million euro (10.1 million euro in 2016), consisting primarily of the acquisition of one of the Group's major German suppliers, the increase in shareholding in TOLON GLOBAL MAKINA Sanyi Ve Tikaret Sirketi A.S., Turkey, by 6.33% to 36.33%, and equipment and vehicles. Capital expenditures in 2016 consisted primarily of the acquisition of the Group's Norwegian distributor, the acquisition of an equity stake of 30% in TOLON GLOBAL MAKINA Sanyi Ve Tikaret Sirketi A.S., Turkey, of land and a building in Denmark, leasehold improvement in China, product transfer, and equipment and vehicles.

Use of financial instruments

The Company uses derivative financial instruments to reduce its exposure to adverse fluctuations in interest rates and foreign exchange rates. It is the Company's policy not to hold derivative instruments for speculative and trading purposes.

At December 31, 2017, currency bought forward hedges existed in an amount of 4.9 million euro and currency sold forward hedges existed in an amount of 38.1 million euro. The Company also had Interest Rate Swaps (IRS) outstanding in amounts of 13.3 million DKK with maturities from 2022 to 2024 and fixed rates ranging from 4.86% to 5.11%.

Product Development

JENSEN-GROUP does not perform fundamental research but undertakes continuous product development. These expenses in respect of the continued operations amounted to 5.1 million euro in 2017 (6.7 million euro in 2016). JENSEN-GROUP does not capitalize development expenses since its business reality makes it very difficult to distinguish product enhancements from adaptations to specific circumstances, and to define the future cash flows that will originate from these efforts. Furthermore, as the development expenses are relatively stable and are a continuous process, JENSEN-GROUP does not capitalize these efforts but expenses them as incurred.

Corporate Governance Statement

Statement on Corporate Governance

The JENSEN-GROUP NV has adopted the Belgian Corporate Governance Code in its revised 2009 version as its reference Code. The Code 2009 is available on www.corporategovernancecommittee.be. The Company has implemented the Belgian Corporate Governance Code since 2004, reviewing the major requirements of and evolution in the Code and evaluating the degree of compliance within the JENSEN-GROUP. To the best of our knowledge and belief, JENSEN-GROUP is compliant with the Corporate Governance Code.

As a result of these efforts, the Board of Directors of JENSEN-GROUP NV has adopted and has published the following charters:

- Charter of the Board of Directors, including standards of independence and requirements for Directors;
- Charter of the Remuneration Committee;
- Charter of the Audit Committee;
- Communication Policy;
- Role and Responsibilities of the Chairperson of the Board of Directors; and
- Role and Responsibilities of the Executive Management.

These Charters can be found on our website www.jensen-group.com under Investor Relations/Corporate Governance. They are regularly reviewed and evaluated by the Board of Directors. The Charters are part of the day-to-day proceedings of the Company's Board of Directors and Board Committees, and are to the best of our knowledge and belief compliant with the Code.

According to the "comply or explain" principle, the Company may deviate from the Code provided it duly explains the reasons for such deviation. Reasons could be linked to the Company's nature, organization and/or size. Based on its internal risk assessment as well as on the size of its operations, the Company has outsourced the internal audit function to external parties. JENSEN-GROUP does not have an internal audit staff because:

- JENSEN-GROUP consists of multiple smaller entities with limited turnover, which are closely monitored by local management teams;
- The management teams are further monitored by the JENSEN-GROUP headquarters through quarterly operational and financial reviews as well as regular site visits by the management of JENSEN-GROUP headquarters;
- All JENSEN-GROUP subsidiaries are aware of the JENSEN-GROUP policies and procedures, and the relative size of the JENSEN-GROUP continues to allow for regular communication and face-to-face meetings with all local management teams;
- All JENSEN-GROUP companies are audited by the same accounting firm and significant risk factors are consistently reviewed in the external audit scopes of the different subsidiaries.

The Company's Audit Committee has concluded that an in-house internal audit function would not be an effective function. As an alternative, in consultation with the external auditor and on the basis of a risk analysis, the Audit Committee develops internal audit priorities and retains an independent outside audit firm for specific internal audit projects. It is considered that this approach is more effective than an in-house internal audit function. The Audit Committee can outsource the internal audit activity to a locally competent internal audit service provider.

The professional qualifications and duties of the Director(s) to be (re)-appointed were not stipulated in the invitation and notices to the next Annual Shareholders' Meeting, given that these qualifications are already published in several press releases and annual reports and include broad international experience, operational knowledge and adequate financial knowledge in order to function in an audit committee or remuneration committee.

The information found in the Corporate Governance Charter is provided "as is" and is solely intended for clarification purposes. The recommendations and policies found in the Charters are in addition to and are not intended to change or interpret any law or regulation, or the Certificate of Incorporation or Bylaws of the Company. By adopting these Charters, attachments and possible sub-charters, the Company does not enter into any obligation or contractual or unilateral commitments whatsoever. The Charters are intended as a guideline in the day-to-day proceedings of the Company. Competences and tasks attributed to the Board of Directors are to be seen as enabling clauses, not as mandatory rules or a compelling line of conduct.

Risk Management and Internal Control

In accordance with the provisions on corporate governance in the Law of December 17, 2008 and in the so-called Corporate Governance Law of April 6, 2010 (hereinafter referred to as "the Law"), JENSEN-GROUP NV has adopted and implemented a risk management and internal control process.

The following description of risk management and internal control is based on the Integrated Internal Control Framework and the Enterprise Risk Management Framework as published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

The Board of Directors supervises the proper functioning of risk management and internal control through the Audit Committee. The Board of Directors has delegated to the Executive Management Team the task of implementing a risk management process and an internal control system and of reporting back to the Board on both topics at regular intervals.

Risk management

Based on a framework model prepared by an external consultant, the Executive Management Team has developed a risk map describing the financial, operational, strategic and legal risks. This risk map was prepared for the first time in 2008 and is now reviewed on a regular basis. The map outlines both the probability of the different risks occurring, and the impact of their occurrence on the results. Measures to mitigate the risk exposure are evaluated. The Executive Management Team has presented the conclusions of this risk management exercise to the Audit Committee and to the Board of Directors. The Board of Directors discusses the major risks with management on an as needed basis, but at least once a year.

The Executive Management Team discloses quarterly a certain number of risk areas as reported during the quarterly review process by the reporting entities. The Executive Management Team then re-examines those risks and formulates approaches to mitigate the risk and looks at various forms of transferring these risks to third parties in the areas in which a material risk exposure to the Company remains.

Internal control

Definition

Internal control is a process, effected by the Board of Directors, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories: a) Effectiveness and efficiency of operations; b) Reliability of financial reporting; and c) Compliance with laws and regulations.

Control environment

The Board of Directors and the Executive Management Team have approved and adopted the JENSEN-GROUP Ethical Business Statement (hereinafter referred to as "the Statement"). The Statement sets forth the JENSEN-GROUP's mission as well as the Group's ethical values; it describes its rules of conduct as well as the transactions that are permissible between JENSEN-GROUP and third parties to the extent that these transactions are not covered by the legal provisions on conflict of interest. Implementation and application of the JENSEN-GROUP Ethical Business Statement is mandatory for all of the companies of JENSEN-GROUP. The review of the Statement is integrated in every training session that is organized. The Statement is available on the corporate website www.jensen-group.com under Investor Relations/ Corporate Governance.

The JENSEN-GROUP consists of several entities which are closely monitored by local management teams. JENSEN-GROUP headquarters further monitors the local management teams through quarterly operational and financial reviews. In addition, the Company's Group Control and Reporting reviews the different entities on a quarterly basis.

JENSEN-GROUP monitors its business with a view towards achieving a certain level of ROCE (Return on Capital Employed).

The local management teams are responsible for implementing the JENSEN-GROUP procedures and guidelines.

Control activities and monitoring

Conformity with reporting requirements

All applicable IFRS accounting principles, guidelines and interpretations are grouped in the accounting manual, which is part of the JENSEN-GROUP Procedures and Guidelines. The JENSEN-GROUP Procedures and Guidelines are available on the JENSEN intranet and accessible by all local management and staff of the Group. The accounting manual is updated on a regular basis. Additional reporting is undertaken as requested by management and/or the Audit Committee and where appropriate, is included in the accounting manual.

The Financial Managers of the Group meet at regular intervals. During each such seminar, the Financial Managers are informed of relevant changes in IFRS. Training is provided on an as needed basis to ensure correct implementation of such changes.

A majority of the Group companies use the same ERP system. The policy has been adapted to move all of the Group companies to the same ERP system over time. All companies of the Group use the same software to report the financial data for consolidation purposes.

Group management has introduced, after discussion with the Audit Committee, a set of key controls to provide reasonable assurance about the reliability of financial reporting and of the financial statements made available to external parties starting in 2009. Local management has implemented these key controls. The set of key controls is reassessed from time to time and amended if necessary.

Financial Reviews

Group Controlling and Reporting reviews every quarter all data submitted for consolidation for financial accuracy, consistency with and any deviations from budgets and the explanations given, in order to ensure the accuracy of the reported data. Group management then ensures proper follow up and actions on deviations from budget.

Operational reviews

Monitoring is performed during the Business Board Reviews. These quarterly reviews include a financial review which specifically focuses on major changes in P&L and balance sheet items, deviations from budgets as well as consistency in applying IFRS rules. The internal control system is monitored on a quarterly basis.

Management's monitoring of internal controls is performed on a continuous basis. The performance of the individual companies is measured and compared to budgets and previous years' figures which may identify anomalies indicative of a control failure. Failures are promptly remedied.

All JENSEN-GROUP companies are audited or reviewed by the same accounting firm and significant risk factors are reviewed consistently in the external audits of the different subsidiaries. The external auditor reports to the Audit Committee twice a year on their findings and on significant issues.

Relevant findings by the Internal Audit (which is outsourced as described above) and/or by the Statutory Auditor are reported to both the Audit Committee and to the management concerned. Periodic follow-up is performed to ensure that corrective action has been taken.

All relevant financial information is presented to the Audit Committee and to the Board of Directors so as to enable them to analyze the financial statements. Prior to external reporting, all press releases and other financial information is subject to:

- Appropriate review and controls by JENSEN-GROUP headquarters;
- Review by the Audit Committee; and
- Approval of the Board of Directors.

The Company's Audit Committee has decided that an in-house internal audit function would not be an effective function. In consultation with the external auditor and on the basis of a risk analysis, the Audit Committee has worked out an internal audit plan and retains an independent outside audit firm for specific internal audit projects. It is considered that this approach is more effective than an in-house internal audit function. The Audit Committee can outsource the internal audit activity to a locally competent audit service provider.

In 2016, an independent audit firm performed an internal audit at JENSEN Denmark. The audit findings were discussed during the Audit Committee meeting of March 15, 2017 and related to (i) the importance of pre- and post-calculations of major projects, (ii) points for improvements on project analysis and the assignment of costs, and (iii) suggestions to improve the product development process.

Also in 2017, an internal review was performed on the implementation and use of the ERP system with a view towards alignment within the Group.

Significant results from prior internal audit reports are regularly reported on with respect to progress if the related issues are not yet fully resolved.

Information and communication

Group Controlling provides management with transparent and reliable management information in a form and time-frame that enables them to effectively carry out their responsibilities.

Every year, Group Controlling prepares a financial calendar for reporting in consultation with the Board of Directors and the Executive Management Team. The financial calendar is designed to allow accurate and timely reporting to external stakeholders.

In the first and third quarters, a trading update is released. At half-year, condensed consolidated interim information is reported and at year-end the full Annual Report is published. Prior to external reporting, all press releases and other financial information are subject to appropriate controls by JENSEN-GROUP headquarters and to a review by the Audit Committee and require approval of the Board of Directors.

Composition of the Board of Directors

The members of the Board of Directors are appointed by the shareholders, voting by simple majority, during the general meeting of shareholders.

The Company's bylaws allow for appointment by cooptation. If cooptation occurs, it is considered as a transitional arrangement whereby the director-elect completes the mandate of the outgoing director as opposed to taking on a new mandate. For this reason the transition period is not considered as a mandate in the independence rule review, where the Company looks at total years of service on the Board of Directors.

The Company's bylaws require the Board of Directors to have at least three but not more than eleven members. Board members are elected for terms of office of no more than four years.

The Company's bylaws are supplemented by the Charter of the Board of Directors. This Charter outlines and details the Board's role and responsibilities and is revised from time to time. This Charter includes 4 major chapters:

1. Functioning of the Board: directors' responsibilities, number of Board and Committee meetings, Company Secretary, setting the agenda of Board meetings, director compensation, orientation and education, CEO evaluation, management succession, director access to officers and employees, use of independent advisors.
2. Board structure: size of the Board, selection of directors, required qualifications, including the criteria of independence, resignation from the Board and term limits.
3. Committees of the Board: establishment of the Audit Committee and of the Remuneration Committee.
4. Other Board practices: directors' roles and responsibilities, terms of reference of the Chairman of the Board and of the Executive Management Team, interaction with institutional investors, analysts, media, customers and members of the public at large, limitation of liability, policy to prevent insider trading and market abuse, conflict of interest policy and code of conduct and evaluation of Board performance.

For more details, please consult our website on www.jensen-group.com under Investor Relations/Corporate Governance.

As in the past, JENSEN-GROUP NV selects its Board members in a manner that allows for a balance in the profiles of the different directors. A balance is sought between executive and non-executive directors, directors representing shareholders and independent directors, and also in respect of directors' professional backgrounds, experience and gender. A majority of the members of the Board of Directors are not related to the Company's controlling shareholders.

The Law of July 28, 2011 on gender diversification requires that at least one third of the Board members must be female. JENSEN-GROUP NV has to meet the criteria on gender diversification no later than December 2018. At the Annual Shareholders' Meeting of May 2015, Inge Buyse bvba, represented by Mrs. Inge Buyse, was appointed as a director and consequently, the Board of Directors now includes one female member. The Company opts not to change the composition of the Board of Directors in the current set up; there is a balance in respect of skills and capability. When a vacancy on the Board occurs and a proposal for a new member needs to be made, the Remuneration Committee will see to it that the Law of July 28, 2011 on gender diversity is taken into account in order to ensure due and timely compliance by the Company with the deadline imposed by the Law.

The composition of the Board of Directors of JENSEN-GROUP NV, the attendance records of the individual Directors, as well as their remuneration packages, is as follows:

Name	Function	Independent	Term Expiry	Attendance Board meetings	Commit-tees	Attendance committees	Remuneration
GOBES CV[1]	Chairman		2020	100%	AC	100%	100,000
represented by Mr. Raf Decaluwé					RC	100%	
SWID AG[2]	Director		2021	100%			-
represented by Mr. Jesper Munch Jensen							
TTP bvba[1]	Director	V	2021	100%	AC	100%	45,500
represented by Mr. Erik Vanderhaegen							
Mr. Peter Rasmussen[1]	Director	V	2018	100%	RC	100%	42,500
Pubal Consult LLP[1]	Director	V	2019	100%	RC	100%	42,500
represented by Mr. Jobst Wagner							
Inge Buyse bvba[1]	Director	V	2019	100%	AC	100%	45,500
represented by Mrs. Inge Buyse							
Total							**276,000**

1: Non-executive director

2: Executive director, CEO, representing the reference shareholder

AC: Audit committee

RC: Remuneration Committee

From left to right: Mr. Jobst Wagner, Mrs. Inge Buyse, Mr. Raf Decaluwé, Mr. Jesper Munch Jensen, Mr. Erik Vanderhaegen, Mr. Peter Rasmussen.

Gobes Comm.V., represented by Mr. Raf Decaluwé. Mr. Decaluwé is the former CEO of the Bekaert Group. He held senior positions at Black & Decker and Fisher Price Toys prior to joining the Bekaert Group. Mr. Decaluwé is a Board member or advisor in various companies.

SWID AG, represented by Mr. Jesper Munch Jensen. Mr. Jensen is the CEO of the JENSEN-GROUP.

TTP bvba, represented by Mr. Erik Vanderhaegen. Mr. Vanderhaegen is the former CFO of the JENSEN-GROUP. He is currently Managing Director of NIBC Bank NV and an investor in a health start-up. Prior to that, he was M&A manager at Univeg NV/SA and corporate tax, audit and M&A manager at Bekaert NV/SA.

Mr. Peter Rasmussen is General Manager of Asia Base, a company specialized in market studies, establishments and acquisitions in China. Mr. Rasmussen holds positions as member of the Board in various companies in China.

Pubal Consult LLP, represented by Mr. Jobst Wagner. Mr. Wagner is Chairman and co-owner of the globally active Rehau Industrial Group. He holds several other positions such as vice chairman of Privatbank von Graffenried, as Board member of Avenir Suisse think tank, and as Chairman of Kunsthalle Foundation. Mr. Wagner resides in Bern, Switzer-land.

Inge Buyse bvba, represented by Mrs. Inge Buyse. Mrs. Buyse is CEO of AZ Groeninge. Before that she held CEO positions in Sapa, Koramic Roof Tiles and Telindus. Mrs. Buyse is a Board member of RealDolmen and the Flemish Symphony Orchestra.

The Board of Directors held five meetings in 2017. The topics of discussion included:

- JENSEN-GROUP overall strategy, strategic plans, organization and budgets;
- Economic and market developments;
- JENSEN-GROUP financial structure and performance and external reporting;
- Convening of the Annual Meeting of Shareholders and re-appointment of the Statutory Auditor;
- Investment and M&A projects;
- Shareholder value creation and return;
- Corporate Governance and Compliance;
- Status of internal controls and risk management.

Depending on the items on the agenda, members of the Executive Management Team were invited into the meetings of the Board of Directors and of the Board Committees. Mr. Steen Nielsen, the former Executive Director Finishing Technology, participated in four meetings as a consultant to the Board of Directors. Mr. Werner Vanderhaeghe, a Senior Counsel with the Olislaegers & De Creus law firm in Brussels, Belgium, is the Company Secretary. Mr. Vanderhaeghe also acts as General Counsel of the Group.

Evaluation of the Board of Directors

The Board of Directors and the Board Committees conduct from time to time a self-evaluation exercise to determine whether the Board and its Committees are functioning effectively. This process includes the completion by all members of a self-evaluation questionnaire. The Group General Counsel or an external party summarizes the results, trends and comments from the individual replies. The results, trends and comments are discussed within the Board of Directors and focus on the Board's and the Board Committees' contribution to the Company and specifically on areas in which the Board or Executive Management believes that the Board or its Committees could improve. Action points are derived and implemented.

Individual assessments of the Board members are made on an ongoing basis during Board meetings in an informal way.

In 2017, the Board of Directors conducted a self-assessment to determine whether the Board is functioning effectively. The results of this self-assessment will be discussed during the Board meeting of March 2018.

Committees established by the Board of Directors

Remuneration Committee

The Remuneration Committee consists of Gobes Comm.V., represented by Mr. Raf Decaluwé, who acts as Chairman of the Committee, Pubal Consult LLP, represented by Mr. Jobst Wagner and Mr. Peter Rasmussen.

Two of the three members of the Committee qualify as independent directors. The Remuneration Committee met twice in the course of 2017. The Committee analyzed and reviewed the remuneration and the bonuses of the Executive Management Team of the Group, the fees of the Board of Directors and discussed and approved the remuneration report. Further, the Remuneration Committee discussed the re-election of Board members. The Remuneration Committee also discussed the succession planning of the CEO and of the Board.

In 2017, the Remuneration Committee conducted a self-assessment exercise. The results of the Remuneration Committee's self-assessment and the proposed action points for improvement will be discussed during the Remuneration Committee meeting of March 2018.

The Remuneration Committee uses its Charter as terms of reference. The Charter can be found on our website www.jensen-group.com under Investor Relations/Corporate Governance. The Charter covers:

- Authority;
- Objectives;
- Composition;
- Role of the Chairperson;
- Responsibilities;
- Meetings;
- Attendance;
- Non-consensus;
- Objectivity;
- Access to members of management;
- Reporting and appraisal;
- Remuneration report;
- Performance Evaluation.

Audit Committee

The Audit Committee consists of TTP bvba, represented by Mr. Erik Vanderhaegen, who acts as Chairman of the Committee, Gobes Comm. V., represented by Mr. Raf Decaluwé and Inge Buyse bvba, represented by Mrs. Inge Buyse.

Two of the three members of the Committee qualify as independent directors. The Audit Committee met four times in the course of 2017. Two meetings were held in the presence of the external auditor PwC, represented by Mrs. Lien Winne. Items on the agenda of the Audit Committee included:

- Discussion of the findings of the external auditor on the financial statements as at December 31, 2016;
- Discussion of the findings of the specified procedures on the financial statements as at June 30, 2017;
- Discussion of the financial statements and condensed financial statements;
- JENSEN-GROUP Financial structure;
- Self-assessment;
- Review of accounting treatments: new IFRS standards affecting the Company, mainly IFRS 15: Revenue Recognition;
- Internal audit plan and internal audit findings;
- Cyber security;
- Insurances;
- Re-appointment auditor;
- Non-financial information;
- Corporate Governance and Compliance;
- The Risk management and Internal Control System.

In 2016, the Audit Committee conducted a self-assessment to determine whether the Committee is functioning effectively. The results of this self-assessment were discussed during the Audit Committee meeting of March 2017. The self-assessment report concluded that the Audit Committee is functioning appropriately. Some recommendations were made with a view towards a better flow of information on regulatory changes, accounting and reporting updates and on correspondence with the FSMA, Euronext and NBB.

The Audit Committee uses its Charter as terms of reference. The Charter is published on our website www.jensen-group.com under Investor Relations/Corporate Governance. The Charter includes such items as:

- Roles and responsibilities;
- Number of meetings;
- Composition of the Audit Committee;
- Role of the Chairperson;
- Presence of the external auditor;
- Performance evaluation.

Senior management attends each Audit Committee meeting in part, with the remainder of the meeting reserved for an executive session with the external auditor and for the Audit Committee members only.

Conflicts of Interest within the Board of Directors

As required under Belgian Company Law, the members of the Board of Directors are expected to give the Chairman prior notice of items on the agenda in respect of which they have a direct or an indirect conflict of interest with the Company, either of a financial or other nature, and to refrain from participating in the discussion and vote on those items. The Chairman and the Board monitor constantly potential conflicts of interest that do not fall within the definition as set forth by Company Law. The review of a potential conflict of interest is a standard item on the agenda of each Board meeting.

Two potential conflicts arose in the course of 2017 at the meeting of the Board of Directors that was held on March 15, 2017. During this meeting the re-elections of SWID AG and TTP bvba as members of the Board of Directors and the dividend proposal were discussed. The minutes of this meeting are included in the Report of the Board of Directors.

In case of doubt, written confirmation is sought from the director or the senior executive involved, stating the reasons for the absence of a conflict of interest as more broadly defined.

Policy to prevent Insider Trading

The Company has had a longstanding policy on insider trading and the prevention of improper conduct or appearance in that regard. Following the recent introduction of new EU legislation and applicable regulations on market abuse, the Board of Directors has revised its guidelines on the subject and which are set forth in a Protocol to prevent Market Abuse.

The purpose of this Protocol is, inter alia, to inform:

- any person who possesses inside information (either as a shareholder, director, member of the management team, employee, service provider or any other person by virtue of his function, duties or employment), (i) of their legal and regulatory duties regarding the prevention of insider dealing, tipping and the unlawful disclosure of inside information; and (ii) of the applicable sanctions;
- any person who has been identified as a Reference Shareholder, Key Manager, Person with Management Responsibility or Key Employee of the Company that they and, by extension, their spouses, children of age living at home and advisors, may under no circumstances trade the Company's securities during a closed period i.e.:
  - (i) the period of sixty (60) calendar days immediately preceding the announcement of the Company's annual results and extending through and including 48 hours following such announcement;
  - (ii) the period of thirty (30) calendar days immediately preceding the announcement of the Company's half-year results and extending through and including 48 hours following such announcement; and
  - (iii) the period of thirty (30) calendar days immediately preceding the announcement of the Company's quarterly results and extending through and including 48 hours following such announcement.
- any person who has been identified as a Reference Shareholder, Key Manager, Person with Management Responsibility or Key Employee of the Company that they and, by extension, their spouses, children of age living at home and advisors, must notify the Compliance Officer of the Company and the Belgian Regulator (i.e. the Financial Services and Market Authority or, abbreviated, FSMA) of every transaction in the Company's securities if and when the total amount of transactions has reached or exceeds the threshold of EUR 5,000 within a given calendar year.

The Company requires a signed Statement from all those concerned, acknowledging that they have read the Protocol to prevent Market Abuse, that they understand its content and that they agree to comply with its provisions.

Notwithstanding the above, all trading in the Company's shares requires prior authorization from the Compliance Officer. In addition, all Directors and members of the Executive Management Team are required to inform the Compliance Officer on a quarterly basis of any trading respectively to confirm any non-trading in the Company's shares. Mrs. Scarlet Janssens is the Compliance Officer of JENSEN-GROUP NV. As of December 31, 2016, the members of the Board of Directors and the Executive Management Team together held 19,920 shares. Next to this, Mr. Jesper M. Jensen owns indirectly shares in JENSEN-GROUP NV, see Note 8 – Equity. No warrants are outstanding.

The Policy to prevent Insider Trading and relevant provisions of the Protocol to prevent Market Abuse are included in the Charter of the Board of Directors. The Charter can be found on our website www.jensen-group.com under Investor Relations/Corporate Governance.

Executive Management

In 2005 the Bylaws of the Company were amended so as to authorize the Board of Directors to delegate its powers of day-to-day management to an executive committee in conformity with art. 524 bis of the Company Law. The Board of Directors has not acted on that authorization to date.

In the course of 2009, an Executive Management Team (EMT) was appointed. The EMT consists of the Chief Executive Officer (CEO), the Chief Financial Officer (CFO), the Chief Sales Officer (CSO), the Chief Operating Officer (COO) and the Executive Director Finishing Technology. The CEO chairs the Executive Management Team meetings.

From left to right: Markus Schalch, Christoph Ansorge, Jesper Munch Jensen, Morten Rask, Martin Rauch.

The Executive Management Team is responsible for:
- The development of the overall Group strategy;
- The introduction and implementation of an internal control framework and risk management processes, in line with the nature, organization and size of the Group;
- The implementation and the deployment of the Ethical Business Statement;
- The preparation of the financial statements and disclosures;
- The report of the CEO and CFO to the Board of Directors with respect to the financial situation of the Group;
- The presentation at regular intervals to the Board of Directors of all information necessary for the Board to carry out its duties;
- Evaluation of the adequacy of the manufacturing footprint.

The Executive Management Team meets at least every quarter and consists of:
- Jesper Munch Jensen, Chief Executive Officer;
- Christoph Ansorge, Chief Operating Officer;
- Morten Rask, Executive Director Finishing Technology;
- Martin Rauch, Chief Sales Officer; and
- Markus Schalch, Chief Financial Officer.

Jesper Munch Jensen, permanent representative of SWID AG, started his career at Swiss Bank Corporation and worked as a stockbroker on the Swiss Stock Exchange (1984-1987). After obtaining an MBA degree from Lausanne Business School, he joined JENSEN-GROUP as an assistant general manager of JENSEN Holding (1991). Mr. Jensen became CEO of JENSEN-GROUP in 1996.

Christoph Ansorge is a former Vice President at Agfa-Gevaert AG and a former Member of the Vorstand of Agfa-Gevaert Aktiengesellschaft für Altersversorgung. He held senior positions in Strategy, Finance & Administration and Operations within the Agfa-Gevaert Group. Prior to that, he was Manager at Bayer AG Germany. Mr. Ansorge served as a Board member of JENSEN-GROUP NV from November 2011 until December 2013. As from October 1, 2013, Mr. Ansorge became general manager at JENSEN GmbH. Mr. Ansorge joined the Executive Management Team in January 2014 as Executive Director Washroom Technology. Mr. Ansorge became Chief Operating Officer on October 1, 2017.

Morten Rask holds a Bachelor of Science degree in Mechanical Engineering and a Bachelor of Commerce of Foreign Trade. Between 1991 and 2007 he worked for SOCO Systems, and held various positions in sales and project sales. Mr. Rask joined the JENSEN-GROUP in 2007 as Production Manager and became Managing Director at JENSEN Denmark. Mr. Rask joined the Executive Management Team in October 2015 as Executive Director Finishing Technology.

Martin Rauch holds a Bachelor of Science degree in Electrical Engineering. After his studies in 1989, he joined JENSEN AG Burgdorf and held various positions in the technical and commercial areas. Mr. Rauch became General Manager of JENSEN AG Burgdorf in 2003 and Managing Director of JENSEN SWEDEN AB following the formation of the Garment Technology Business Unit in 2006. Mr. Rauch joined the Executive Management Team as Director of Garment Technology that year and is, as per January 1, 2014, Executive Director of Sales and Innovations. Mr. Rauch became Chief Sales Officer in 2017.

Markus Schalch holds a Master of Arts in Finance and Accounting from the Hochschule St. Gallen. He started his career in an audit firm for two years prior to joining the Alstom Group in various finance positions. In 2000, Mr. Schalch joined a leading Swiss telecommunication firm where he became CFO of Swisscom Systems Ltd. (2002-2004) and was then appointed CFO of Swisscom Solutions AG (2005 till August 2007). Mr. Schalch joined the JENSEN-GROUP in September 2007 as CFO.

Remuneration Report

The remuneration policy is intended to attract and retain the qualified and talented employees that are needed to support the long-term development and growth of the Company.

By offering a competitive compensation package, the Company intends to stimulate individual performance and to align the employees' individual interests with those of the shareholders and other stakeholders.

The compensation of the Board of Directors, the CEO and the Executive Management Team are reviewed by the Remuneration Committee and approved by the Board of Directors. The shareholders approve the Remuneration Report.

The market conformity of compensation packages of the Board of Directors and of the Executive Management Team is periodically checked with the support of external, independent advisors.

Remuneration of the Board of Directors

The remuneration of the non-executive Directors is based on their responsibility and their specific tasks within the Board of Directors. The fees for non-executive Directors, with the exception of the Chairman, consist of a fixed remuneration of 17,000 euro and an attendance fee of 3,000 euro per Board meeting and 1,000 euro if the Board meeting is by telephone. Members of Board Committees receive a fixed fee of 7,500 euro per year and an attendance fee of 1,500 euro per meeting. This does not apply to the Chairman of the Board of Directors. The Chairman of the Board of Directors receives a fixed fee of 100,000 euro per year. Directors do not receive any variable compensation. The CEO does not receive any compensation as a member of the Board. The total fees paid to Board members and members of the Board Committees amount to 276,000 euro, which is within the amount of 350,000 euro approved by the shareholders.

The following Director received additional compensation for services and assistance rendered in connection with specific projects and assignments as an advisor to the Company, on top of his Board fees: Asia Base Research Suzhou Co. Ltd, a company of which Mr. Peter Rasmussen is the sole shareholder rendered consultancy services for a total amount of 251,766.22 CNY (approximately 33 KEUR) in fees to JENSEN-GROUP.

Mr. Jobst Wagner owns 17,420 shares. Mr. Jesper M. Jensen indirectly owns shares in JENSEN-GROUP NV, see Note 8 – Equity.

Remuneration of the Executive Management Team

The Remuneration Committee prepares all recommendations relating to the appointment and the remuneration of the Executive Management Team based on proposals made by the Chief Executive Officer. The Committee discusses in detail the remuneration policy, pay levels and the individual performance evaluations of members of the Executive Management Team. The external auditor reviews the conformity of the remuneration paid out to the Executive Management Team with the amounts proposed by the Remuneration Committee and approved by the Board of Directors. The Remuneration Report is approved by the shareholders.

The Executive Management Team remuneration is composed of a base salary and variable compensation that are paid out in cash or used for pension plan contributions depending on the managers' country of residence, life insurance, other customary insurances and benefits. Appointments to the Board of Directors of certain subsidiaries can also be remunerated. Executive managers are provided with all resources needed to perform their duties.

The target variable compensation is in a range of 20% to 30% of the total remuneration, except for the Chief Executive Officer, whose variable compensation is targeted to amount to up to 50% of his base remuneration. There is a cap above and a minimum target below which no variable compensation is paid. The variable remuneration of Executive Management (CEO and EMT) is based on performance against the following objectives:

- Individual, qualitative objectives for 20% to 40% of the total target amount. Qualitative objectives focus on important projects and actions to be realized during the year;
- Quantitative objectives for 60% to 80% of the total, divided between:
  - The financial results against target of the Group in terms of profitability, capital employed, specific elements of capital employed and/or cash flow;
  - The financial results against target of the unit for which the individual manager is accountable.

The Group targets that are to be achieved are defined by the Board of Directors, following review and discussion within the Remuneration Committee, as part of the annual budget review process, whereby the budget is first evaluated in the context of the strategic plan.

For the year 2017, the Group targets were set on operating profit and cash flow before financing.

During the Annual Meeting of May 2014, the shareholders approved an extension of the exemption from the Law on Corporate Governance of April 6, 2010 and in particular of its provision requiring the spread of objectives and variable compensation payments over several years during a term of five years expiring at the Annual Meeting of May 2019.

Where pension plans are customary, the Executive Management Team participates in such pension plans.

As set forth in the section on Remuneration of the Board of Directors, the CEO does not receive any compensation as a member of the Board of Directors.

Total gross salaries paid to the Executive Management Team, including the CEO, in the course of 2017 amounted to 1,985,998 euro. The amount is composed as follows:

	2017	2017	2016	2016
In euro	**CEO**	**EMT, excluding CEO**	**CEO**	**EMT, excluding CEO**
Basic remuneration		981,660		966,778
Invoiced services	557,954		535,919	
Variable remuneration	133,840	215,606	191,200	214,235
Fixed expenses		21,696		22,098
Fringe benefits		33,324		34,082
Pension plan		41,918		40,655
Total	**691,794**	**1,294,204**	**727,119**	**1,277,848**

The basic remuneration includes the salaries of the salaried EMT members. It represents their total fixed compensation before local taxes and obligatory pension contributions. The basic remuneration includes the remuneration received for appointments to the Board of Directors of certain subsidiaries.

The CEO invoices his services through a separate company SWID AG. The amounts disclosed above include the amounts, totaling 691,794 euro (727,119 euro in 2016) that SWID AG invoiced to the Company. Invoiced services include basic remuneration, variable remuneration, fixed expenses, fringe benefits and pension plans.

The variable remuneration is based on performance against objectives as described above. The amount paid out in 2017 is based on the performances of 2016. The variable remuneration is paid out in cash or in the employees' pension plan or other benefit forms depending on the applicable legislation and on the preference of the employee.

Fixed expenses relate primarily to representation allowances.

The fringe benefits include the value of the company cars of the employees as well as the related car insurance premiums.

The pension plan is the contribution of the employer to a pension plan above contributions required by law. One manager participates in a defined contribution pension plan. Two managers participate in a defined benefit plan.

As required by law, salaries of the Executive Management Team members are disclosed on a global basis. The Remuneration Committee discusses all individual salaries and checks whether the remuneration paid is in line with market conditions. The market conformity of compensation packages is periodically checked with the assistance of external, independent advisors. The Board of Directors approves the remuneration amounts. The last remuneration report was approved by the shareholders.

The agreements with respect to termination of senior managers vary from country to country, subject to the applicable legislation. Legal regulations apply in countries where there is a legal framework, and for countries where there is no framework, a severance payment of up to, but not exceeding, two years' salary is granted. Mr. Jesper Munch Jensen and Mr. Christoph Ansorge have 18 months termination agreements. There are no change of control clauses included in the management contracts. Two managers have a two-year non-competition clause exercisable at the request of the Company. No special compensation is given in the event of voluntary departure.

No loans have been granted to members of the Executive Management Team. No unusual transactions or conflicts of interest have occurred.

The Executive Management Team holds a total of 2,500 shares:
- Jesper M. Jensen owns indirectly shares in JENSEN-GROUP NV, see Note 8 – Equity;
- Christoph Ansorge: no shares;
- Morten Rask: 1,000 shares;
- Martin Rauch: 1,500 shares;
- Markus Schalch: no shares.

No warrants are outstanding. There are no stock option plans.

Policy with respect to the appropriation of the result

Based on the result of past year and the current financial situation, the Board of Directors will propose an appropriate dividend.

Shareholding structure

The major shareholders are:

JENSEN INVEST A/S:	52.5%
CAPFI DELEN Asset Management NV:	5.5%
KBC Asset Management NV:	5.0%
Free float:	37.0%

The voting rights are described in note 8 - equity.

Acquisition of own shares

The Board of Directors decided at its meeting on November 14, 2013 to implement a share repurchase program to purchase a maximum of 800,300 treasury shares or 10% of the Company's then outstanding shares. The shares are bought at the stock exchange by an investment bank mandated by the Board of Directors. The buy-back mandate expired on October 4, 2017. During the extraordinary shareholders' meeting of May 12, 2016, the shareholders decided to cancel the 183,969 treasury shares bought to date, thereby reducing the total shares outstanding to 7,818,999 shares. No additional purchase of own shares were made either in 2016 or in 2017.

Relationships among shareholders

There is no agreement between the reference shareholders listed above.

Statutory Auditor

The Statutory Auditor is PwC Bedrijfsrevisoren, represented by Mrs. Lien Winne.

The Statutory Auditor received worldwide fees of 327,795 euro (excl. VAT) for auditing the statutory accounts of the various legal entities of the Group and the consolidated accounts of the JENSEN-GROUP. Apart from his mandate, the Statutory Auditor received during 2017 additional fees of 104,465.17 euro (excl. VAT). Of this amount, 33,527.50 euro was invoiced to JENSEN-GROUP NV and mainly relates to tax advice. The JENSEN-GROUP has appointed a single audit firm for the audit of the consolidated financial statements.

Issued capital

As at December 31, 2017, the issued share capital of the Company is 30.7 million euro, represented by 7,818,999 ordinary shares without nominal value.

There are no preference shares.

The Bylaws allow for the purchase of own shares. The Board of Directors decided at its meeting held on November 14, 2013 to implement a share buyback program to purchase a maximum of 800,300 treasury shares or 10% of the Company's then outstanding shares. The shares are bought at the stock exchange by an investment bank mandated by the Board of Directors. The buy-back mandate expired on October 4, 2017. During the extraordinary shareholders' meeting of May 12, 2016, the shareholders decided to cancel the 183,969 treasury shares bought to date, thereby reducing the total shares outstanding to 7,818,999 shares. No additional purchase of own shares were made in either 2016 or in 2017.

Pursuant to article 74, §6, of the Law of April 1, 2007, JENSEN INVEST A/S disclosed to both the FSMA and to JENSEN-GROUP NV that, as at September 1, 2007, it held in concert more than 30% of the shares with voting rights in JENSEN-GROUP NV.

Further details of the shareholders' notification are disclosed in note 8 - equity.

Dividend proposal

Based on the excellent result of the year and the current financial position, the Board proposes to the Annual Shareholders' meeting to approve a dividend of 1.00 euro per share. The order backlog and the absence of debt at the beginning of the year give management confidence to get off to a good start of 2018. The dividend pay-out will amount to 7,818,999.00 euro, based on the number of shares outstanding as per December 31, 2017.

Appropriation of results

JENSEN-GROUP NV reported in its statutory accounts a net profit of 189,660.33 euro. The Board of Directors proposes to appropriate this result as follows:

In euro	
Profit of the year	189,660.33
Dividend	7,818,999.00
Withdrawals from retained earnings	-7,629,338.67

This brings the total amount of retained earnings to 55,368,938.54 euro.

Significant post-balance sheet events

On January 2, 2018 the JENSEN-GROUP acquired a participation of 30% in Inwatec ApS, a Danish company that manufactures high-end heavy-duty laundry products. JENSEN has the option to increase its shareholding from 2020 thru 2023. Inwatec is active in more than 25 countries and employs 30 staff around the globe. The impact on the consolidated financial statements will not be material as this participation will be accounted for under the equity method.

Ghent, March 1, 2018

Statement of the Responsible Persons

We hereby certify, to the best of our knowledge, that the consolidated financial statements as of December 31, 2017, prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, and with the legal requirements applicable in Belgium, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the entities included in the consolidation taken as a whole, and that the management report includes a fair review of the development and performance of the business and the position of the Company and the entities included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Jesper M. Jensen
Chief Executive Officer

Markus Schalch
Chief Financial Officer

FREE TRANSLATION

STATUTORY AUDITOR'S REPORT TO THE GENERAL SHAREHOLDERS' MEETING OF THE COMPANY JENSEN-GROUP NV ON THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2017

We present to you our statutory auditor's report in the context of our statutory audit of the consolidated accounts of JENSEN-GROUP NV (the "Company") and its subsidiaries (jointly "the Group"). This report includes our report on the audit of the consolidated accounts, as well as the report on other legal and regulatory requirements. These reports form part of an integrated whole and are indivisible.

We have been appointed as statutory auditor by the general meeting dd. 16 May 2017, following the proposal formulated by the board of directors and following the recommendation by the audit committee. Our mandate will expire on the date of the general meeting which will deliberate on the consolidated accounts for the year ended 31 December 2019. We have performed the statutory audit of the consolidated accounts of JENSEN-GROUP NV for 16 consecutive years.

Report on the consolidated financial statements - Unqualified opinion

We have performed the statutory audit of the Group's consolidated accounts, which comprise the consolidated statement of financial position as at 31 December 2017, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information, and which is characterised by a consolidated statement of financial position total of '000 EUR 231,934 and a profit for the year, share of the Group, of '000 EUR 21,106.

In our opinion, the consolidated accounts give a true and fair view of the Group's net equity and consolidated financial position as at 31 December 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Basis for unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *"Statutory auditor's responsibilities for the audit of the consolidated accounts"* section of our report. We have fulfilled our ethical responsibilities in accordance with the ethical requirements that are relevant to our audit of the consolidated accounts in Belgium, including the requirements related to independence.
We have obtained from the board of directors and Company officials the explanations and information necessary for performing 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 accounts of the current period. These matters were addressed in the context of our audit of the consolidated accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter 1: revenue recognition of construction contracts
Description of the key audit matter

We focused on revenue recognition on construction contracts because JENSEN-GROUP substantially generates its revenue from projects which qualifies as construction contracts under IFRS. The recognition of revenue and the estimation of the outcome of fixed price construction contracts is complex and requires significant management judgement, in particular with respect to estimation of the cost incurred and the cost to complete the contracts. For these reasons, we identified revenue from construction contracts as a key audit matter.

Reference is made to note 1, summary of significant accounting policies, revenue recognition and note 6 contracts in progress. At December 31, 2017 gross amount due from customers for contract work included EUR 9 million of accrued profits.

How our audit addressed the key audit matter

Our testing of revenue recognition of construction contracts included both tests of the design and operating effectiveness of controls, as well as substantive procedures. We tested the controls that the company has put in place over its process to record contract costs and contract revenues and the determination of the stage of completion. Our audit procedures included considering the appropriateness of the Group's revenue recognition accounting policies. We also included an evaluation of the significant judgements made by management based on an examination of the associated project documentation and discussion on the status of projects under construction with finance and technical staff of the company for specific individual transactions/projects. In addition, in order to evaluate the reliability of management's estimates, we performed a rundown of subsequent costs incurred for closed projects. We also performed testing over manual journals posted to revenue to identify unusual or irregular items. We found no material misstatements from our testing.

Key audit matter 2: recognition of warranty and take back obligation provisions
Description of the key audit matter

Significant management judgement is required to assess the provision for expected warranty claims and take back obligations on the construction contracts. JENSEN records a provision for expected warranty claims on products sold during the year and a provision for take back obligations on products sold to a customer for which the customer wants to enter into a leasing contract with a Leasing Company, where a take back clause is included in the leasing contract. Assumptions used to calculate the provision for warranty claims are based on current sales levels and current information on warranty calls. For the provision for take back obligations, JENSEN-GROUP assesses the transfer of the risks and rewards and the potentials costs to take over and resell the machines. We considered this to be a key audit matter due to the size of provisions and because the recognition of those provisions required significant judgement from management.

Reference is made to note 11, provision for other liabilities and charges. The provisions for warranties and take back obligations amounted to EUR 10,7 million per December 31, 2017.

How our audit addressed the key audit matter

Our testing included both tests of the design and operating effectiveness of controls, as well as substantive procedures. We tested the controls that the company has put in place to review the sales contracts with specific attention to standard warranty period and take back obligations, record and monitor the ongoing and expected claims and take back cases on products and review and compare provisions to actual costs incurred. Our audit procedures included considering the appropriateness of the Group's accounting policies. We challenged management's assumption used in determining the provision through discussions with management and performing the following specific substantive procedure. On a sample basis we reviewed the contracts with take back obligations and reviewed the market value of the machines based on the history of cases where JENSEN-GROUP needed to take over the machines or similar transactions in their second hand business. For the provision for warranty we performed a rundown of subsequent costs incurred. We also performed testing over manual journals posted to revenue to identify unusual or irregular items. We found no material misstatements from our testing.

Responsibilities of the board of directors for the consolidated accounts

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

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

Statutory auditor's responsibilities for the audit of the consolidated accounts

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

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

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

We communicate with the audit committee regarding, 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.

We also provide the audit committee 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, we determine those matters that were of most significance in the audit of the consolidated accounts of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 director's report on the consolidated accounts, the separate report on non-financial information and the other information included in the annual report.

Statutory auditor's responsibilities

In the context of our mandate and in accordance with the Belgian standard (Revised) which is complementary to the International Standards on Auditing (ISAs) as applicable in Belgium, our responsibility is to verify, in all material respects, the directors' report on the consolidated accounts and the other information included in the annual report and to report on these matters.

Aspects related to the directors' report on the consolidated accounts and to the other information included in the annual report

In our opinion, after having performed specific procedures in relation to the directors' report on the consolidated accounts and to the other information included in the annual report, this report is consistent with the consolidated accounts for the year under audit, and it is prepared in accordance with article 119 of the Companies' Code.

In the context of our audit of the consolidated accounts, we are also responsible for considering, in particular based on the knowledge acquired resulting from the audit, whether the directors' report on the consolidated accounts and the other information included in the annual report on the consolidated accounts, included in the section report to the Board of directors is materially misstated or contains information which is inadequately disclosed or otherwise misleading. In light of the procedures we have performed, there are no material misstatements we have to report to you. We do not express any form of assurance conclusion on this annual report.

The non-financial information is included in the directors' report on the consolidated accounts. Furthermore, we do not express assurance on individual elements included in this non-financial information.

Statement related to independence

- We did not provide services which are incompatible with the statutory audit of the consolidated accounts and we remained independent of the Company in the course of our mandate.
- The fees for additional services which are compatible with the statutory audit of the consolidated accounts referred to in article 134 of the Companies' Code are correctly disclosed and itemized in the notes to the consolidated accounts.

Other statements

- This report is consistent with the additional report to the audit committee referred to in article 11 of the Regulation (EU) N° 537/2014.

Ghent, 28 March 2018

The statutory auditor
PwC Bedrijfsrevisoren bcvba
Represented by

Lien Winne
Réviseur d'Entreprises / Bedrijfsrevisor

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets

(in thousands of euro)	notes	December 31, 2017	December 31, 2016
Total Non-Current Assets		**42,868**	**44,711**
Intangible assets	**4,1**	**7,029**	**7,131**
A. Land and buildings		11,225	12,007
B. Plant, machinery and equipment		8,862	9,839
C. Furniture and vehicles		3,758	3,886
D. Other tangible fixed assets		0	3
E. Assets under construction and advance payments		410	0
Property, plant and equipment	**4,2**	**24,255**	**25,735**
Companies accounted for using the equity method	**22**	**3,965**	**3,026**
A. Trade debtors		1,795	2,166
B. Other amounts receivable		595	547
Trade and other long-term receivables	**7**	**2,390**	**2,713**
Deferred taxes	**5**	**5,229**	**6,106**
Total Current Assets		**189,066**	**165,858**
Advance payments		3,078	1,637
Trade receivables		69,535	64,382
Other amounts receivable		4,374	5,514
Gross amounts due from customers for contract work	6	72,639	72,316
Derivative Financial Instruments	20	9	132
Trade and other receivables	**7**	**146,557**	**142,344**
Cash and cash equivalents	**18**	**39,014**	**21,403**
Assets held for sale	**21**	**417**	**474**
TOTAL ASSETS		**231,934**	**210,569**

The notes on pages 73-121 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Liabilities

(in thousands of euro)	notes	December 31, 2017	December 31, 2016
Equity	**8**	**113,506**	**100,238**
Share Capital		36,523	36,523
Other reserves		-7,832	-3,896
Retained earnings		84,684	67,487
Non-Controlling Interest	22	131	124
Non-Current Liabilities		**28,392**	**29,818**
Borrowings	9	12,302	13,511
Deferred income tax liabilities	5	533	307
Provisions for employee benefit obligations	10	15,190	15,573
Derivative financial instruments	20	367	427
Current Liabilities		**90,036**	**80,513**
Borrowings	**9**	**3,674**	**4,723**
Provisions for other liabilities and charges	**11**	**11,960**	**12,016**
A. Trade payables		21,004	21,270
B. Advances received for contract work	6	18,722	12,963
C. Remuneration and social security		14,771	13,045
D. Other amounts payable		2,880	3,544
E. Accrued expenses		8,689	7,691
F. Derivative financial instruments	20	209	80
Trade and other payables	**12**	**66,275**	**58,593**
Current income tax liabilities		**8,127**	**5,182**
TOTAL EQUITY AND LIABILITIES		**231,934**	**210,569**

The notes on pages 73-121 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in thousands of euro)	notes	December 31, 2017	December 31, 2016
Revenue	**6**	**338,088**	**318,169**
Raw materials and consumables		-157,355	-153,524
Services and other goods		-37,982	-36,778
Employee compensation and benefit expense		-108,223	-99,175
Depreciation, amortisation, write downs of assets, impairments	13	-4,620	-3,853
Total expenses		**-308,180**	**-293,330**
Other Income / (Expense)		**-26**	**224**
Operating profit before tax and finance (cost)/ income		**29,882**	**25,063**
Interest income		1,054	1,034
Other financial income		1,467	1,078
Financial income	**14**	**2,521**	**2,112**
Interest charges		-1,527	-1,675
Other financial charges		-1,728	-1,765
Financial charges	**14**	**-3,255**	**-3,440**
Profit before tax		**29,148**	**23,735**
Income tax expense	15	-8,773	-6,803
Profit for the year from continuing operations		**20,375**	**16,932**
Result from assets held for sale	21	23	-248
Result of companies consolidated under equity method		589	251
Consolidated profit for the year		**20,987**	**16,935**
Result attributable to Non-Controlling Interest	22	-119	-184
Consolidated result attributable to equity holders		**21,106**	**17,119**

(in thousands of euro)	notes	December 31, 2017	December 31, 2016
Other comprehensive income (OCI):			
Items that may be subsequently reclassified to Profit and Loss			
Financial instruments		-244	356
Currency translation differences		-3,792	-176
Items that will not be reclassified to Profit and Loss			
Actual gains/(losses) on Defined Benefit Plans		39	-1,353
Tax on OCI		62	299
Other comprehensive income for the year		-3,936	-874
Total comprehensive income for the year		**17,051**	**16,061**
Profit attributable to:			
Equity holders of the company		21,106	17,119
Non-Controlling Interest		-119	-184
Total comprehensive income attributable to:			
Equity holders of the company		17,051	16,061
Non-Controlling Interest		-114	-179
Basic and diluted earnings per share (in euro)		2,70	2,19
Weighted average number of shares		7,818,999	7,818,999

The notes on pages 73-121 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(In thousands of euro)	Capital	Share premium	Reclassification of Treasury shares	Total Share Capital	Translation differences	Hedging Reserves losses on Defined Benefit Plans	Actuarial gains and	Total other Reserves	Retained earnings	**Total**	Non-Controlling Interest	**Total Equity**
December 31, 2015	**30,710**	**5,813**	**-2,455**	**34,068**	**4,244**	**-412**	**-6,854**	**-3,022**	**56,074**	**87,120**		**087,120**
Entry in consolidation	0	0	0	0	0	0	0	0	0	**0**	303	**303**
Result of the period	0	0	0	0	0	0	0	0	16,995	**16,995**	-184	**16,811**
Other comprehensive income												
Currency Translation Difference	0	0	0	0	-176	0	0	-176	0	**-176**	5	**- 171**
Financial instruments	0	0	0	0	0	356	0	356	0	**356**	0	**356**
Defined Benefit Plans	0	0	0	0	0	0	-1,353	-1,353	0	**-1,353**	0	**-1,353**
Tax on OCI	0	0	0	0	0	-107	406	299	0	**299**	0	**299**
Total other comprehensive income/(loss) for the year, net of tax	**0**	**0**	**0**	**0**	**-176**	**249**	**-947**	**-874**	**0**	**-874**	**5**	**-869**
Dividend paid out	0	0	0	0	0	0	0	0	-3,127	**-3,127**	0	**-3,127**
Treasury shares	0	0	2,455	2,455	0	0	0	0	-2,455	0	0	0
December 31, 2016	**30,710**	**5,813**	**0**	**36,523**	**4,068**	**-163**	**-7,801**	**-3,896**	**67,487**	**100,114**	**124**	**100,238**

The notes on pages 73-121 are an integral part of these consolidated financial statements.

(In thousands of euro)	Capital	Share premium	Total Share Capital	Translation differences	Hedging Reserves	Actuarial gains and losses on Defined Benefit Plans	Total other Reserves	Retained earnings	**Total**	Non-Controlling Interest	**Total Equity**
December 31, 2016	**30,710**	**5,813**	**36,523**	**4,068**	**-163**	**-7,801**	**-3,896**	**67,487**	**100,114**	**124**	**100,238**
Capital increase									**0**	128	**128**
Result of the period	0	0	0	0	0	0	0	21,106	**21,106**	-119	**20,987**
Other comprehensive income											
Currency Translation Difference	0	0	0	-3,792	0	0	-3,792	0	**-3,792**	-2	**-3,794**
Financial instruments	0	0	0	0	-244	0	-244	0	**-244**	0	**-244**
Defined Benefit Plans	0	0	0	0	0	39	39	0	**39**	0	**39**
Tax on OCI	0	0	0	0	73	-12	62	0	**62**	0	**62**
Total other comprehensive income/(loss) for the year, net of tax	**0**	**0**	**0**	**-3,792**	**-171**	**27**	**-3,936**	**0**	**-3,936**	**-2**	**-3,938**
Dividend paid out	0	0	0	0	0	0	0	-3,909	**-3,909**	0	**-3,909**
treasury shares	0	0	0	0	0	0	0	0	**0**	0	**0**
December 31, 2017	**30,710**	**5,813**	**36,523**	**276**	**-334**	**-7,774**	**-7,832**	**84,684**	**113,375**	**131**	**113,506**

The notes on pages 73-121 are an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

(in thousands of euro)	Notes	December 31, 2017	December 31, 2016
Cash flows from operating activities		**36,776**	**30,408**
Consolidated result attributable to equity holders*		21,106	17,367
Adjusted for			
- Current and deferred tax		9,876	7,078
- Interest and other financial income and expenses		734	1,328
- Depreciation, amortization and impairments	13	4,368	4,019
- Write downs of trade receivables	13	111	-260
- Write downs of inventory	13	-62	-193
- Changes in provisions	10	-412	35
Interest received	14	1,054	1,034
Changes in working capital		**2,071**	**-4,602**
Changes in advance payments	6	-1,379	1,310
Changes in long- and short-term amounts receivable	7	-4,001	-13,647
Changes in trade and other payables	12	7,451	7,735
Corporate income tax paid		**-5,828**	**-6,538**
Corporate income tax paid	15	-5,828	-6,538
Net cash generated from operating activities - continuing operations		**33,019**	**19,268**
Net cash generated from operating activities - Result from assets held for sale	**21**	57	-262
Net cash generated from operating activities - total		**33,076**	**19,006**
Net cash used in investing activities		**-3,415**	**-10,098**
Purchases/sales of intangible and tangible fixed assets	4	-2,786	-7,001
Acquisition of subsidiaries (net of cash acquired)	23	-629	-3,097
Cash flow before financing		**29,661**	**8,908**
Net cash used in financing activities		**-7,326**	**-2,996**
Net other financial charges	14	-261	-687
Dividend	8	-3,909	-3,127
Proceeds and Repayments of borrowings	9	-1,326	2,493
Interest paid	14	-1,527	-1,675
Companies accounted for using equity method	22	-310	
Transactions with non-controlling interests		7	
Net Change in cash and cash equivalents		**22,335**	**5,912**
Cash, cash equivalent and bank overdrafts at the beginning of the year		17,908	12,172
Exchange gains/(losses) on cash and bank overdrafts		-3,792	-176
Cash, cash equivalent and bank overdrafts at the end of the year	**18**	**36,451**	**17,908**

The notes on pages 73-121 are an integral part of these consolidated financial statements.

* Reconciliation result prior year:

Consolidated result attributable to equity holders	17.119
Result from discontinued operations	248
Profit for the year from continuing operations	17.367

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1: Summary of significant accounting policies

Basis of Preparation

The JENSEN-GROUP (hereafter "the Group") is one of the major suppliers to the heavy-duty laundry industry. The Group markets its products and services under the JENSEN and 'ALPHA by JENSEN' brands and is the leading supplier to the heavy-duty market. The product range varies from transportation and handling systems, tunnel washers, separators, feeders, ironers and folders to complete project management for fully-equipped and professionally managed industrial laundries. The JENSEN-GROUP has operations in 24 countries and distributes its products in more than 40 countries. Worldwide, the JENSEN-GROUP employs 1,725 people.

JENSEN-GROUP NV (hereafter "the Company") is incorporated in Belgium. Its registered office is at Bijenstraat 6, 9051 Sint-Denijs-Westrem, Belgium.

The JENSEN-GROUP shares are quoted on the Euronext Stock Exchange.

The Board of Directors approved the present consolidated financial statements for issue on March 1, 2018.

These consolidated financial statements are for the 12 months ended December 31, 2017 and are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. These annual financial statements have been prepared in accordance with those IFRS standards and IFRIC interpretations issued and effective as at December 31, 2017 and which have been adopted by the European Union.

These consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

These consolidated financial statements are prepared on an accrual basis and on the assumption that the Group is a going concern and will continue in operation for the foreseeable future.

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the consolidated financial statements, are disclosed in the accounting policies.
The following amendments and annual improvements to standards are mandatory for the first time for the financial

year beginning 1 January 2017 and have been endorsed by the European Union:
- Amendments to IAS 7, 'Statement of cash flows'.
- Amendments to IAS 12, 'Income taxes' on Recognition of deferred tax assets for unrealized losses.

The following amendments and annual improvements to standards are mandatory for the first time for the financial year beginning 1 January 2017 (though not yet endorsed by the EU):
- Annual improvements 2014-2016 applicable to three standards, of which changes to IFRS 1 and IAS 28 are applicable as of 1 January 2018 and changes to IFRS 12 are applicable as of 1 January 2017. The improvements that will be applicable as of 1 January 2017 concern:
  - IFRS 12, 'Disclosure of interests in other entities'.

The following standards and amendments to standards are mandatory since the financial year beginning 1 January 2016 (though not yet endorsed by the EU):
- IFRS 14, 'Regulatory deferral accounts', effective for annual periods beginning on or after 1 January 2016.
- Amendments to IFRS 10, 'Consolidated financial statements' and IAS 28, 'Investments in associates and joint ventures', for which the effective date still has to be determined.

The following new standards and amendments to standards have been issued, but are not mandatory for the first time for the financial year beginning 1 January 2017 and have been endorsed by the European Union:
- IFRS 16, 'Leases' (effective 1 January 2019).
- IFRS 9, 'Financial instruments', effective for annual periods beginning on or after 1 January 2018.
- IFRS 15, 'Revenue from contracts with customers'. Companies using IFRS will be required to apply the revenue standard for annual periods beginning on or after 1 January 2018.
- Amendments to IFRS 15, 'Revenue from contracts with customers' - Clarifications (effective 1 January 2018).
- Amendments to IFRS 4, 'Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts' (effective 1 January 2018).

The following new standards, amendments and interpretation to standards have been issued, but are not mandatory for the first time for the financial year beginning 1 January 2017 and have not been endorsed by the European Union:
- IFRS 17, 'Insurance contracts' (effective 1 January 2021).
- Amendments to IFRS 2, 'Share-based payments' (effective 1 January 2018).
- Amendments to IAS 40, 'Investment property' relating to transfers of investment property (effective 1 January 2018).
- IFRIC 22, 'Foreign currency transactions and advance consideration' (effective 1 January 2018).
- IFRIC 23, 'Uncertainty over income tax treatments' (effective 1 January 2019).
- Amendments to IFRS 9, 'Prepayment features with negative compensation' (effective 1 January 2019).
- Amendments to IAS 28, 'long-term interests in associates and joint ventures' (effective 1 January 2019).
- Annual improvements 2014-2016 applicable to three standards of which changes on IFRS 1 and IAS 28 are applicable as of 1 January 2018 and changes on IFRS 12 are applicable as of 1 January 2017.

Annual improvements to IFRS Standards 2015-2017 cycle, applicable as of 1 January 2019 and containing the following amendments to IFRSs:

- IFRS 3, 'Business Combinations' and IFRS 11, 'Joint Arrangements'.
- IAS 12, 'Income Taxes'.
- IAS 23, 'Borrowing Costs'.

The Group is currently assessing the impact of these standards.

The main accounting policies defined by the Group are as follows:

Consolidation Methods

The consolidated financial statements are presented in euro and rounded to the nearest thousand.

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

The group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognizes any non-controlling interest in any acquired company on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of the acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the group's accounting policies.

Investments in associates and joint ventures are accounted for under the equity method set out in IAS28, subject to certain exceptions. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investors' share in the profit or loss of the investee after the date of acquisition. Associates are those investments where the investor has significant influence. A joint venture is a joint arrangement where the investor has joint control but does not have direct rights to assets or obligation for liabilities. For entities where the Group holds 20% or more of the voting power of another entity, either directly or indirectly, the Group is presumed to have significant influence over that entity. The presumption of significant influence from a 20%

or more investment can be rebutted where the Group can demonstrate that it has or does not have significant influence. Likewise, significant influence could be demonstrated for an investment of less than 20%. The existence of a substantial or majority ownership by another entity does not necessarily preclude the Group from having significant influence.

Use of estimates

The preparation of the financial statements involves the use of estimates and assumptions, which may have an impact on the reported values of assets and liabilities at the period-end as well as on certain items of income and expense for the period. Estimates are based on economic data, which are likely to vary over time, and are subject to a degree of uncertainty. They mainly relate to pension liabilities. We refer to note 10 – provision for employee benefit obligations.

Translation of Foreign Currency

The consolidated financial statements presented in this report have been prepared in euro.
The conversion of assets, liabilities and commitments which are denominated in foreign currencies is based on the following guidelines:

- monetary assets and liabilities are translated at closing rates;
- transactions in foreign currencies are converted at the foreign exchange rate prevailing at the date of the transaction;
- Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges;
- non-monetary assets and liabilities are translated at the foreign exchange rate prevailing at the date of the transaction.

Foreign currency translation - Group companies

The results and financial positions of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rates of the dates of the transactions); and
- all resulting translation differences are recognized as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations and of borrowings are taken to shareholders' equity. When a foreign operation is sold, exchange differences that were recorded in equity are recognized in the income statement as part of the gain or loss on sale.
Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate

Revenue Recognition

Contract costs are recognized when incurred.
When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable.

When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognized over the period of the contract. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

The Group uses the 'percentage of completion method' to determine the appropriate amount to recognize in a given period. The stage of completion is measured by reference to the contract costs incurred up to the balance sheet date as a percentage of total estimated costs for each contract. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature.

The Group presents as an asset the gross amount due from customers for contract work for all contracts in progress for which costs incurred plus recognized profits (less recognized losses) exceed progress billings. Progress billings not yet paid by customers and retentions are included within 'trade and other receivables'.

The Group presents as a liability the gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognized profits (less recognized losses).

Royalties and rentals are recognized as income when it is probable that the economic benefits associated with the transaction can be sufficiently measured and will flow to the Group. The income is recognized on an accrual basis in accordance with the substance of the relevant agreement.

Intangible assets

Research and development expenses

Research costs are charged to the income statement in the year in which they are incurred.

The JENSEN-GROUP does not capitalize development expenses since its business reality makes it very difficult to distinguish product enhancements from adaptations to specific circumstances, and to define the future cash flows that will originate from these efforts. Since furthermore the development expenses are relatively stable and are a continuous process, the JENSEN-GROUP does not capitalize these efforts but expenses them as incurred.

Concessions, patents, licenses, know-how and other similar rights etc.

Investments in licenses, trademarks, etc. are capitalized with a minimum amount of 50,000 euro and amortized over 5 years.

Goodwill

On the acquisition of a new subsidiary, the difference between the acquisition price and the Group share of the identifiable assets, liabilities and contingent liabilities of the consolidated subsidiary, after adjustments to reflect fair value, is recorded in the consolidated balance sheet under assets as goodwill. Goodwill is not amortized but tested for impairment annually, or more frequently, if events or changes in circumstances indicate a possible impairment. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to a cash-generating unit for the purpose of impairment testing.

Property, plant and equipment

Property, plant and equipment are recorded at their acquisition value or construction cost less accumulated depreciation and impairment losses and increased, where appropriate, by ancillary costs.

The Group has broken down the cost of property plant and equipment into major components. These major components, which are replaced at regular intervals, are depreciated over their useful lives.

The cost of property, plant and equipment does not include any borrowing costs.

Tangible fixed assets are depreciated on a straight-line basis over their estimated useful lives from the month of acquisition onwards. If necessary, tangible fixed assets are considered as a combination of various units with separate useful lives.

The annual depreciation rates are as follows:

Annual Depreciation rates

Buildings	3.33%	30y
Infrastructure	10%	10y
Roof	10%	10y
Installations, plant and machinery	10% – 33%	3y – 10y
Office equipment and furnishings	10% – 20%	5y – 10y
Computer	20% - 33%	3y – 5y
Vehicles	20% - 33%	3y – 5y

Impairment of assets

Assets other than inventories, deferred tax assets, employee benefits and derivative financial instruments and assets arising from construction contracts are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable.

Whenever the carrying amount of an asset exceeds its recoverable amount (being the higher of its fair value less cost to sell and its value in use), an impairment loss is recognized in the profit and loss statement. The value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

Recoverable amounts are estimated for individual assets or, if this is not possible, for the cash-generating unit to which the assets belong.

Impairment losses recognized are recorded in income up to the initial amount of the impairment loss. Goodwill is tested for impairment at least once a year. Impairment on goodwill can never be reversed at a later date.

Financial Leases (the Group is lessee)

A financial lease is a lease that transfers substantially all risks and rewards incident to ownership of an asset to the lessee. When a fixed asset is held under a financial lease, its value is recorded as an asset at the present value, at the beginning of the lease term, of the future minimum lease payments during the lease term. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability in order to obtain a constant rate of interest on the debt over the lease term.
Property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

Financial lease (the Group is a lessor)

When assets are leased out under a finance lease, the amount due from the lessee should be recognized in the balance sheet as a receivable at an amount equal to the Group's net investment in the lease, and the same amount is reflected in turnover. Over the lease term, rentals are apportioned between a reduction in the net investment in the lease and finance income. The recognition of finance income is based on a pattern reflecting a constant periodic rate of return on the Group's net investment. The net investment in the lease is the gross investment in the lease discounted at the interest rate implicit in the lease. The gross investment in the lease is equal to the minimum lease payments plus any unguaranteed residual accruing to the Group as lessor.

Operating lease

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

Inventories and contracts in progress

Inventories are valued at the lower of cost or net realizable value. Cost is determined by the first-in, first-out (FIFO) method or by the weighted average method. For produced inventories, cost means the full cost including all direct and indirect production costs required to bring the inventory items to the stage of completion at the balance sheet date. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and variable selling expenses.

Provisions for liabilities and charges

A provision is recognized in the balance sheet when the Group has a present obligation (legal or constructive) as a result of a past event, and when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount of the provision is the best estimate of the expenditure required to settle the present value of the obligation at the balance sheet date. The provisions are discounted when the impact of the time value of money is material.

Employee benefits

Some of the Group's employees are eligible for retirement benefits under defined contribution and defined benefit plans.

An external, independent actuary prepares the calculation of the provision for employee benefit plans. The calculation is based on the projected unit credit method.

Defined contribution plans

Contributions to defined contribution plans are recognized as an expense in the income statement as incurred.

Defined benefit plans

For defined benefit plans, the amount recorded in the balance sheet is determined as the present value of the benefit obligation less the fair value of any plan assets. All past service costs are recognized in P&L.

The actuarial gains and losses are recognized in the period in which they occur outside profit and loss, in the consolidated statement of comprehensive income.

Deferred Taxes

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the value of assets and liabilities for tax purposes and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income tax levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Current taxes

The tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Accrued charges and deferred income

Accrued charges are costs that have been charged against income but not yet disbursed at balance sheet date. Deferred income is revenue that will be recognized in future periods.

Financial instruments

Financial instruments are recorded at trade date. The fair value of the financial instruments is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date.

Accounts and notes receivable

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

Cash and cash equivalent

Cash and cash equivalent includes cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

Payables (after one year and within one year)

Amounts payable are carried at nominal value at the balance sheet date.

Derivative financial instruments

The Company uses derivative financial instruments to reduce the exposure to adverse fluctuations in interest rates and foreign exchange rates. It is the Company's policy not to hold derivative financial instruments for speculative or trading purposes.

Derivative financial instruments are recognized initially at fair value. Subsequent to initial recognition, derivative financial instruments are stated at fair value. Recognition of any resulting gain or loss depends on the nature of the item being hedged. Derivative financial instruments that are either hedging instruments that are not designated or do not qualify as hedges are carried at fair value, with changes in value included in the income statement.

Cash flow hedges

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 other comprehensive income. When the firm commitment or forecasted transaction results in the recognition of an asset or liability, the cumulative gain or loss is removed from other comprehensive income and included in the initial measurement of the acquisition cost or other carrying amount of the asset or liability.

Otherwise the cumulative gain or loss is removed from other comprehensive income and recognized in the income statement at the same time as the hedged transaction. The ineffective part of any gain or loss is recognized in the income statement immediately. Any gain or loss arising from changes in the time value of the derivative financial instrument is excluded from the measurement of hedge effectiveness and is recognized in the income statement immediately.

When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss at that point remains in other comprehensive income and is recognized in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealized gain or loss recognized in other comprehensive income is recognized in the income statement immediately.

Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through a continuing use.

Consolidated statement of cash flows

The consolidated cash flow statement reports the cash flow during the period classified by analyzing the cash flow from operating, investing and financing activities.

Business combination

On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

Segment reporting

The Company is operating in a single business segment: Heavy-Duty Laundry Division.

Closing date and length of accounting period

All accounting periods presented represent 12 months of operations starting on January 1 of each year.

Change in valuation rules

There are no changes in the accounting policies compared with the accounting policies used in the preparation of the consolidated financial statements as per December 31, 2016.

Implementation IFRS 15

The new IFRS standard on revenue recognition, IFRS 15, is effective as from January 1, 2018. In order to be able to estimate the impact of the implementation of the new revenue recognition standard IFRS 15, management has reviewed the contractual framework in which the business is conducted.
The JENSEN-GROUP supplies machines, systems and integrated solutions. In all these contracts the JENSEN-GROUP always delivers a combined item, consisting of goods and services (like installations) and therefore not individual goods and services.
The Group provides a significant service of integrating the goods and services and turns these inputs into an integrated solution (output) for which the customers have contracted.
As such, the Group has always only one single performance obligation for the delivery and installation of an integrated system, tailored to each customer's needs. The revenue recognition pattern reflects the fact that we create customer-tailored solutions with no alternative use. Additionally, we have right to payment for performance completed to date, sufficient to cover the cost incurred and a reasonable margin, through the duration of the contract. Based on this, management concluded that the Group can continue to recognize revenue over time and apply the percentage of completion method. Therefore, the JENSEN-GROUP does not expect any impact of this new standard on the recognition and measurement of revenue in the consolidated financial statements.

Note 2 - Scope of consolidation

The parent Company, JENSEN-GROUP NV, and all the subsidiaries that it controls are included in the consolidation.

On February 1, 2017, the JENSEN-GROUP acquired one of its major German suppliers and created JENSEN Components GmbH.

On May 11, 2017, the JENSEN-GROUP increased its shareholding in TOLON GLOBAL MAKINA Sanyi Ve Tikaret Sirketi A.S., Turkey, by 6.33% to 36.33%. As the JENSEN-GROUP holds only a 36.33% participation and does not control the company, this participation is consolidated under the equity method.

On January 29, 2016, the JENSEN-GROUP acquired an equity stake of 30% in TOLON GLOBAL MAKINA Sanyi Ve Tikaret Sirketi A.S. (Turkey.)

On July 1, 2016, JENSEN Norge AS was incorporated as JENSEN-GROUP took over the heavy-duty laundry business activities of its Norwegian distributor.

In October 2016, the JENSEN-GROUP and ABS Laundry Business Solutions joined forces by forming a Joint Venture, Gotli Labs AG. As the JENSEN-GROUP has control over Gotli Labs AG, this participation is fully consolidated. The JENSEN-GROUP shows a minority interest of 60%.

Note 3 - Segment reporting

The Board of Directors has examined the Group's performance and has identified a single business segment. The total laundry industry can be split up into Consumer, Commercial and Heavy-Duty laundry. The JENSEN-GROUP entities serve end-customers in the Heavy-Duty laundry segment. They all follow the same process. The JENSEN-GROUP sells its products and services under the JENSEN brand and ALPHA by JENSEN brand through own sales and service companies and independent distributors worldwide. In this way the JENSEN-GROUP operates only in one single segment.

The following table presents revenue and certain asset information based on the Group's geographical areas. The basis for attributing revenues is based on the location of the customer:

	Europe + CIS		America		Middle East, Far East and Australia		TOTAL	
(in thousands of euro)	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**
Revenue from external customers	**196,661**	**174,787**	**79,290**	**77,980**	**62,137**	**65,402**	**338,088**	**318,169**
Other segment information								
Non-current assets	30,082	30,288	3,073	3,487	4,484	4,830	37,639	38,605
Non allocated assets							194,295	171,964
Total assets							231,934	210,569
Capital expenditure:	-3,042	-6,443	46	-689	-419	-2,966	-3,415	-10,098

The difference between non-current assets in the table above (37.6 million euro) and the non-current assets as per the consolidated statement of financial position (42.9 million euro) relates to the deferred tax assets (5.2 million euro).

Note 4 – Non - current assets

4.1 Intangible assets

(in thousands of euro)	Know how	Goodwill	Other intangibles	Licenses	TOTAL
Gross carrying amount January 1, 2016	**343**	**8,418**	**432**	**816**	**10,009**
Translation differences	0	14	0	4	18
Additions	0	549	0	0	549
Disposals	0	0	0	0	0
Gross carrying amount December 31, 2016	**343**	**8,981**	**432**	**820**	**10,576**
Translation differences	0	-85	0	10	-75
Additions	0	0	0	0	0
Disposals	0	0	0	0	0
Gross carrying amount December 31, 2017	**343**	**8,896**	**432**	**830**	**10,501**
Accumulated amortization, write-downs, impairments January 1, 2016	**343**	**1,946**	**359**	**724**	**3,372**
Additions	0	0	73	0	73
Accumulated amortization, write-downs, impairments December 31, 2016	**343**	**1,946**	**432**	**724**	**3,445**
Additions	0	27	0	0	27
Accumulated amortization, write-downs, impairments December 31, 2017	**343**	**1,973**	**432**	**724**	**3,472**
Net carrying amount December 31, 2016	**0**	**7,035**	**0**	**96**	**7,131**
Net carrying amount December 31, 2017	**0**	**6,923**	**0**	**106**	**7,029**

Know-how

The know-how relates to the technology for specific folding equipment, purchased in the acquisition of JENSEN Italia s.r.l.

Goodwill

The goodwill arises mainly from the acquisitions of JENSEN Australia, JENSEN Austria, JENSEN Benelux, JENSEN France, JENSEN Italia, JENSEN Norway, JENSEN Spain, JENSEN Sverige (Sweden) and JENSEN Switzerland.

JENSEN-GROUP identifies the cash flow-generating units (CGU) as being the Group. JENSEN-GROUP assists the heavy-duty laundry industry worldwide by designing and supplying sustainable single machines as well as systems and integrated solutions. The success of JENSEN-GROUP results from combining the global skills with the local presence. The non-current assets of the plants are managed together and the cash flows generated by the usage of these plants come from one group of global customers that are approached with same deliverable, being the optimization of the heavy duty laundry activity. Therefore the non-current assets of the plants are allocated to one CGU for impairment testing purposes.

Goodwill is subject to a yearly impairment test that is based on a number of critical judgments, estimates and assumptions, based on fair value and applying a discounted free cash flow approach. JENSEN-GROUP believes that its estimates are very reasonable; they are based on the past experience, external sources of information (such as long-term growth rate and discount rate) and reflect the best estimates by management. The recoverable amount of the goodwill is determined based on a calculation of its value in use to the cash-generating unit to which it is allocated.

The main judgments, assumptions and estimates for the cash-generating unit are:
- The first four years of the model are based on management's best estimate of the free cash flow outlook for the coming years;
- For the fifth year of the model, cash flows are based on the previous year cash flows, taking into account a growth rate of 2% per year;
- Cash flows beyond the first five years are extrapolated, usually with a growth rate of 2% of free cash flows;
- Projections are discounted at the weighted average cost of capital (WACC), which lies between 5% and 9%;
- This calculated enterprise value is compared to the book value.

The test includes a sensitivity analysis on key assumptions used, among them the WACC, free cash flow and long-term growth percentage: the occurrence of any of the following individual less favorable assumptions would not lead to an impairment of goodwill: WACC of 10%, free cash flow of 95% of the projections of free cash flows used for the calculation of the impairment test and a long-term growth of 1%. JENSEN-GROUP has completed its annual impairment test on goodwill and concluded from this that no impairment allowance is necessary.

Although JENSEN-GROUP believes that its judgments, assumptions and estimates are appropriate, actual results may differ from these estimates under different assumptions or conditions.

Licenses

The licenses relate to the capitalization of the license costs of the ERP system and for other IT tools.
Development costs of 5.1 million euro (6.7 million euro in 2016) were expensed during the year. These costs are accounted for in the lines 'services and other goods', 'employee compensations and benefit expense' and 'depreciation, amortization, write down of assets'.

4.2. Property, plant & equipment

(In thousands of euro)	Land & Buildings	Plant machinery and equipment	Funiture and vehicules	Ohter tangible assets	Assets under construction	TOTAL
Gross carrying amount January 1, 2016	**29,415**	**21,784**	**8,841**	**1,901**	**1,894**	**63,835**
Translation differences	-235	-20	100	-73	0	-228
Additions	442	4,289	2,097	0	0	6,828
Disposals	0	-219	-425	0	0	-644
Transfers	1,482	2,204	0	-1,792	-1,894	0
Gross carrying amount December 31, 2016	**31,104**	**28,038**	**10,613**	**36**	**0**	**69,791**
Translation differences	-1,253	-771	-340	0	0	-2,364
Additions	404	1,386	1,700	0	410	3,900
Disposals	-91	-643	-887	0	0	-1,621
Transfers	0	0	0	0	0	0
Gross carrying amount December 31, 2017	**30,164**	**28,010**	**11,086**	**36**	**410**	**69,706**
Accumulated depreciation, write down and impairment January 1, 2016	**18,490**	**15,887**	**5,427**	**855**	**0**	**40,659**
Translation differences	-293	-22	52	-32	0	-295
Depreciation	900	1,590	1,443	2	0	3,935
Disposals	0	-48	-195	0	0	-243
Transfers	0	792	0	-792	0	0
Accumulated depreciation, write down and impairment December 31, 2016	**19,097**	**18,199**	**6,727**	**33**	**0**	**44,056**
Translation differences	-963	-439	-254	0	0	-1,656
Depreciation	896	1,957	1,512	3	0	4,368
Disposals	-91	-569	-657	0	0	-1,317
Transfers	0	0	0	0		0
Accumulated depreciation, write down and impairment December 31, 2017	**18,939**	**19,148**	**7,328**	**36**	**0**	**45,451**
Net carrying amount December 31, 2016	**12,007**	**9,839**	**3,886**	**3**	**0**	**25,735**
Net carrying amount December 31, 2017	**11,225**	**8,862**	**3,758**	**0**	**410**	**24,255**

During 2017, the net carrying amount of tangible fixed assets decreased by 1.5 million euro. Excluding depreciation charges in the income statement of 4.4 million euro, tangible fixed assets increased by 3 million euro.
The investments in 2017 related mainly to the acquisition of one of the Group's major German suppliers, equipment and vehicles.

The investments in 2016 related mainly to the acquisition of its Norwegian distributor, to land and a building in Denmark, to leasehold improvement in China, to product transfer, to equipment and vehicles.

The financial leasing covers mainly machinery and equipment of JENSEN GmbH.

Machinery includes the following amounts where the Group is a lessee under a finance lease:

(in thousands of euro)	December 31, 2017	December 31, 2016
Cost capitalized finance leases	81	92
Accumulated depreciation	-66	-74
Net book amount	**15**	**18**

The net book value of the property, plant and equipment pledged as security for liabilities amounts to 4.8 million euro (5.1 million euro at December 2016).

Note 5 - Deferred taxes

Deferred tax assets and liabilities are attributable to the following items:

(In thousands of euro)	December 31, 2015	Charged/credited to the income statement	Charged/ credited to equity	Exchange differences	December 31, 2016
Inventories	371	304	0	0	675
Fixed assets	680	-194	0	0	486
Provisions	5,062	-471	406	0	4,997
Tax losses	267	-123	0	0	144
Deferred taxes on differences between tax and local books	154	-337	0	284	101
Currency result in permanent financing	-492	-96			-588
Financial instruments	32	59	-107	0	-16
Total deferred tax assets (net)	**6,074**	**-858**	**299**	**284**	**5,799**

(In thousands of euro)	December 31, 2016	Charged/credited to the income statement	Charged/ credited to equity	Exchange differences	December 31, 2017
Inventories	675	-553	0	0	122
Fixed assets	486	-29	0	0	457
Provisions	4,997	-227	-12	0	4,758
Tax losses	144	12	0	0	156
Deferred taxes on other differences between tax and local books	101	354	0	-590	-135
Currency result in permanent financing	-588	-69			-657
Financial instruments	-16	-62	73	0	-5
Total deferred tax assets (net)	**5,799**	**-575**	**62**	**-590**	**4,696**

The split between long-term and short-term deferred taxes is as follows:

(in thousands of euro)	Deferred taxes
Long-term	2,971
Short-term	1,725
Total deferred tax assets	**4,696**

The deferred tax assets originate mainly from JENSEN GmbH (1.3 million euro), JENSEN USA (0.8 million euro) and JENSEN AG Burgdorf (0.7 million euro).

Deferred tax assets have been recorded because management and the Board are convinced that, in accordance with the Company's valuation rules, the assets can be realized within a reasonable time frame.

The deferred tax assets decreased because of revaluation at lower tax rates and the use of deferred tax assets against profit.

Note 6 - Contracts in progress

(in thousands of euro)	December 31, 2017	December 31, 2016
Contract revenue	338,088	318,169
Balance sheet information of pending projects:		
Raw materials and consumables	21,192	21,607
Goods purchased for resale	15,179	14,880
Gross amounts due from customers for contract work	36,268	35,829
Advances received	18,722	12,963

Construction contracts are valued based on the percentage of completion method. At December 31, 2017 gross amounts due from customers for contract work included 9.0 million euro of accrued profit (7.0 million euro at December 31, 2016).

The amounts written off on inventory are not material as JENSEN-GROUP only starts production when the Company receives an order.

Note 7 - Trade and other receivables

(in thousands of euro)	December 31, 2017	December 31, 2016
Trade receivables	74,083	69,526
Provision for doubtful debtors	-2,753	-2,978
Taxes	624	1,553
Other amounts receivable	2,446	2,478
Raw materials and consumables	21,192	21,607
Goods purchased for resale	15,179	14,880
Gross amounts due from customers for contract work	36,268	35,829
Deferred charges and accrued income	1,899	2,030
Derivative financial instruments	9	132
Total trade and other receivables	**148,947**	**145,057**
Less non-current portion		
Trade receivables	1,795	2,166
Other amount receivable	595	547
Non-current portion	**2,390**	**2,713**
Current portion	**146,557**	**142,344**

Non-current portion

The other amounts receivable includes cash guarantees in an amount of 0.6 million euro.

Current portion

Advances received from customers, mainly on project activities, are recognized in "Accounts and notes payable" in accordance with the accounting principle whereby receivables and payables may not be netted off.

Note 8 – Equity

Issued capital

As at December 31, 2017, the issued share capital was 30.7 million euro, represented by 7,818,999 ordinary shares without nominal value. There were no preference shares. All shares are fully paid.

As at December 31, 2016, the issued share capital was 30.7 million euro, represented by 7,818,999 ordinary shares without nominal value. There are no preference shares. All shares are fully paid.

Detailed information on the capital statement as per December 31, 2017 and 2016 is set out below.

CAPITAL STATEMENT (position as at December 31, 2017)	Amounts (in thousands of euro)	Number of shares
A. Capital		
1. Issued capital		
- At the end of the previous year	30,710	
- Changes during the year	0	
- At the end of this year	30,710	
2. Capital representation		
2.1 Shares without nominal value	30,710	7,818,999
2.2 Registered or bearer shares		
- Registered		4,150,819
- Bearer/dematerialized		3,668,180
B. Own shares held by		
- the company or one of its subsidiaries	0	0
C. Commitments to issue shares		
1. As a result of the exercise of CONVERSION RIGHTS	0	0
2, As a result of the exercise of WARRANTS	0	0
D. Authorized capital not issued	**30,710**	

The following declarations have been received of holdings in the company's share capital:

JENSEN Invest A/S, JF Tenura ApS, the heirs of Mr. Jørn M. Jensen, Mr. Jesper M. Jensen, The Jorn M. Jensen and Lise M. Jensen Family Trust, Mrs. Anne M. Jensen and Mrs. Karine Munk Finser

JENSEN INVEST A/S, Ejnar Jensen Vej 1, 3700 Rønne, Denmark

	Number of shares	Total shares	%
- Number of shares	4,189,472	7,818,999	53.58%*
- Voting rights	4,189,472	7,818,999	53.58%

The chain of control is as follows: 53,5% of the shares in JENSEN-GROUP NV are held by JENSEN Invest A/S and 0,03% by the heirs of Mr. Jørn M. Jensen. JF Tenura Aps holds 100% of the shares in Jensen Invest A/S. SWID AG, represented by Mr. Jesper M. Jensen holds and controls 51% of the shares in JF Tenura Aps. The other 49% of the shares in JF Tenura Aps are held by Mrs Anne Munch Jensen and Mrs Karine Munk Finser as the ultimate beneficial owners of the Jørn Munch Jensen and Lise Munch Jensen Family Trust.

* Between last notification received in 2012 and December 2017, JENSEN Invest sold 85,691 shares. As a result of these transactions, JENSEN Invest holds at year-end 4,103,781 shares or 52,5%.

KBC Asset Management NV

Havenlaan 2, 1080 Brussel

	Number of shares	Total shares	%
- Number of shares	393,285	7,818,999	5.03%
- Voting rights	393,285	7,818,999	5.03%

CAPFI DELEN Asset Management NV

Jan Van Rijswijcklaan 178, 2020 Antwerpen

	Number of shares	Total shares	%
- Number of shares	431,000	7,818,999	5.51%
- Voting rights	431,000	7,818,999	5.51%

The chain of control is as follows: Bank Delen NV controls CAPFI DELEN Asset Management NV, Delen Investments Comm VA controls Bank Delen NV, Finaxis NV controls Delen Investments Comm VA, Ackermans & van Haaren NV controls Finaxis NV, Scaldis Invest NV controls Ackermans & van Haaren NV, Belfimas NV controls Scaldis Invest NV, Celfloor SA controls Belfimas NV, Apodia International Holdings BV controls Celfloor SA, Palamount NV controls Apodia International Holding BV, stichting administratiekantoor 'Het Torentje' controls Palamount NV. Stichting administratiekantoor 'Het Torentje' is the ultimate shareholder.

CAPITAL STATEMENT (position as at December 31, 2016)	Amounts (in thousands of euro)	Number of shares
A. Capital		
1. Issued capital		
- At the end of the previous year	30,710	
- Changes during the year	0	
- At the end of this year	30,710	
2. Capital representation		
2.1 Shares without nominal value	30,710	7,818,999
2.2 Registered or bearer shares		
- Registered		4,199,178
- Bearer/dematerialized		3,619,821
B. Own shares held by		
- the company or one of its subsidiaries	0	0
C. Commitments to issue shares		
1. As a result of the exercise of CONVERSION RIGHTS	0	0
2. As a result of the exercise of WARRANTS	0	0
D. Authorized capital not issued	**30,710**	

The following declarations have been received of holdings in the company's share capital :

JENSEN Invest A/S, JF Tenura ApS, the heirs of Mr. Jørn M. Jensen, Mr. Jesper M. Jensen, The Jørn M. Jensen and Lise M. Jensen Family Trust, Mrs. Anne M. Jensen and Mrs. Karine Munk Finser

JENSEN INVEST A/S, Ejnar Jensen Vej 1, 3700 Rønne, Denmark

	Number of shares	Total shares	%
- Number of shares	4,189,472	7,818,999	53.58%
- Voting rights	4,189,472	7,818,999	53.58%

The chain of control is as follows: 51,6% of the shares in JENSEN-GROUP are held by JENSEN Invest A/S and 0,02% by the heirs of Mr. Jørn M. Jensen. JF Tenura Aps holds 100% of the shares in Jensen Invest A/S. SWID AG, represented by Mr. Jesper M. Jensen holds and controls 51% of the shares in JF Tenura Aps. The other 49% of the shares in JF Tenura Aps are held by Mrs Anne Munch Jensen and Mrs Karine Munk Finser as the ultimate beneficial owners of the Jørn Munch Jensen and Lise Munch Jensen Family Trust.

CAPFI DELEN Asset Management NV			
Jan Van Rijswijcklaan 178, 2020 Antwerpen			
	Number of shares	**Total shares**	**%**
- Number of shares	410,000	7,818,999	5.24%
- Voting rights	410,000	7,818,999	5.24%

The chain of control is as follows: Bank Delen NV controls CAPFI DELEN Asset Management NV, Delen Investments Comm VA controls Bank Delen NV, Finaxis NV controls Delen Investments Comm VA, Ackermans & van Haaren NV controls Finaxis NV, Scaldis Invest NV controls Ackermans & van Haaren NV, Belfimas NV controls Scaldis Invest NV, Celfloor SA controls Belfimas NV, Apodia International Holdings BV controls Celfloor SA, Palamount NV controls Apodia International Holding BV, stichting administratiekantoor 'Het Torentje' controls Palamount NV. Stichting administratiekantoor 'Het Torentje' is the ultimate shareholder.

Each share has one vote. The voting rights are in line with the Companies' Code. The articles of association do not include other regulations with respect to voting rights.

The regulations with respect to transfer of shares are in line with the Companies' Code. The articles of association do not include other regulations with respect to transfer of shares.

Share premium

The share premium results primarily from the merger of LSG, which then took the name of JENSEN-GROUP NV.

The closing balance of the share premium is 5.8 million euro.

Treasury shares

The Bylaws (art. 11) allow the Board of Directors to buy back own shares.

The Board of Directors decided at its meeting held on November 14, 2013 to implement a share repurchase program to buy back a maximum of 800,300 or 10% of its outstanding shares. The shares are purchased at the stock exchange by an investment bank mandated by the Board of Directors. The buy-back mandate expired on October 4, 2017. During the extraordinary shareholders' meeting of May 12, 2016, the shareholders decided to cancel the 183,969 treasury shares, thereby reducing the total shares outstanding to 7,818,999 shares.

Translation differences

In this annual report the consolidated financial statements are expressed in thousands of euro. All balance sheet captions of foreign companies are translated into euro, which is the Company's functional and presentation currency, using closing rates at the end of the accounting year, except for capital and reserves, which are translated at historical rates. The income statement is translated at average rates for the year. The resulting translation difference, arising from the translation of capital and reserves and the income statement, is shown in a separate category of equity under the caption 'translation differences'.

The exchange differences arising from the translation of the net investment in foreign operations are taken to other comprehensive income. In total, 0.3 million euro of currency losses are transferred from financial result to other comprehensive income.

The exchange rates used for the translation were as follows:

Currency	Average rate (per euro)		Closing rate (per euro)	
	2017	2016	2017	2016
AED	4,1461	4,0608	4,4147	3,8384
AUD	1,4729	1,4886	1,5346	1,4596
BRL	3,6041	3,8616	3,9729	3,4305
CHF	1,1116	1,0902	1,1702	1,0739
CNY	7,6264	7,3496	7,8044	7,3202
DKK	7,4387	7,4454	7,4449	7,4344
EUR	1,0000	1,0000	1,0000	1,0000
GBP	0,8761	0,8189	0,8872	0,8562
JPY	126,6533	120,3133	135,0100	123,4000
NOK	9,3286	9,2927	9,8403	9,0863
NZD	1,5895	1,5895	1,6850	1,5158
SEK	9,6369	9,4673	9,8438	9,5525
SGD	1,5582	1,5278	1,6024	1,5234
TRY	4,1214	3,3427	4,5464	3,7072
USD	1,1293	1,1066	1,1993	1,0541

Hedging reserves

The Group designates foreign exchange contracts and interest rate swaps as 'cash flow hedges' of its foreign currency and interest exposure. Any change in fair value of the hedging instrument and the hedged item (attributable to the hedged risk), as of inception of the hedge, is deferred in OCI if the hedge is deemed effective (note 20).

At year-end, an amount of 0.3 million euro was deferred in equity.

Gains and losses recognized in the hedging reserve in OCI (Other Comprehensive Income) on forward foreign exchange contracts as of December 31, 2017 will be released to the income statement at various dates between one and six months.

Gains and losses recognized in the hedging reserve in equity on interest rate swap contracts as of December 31, 2017 will be continuously released to the income statement until the repayment of the bank borrowings.

Actuarial gains and losses on Defined Benefit Plans

JENSEN-GROUP has four defined benefit plans. In line with prior years, the Group adopted the amended IAS 19 'Employee Benefits' and to recognize all actuarial gains and losses directly in OCI. The accumulated loss of the four plans amounts to 7.8 million euro.

Dividend

Based on the excellent result of the year and the current financial position, the Board proposes to the Annual Shareholders' meeting to approve a dividend of 1.00 euro per share. The order backlog at the beginning of the year as well as the cash position give management confidence to get off to a good start of 2018. The dividend pay-out will amount to 7,818,999.00 euro, based on the number of shares as per December 31, 2017.

The Shareholders decided at the Annual Meeting of May 2017, to distribute a dividend of 0.50 euro per share on the results of 2016, amounting to 3,909,499.50 euro.

Capital risk management

JENSEN-GROUP's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal structure to reduce the cost of capital.

Note 9 – Financial debt

The non-current and current borrowings can be summarized as follows:

(in thousands of euro)	December 31, 2017	December 31, 2016
LT loans with credit institutions	10,795	11,443
LT factoring	1,507	2,068
Total non-current borrowings	**12,302**	**13,511**

(in thousands of euro)	December 31, 2017	December 31, 2016
Current portion of LT borrowings	575	678
Credit institutions	2,563	3,495
Payments received (factoring)	536	550
Total current borrowings	**3,674**	**4,723**
Total borrowings	**15,976**	**18,234**

Total borrowings decreased from 18.2 million euro at December 31, 2016 to 16.0 million euro at December 31, 2017. Cash and cash equivalents increased from 21.4 million euro to 39.0 million euro, thereby increasing the net cash position from 3.2 million euro to 23.0 million euro.

The Group factored trade receivables in a total amount of 2.0 million euro (1.5 million euro long-term and 0.5 million euro short-term). As the risks and rewards are not substantially transferred to the third party, the factoring arrangement does not result in the de-recognition of any amount from the balance sheet.

The following table gives the maturities of the non-current debt:

(in thousands of euro)	December 31, 2017	December 31, 2016
Between 1 and 2 years	1,131	1,135
Between 2 and 5 years	9,456	10,269
> 5 years	1,715	2,107
Total non-current borrowings	**12,302**	**13,511**

The exposure of the Group's borrowings to interest rate changes and the contractual re-pricing dates before and after the effect of the IRS (interest rate swaps) at balance sheet date is as follows:

(In thousands of euro)	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	TOTAL
Credit institutions	3,138	581	8,499	1,715	13,933
Payments received (factoring)	536	550	957	0	2,043
Total	**3,674**	**1,131**	**9,456**	**1,715**	**15,976**
IRS covered	0	298	1,188	295	1,781
Total non-covered	**3,674**	**834**	**8,268**	**1,420**	**14,195**

Management believes that the carrying value of the loans at fixed rate approximates to the fair value.

For details on the IRS we refer to note 20.

The carrying amounts of the Group's borrowings are denominated in the following currencies:

(in thousands of euro)	December 31, 2017	December 31, 2016
EUR	9,874	10,465
DKK	2,903	3,233
CHF	0	172
CNY	3,199	4,364
Total	**15,976**	**18,234**

With respect to the Group's borrowings, debt covenants are in place (equity ratio and EBITDA multiple). During the year, there were no breaches of these covenants.

DEBT COVERED BY GUARANTEES

(in thousands of euro)	December 31, 2017	December 31, 2016
Mortgages	3,687	4,082
Letter of Intent	4,198	5,534
Total	**7,885**	**9,616**

The carrying value of the property, plant and equipment pledged as security for liabilities amounts to 4.8 million euro.

Note 10 – Provision for employee benefit obligations

(in thousands of euro)	December 31, 2017	December 31, 2016
Provisions for Defined Benefit Plan	14,848	15,310
Provisions for other employee benefits	342	263
Total provisions for employee benefit obligations	**15,190**	**15,573**

The provision for other employee benefits relate to a defined contribution plan in Austria and pre-pensions in the Benelux.

BENEFIT PLAN

JENSEN GmbH, JENSEN France, JENSEN Italia and JENSEN AG Burgdorf maintain defined retirement benefit plans. These plans generally provide benefits that are related to an employee's remuneration and years of service.

The weighted average duration of the defined benefit obligation is 18 years.

The Group recognizes all actuarial gains and losses directly in Other Comprehensive Income (OCI). The accumulated actuarial loss of the 4 plans amounts to 7.8 million euro.

At December 31, 2017, the total net liability amounted to 14.8 million euro. The net liability decreased because of changes in the assumptions, especially an increase in the Swiss discount rate.

For the defined benefit plans, the net outcome for 2017 was -0.8 million euro.

(in thousands of euro)	2017	2016
Current service cost	518	494
Interest cost	247	325
Interest income on plan assets	-34	-50
Administrative expenses and taxes	20	21
Pension expenses	**751**	**790**

The change in net liability recognized during 2017 and 2016 is set out in the table below:

(in thousands of euro)	2017	2016
Net (liability)/assets at the start of the year		
Unfunded status	**-15,310**	**-14,147**
Pension expenses recognized in the income statement	-751	-790
Employer contribution or benefits paid by employer	844	1,015
Amounts recognised in OCI	33	-1,353
Translation differences	336	-35
Net (liability) at December 31	**-14,848**	**-15,310**

The changes in defined benefit obligations and plan assets can be summarized as follows:

(in thousands of euro)	2017	2016
Change in Defined Benefit Obligation (DBO)		
DBO at January 1	21,073	19,729
Current service costs	518	494
Interest cost	247	325
Benefits paid	-1,086	-1,114
Premiums paid	-97	-87
Participants' contribution	189	200
Effect of changes in financial assumptions	127	1,309
Effect of experience adjustments	-63	125
Exchange rate differences	-810	92
DBO at December 31	**20,098**	**21,073**

(in thousands of euro)	2017	2016
Change in Plan Assets		
Fair value of plan assets at January 1	5,764	5,583
Contributions	1,033	1,215
Actuarial gains/(losses)	97	87
Interest income on plan assets	34	50
Benefits paid	-1,086	-1,114
Premiums paid	-99	-87
Administrative expenses	-20	-21
Translation differences	-472	51
Fair value of plan asset at December 31	**5,250**	**5,764**

(in thousands of euro)	2017	2016
Defined Benefit Obligation at the end of the period	-20,098	-21,073
Fair value of plan assets at the end of the period	5,250	5,764
Unfunded status	**-14,848**	**-15,310**

The major assumptions made in calculating the provisions can be summarized as follows:

	Discount rate		Rate of price inflation	
	2017	2016	2017	2016
Switzerland	0.70%	0.60%	0.60%	0.60%
France	1.15%	1.30%	1.75%	1.75%
Germany	1.60%	1.80%	1.75%	1.75%
Italy	1.40%	1.60%	1.75%	1.75%

	expected rates of salary increas	
	2017	2016
Switzerland	1.50%	1.50%
France	2.00%	2.00%
Germany	3.00%	3.00%
Italy	N/A	N/A

For the Swiss plan, the assets match the liabilities.

Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

- Asset volatility: The plan liabilities are calculated using a discount rate set with reference to corporate bond yields. If plan assets underperform this yield, this will create a deficit.

The sensitivity of the defined benefit obligation to changes in the assumptions is:

(in thousands of euro)	Change in assumption	Impact on DBO
Discount rate	-25bp	2.593
	+25bp	526
Weighted avg duration (in years)	-25bp	19
	+25bp	18

The above sensitivity analyses are based on a change in assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated.
The percentage of plan assets by asset allocation is as follows:
Equity securities: 3.8%
Debt securities: 56.5%
Real estate: 16.1%
Other: 23.6%

The contributions expected to be paid to the plan during the annual period beginning after the reporting period is estimated to 0.7 million euro.

There is one pension plan in place in Belgium that is legally structured as a Defined Contributions plan. The cost of this plan for JENSEN-GROUP NV amounted to 0.003 million euro for accounting year 2017.

Because of the Belgian legislation applicable to 2nd pillar pension plans (so-called " Vandenbroucke Law "), all Belgian Defined Contribution plans have to be considered under IFRS as Defined Benefit plans. The Vandenbroucke Law states that in the context of defined contribution plans, the employer must guarantee a minimum of 1.75% on contributions as of 2016, and a minimum of 3.75% on contributions made before 2016.

Because of this minimum guaranteed return for Defined Contributions plans in Belgium, the employer is exposed to a financial risk (there is a legal obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods). These plans should therefore be classified and accounted for as Defined Benefit plans under IAS 19.

In the past the Company did not apply the Defined Benefit accounting for these plans because higher discount rates were applicable and the return on plan assets provided by insurance companies was sufficient to cover the minimum guaranteed return. As a result of the continuously low interest rates offered by the European financial markets, employers in Belgium effectively assumed a higher financial risk related to the pension plans with a minimum fixed guaranteed return than in the past, requiring them to measure the potential impact of Defined Benefit accounting for these plans.

We asked an external party to estimate the potential additional liabilities as at December 31, 2017 and they concluded that these are assessed as not significant.

Note 11 - Provisions for other liabilities and charges

(in thousands of euro)	December 31, 2017	December 31, 2016
Provisions for warranties	10,290	9,888
Provisions for take-back obligations	453	551
Other provisions	1,217	1,577
Provisions for other liabilities and charges	**11,960**	**12,016**

Changes in provisions can be analyzed as follows:

(in thousands of euro)	December 31, 2016	Additions	Reversals (Utilizations)	Translation Differences	December 31, 2017
Provisions for warranties	9,888	6,829	-6,214	-213	**10,290**
Provisions for take-back obligations	551	40	-137	-1	**453**
Other provisions	1,577	82	-433	-9	**1,217**
Total provisions	**12,016**	**6,951**	**-6,784**	**-223**	**11,960**

Warranties

A provision is recorded for expected warranty claims on products sold during the year. Assumptions used to calculate the provision for warranty claims are based on current sales levels and current information on warranty calls under the standard warranty period (up to 18 months) for the main products.

Take-back obligations

A provision for take-back obligations is recorded when JENSEN-GROUP sells equipment to a customer for which the customer wants to enter into a leasing contract with a Leasing Company. In some cases, the Leasing Company requires a take-back clause.

Other provisions

The other provisions are set up for legal claims that, based on prudent judgment, are reasonably funded. Most of these claims are covered by insurance. Based on legal advice taken, management does not expect these claims to significantly impact the Group's financial position or profitability.

Note 12 - Trade and other payables

(in thousands of euro)	December 31, 2017	December 31, 2016
Trade payables	21,004	21,270
Advances received for contract work	18,722	12,963
Remuneration and social security	14,771	13,045
Other amounts payable	2,880	3,544
Accrued expenses	8,689	7,691
Derivative financial instruments	209	80
Total trade and other payables	**66,275**	**58,593**

Note 13 - Depreciation, amortization, write-downs of assets, impairments

(in thousands of euro)	December 31, 2017	December 31, 2016
Depreciation, amortization	4.368	4.019
Write downs on trade receivables	111	-260
Write downs on inventory	-62	-193
Change in provisions	203	287
Total depreciation, amortization, write downs of assets	**4.620**	**3.853**

Note 14 – Financial income and financial charges

Financial income and expenses and other financial income and expenses break down as follows:

(in thousands of euro)	December 31, 2017	December 31, 2016
Financial income	**2.521**	**2.112**
Interest income	1.054	1.034
Other financial income	256	280
Currency gains	1.211	798
Financial cost	**-3.255**	**-3.440**
Interest charges	-1.527	-1.675
Other financial charges	-907	-772
Currency losses	-821	-993
Total net finance cost	**-734**	**-1.328**

The revaluation of balance sheet positions and hedging contracts at closing rate results in a currency gain or loss. Depending on the nature of the currency result, it is recorded in operating or financial result.

The other financial charges relate especially to bank charges.

Note 15 - Income tax expense

Income tax expenses can be analyzed as follows:

(in thousands of euro)	December 31, 2017	December 31, 2016
Current taxes	-8,198	-5,945
Deferred taxes	-575	-858
Total income tax expense	**-8,773**	**-6,803**

Relationship between tax expense and accounting profit as per December 31, 2017 and December 31, 2016 :
Reconciliation of effective tax rate:

(in thousands of euro)	**December 31, 2017**	**December 31, 2016**
Accounting profit before taxes	29,148	23,735
Theoretical income tax expense	7,400	6,329
Theoretical tax rate	**25%**	**27%**
Tax effect of disallowed expenses	892	186
Tax effect of tax losses	49	288
Tax effect change in tax rates	432	
Actual tax expenses	8,773	6,803
Effective tax rate	**30%**	**29%**

Two tax audits have been concluded and two tax audits are ongoing.

The theoretical tax rate is the weighted average of the theoretical tax rates of the different entities.

The theoretical tax rate decreased from 27% in 2016 to 25% in 2017. This is because the percentage is the weighted average of the theoretical tax rates of all the individual entities. Profit decreased in countries with high theoretical tax rates (especially in France) and increased in countries with low theoretical tax rates (especially in Denmark, China and Sweden).

Note 16 - Earnings per share

Basic earnings per share are calculated by dividing the Group share in the profit for the year of 21.1 million euro (17.1 million euro in 2016) by the weighted average number of ordinary shares outstanding during the years ended December 31, 2017 and 2016.

	December 31, 2017	**December 31, 2016**
Basic earnings per share (in euro)	2,70	2,19
Weighted avg shares outstanding	7,818,999	7,818,999

Note 17 - Operating leases

Most of the JENSEN-GROUP leases relate to buildings, vehicles and computer equipment under a number of operating lease agreements. The future lease payments under these operating leases are due as follows:

(in thousands of euro)	December 31, 2017	December 31, 2016
< 1 year	2,379	1,792
>1 year < 5 years	7,067	3,383
> 5 years	3,815	1,777
Total operating leases	**13,261**	**6,952**

The profit for the year includes operating lease expenses of 2.4 million euro.

Note 18 - Statement of cash flows

Cash, cash equivalents and bank overdrafts include the following for the purpose of the cash flow statement:

(in thousands of euro)	December 31, 2017	December 31, 2016
Cash and cash equivalent	39,014	21,403
Overdraft	-2,563	-3,495
Net cash and cash equivalents	**36,451**	**17,908**

The changes liabilities arising from financing activities in the CFS, are all changes arising from cash flows, there are no material non-cash flows. The consolidated statements of cash flows are presented on a consistent basis. As such, they do not isolate the effect of currencies on individual line items but only in total via the 'translation gains/(losses) on cash and bank overdrafts' caption. With respect to the evolution, the following comment can be made:

Cash increased because of the higher cash from operating activities and because of the decrease in working capital.

Note 19 - Commitments and contingencies

JENSEN-GROUP has given the following commitments.

(in thousands of euro)	December 31, 2017	December 31, 2016
Letters of intent	4,198	7,228
Bank guarantees	6,060	5,273
Mortgages	3,687	4,082
Repurchase commitments	4,566	5,505

Management does not expect these contingencies to significantly impact the Group's financial position or profitability.

Note 20 - Financial instruments – Market and other risks

Exposure to foreign currency, interest rate and credit risk arises in the normal course of the JENSEN-GROUP business. The Company analyzes each of these risks individually and defines strategies to manage the economic impact on the JENSEN-GROUP's performance in line with its internal policies.

Derivative financial instruments are valued by an independent financial institution, based on the interest and currency rates on the liquid markets. The financial instruments are measured at fair value in the level 2 category.

(in thousands of euro)	December 31, 2017	December 31, 2016
Assets: Derivative Financial Instruments	9	132
Long-term liabilities: Derivative Financial Instruments	-367	-427
Short-term liabilities: Derivative Financial Instruments	-209	-80
Total	**-567**	**-375**
Fair value forex contracts	-291	-7
Fair value Interest Rate Swaps	-277	-367
Total	**-568**	**-374**

Foreign currency risk

JENSEN-GROUP incurs currency risks on borrowings, investments, (forecasted) sales, (forecasted) purchases whenever they are denominated in a currency other than the functional currency of the subsidiary. The currencies giving rise to risk are primarily the US Dollar, Swiss Franc, Swedish Krona, Danish Krone, British Pound, Chinese Yuan, Australian Dollar and New Zealand Dollar.

The main derivative financial instruments used to manage foreign currency risk are forward exchange contracts.

It is the Company's policy not to hold derivative instruments for speculative or trading purposes.

With respect to currencies, JENSEN-GROUP adopts the policy of:

- Having hedges on all firm commitments in foreign currencies on a rolling 12 months basis;
- All deviations from the policy need to be approved by the Audit Committee.

As such these hedges are considered as cash flow hedges. They are contracted as a matter of procedure regardless of any expectations with regard to foreign currency developments.

All foreign exchange contracts are centralized within the JENSEN-GROUP treasury department and are contracted purely on the basis of the input of the different subsidiaries.

The currency risks resulting from translations of the financial statements of non-euro based companies are not hedged (note 8 – Equity).

The table below provides an indication of the company's net foreign currency positions per December 31, 2017 and December 31, 2016 for firm commitments and forecasted transactions. The open positions are the result of the application of JENSEN-GROUP risk management policy. Positive amounts indicate that the Company has a long position (net future cash inflows) while negative amounts indicate that the Company has a short position (net future cash outflows).

2017 (in thousands of euro)	Total exposure	Total derivatives	Open position
USD/EUR	11,540	-14,910	-3,370
GBP/EUR	7,674	-6,755	919
AUD/EUR	5,235	-4,240	995
NZD/EUR	100	-100	-0
CAD/EUR	10,645	-10,022	623
CNY/EUR	377	-2,050	-1,673
SEK/EUR	3,895	-3,550	345
CHF/EUR	1,808	-1,426	382

2016 (in thousands of euro)	Total exposure	Total derivatives	Open position
USD/EUR	10,589	-6,307	4,282
GBP/EUR	4,565	-4,800	-235
AUD/EUR	3,031	-2,828	203
NZD/EUR	353	-405	-52
CAD/EUR	3,883	-3,883	0
CNY/EUR	2,570	-2,000	570
USD/CAD	11,597	-11,253	344
SEK/EUR	2,813	-4,050	-1,237

Except for a part of the Washroom Technology and Finishing Technology, all production is generated in European subsidiaries of which the activities are conducted in euro (or euro related currencies) and in Swedish Krone.

The table below gives an overview of the sensitivity analysis as per 2017:

(in thousands of euro)	Change in currency	Impact net profit[1]
USD	-12.26%	-1,237
	12.26%	1,516
GBP	-7.42%	-740
	7.42%	633
AUD	-11.52%	-367
	11.52%	457
NZD	-15.68%	-78
	15.68%	91
CAD	-8.36%	-206
	8.36%	337
CNY	-7.68%	-150
	7.68%	202
SEK	-4.86%	248
	4.86%	-139
CHF	-9.65%	135
	9.65%	-118

[1]: The estimation is based on the standard deviation of daily volatilities of the foreign exchange rates during the past 360 days at December 31, 2017 and using a 95% confidence interval.

These calculations are a purely theoretical calculation and do not take into account the gain or loss of sales resulting from the increased relative weakness or strength of currencies.

At December 31, 2017, the Group held the following foreign exchange contracts. Balances due within 12 months equal their carrying balances as the impact of the discount is not significant.

2017 Curr	Sell	Avg exchange rate	Maturity	Fair value (in thousands of euro)
USD	17,768,884	1.19	20/02/18	134
GBP	5,988,174	0.89	1/02/18	9
AUD	6,579,701	1.55	7/05/18	-19
NZD	172,891	1.73	19/01/18	-2
CAD	15,589,123	1.56	11/06/18	-354
CNY	16,215,590	7.91	8/03/18	-2

2017 Curr	Buy	Avg exchange rate	Maturity	Fair value (in thousands of euro)
CHF	1,650,000	1.16	15/03/18	-19
SEK	34,573,034	9.74	24/02/18	-38

All of these foreign exchange contracts are designated and effective as cash flow hedges. The changes in fair value over 2017 amounting to 0.2 million euro after taxes have been deferred in equity. No ineffectiveness has been recorded.

At December 31, 2016, the Group held the following foreign exchange contracts. Balances due within 12 months equal their carrying balances as the impact of the discount is not significant.

2016 Curr	Sell	Avg exchange rate	Maturity	Fair value (in thousands of euro)
USD	6,932,043	1.10	21/03/17	-242
GBP	4,097,984	0.85	29/03/17	25
AUD	4,160,528	1.47	24/03/17	-5
NZD	635,980	1.57	20/01/17	-14
CAD	5,750,388	1.48	30/06/17	-142
CNY	14,908,521	7.45	8/02/17	-28

2016 Curr	Buy	Avg exchange rate	Maturity	Fair value (in thousands of euro)
USD/CAD	12,224,736	1.31	29/07/17	293
SEK	39,685,336	9.80	29/04/17	106

All of these foreign exchange contracts were designated and effective as cash flow hedges. The changes in fair value over 2016 amounting to 0.2 million euro after taxes were deferred in equity. No ineffectiveness was recorded.

Interest rate risk

The Company uses derivative financial instruments to reduce exposure to adverse fluctuations in interest rates. It is the Company's policy not to hold derivative instruments for speculative or trading purposes.

With respect to interest rates, the JENSEN-GROUP adopts the policy of having:

- between 40 and 70% of the total outstanding loans with long-term maturities;
- between 40 to 70% of the loans with fixed interest rates (this include the combinations of floating rate loans with Interest Rate Swaps (IRS);
- to increase the portion of debt at floating interest rates in times of decreasing interest rates and vice-versa;
- to match the currency of the loans with the operations being funded to improve natural balance sheet hedging.

Because of the high net cash position at the end of 2017, JENSEN-GROUP did not meet the internal guidelines above of having between 40%-70% of total outstanding loans with long-term maturities. We report 77% of long-term loans.

All financing within the JENSEN-GROUP is centralized in the treasury department. This makes it easier for the JENSEN-GROUP to respect its policy of hedging using IRS.

In respect of interest-bearing financial liabilities, the table below indicates their effective interest rates at balance sheet date as well as the periods in which they roll over. Balances due within 12 months equal their carrying balances as the impact of the discount is not significant.

2017 (in thousands of euro)	**Effective interest rate**	**carrying amount**	**< 1 month**	**> 1 month < 3 months**	**> 3 months < 12 months**	**1–5 years**	**> 5 years**
Floating rate							
EUR	1.15%	1,783	999	16	49	260	459
CNY	5.19%-5.26%	3,199	1,557	45	134	1,463	0
Total floating		**4,982**	**2,556**	**61**	**183**	**1,723**	**459**
Fixed rate							
EUR	2.52%	6,047	7	1	2	6,032	5
DKK	2.5% - 5.11%	2,904	0	82	246	1,325	1,251
Total Fixed		**8,951**	**7**	**83**	**248**	**7,357**	**1,256**
Factoring							
EUR		**2,043**	**45**	**89**	**402**	**1,507**	**0**
Total		**15,976**	**2,608**	**233**	**833**	**10,587**	**1,715**

2016 (in thousands of euro)	**Effective interest rate**	**carrying amount**	**< 1 month**	**> 1 month < 3 months**	**> 3 months < 12 months**	**1–5 years**	**> 5 years**
Floating rate							
EUR	1.15%	1,849	1,000	16	47	262	524
CNY	5.19%-5.26%	4,364	2,325	72	215	1,752	0
CHF	1.15%	172	172				
Total floating		**6,385**	**3,497**	**88**	**262**	**2,014**	**524**
Fixed rate							
EUR	2.52%	6,000	0	0	0	6,000	0
DKK	2.5% - 5.11%	3,231	0	82	245	1,321	1,584
Total Fixed		**9,231**	**0**	**82**	**245**	**7,321**	**1,584**
Factoring							
EUR		2,618	46	92	413	2,068	0
Total		**18,234**	**3,543**	**261**	**919**	**11,403**	**2,108**

The following table sets out the conditions of the interest rate swaps:

2017 Curr	SWAP amount	Fixed interest	Maturity	Fair value (in thousands of euro)
DKK	5,586,236	4.86%	30/12/22	-95
DKK	7,698,204	5.11%	30/12/24	-181
TOTAL in EUR	**1,780,923**			**-277**

The interest rate swaps are designated and effective as cash flow hedges. The changes in fair value over 2017 amounting to 0.07 million euro after taxes have been deferred in equity. No ineffectiveness has been recorded.

2016 Curr	SWAP amount	Fixed interest	Maturity	Fair value (in thousands of euro)
DKK	6,790,958	4.86%	30/12/22	-133
DKK	8,937,656	5.11%	30/12/24	-234
TOTAL in EUR	**2,108,591**			**-367**

The interest rate swaps were designated and effective as cash flow hedges. The changes in fair value over 2016 amounting to 0.04 million euro after taxes were deferred in equity. No ineffectiveness was recorded.

As disclosed in the above table, 5.0 million euro of the Company's interest bearing financial liabilities bear a variable interest rate. This amount does not include the 1.8 million euro loan that is covered by an Interest Rate Swap. The Company estimates that the reasonably possible change of the market interest rates applicable to its floating rate debt is as follows:

(in thousands of euro)	Carring amount	Effective interest rate	Possible rates at December 31, 2017
EUR	1,783	1.15%	1.13% – 1.17%
CNY	3,199	5.19% – 5.26%	5.19% – 5.26%
Total in EUR	**4,982**		

Applying the reasonably possible increase/decrease in the market interest rate mentioned above to our floating rate debt at December 31, 2017, with all other variables held constant, 2017 profit would have been 0.4 million euro lower/higher.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Under the Group's credit policy, project customers are required to either provide an advance payment or to provide a guarantee (ex. L/C, bank guarantees). We examine the creditworthiness of each new customer and of existing customers that start buying higher amounts.

There is one group of customers with concentration of 11% of total outstanding receivables.

The consolidated ageing balance of the trade receivables is as follows. Balances due within 12 months equal their carrying balances as the impact of the discounting is not significant.

2017 (in thousands of euro)	Current	< 60 days	> 60 days < 90 days overdue	> 90 days < 120 days overdue	> 120 days overdue	Total
Outstanding trade receivables	47,329	13,124	3,754	3,110	4,971	72,288
Collateral held as security	0					0
Net exposure	**47,329**	**13,124**	**3,754**	**3,110**	**4,971**	**72,288**
Provisions accounted for			-			2,753
Total						**69,535**

2016 (in thousands of euro)	Current	< 60 days	> 60 days < 90 days overdue	> 90 days < 120 days overdue	> 120 days overdue	Total
Outstanding trade receivables	47,836	8,888	3,491	1,646	5,499	67,360
Collateral held as security	0					0
Net exposure	**47,836**	**8,888**	**3,491**	**1,646**	**5,499**	**67,360**
Provisions accounted for						-2,978
Total						**64,382**

Management reviews on a timely basis whether specific provisions are needed based on the ageing list. Trade receivables are recorded at their nominal value, less provision for impairment. The provision for impairment reflects both the likelihood of being paid and the timing of the cash flow. The total provision for doubtful debtors recorded as per December 31, 2017 amounts to 2.8 million euro.

The roll forward of the provision for doubtful debtors is set out below:

(in thousands of euro)	
Provision Doubtful Debtors opening balance	**2.978**
Additions	606
Reversals	-747
Exchange difference	-84
Provision Doubtful closing balance	**2.753**

The bank credit ratings (Moody's) as per December 31, 2017 are as follows:

Nordea: Aa3

KBC: A1

Note 21 – Assets held for sale

The assets held for sale amounting to 0.4 million euro relate to the former Cissell building in Kentucky (prior CLD activities). The costs related to the building (0.1 million euro) are presented as result from assets held for sale.

Note 22 – Related party transactions

The **shareholders** of the Company as per December 2017 are:

JENSEN INVEST A/S:	52.5%
CAPFI DELEN Asset Management NV:	5.5%
KBC Asset Management NV:	5.0%
Free float:	37.0%

Key management compensation can be summarized as follows:

In thousands of euro	2017	2016
Fees paid to Board members	276	273
Gross salaries paid to senior managers	1,986	2,005

Asia Base Research Suzhou Co. Ltd, a company of which Mr. Peter Rasmussen is the sole shareholder rendered consultancy services for a total amount of 251,766.22 CNY in fees (approximately 33 KEUR) to JENSEN-GROUP.

Companies accounted for using the equity method

On January 29, 2016 JENSEN-GROUP acquired an equity stake of 30% and in TOLON GLOBAL MAKINA Sanyi Ve Tikaret Sirketi A.S., Turkey and agreed to acquire in total an additional 19% of the shares over the coming three years. On

May 11, 2017, the JENSEN-GROUP increased its shareholding by 6.33% to 36.33%.

In thousands of euro	**December 31, 2017**	**December 31, 2016**
Companies accounted for using the equity method	3,965	3.026

As the JENSEN-GROUP holds only a 36.3% participation, this participation is consolidated by the equity method.

Minority interest

The JENSEN-GROUP and ABS Laundry Business Solutions joined forces by forming a new company, Gotli Labs AG. As the JENSEN-GROUP has control over Gotli Labs AG, this participation is full consolidated. The JENSEN-GROUP shows a minority interest of 60%.

In thousands of euro	**December 31, 2017**	**December 31, 2016**
Result attributable to Minorty Interest	-119	-184
Equity part of MI	131	124

For the **legal structure**, we refer to note 26.

Note 23 – Acquisitions

On May 11, 2017 the JENSEN-GROUP increased its shareholding in TOLON GLOBAL MAKINA Sanyi Ve Tikaret Sirketi A.S., Turkey, by 6.33% to 36.33%. The JENSEN-GROUP has the option to acquire up to 49% of the shares within a three-year period.

The table below gives an overview of the acquisition-date fair value of the total consideration transferred and the remaining amount of goodwill recognized for the acquisition:

(in thousands of EUR)	**2017**
Non current assets	3,030
Current assets	4,646
Non current liabilities	-4,373
Net assets acquired	3,303
Group share in net assets acquired	209
Goodwill	420
Purchase price	629
Net cash out for acquisitions of subsidiaries	**629**

The fair value of the assets and liabilities acquired in the above transaction is determined on a provisional basis. Any adjustment to the provisional amounts will be recorded within twelve months of acquisition date.

Note 24 – Non-audit fees

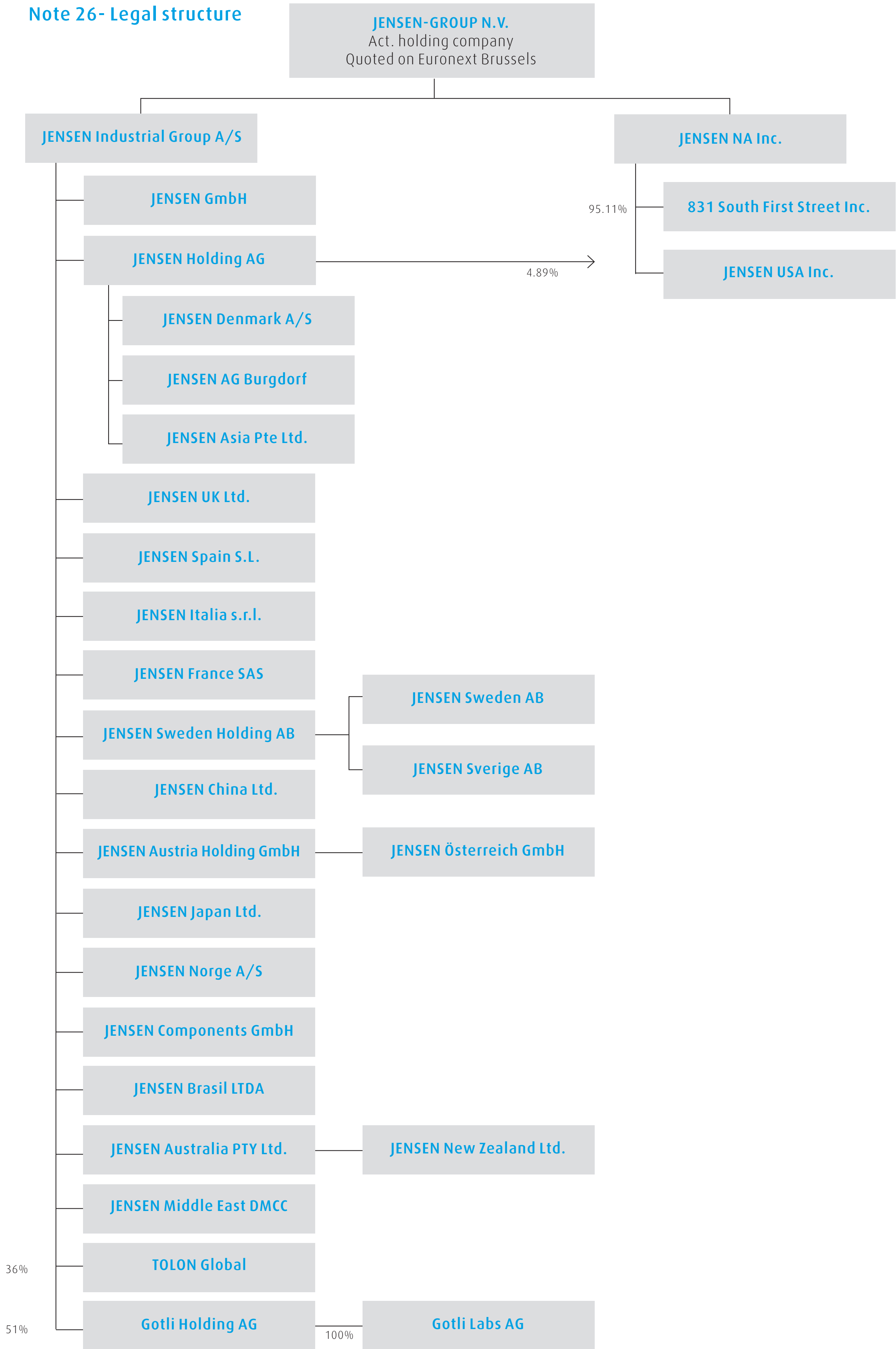
The statutory Auditor is Pwc Bedrijfsrevisoren, represented by Mrs. Lien Winne.

The Statutory Auditor received worldwide fees of 327,795 euro (excl. VAT) for auditing the statutory accounts of the various legal entities of the Group and the consolidated accounts of the JENSEN-GROUP. Apart from his mandate, the Statutory Auditor received during 2017 additional fees of 104,465.17 euro (excl. VAT). Of this amount, 33,527.50 euro was invoiced to JENSEN-GROUP NV and mainly relates to tax advice. The JENSEN-GROUP has appointed a single audit firm for the audit of the consolidated financial statements.

Note 25 - Events after the Balance Sheet date

On January 2, 2018, the JENSEN-GROUP acquired a participation of 30% in Inwatec ApS, a Danish company that manufactures high-end heavy-duty laundry products. JENSEN has the option to increase its shareholding between 2020 and 2023. Inwatec operates in more than 25 countries and employs 30 staff around the globe. The impact on the consolidated financial statements will not be material as this participation will be accounted for by the equity method.

Note 26- Legal structure



Note 27 - Consolidation scope as at December 31, 2017

Fully consolidated companies	Registered office	Participating percentage
Belgium		
JENSEN-GROUP NV	Bijenstraat 6 9051 Sint-Denijs-Westrem	Parent Company
Australia		
JENSEN Laundry Systems Australia PTY Ltd.	Unit 16, 38-46 South Street Rydalmere NSW 2116	100%
Austria		
JENSEN Austria Holding GmbH	Julius-Raab-Platz 4 1010 Wien	100%
JENSEN ÖSTERREICH GmbH	Reinhartsdorfgasse 9 A-2324 Schwechat-Rannersdorf	100%
Brazil		
JENSEN-GROUP BRASIL COMERCIO E SERVICOS DE EQUIPAMENTOS DE LAVANDERIA LTDA	Rua Riachuelo 460 CEP 18035-330 Sorocaba-SP	100%
China		
JENSEN Industrial Laundry Technology (Xuzhou) Co., Ltd	Phoenix Avenue, Xuzhou Clean Technology Zone 221121 Xuzhou, Jiangsu Province, P.R. China	100%
Denmark		
JENSEN Industrial Group A/S	Industrivej 2 3700 Rønne	100%
JENSEN Denmark A/S	Industrivej 2 3700 Rønne	100%

France

JENSEN France SAS	2 "Village d'entreprises" ZA de la Couronne des Près Avenue de la Mauldre 78680 Epône	100%

Germany

JENSEN GmbH	Jörn-Jensen-Straβe 1 31177 Harsum	100%
JENSEN Components GmbH	Ludwig-Erhard-Straβe 18 30982 Pattensen	100%

Italy

JENSEN Italia s.r.l.	Strada Provinciale Novedratese 46 22060 Novedrate	100%

Japan

JENSEN Japan Co., Ltd.	4-9-1-203 Imagawa, Urayasu-city 279-0022 Japan	100%

Middle East

JENSEN Industrial Laundry Systems M.E. DMCC	JENSEN Industrial Laundry Systems M.E. DMCC Unit No: 204 Fortune Tower Plot No: JLT-PH1-C1A Jumeirah Lakes Towers Dubai UAE	100%

Norway

JENSEN NORGE AS	Østensjøveien 36 0667 OSLO	100%

New Zealand

JENSEN New Zealand Ltd	Minter Ellison Rudd Watts 88 Shortland Street Auckland, 1010	100%

Singapore		
JENSEN Asia PTE Ltd.	No. 6 Jalan Kilang #02-01 Dadlani Industrial House Singapore 159406	100%
Spain		
JENSEN Spain S.L.	Calle Energia, 34 Poligono Famades ES-08940 Cornella de Llobregat (Barcelona)	100%
Sweden		
JENSEN Sweden AB	Företagsgatan 68 504 94 Borås	100%
JENSEN SVERIGE AB	P.O. Box 1088 171 22 Solna	100%
JENSEN Sweden Holding AB	Box 363 503 12 Borås	100%
Switzerland		
JENSEN AG Burgdorf	BuchmattStraβe 8 3400 Burgdorf	100%
JENSEN Holding AG	BuchmattStraβe 8 3400 Burgdorf	100%
GOTLI Holding	IndustrieStraβe 51 6312 Steinhausen	51%
GOTLI Labs AG	IndustrieStraβe 51 6312 Steinhausen	51%
Turkey		
TOLON GLOBAL MAKINA Sanyi Ve Tikaret Sirketi A.S.	A.O.S.B. 10007. Sk. No:9 Çiğli, İzmir	36%

United Kingdom		
JENSEN UK Ltd.	Unit 5, Network 11 Thorpe Way Industrial Estate Banbury, Oxfordshire OX16 4XS	100%
US		
JENSEN NA Inc.	Corporation Trust Center Orange Street 1209 Wilmington - Delaware	100%
JENSEN USA, Inc.	Aberdeen loop 99 Panama City, FL 32405	100%
831 South 1st Street, Inc.	831 South 1st Street KY 40203 Louisville	100%

SUMMARY STATUTORY FINANCIAL STATEMENTS

JENSEN-GROUP NV

Summary balance sheet of JENSEN-GROUP NV

Assets as at (in thousands of euro)	December 31 2017	December 31 2016
Fixed assets	**96,971**	**97,080**
Intangible assets	0	0
Tangible fixed assets	315	424
Financial fixed assets	96,656	96,656
Current assets	**23,015**	**24,457**
Stocks and contracts in progress	5,269	4,778
Amounts receivable within one year	5,363	2,945
Treasury shares	0	0
Cash at bank and on hand	12,114	16,682
Deferred charges and accrued income	270	52
TOTAL ASSETS	**119,986**	**121,538**

Liabilities as at (in thousands of euro)	December 31 2017	December 31 2016
Capital and reserves	**94,964**	**102,593**
Capital	30,710	30,710
Share premium account	5,814	5,814
Reserves	3,071	3,071
Accumulated profits	55,369	62,998
Provisions and deferred taxes	**1,190**	**1,323**
Provisions for liabilities and charges	1,190	1,323
Long-term debts	**6,000**	**6,000**
Bank loans	6,000	6,000
Amounts payable	**17,833**	**11,622**
Amounts payable within one year	17,438	11,064
Accrued charges and deferred income	395	558
TOTAL LIABILITIES	**119,986**	**121,538**

Summary income statement of JENSEN-GROUP NV

Financial year ended (in thousands of euro)	**December 31 2017**	**December 31 2016**
Operating income	**20,602**	**22,410**
Turnover	19,576	17,918
finished goods and contracts in progress	264	3,730
Other operating income	763	762
Operating charges	**-20,023**	**-21,696**
Raw materials, consumables and goods for resale	9,534	11,886
Services and other goods	7,593	7,542
Remuneration, social security and pensions	2,342	2,309
Depreciation	165	235
Write-downs	99	-379
Provisions for liabilities and charges	0	0
Other operating charges	290	103
Operating profit	**580**	**714**
Financial result	**-89**	**-143**
Financial income	90	40
Financial charges	-180	-184
Profit for the year before taxes	**490**	**570**
Taxes	**-301**	**10**
Income taxes	-301	10
Profit for the year	**189**	**580**

Appropriation Account of JENSEN-GROUP NV

Financial year ended (in thousands of euro)	December 31 2017	December 31 2016
Profit to be appropriated	**63,188**	**66,907**
Profit (loss) for the period available for appropriation	189	580
Profit (loss) brought forward	62,998	66,327
Appropriations to capital and reserves	**0**	**0**
to legal reserves	0	0
to reserves for own shares	0	0
Result to be carried forward	**-55,369**	**-62,998**
Profit to be carried forward	55,369	62,998
Distribution of profit	**-7,819**	**-3,909**
Dividends	-7,819	-3,909

(in euro)	2017 (12 months)	2016 (12 months)
Current profit per share after taxes (1)	0,02	0,07
Number of shares outstanding (average)	7,818,999	7,818,999
Number of shares outstanding (yearend)	7,818,999	7,818,999

(1) The current profit after tax is the same as the net profit excluding extraordinary gains and losses (both adjusted for taxes).

Statutory financial statements of JENSEN-GROUP NV

In accordance with article 105 of the Belgian Companies Code, a summary version of the statutory financial statements of JENSEN-GROUP NV is presented. These have been prepared in accordance with Belgian Accounting Standards. The management report and statutory financial statements of JENSEN-GROUP NV and the report of the Statutory Auditor thereon are filed with the appropriate authorities, and are also available at the Company's registered offices.

The Statutory Auditor has issued an unqualified opinion on the statutory financial statements of JENSEN-GROUP NV.

JENSEN-GROUP NV has both a holding function and a commercial function as the sales and service company for the Benelux area.

The Board of Directors decided at its meeting held on November 14, 2013 to implement a share repurchase program to buy back a maximum of 800,300 or 10% of the Company's outstanding shares. The shares are purchased at the stock exchange by an investment bank mandated by the Board of Directors. The buy-back mandate expired on October 4, 2017. During the extraordinary shareholders' meeting of May 12, 2016, the shareholders decided to cancel the 183,969 treasury shares thereby reducing the total shares outstanding to 7,818,999 shares.

The full version of the statutory financial statements of JENSEN-GROUP NV is available on the corporate website www.JENSEN-GROUP.com.

Valuation rules

The valuation rules are in accordance with the Royal Decree of January 31, 2001.

Financial fixed assets

Since JENSEN-GROUP NV has a holding function, we emphasize that, in accordance with our valuation rules and accounting legislation in Belgium, financial fixed assets are valued at their initial acquisition price or paid-in capital. Write-offs on the financial fixed assets are taken when they are deemed to be of a permanent nature. If it appears that write-offs taken previously are no longer needed, they are reversed. Financial fixed assets are never valued above acquisition price or paid-in capital.

Intangible fixed assets

The intangible fixed assets consist of goodwill that arises from the acquisitions of the distribution activity in the Benelux. For statutory purposes, goodwill is amortized over a period of five years.

Tangible fixed assets

Tangible fixed assets are recorded at their acquisition value or construction cost, increased, where appropriate, by ancillary costs. Tangible fixed assets are depreciated on a straight-line basis over their estimated useful life from the month of acquisition onwards.

On tangible fixed assets, the depreciation rules are:

Caption	Method	Rate
Infrastructure	Straight line	10%
Installations, machinery and equipment	Straight line	20%
Office equipment and furniture	Straight line	20%
Vehicles	Straight line	20%

Inventories and contracts in progress

Inventories are valued at the lower of cost or net realizable value. Cost is determined by the first-in, first-out (FIFO) method. For produced inventories, cost means the full cost including all direct and indirect production costs required to bring the inventory items to the stage of completion at the balance sheet date. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and variable selling expenses.

The Company uses the 'percentage of completion method' to determine the appropriate amount to recognize in a given period. The stage of completion is measured by reference to the contract costs incurred up to the balance sheet date as a percentage of total estimated costs for each contract. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature.

Amounts receivable

Trade amounts receivable and other amounts receivable are carried at nominal value. Allowances are made to amounts receivable where uncertainty exists as to the receipt or payment dates of the whole or a part of the balance. Supplementary write-offs are also recorded where the realizable value at the balance sheet date is lower than the carrying value.

Investments and cash at bank and in hand

Deposits with financial institutions are carried at nominal value. Write-downs are applied where the realizable value at the balance sheet date is lower than the historical cost.

Provisions for liabilities and charges

Provisions for liabilities and charges are assessed on an individual basis to address the risks and future costs which they are intended to cover. They are maintained only to the extent that they are required following an updated assessment of the liabilities and charges for which they were created.

Amounts payable (after one year and within one year)

Amounts payable are carried at nominal value at the balance sheet date. The only elements which are recorded in the accrued charges and deferred income accounts are charges payable at the balance sheet date in respect of past or prior years.

Financial instruments

The Company uses derivative financial instruments to reduce its exposure to adverse fluctuations in interest rates and foreign exchange rates. It is the Company's policy not to hold derivative instruments for speculative or trading purposes.

Derivative financial instruments are recognized initially at cost, their premium is amortized pro rata temporis. At year-end, the financial instruments are calculated at market value using the mark-to-market mechanism. The unrealized losses are recognized in the income statement whereas the unrealized gains are deferred.

The hedged balance sheet positions (outstanding receivables and payables) are recorded at the hedging rate.

General Information

1. Identification

- Name: JENSEN-GROUP NV
- Registered office: Bijenstraat 6, 9051 Sint-Denijs-Westrem.
- The Company was incorporated on April 23, 1990 and exists for an unlimited period of time.
- The Company has the legal form of a "naamloze vennootschap/société anonyme" and operates under Belgian Company Law.
- The statutory purpose of the Company consists in the following, both in Belgium and abroad, on its own behalf or in the name of third parties, for its own account or for the account of third parties:

1. Any and all operations related directly or indirectly or connected with the engineering, production, purchase and sale, distribution, import, export and representation of laundry machines and systems and the manufacture thereof;
2. Providing technical, commercial, financial and other services for affiliated businesses, including commercial and industrial activities in support;
3. Obtaining an interest, in any manner, in any and all businesses that pursue the same, a similar or related purpose or that are likely to further its own business or facilitate the sale of its products or services, also cooperating or merging with these businesses and, in general, investing, subscribing, purchasing, selling and negotiating financial instruments issued by Belgian or foreign businesses;
4. Managing investments and participations in Belgian or foreign businesses, including the standing of sureties, guaranteeing bills, making payments in advance, loans, personal or material sureties for the benefit of these businesses and acting as their proxy holder or representative;
5. Acting in the capacity of director, providing advice, management and other services for the benefit of the management and other services for the benefit of other Belgian or foreign businesses, by virtue of contractual relations or statutory appointment and in the capacity of external consultant or governing body of any such business.

The Company may undertake both in Belgium and abroad, any and all industrial, trade, financial, bonds and stocks and real property transactions that are likely to extend or further its business directly or indirectly or that are related therewith. It may acquire any and all movable and real property items, even if these are related neither directly nor indirectly to the Purpose of the Company.

It may obtain, in any manner, an interest in any and all associations, ventures, business or companies that pursue the same, a similar or related purpose or that are likely to further its business or facilitate the sale of its products or services, and it may cooperate or merge therewith.

- The Company is registered in the Commercial Register of Ghent and is subject to VAT under the number BE 0440.449.284
- The Bylaws of the Company can be consulted at the registered office of the Company and on its corporate website www.jensen-group.com. The annual accounts are filed with the National Bank of Belgium. Financial reports of the Company are published in the financial press and are also available on the website www.jensen-group.com. Other documents that are publicly available and that are mentioned in the reference document can be consulted at the registered office of the Company or on its corporate website www.jensen-group.com. The Annual Report of the Company is sent every year to the holders of registered shares as well as to any shareholder who wish to receive it.

2. Share Capital

- The registered share capital amounts to 30,710,108 euro and is represented by 7,818,999 shares without nominal value. There are no shares that do not represent the share capital. All shares are ordinary shares; there are no preference shares. The shares are dematerialized or registered shares, depending on the shareholder's preference. The dematerialized shares have been issued either by way of an increase of capital or by exchanging existing registered or bearer shares for dematerialized shares. Each shareholder may request the exchange of his/her shares either into registered shares or into dematerialized shares. At least two directors will sign a share certificate. Signature stamps may replace the signatures.
- -Evolution of the share capital:

Date	Share Capital	Currency	Number of shares
24/05/2002	42,714,560	euro	8,264,842
20/05/2008	42,714,560	euro	8,252,604
13/01/2009	42,714,560	euro	8,039,842
30/11/2011	42,714,560	euro	8,002,968
04/10/2012	30,710,108	euro	8,002,968
12/05/2016	30,710,108	euro	7,818,999

www.jensen-group.com

JENSEN-GROUP N.V. · Bijenstraat 6 · 9051 Sint-Denijs-Westrem (Gent) - Belgium
T +32 (0)9 333 83 30 · F +32 (0)9 333 83 39 · www.jensen-group.com