



**Building a sustainable home**



Glassbuild, Las Vegas (US)

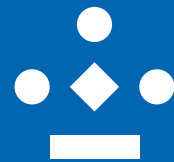


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# 1. 2022 at a glance



- 
- 1.1**    **Message from the Chairman and the CEO**
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  - 1.3**    **Milestones 2022**



# 1.1 Message from the Chairman and the CEO

## Dear Shareholder, Customer, Employee and Business Partner,

The world has seen highly turbulent times in recent years, and it is fair to say that 2022 continued on this trend. War in the Ukraine, soaring energy prices and unseen levels of inflation combined with the aftermath of the COVID-19 pandemic caused global supply chain issues and challenging labor markets. As a result, 2022 was a very challenging business environment to operate in.

Despite those circumstances, Deceuninck was able to reach record results, for the third consecutive year. Our turnover grew to € 974.1m, up by 16% as compared to 2021. For the first time in 85 years of Deceuninck, we announce a 3-digit adjusted EBITDA (in € mio). This makes us immensely proud.

Our global footprint allowed us to optimize our total performance by balancing out regional differences. Deceuninck Europe suffered from high energy prices and lower consumer confidence, while Deceuninck Turkey has shown remarkable resilience amid skyrocketing inflation. Deceuninck North America has recovered from operational inefficiencies caused by a tight labor market.

Although the business environment remains challenging, we strongly believe the current solid results are indicative of a bright future for Deceuninck. Our markets will continue to grow. There is a structural shortage of qualitative new housing in regions like Emerging Markets.



“Providing homes across the globe with stunning windows and doors that insulate, are made from recycled material and are recyclable themselves: this is our commitment and how we create value”

In Europe, the “Green Deal” is triggering a renovation wave. Furthermore, in North America we expect important growth in the renovation business combined with a need for new housing.

Deceuninck is ideally positioned to respond to these opportunities with the right products and systems. Providing homes across the globe with stunning windows and doors that insulate, are made from recycled material and are recyclable themselves: this is our commitment and how we create value.

Convinced of our long-term strategy built around sustainability, we will continue to invest in recycling and the use of recycled material in our products. Supported by our stable shareholder base and rock-solid financial foundations, we are ready to weather any turbulence ahead.

**Francis Van Eeckhout – Chairman of the Board**  
**Bruno Humblet – CEO**

# 1.2 Key figures 2022

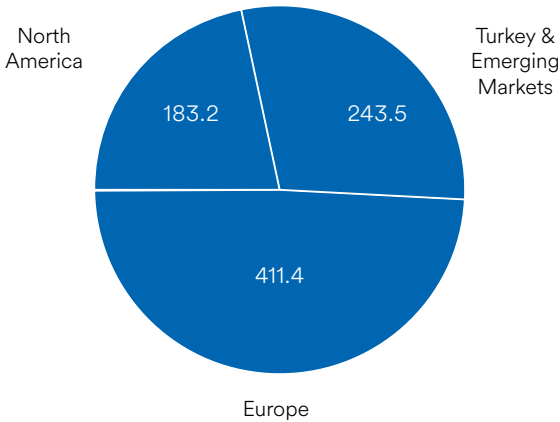
| KEY FIGURES* (IN € MILLION)                                   | 2020  | 2021  | 2022  | EVOLUTION<br>2021-2022 |
|---------------------------------------------------------------|-------|-------|-------|------------------------|
| <strong>Consolidated Income Statement (in € million)</strong> |       |       |       |                        |
| Sales                                                         | 642.2 | 838.1 | 974.1 | 16%                    |
| Adjusted Ebitda                                               | 86.0  | 97.7  | 102.3 | 5%                     |
| Ebit                                                          | 45.9  | 54.3  | 47.2  | -13%                   |
| Net Profit                                                    | 25.6  | 37.2  | 7.6   | -80%                   |
| <strong>Consolidated Balance Sheet (in € million)</strong>    |       |       |       |                        |
| Equity                                                        | 246.3 | 258.9 | 319.6 | 23%                    |
| Net Debt                                                      | 55.5  | 61.9  | 88.3  | 43%                    |
| Total Assets                                                  | 599.4 | 675.1 | 709.6 | 5%                     |
| Capital Expenditure                                           | 23.5  | 43.6  | 48.4  | 11%                    |
| Working Capital                                               | 74.2  | 84.3  | 115.6 | 37%                    |
| Capital Employed                                              | 347.4 | 354.9 | 440.4 | 24%                    |
| <strong>Ratios</strong>                                       |       |       |       |                        |
| Net Profit On Sales                                           | 4.0%  | 4.4%  | 1%    | -                      |
| Adjusted Ebitda / Sales                                       | 13.4% | 11.7% | 10%   | -                      |
| Net Debt / Adjusted Ebitda                                    | 0.64  | 0.63  | 0.84  | -                      |
| Ebit / Capital Employed                                       | 13.2% | 15.3% | 11%   | -                      |
| <strong>Headcount</strong>                                    |       |       |       |                        |
| Total Full Time Equivalents (Fte)                             | 3,660 | 3,709 | 3,939 | -                      |

\* Definitions: See glossary

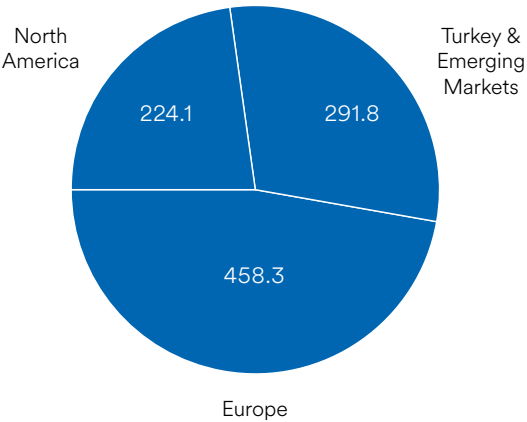
| KEY FIGURES PER SHARE                                  | 2020        | 2021        | 2022        |
|--------------------------------------------------------|-------------|-------------|-------------|
| Number of shares as at 31 December                     | 136,795,123 | 138,040,929 | 138,202,261 |
| Market capitalisation as at 31 December (in € million) | 264.0       | 463.8       | 338.6       |
| Net profit per share as at 31 December (in €)          | 0.19        | 0.27        | 0.06        |
| Book value per share (in €)                            | 1.75        | 1.83        | 2.22        |
| Gross dividend per share (in €)                        | 0.05        | 0.06        | 0.06        |
| Share price at 31 December (in €)                      | 1.93        | 3.36        | 2.45        |



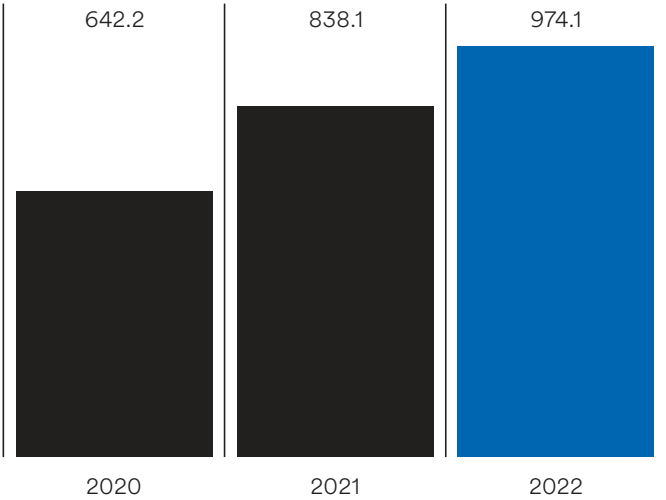
SALES 2021 PER REGION (IN € MILLION)



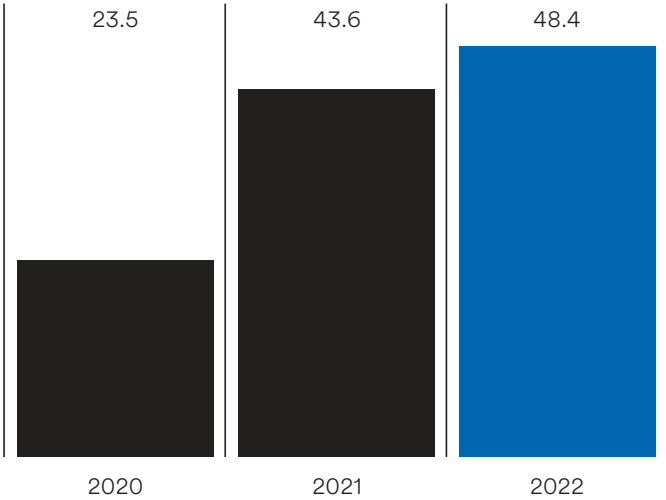
SALES 2022 PER REGION (IN € MILLION)



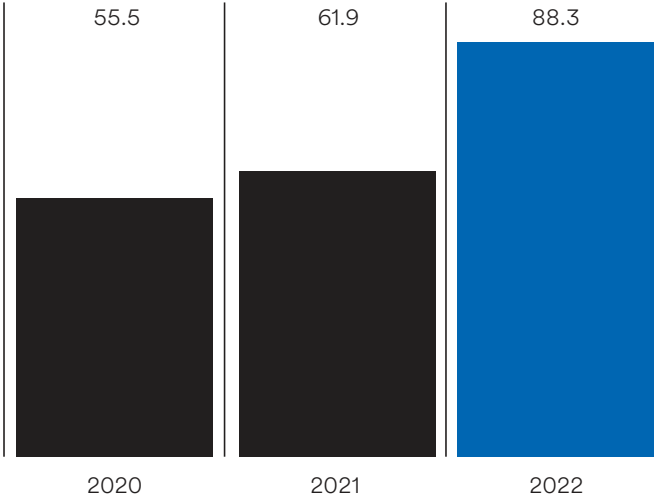
SALES (IN € MILLION)



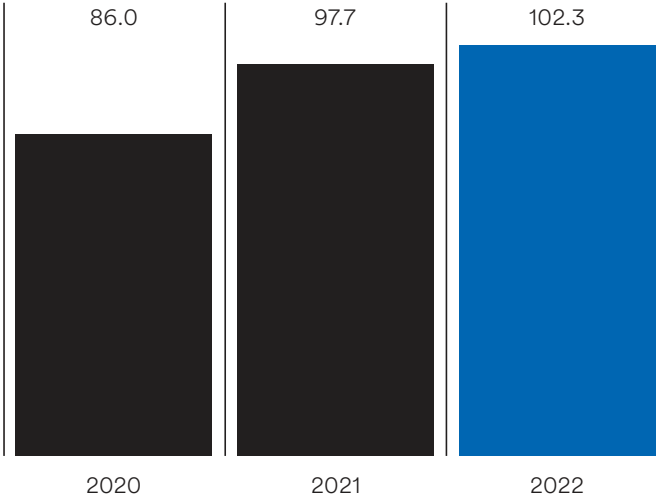
INVESTMENTS (IN € MILLION)



NET DEBT (IN € MILLION)



ADJUSTED EBITDA (IN € MILLION)





**Innovation**



**Sustainability**



**Reliability**

## Awards 2022

**Polish Building Creator Award for Thermofibra**

**Italian Jury Award for Elegant Thermofibra in the category "Sustainability"**

**Deceuninck Germany was nominated for the first edition of the German SDG Award**

**G22 Sustainability Initiative of the Year Award (UK)**

### Some of our Sustainability Achievements

**19,800 tonnes** recycled in our recycling factory

**14.4% recycled material** in our products

**37,000 tCO<sub>2</sub>e emissions avoided** through the use of own **PVC recyclate**

**Commitment to the Science Based Targets Initiative**

**VinylPlus Product Label** for Elegant, Elegant Thermofibra, Zendow, Zendow#neo and Twinson in Europe

### Latest Innovations

Elegant Thermofibra / Innergy AP

### Our reporting framework

Global Reporting Initiative (GRI)

# 1.3 Milestones 2022

## 02

### February

Deceuninck welcomes  
Luc Vankemmelbeke  
as COO



### January

Francis Van Eeckhout becomes  
Executive Chairman and is succeeded  
by Bruno Humblet as new CEO

## 01

## 04

### April

Luc Vankemmelbeke is  
appointed CEO Europe



## 05

### May

Deceuninck welcomes Dries Moors  
as CTO / COO



### June

"Deceuninck Ahead" strategy meeting  
in Ostend, Belgium, introducing  
the new value of "Trust" next to  
"Top Performance" and "Entrepreneurship"

Deceuninck commits to ambitious  
Science Based Targets to reduce  
Greenhouse gas emissions

## 06

## 07



### July

Deceuninck becomes proud name  
partner of the Alpecin-Deceuninck  
cycling team

### August

Deceuninck Belux attends  
the Polyclose fair in Ghent, Belgium



## 08

10

**October**

Deceuninck North America attends the Glassbuild fair in Las Vegas, US

**November**

Deceuninck UK wins the Sustainability Initiative of the Year award at the G22 Awards



Deceuninck Turkey celebrates 40 years of Pimapen

11

12

**December**

Deceuninck announces becoming proud name partner of the Fenix-Deceuninck women's cycling team as of 1 January 2023



09

**September**

Deceuninck announces a transition in leadership in Turkey. As of 1 January 2023, Ergün Çiçekci will become Executive Chairman of Ege Profil, and is succeeded by Alp Günvaran as new CEO Turkey and EM



A close-up portrait of a woman with light brown hair and green eyes, looking directly at the camera. She is wearing gold hoop earrings with a small diamond drop. The background is a solid blue color.

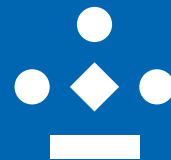
# Continuously improving for a better future

**Edith Cluyse**  
Plant Controller (Belgium)

Our global footprint is one of our greatest assets. In order to serve the local markets' needs, we strive to be an agile organization with an efficient and flexible production footprint.



## 2. Report of the Board of Directors



- 
- 2.1 Who we are**
  - 2.2 Purpose and Values**
  - 2.3 Products and Innovations**
  - 2.4 Risk and Governance**
  - 2.5 Sustainability**
  - 2.6 Financial Performance**



## 2.1 Who we are How the story began

### 1937

The origins of the Group go back to 1937. Benari Deceuninck, father of Roger Deceuninck, started a small company in Beveren-Roeselare to manufacture all kinds of buttons, buckles, combs, etc. from plastic sheets.

### 1960s

In the 1960s, the Group chose to explore a new direction in plastic production by extruding PVC granules for the manufacture of profiles for the building industry.

### 1970s

After the successful introduction of the products in the neighbouring countries of France, the Netherlands and the United Kingdom in the early 1970s, the first commercial subsidiary was established in France with local storage capacity and local offices. This was soon followed by a subsidiary in the United Kingdom and in Spain. As local demand boomed in the mid-1980s, particularly in France and the UK, Deceuninck decided to start producing locally and created two new production sites: one in Roye (France) and one in Calne (United Kingdom).

### 1980s

On 11 June 1985, Deceuninck was listed on the Brussels Stock Exchange.

During the second half of the 1980s, Deceuninck mainly focused on the vertical integration of its processes, including the start of the printing and coating activities, followed by the start of the compounding activities in the early 1990s in Diksmuide (Belgium).

### 1990s

In the mid-1990s, Deceuninck set up sales offices and local warehouses in Poland and the Czech Republic. This was quickly followed by the start of extrusion activities in Poznan (Poland) in 1995.

The first steps in the US market were made with the acquisition of Acro Extrusions in Wilmington, Delaware in 1995. The acquisition of American Dayton Technologies from the Alcoa Group in Monroe, Ohio followed in 1997, giving Deceuninck a leading position in the American market for non-integrated PVC window systems.

### 2000s

At the beginning of the 21st century, Deceuninck decided to acquire Ege Profil. Turkey had become the second largest market for PVC windows in Europe.

In June 2003, the German company Thyssen Polymer was acquired from the Thyssen Krupp Group. At that time, the company was half the size of Deceuninck and had a major extrusion plant in Germany and two production plants in the United States.

At the end of 2004, the Group acquired the company Winsa. Thanks to its presence in Turkey, Deceuninck was able to benefit not only from the growth of the local Turkish market, but also from the success of its Turkish subsidiaries in developing sales in the Middle East, the Maghreb countries in North Africa and in Asia.

Deceuninck was one of the pioneers in introducing wood composite products to Western Europe. The product line for terraces and facades uses a specific PVC-based formula under the Twinson brand name.

At the end of 2008, the global financial crisis had an impact on global construction activities, forcing Deceuninck in the first half of 2009 to further adapt its business activities to the new economic reality. Indirect personnel was cut back significantly worldwide, and in all branches direct personnel was brought in line with the volume. In September 2009, Deceuninck implemented a financial restructuring.

### 2010-today

Early 2011, Deceuninck launched its new vision "Building a Sustainable Home" based on the pillars Innovation - Ecology - Design and linked to the Group's three core values: Candor, Top Performance and Entrepreneurship.

From 2010 onwards, the Group further expanded in the Emerging Markets of Asia, Africa and Latin-America. In 2014, the Turkish listed company Pimas was acquired.

On the site of its existing compounding plant in Diksmuide, the Group built a high-tech recycling plant. The recycling line aims to process the increasing

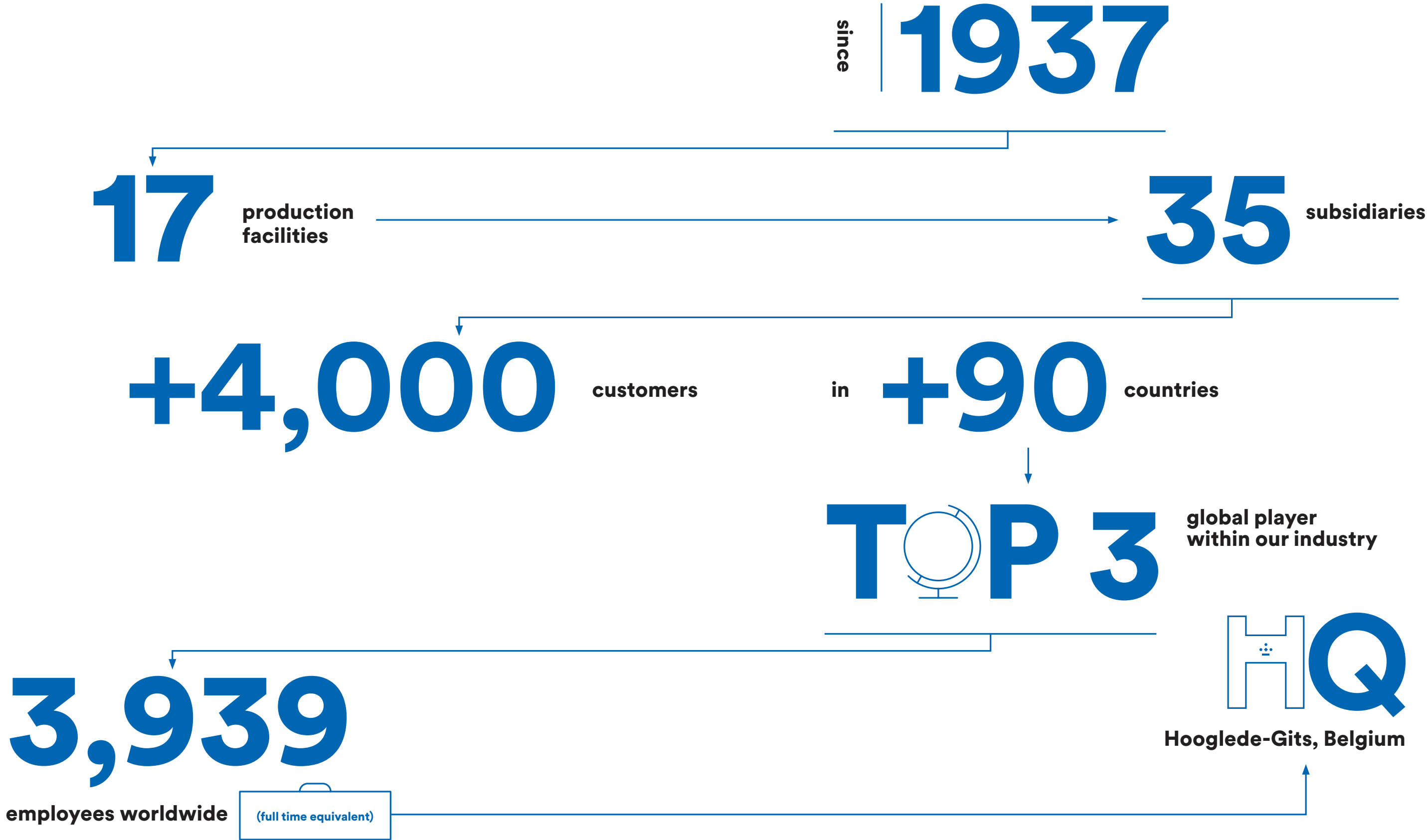
flow of first-generation windows in a qualitative manner. The line is equipped with the most modern recycling techniques that can also recycle glass fibre. The line has been fully operational since December 2018.

In 2017, the Group launched Decalu and Tunal, expanding the product range with aluminum windows and doors, ventilation and sun protection, next to the IQ Aluminum line that already existed in Turkey.

In 2019, the Group announced its One Europe strategy under one global brand, Deceuninck. In the same year, Deceuninck's latest window series Elegant won the prestigious Red Dot Award. Elegant is Deceuninck's ultimate window concept. It is 100% recyclable and the best performing steelless window and door solution available. It is the first of many window designs powered by Deceuninck's new universal platform iCOR.

Despite COVID-19 in 2020-2021 and the current global political and economic climate, the Group was able to sustain its profitable growth track in 2022.

Deceuninck in numbers





# Activities

Designer, Manufacturer, Recycler

The Group is active as designer, manufacturer and recycler of multi-material (PVC, aluminum and wood composite) window, door and building solutions.

The window and door solutions include a wide range of window and door system profiles, complemented by the residential screening product range.

The building solutions include products for exterior (such as decking or cladding) and interior applications.

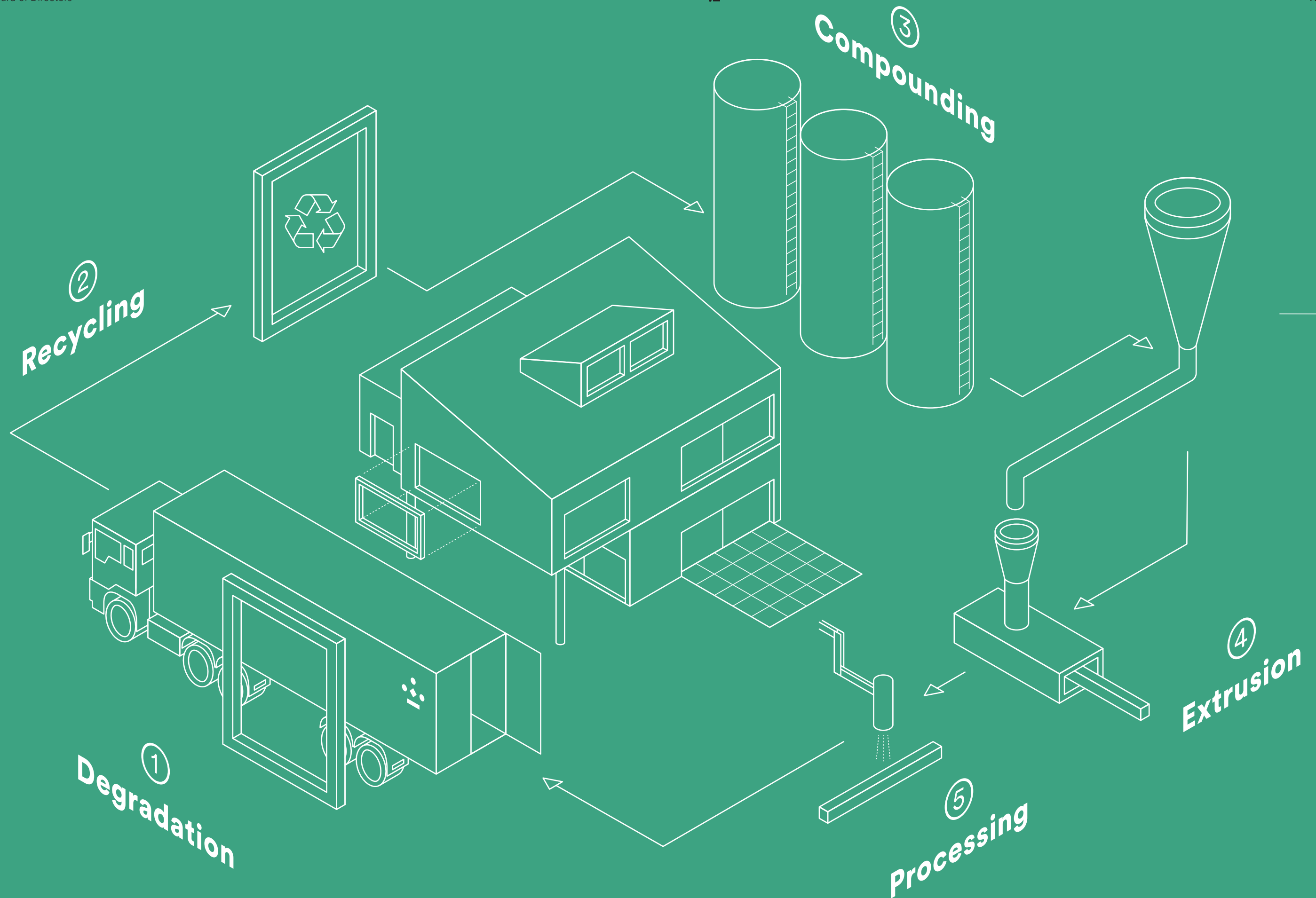
The basic technology used by the Group is extrusion of PVC. Deceuninck's integrated production process includes compounding, tooling, extrusion of seals and profiles, printing, adhesion of decorative foil and recycling.

What is extrusion?

The Group's main business activity is the transformation of a PVC dryblend (powder) into a rigid PVC profile. PVC resins are produced from two components derived from natural raw materials, being ethylene (oil, gas) (43%) and chlorine (salt) (57%). Unlike other plastics, PVC resins are only partially derived from fossil raw materials. Three basic processes are used in PVC resin production, resulting in suspension PVC (S-PVC), emulsion PVC (E-PVC) and bulk polymerisation.

Our commitment to the circular economy

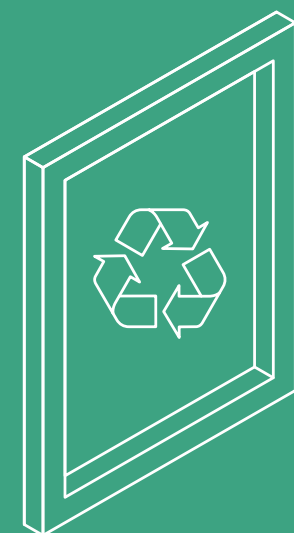
The Group's commitment to close the loop is clear by the investments that are made in the state-of-the art recycling plant in Diksmuide (Belgium), making Deceuninck Group one of the largest u-PVC recyclers of Western-Europe.



1

## Degradation

By working together with local partners, we separate and collect post-consumer PVC profiles as much as possible at source. This requires a lot of effort, but ensures that we get these materials at our recycling site at the highest possible quality and the lowest possible economic and ecological cost.



2

## Recycling

When the old windows and doors arrive at our recycling site, they contain many other materials. Through these 4 steps we transform old windows into raw material to produce a new window:

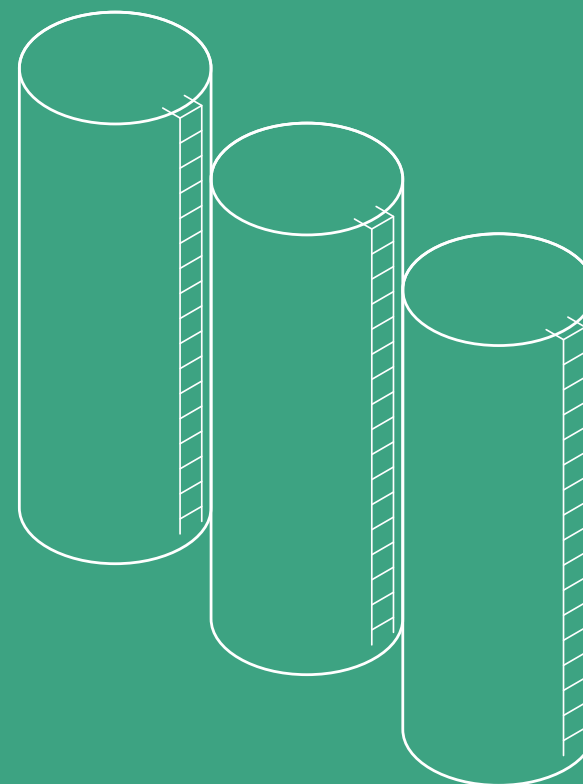
- Pre-sorting: the material is crushed and mainly metal and mineral fractions are removed
- Grinding and washing: the material is pulverized and washed to separate the remaining dirt from the PVC
- Re-sorting: we mainly remove rubbers, wood and the last metals present and sort the flow by colour
- Granulation: the smallest contaminations are removed before we make granulate that is used as a high-quality raw material.

3

## Compounding

The PVC resin is mixed with additives in a mixing tower to form a homogeneous and dry powder. Each mixing tower consists of a number of floors for the storage of the additives, for weighing the components, for intensive mixing into a PVC powder and for cooling. No chemical reaction takes place, the production process only involves physical mixing.

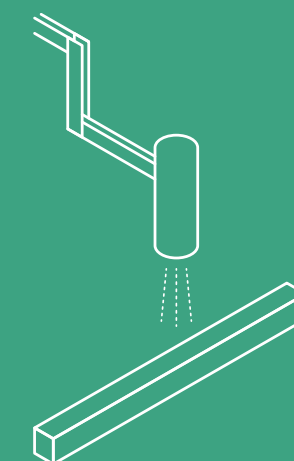
The PVC powders are transported to the stock silos and to the 'finished product' silos after sieving. They are then transported to the various sites of the group.



4

## Extrusion

The PVC compound is heated in the extruder and pushed through a mold that determines the shape. The profile is kept in the right shape in calibers, cooled by cooling water and cut to length. In addition to classic extrusion lines, we have co-extrusion to combine recycled material with new raw material, foam, thermal reinforcements (with steel wire) and cofirex (with fiberglass) lines.



5

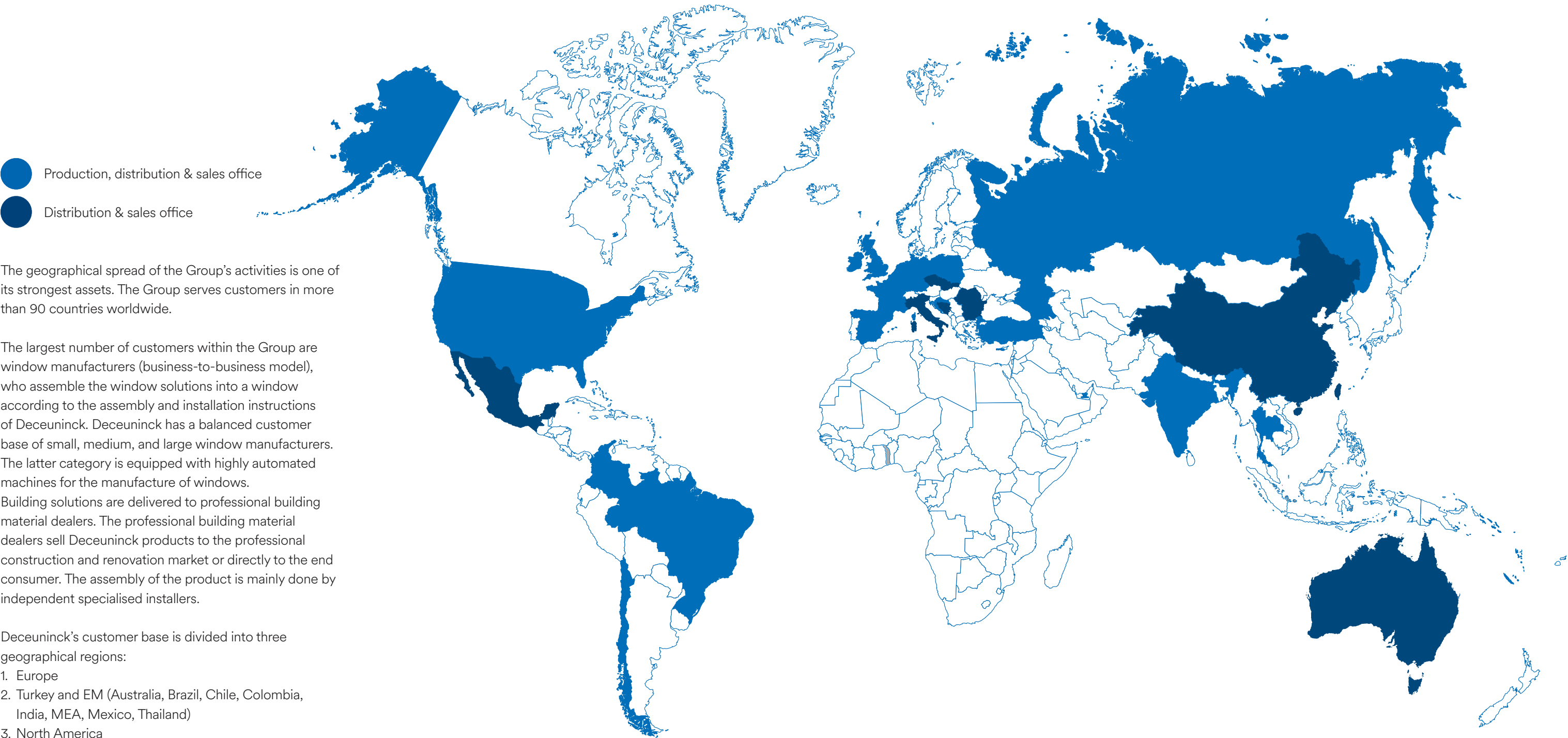
## Processing

The profiles get a lacquer layer using a classic paint spraying process or are covered with a foil by means of a hot melt adhesive, which gives the profile a classic wood structure or modern look.



# Customers and Markets

Supporting + 4,000 customers in + 90 countries across the world



# Leadership

**Bruno Humblet**  
CEO

**Alp Günvaran**  
CEO Turkey and EM

**Bart Peeters**  
CMCO

**Luc Vankemmelbeke**  
CEO Europe

**Carlin Deseyne**  
CHRO



**Dries Moors**  
CTO/COO

**Joren Knockaert**  
CEO North America

**Serge Piceu**  
CFO

**Filip Levrau**  
CIO

**Ann Bataillie**  
General Counsel,  
Secretary to the Board

# Producing for a Greener World

**Melis Dulkadir**  
Legal Counsel (Turkey)

Recycling, designing 100% recyclable products and investing in the collection of end-of-life products will help us in reducing CO<sub>2</sub> emissions and increase our independence from virgin raw materials.

# 2.2 Purpose and Values

## Our Purpose

### Building

**We build towards a global market leading position in window & door profile systems.**

- We strive to be a top 3-player globally, with robust partnerships with our customers
- We invest in our offer for PVC & aluminum window & door profiles
- We reinforce our offer with building profiles for the outer building shell

**We build our culture, teams and competencies.**

- We focus on and live our values
- We operate as a global group
- We engage with our employees



### Sustainable

**We create innovative products that contribute to sustainable living.**

- We design windows, doors and building profiles with the best insulation values
- ... that last for a very long time
- ... that are made from recycled base materials and are recyclable

**We produce sustainably.**

- We set the standard for our industry, following Science Based Targets
- We invest in recycling technology and facilitate waste stream collection
- We mitigate our environmental impact as much as possible

### Home

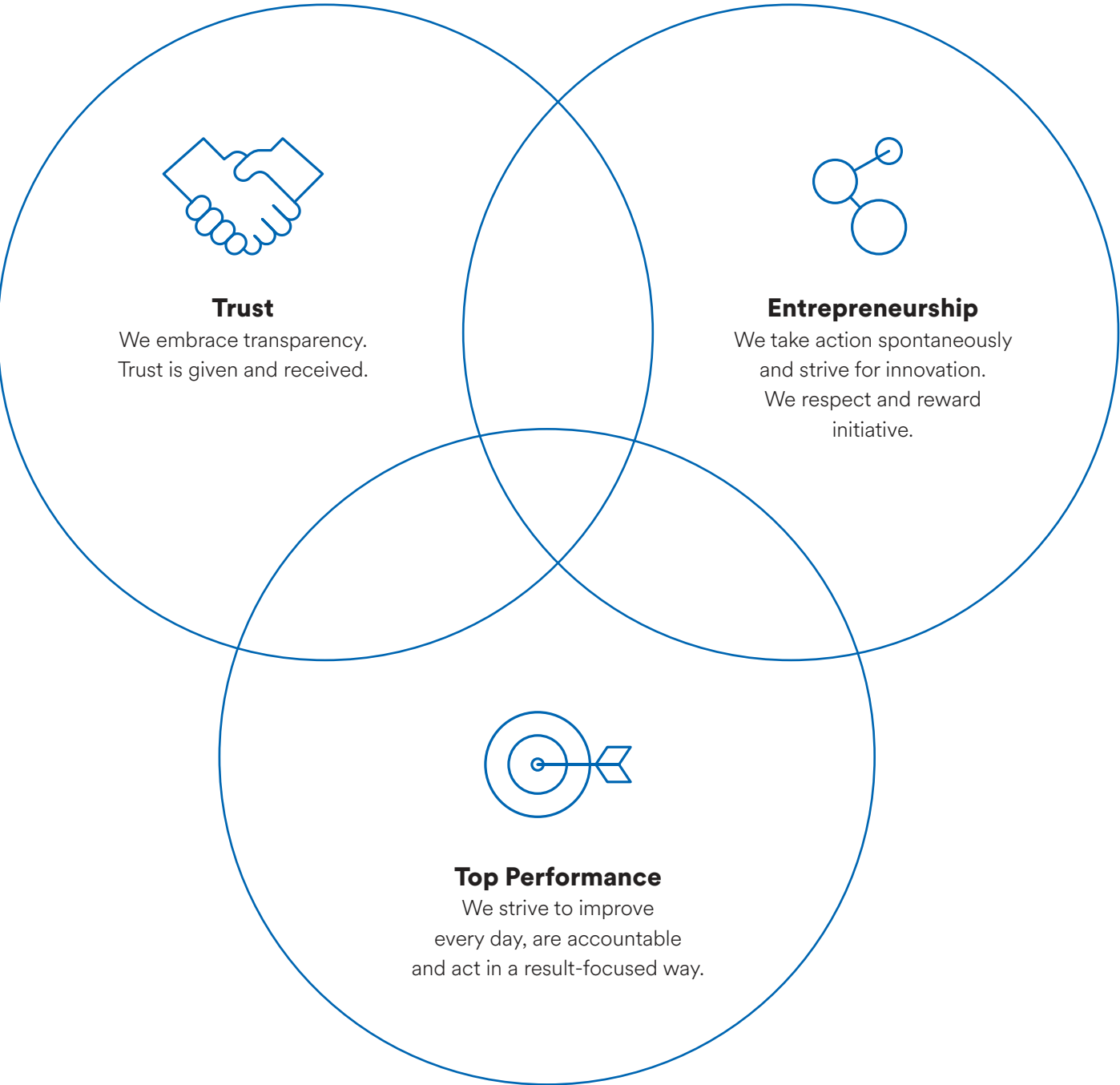
**We design high-end products for a comfortable and desirable home.**

- We promote classy, esthetic solutions
- We offer hybrid concepts (Alu/PVC)
- We have fully recycled products

**We see Deceuninck as a home for our global teams.**

- We ensure safe working conditions for all
- We provide an inclusive and trusting environment
- We foster a culture of innovation and entrepreneurship

# Our values



# How we create value

## We build on Resources

|                                                                                       |                         |                                                       |
|---------------------------------------------------------------------------------------|-------------------------|-------------------------------------------------------|
|    | <b>Human</b>            |                                                       |
|                                                                                       | Our people              | 3,939 FTE                                             |
|                                                                                       | Our customers           | +4,000                                                |
|                                                                                       | Our suppliers           |                                                       |
|    | <b>Materials</b>        |                                                       |
|                                                                                       | Raw materials           | 19,804 tonnes of PVC processed                        |
|                                                                                       | Recycled materials      | 14.4% recycled materials in our products              |
|   | <b>Know-How</b>         | 0.7% sales spent on R&D                               |
|  | <b>Financial</b>        | € 7.6 m net profit                                    |
|  | <b>Legal and Ethics</b> | 456 key suppliers signed our Supplier Code of Conduct |

## to provide our sustainable Products and Services

|                                                                                       |                                                |
|---------------------------------------------------------------------------------------|------------------------------------------------|
|    | <b>Research &amp; Product Development</b>      |
|                                                                                       | Window and door solutions                      |
|                                                                                       | Cladding and decking                           |
|                                                                                       | Multi-material: pvc, aluminum, wood composites |
|    | <b>Manufacturing</b>                           |
|    | <b>Logistics &amp; Supply</b>                  |
|    | <b>Technical Support</b>                       |
|    | <b>Marketing</b>                               |
|  | <b>Investor Relations</b>                      |

## in order to create Value

|                                                                                       |                          |                                                                                       |                                  |                                           |                              |
|---------------------------------------------------------------------------------------|--------------------------|---------------------------------------------------------------------------------------|----------------------------------|-------------------------------------------|------------------------------|
|  | <b>For Our People</b>    | Job creation                                                                          | Talent acquisition and retention | Learning and development                  | Safe working environment     |
|  | <b>For Our Planet</b>    | Use of recycled material in our products and products with optimal thermal insulation | Recycling of post-consumer waste | Energy and water management in production | Use of renewable electricity |
|  | <b>For Prosperity</b>    | Financial sustainability                                                              | Top 3 global player              | Shareholder return                        |                              |
|  | <b>For Our Community</b> | Health & Safety of our products in use-phase                                          | Business ethics and compliance   | Community engagement                      |                              |

# 2.3 Products and Innovations

## Multi-material window, door and building solutions



### Windows and (sliding) doors

Our PVC and aluminum windows and doors are defined by their superior thermal and acoustic performance combined with the lowest possible material consumption. Energy-efficient and with a stylish design, they are the perfect finishing touch for any facade. Our innovative ThermoFibra and Innergy AP technology provide extra performance in terms of stability, strength and insulation. With our sliding doors we bring the world outside into your home.

### Home protection

We ensure a comfortable, clean and healthy living environment thanks to our special solutions for sun protection and shutters. Our roller shutter box "Storbox 2.0" is an award-winning product that guarantees thermal insulation and reinforced sealing.

### Roof finishing and cladding

Aesthetic elegance and durability are the two main requirements that our roof finishing and cladding solutions fully meet. Our claddings are available in Twinson wood composite, aluminum and PVC for the highest durability. The list of benefits is endless: our cladding solutions offer excellent weather resistance, are lightweight and easy to install. They are also rot-resistant and fully recyclable.

### Outdoor living

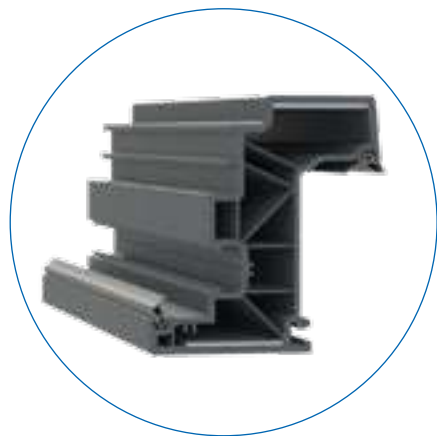
We continue to invest in high-quality wood composite materials and technologies. The result: the natural look of wood and the easy maintenance of PVC. The Twinson range offers both hollow and solid terrace boards, in various colors and textures. Our wood composite decking solutions are slip and crack resistant. All materials are fully recyclable and, due to their natural look, fit perfectly into the surrounding environment.

# Next generation reinforcements



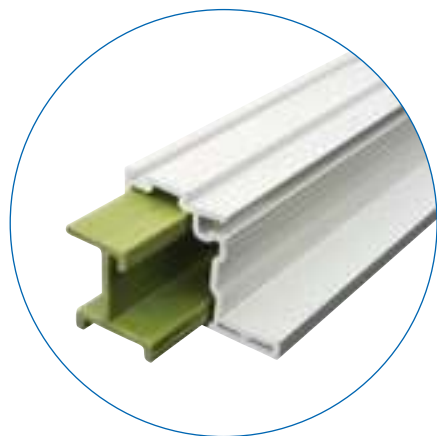
## Thermofibra

Limiting the use of steel as a reinforcement material in PVC window and door profiles is key to our sustainability strategy. By introducing glass fiber reinforcements, we combine complete freedom of design with an optimal reinforcement at a minimal environmental footprint.



## Alu-reinforced hybrids

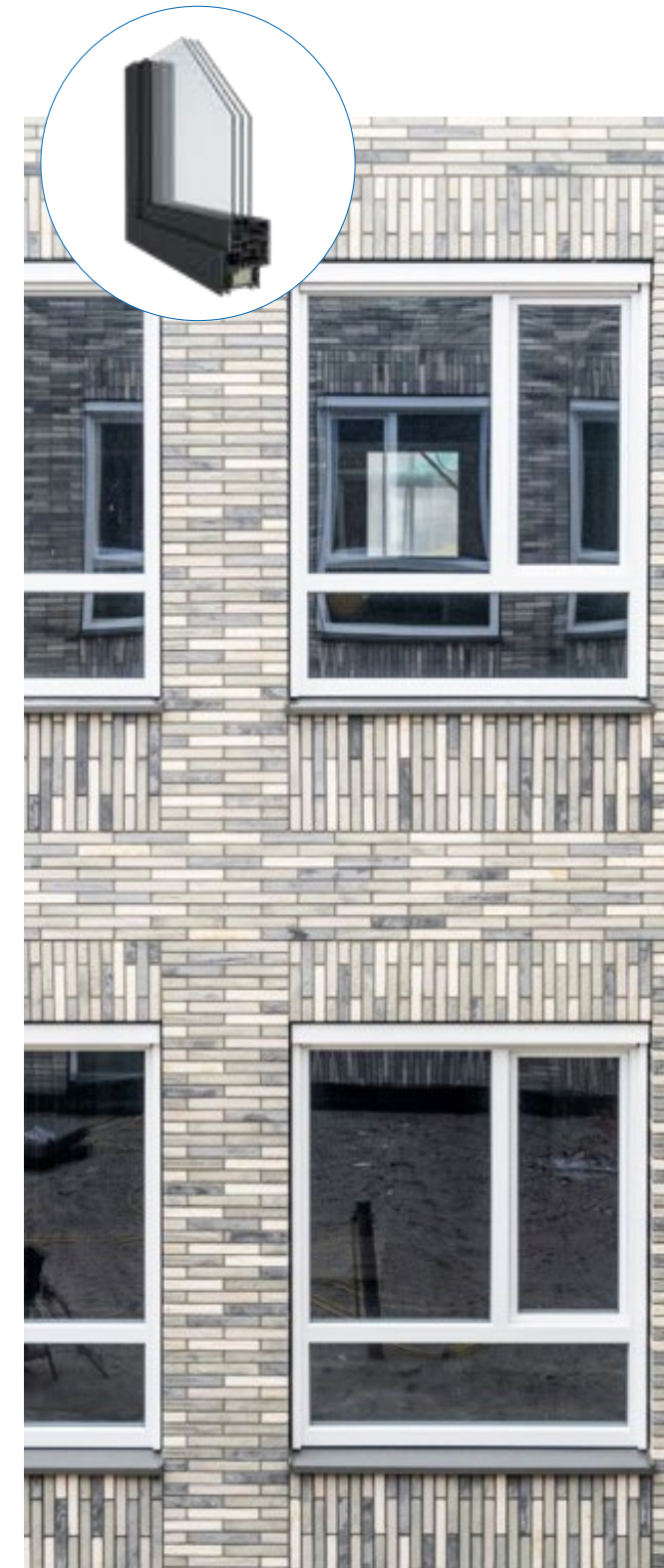
The aluminium reinforced hybrid range introduces aluminium strips in our profiles, taking built-in reinforcements to a next level. The aluminium reinforcement enhances the steadiness of our profiles without the need for additional steel.



## Innergy AP and Rovex

Our fiber-reinforced polymers (FRP) are achieved by cross-linking continuous strands of glass fiber with polyurethane polymer resin through pultrusion. The result of this innovation is the perfect combination of thermal performance with the strength of aluminium, for unprecedented fenestration applications.

# Product designs for a sustainable future



## Elegant

The Elegant range is Deceuninck's ultimate window concept. It is 100% recyclable and the best performing steelless window and door solution available.

It is the first of many window designs powered by Deceuninck's new universal iCOR platform. This modular approach allows for process standardization, resulting in a substantial complexity reduction. The remarkable technology of Thermofibra replaces the steel reinforcement in window and door profiles by structural glass fibres. Elegant's design and 100% recyclability have already been internationally awarded with a German Innovation Award, a German Design Award and a Red Dot Award.

## Phoenix

The Phoenix range makes optimal use of recovery and recycling to give rebirth to old materials. Like a Phoenix rising from its ashes, we process old windows and doors that have reached the end of their lives into new, recycled profiles. As an addition to the Elegant range, available since January 2022 in the BENELUX, the Phoenix range is – so far – our strongest circular product achievement.

The Phoenix range scores as highly in terms of shape retention, resistance, and thermal insulation as our other profiles. The minimalistic 'Infinity' design from the Elegant window range was selected for this design, ensuring a contemporary look for our circular window and door profiles.

## 2.4 Risk and Governance

### Internal control and risk management system

## Risk framework

Taking calculated risks is an integral part of operational management. The purpose of risk management is to identify and to manage risks.

The Group selected the ISO 31000 standard as framework for its risk management system. The following steps can be distinguished within this framework:

- Establishing the context

In order to detect risks, it is important to have a clear understanding of the context in which the Group operates. On the one hand, there is the ever-changing external context which includes our social, cultural, political, legal, legislative, financial, technological, economical, natural and competitive environment. On the other hand, there is the internal context in which the objectives of Deceuninck as a Group, as well as the objectives of each individual entity, need to be defined.

- Risk assessment

- Risk identification  
Risk identification is the first step within the risk assessment process. The risks that might have an impact on the achievement of objectives are identified in various brainstorming sessions, and subsequently summarized in the Risk Register.
- Risk analysis  
Risk analysis is the process that seeks to identify

the possibility that the risk will occur and what the possible impact will be on achieving the objectives. For this, we consider the impact on the core objectives i.e. people, planet, quality, service and cost.

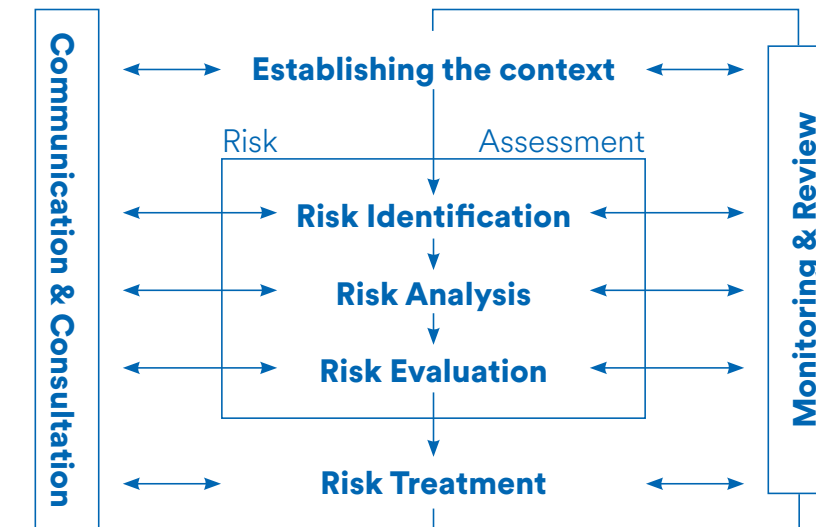
- Risk evaluation

Risks are evaluated and ranked on the basis of the likelihood that they will occur and the impact they will have. The outcome of this is summarized in a Risk Matrix.

- Risk treatment

The risk management process is a continuous effort and the different phases continuously have to be reviewed and monitored.

Internal Audit maintains the Risk Register and Risk Matrix for all risks which are relevant at Group and regional level, as well as a list of actions which have been agreed to treat these Risks. Actions are assigned to cross-regional teams and overseen by an Executive Management member. These are reviewed at least once a year by the Executive Management, to ensure completeness of the Risk Register and to ensure that agreed actions are implemented. Once a year, there is a similar review with the Audit Committee of the Board, typically during a dedicated risk management session or as a separate agenda item during the scheduled meetings of the Audit Committee. Internal Audit applies a risk-based internal audit approach which aims to identify potential new risks during their audits at legal entity level. This helps to ensure completeness.



Risks can be treated in four possible ways:

- To avoid the risk completely by changing or stopping the activity
- To act so as to reduce the probability (prevention) or to lower the impact (protection)
- To transfer the risk through insurance or through other contracts with third parties
- To accept the risk without further action.

## Main features of the Group's internal control and risk management systems

The most important features of the Group's internal control and risk management system, including financial reporting, can be summarized as follows:

- Defining targets for permanent follow-up of operating priorities as well as operational and financial performance of the Group and the individual companies
- Continuously analyzing historical financial results and regularly updating mid-term financial forecasts. Follow up of exchange rate risks and mitigating actions.
- Defining the company's policies and procedures for compliance with applicable laws and regulations
- Defining procedures clarifying authorization levels and segregation of duties, reviewed for compliance by the internal audit department.
- Ensuring business continuity and access control of IT systems.
- Discussing internal audit reports with the Internal

Auditor and, if required, further consultation for additional information and clarification as well as taking measures in order to implement and be compliant with the recommendations.

- Constantly monitoring raw material prices.
- Requesting confirmation from local management teams to ensure that they comply with applicable laws and regulations and internal procedures of the company.
- Monitoring and regularly discussing litigations that could be of material significance with the legal department.

## Risk structure

## Two dimensions

The Group structures its risks along two dimensions: operational and generic risks.

The operational dimension is split into the following categories: innovation, operations, sales, sourcing, inventory, logistics, people, finance, ICT and legal risks. The generic dimension is split into economic, political, regulatory, climate change and reputational risks.

## Risk rating

The risks listed below were scored as part of the risk assessment exercise and were scored highest amongst all risks included in the Risk Register.



| Category / Business area | Risk description                                                                                           |
|--------------------------|------------------------------------------------------------------------------------------------------------|
| Operations               | Failure key projects (e.g. SAP) for various reasons resulting in poor overall quality or service           |
| Operations               | Product availability                                                                                       |
| Operations               | Time to market for new innovations                                                                         |
| Operations               | High volatility in customer demand                                                                         |
| Operations               | Business continuity (e.g. breakdown of critical infrastructure, incl. Policy, BCP, BIA, disaster recovery) |
| Sourcing                 | Shortage of raw and/or recyclable material                                                                 |
| Sourcing                 | Raw material price fluctuation                                                                             |
| Sourcing                 | Inability to push through increases in raw material prices / transport / labor costs                       |
| People                   | Availability of skilled workers                                                                            |
| People                   | Shortage of people                                                                                         |
| People                   | Employee fluctuation / attrition                                                                           |
| Finance                  | FX risks                                                                                                   |
| IT                       | Breakdown of critical IT infrastructure                                                                    |
| IT                       | IT security breach (e.g. cyber security, data protection, etc.)                                            |
| Legal                    | Non-compliance with rules and regulations (antitrust custom and trade, etc.) and Code of Conduct           |

More detailed explanation of the risk categories

- Economic climate

As most companies, the Group is exposed to the risks of an economic recession, the volatility on the credit and capital market and the economic and financial situation in general. These factors have a negative influence on product demand. The Group primarily manufactures window profiles destined for the residential construction sector and related products. Consequently, our future results will mainly depend on the evolution of these markets. Against this background the current financial and economic situation has a considerable impact on the economy in general and influences all markets in which we operate. The Group cannot predict how the markets will evolve in the short term. Although the authorities of some geographical markets in which we operate have taken policy measures to stimulate economic growth, the Group cannot guarantee that these measures will suffice in order to achieve this effect. Also, the measures that were taken can be withdrawn or adjusted.

The markets in which the Group operates are subject to strong competition. We compete with other companies based on different factors, such as quality and service:

- (i) knowledge of and access to new technologies and new production processes,
- (ii) the ability to launch new products that offer improved functionality or that are less expensive than the existing range,
- (iii) completeness of the solutions that are offered,
- (iv) reputation and vision,
- (v) geographical presence,
- (vi) distribution network and
- (vii) prices.

Furthermore, competition can increase by consolidation or by new competitors offering similar products that enter the market. Strong competition can cause market overcapacity and price pressure. In addition, contracting parties, customers or other parties that operate in the Group’s market can change their operational model in a

matter that influences our activities. In other words, the Group’s success depends on its capacity to maintain competitiveness as the market structure changes. Although the Group was able to do so by adjusting to the market structure changes, future changes could have a considerable impact on its activities, operating profit or financial position. The activities, operating profit and financial position of the Group fluctuate according to the general economic climate. The decision whether or not to buy capital goods, which would enable the Group’s customers to integrate its products, entails a high level of investment. Such a decision on investment can among other things be associated with the general economic climate. The decision by end users of our products to invest in real estate can also be associated with the general economic climate and credit access. The renovation market is less sensitive to economic fluctuations than new construction.

- Operations

The Group’s compound factories are considered to be a critical infrastructure that deliver compound to most of the Group’s extrusion factories. They are situated in a limited number of countries (Germany, Belgium, Poland, the United States, Russia and Turkey). Although no considerable problems arose in the past, an activity interruption at one of the compound factories could substantially interrupt the production process of the extrusion facilities, as it is difficult to ship compounds under commercially attractive conditions. Such unavailability could substantially influence our activities,

operating profit and financial position. Furthermore, sudden and significant increases in customer demand can result in deteriorating service levels due to product availability problems. In such case, where delivery lead times are increasing it is key to have the actual cost price of the products reflected in the sales price. As such, regular price increases to reflect rising raw materials prices are vital to prevent margin erosion.

- Sourcing

Future profitability of the Group is partly determined by changes regarding the purchase prices of raw materials (especially PVC resins and additives), components, energy, capital goods, salaries and other corporate services, as well as by sales prices the Group can charge for its products and services. For most of these components there are no hedging possibilities. If the increase of raw material prices is substantial and long-lasting, experience shows that charging higher raw material prices to the market takes about 3 to 6 months’ time, with large differences between sales territories.

- People

The success of the Group will depend to a large extent on its ability to attract and retain skilled staff and managers who have a thorough knowledge of and are familiar with its markets, technology and products. The Group is active in a competitive labor market and therefore no assurance can be given that it will be able to retain its key personnel. If we fail to attract or retain





skilled persons, this could have a material adverse effect on the Group’s business or results of operations.

● Finance

As an international operating Group with production plants and sales organizations in the Americas, Europe and Turkey it is evident that FX risks are inherent to the business. FX positions are closely monitored and risks are reduced where possible.

● IT

IT risks are becoming more and more important. Security breaches as well as disruptions of IT infrastructure have a direct impact on the continuity of business operations. Therefore, cyber security and IT infrastructure are top priorities for the IT department in order to safeguard corporate information and IT infrastructure.

● Legal

**Compliance.** Violations of applicable laws and regulations, as well as of the Group’s Code of Conduct, by employees of the Group can have a material adverse effect on the Group’s business or financial position. Within an international company, individual employee actions can lead to non-compliance. This can have a negative impact on the image of the company, on the activities and on the value of the share. Despite internal training and the Group’s Code of Conduct (dealing with a.o. human rights, anti-bribery, anti-corruption), the

Group cannot avoid that some employees would commit individual breaches of applicable laws and regulations or the Group’s Code of Conduct.

**Intellectual Property.** The Group relies on a combination of trademarks, trade names, trade secrets, patents and knowhow to define and protect its intellectual property rights of its products and operational processes. It is of the utmost importance that the Group is able to continue to use its intellectual property and to sufficiently protect all valuable intellectual property by acting against violations of its intellectual property rights, by maintaining trade secrets and by using the available legal means such as trademarks, patents and design registrations. Although there are no important disputes, the company cannot exclude judicial procedures in order to protect its rights. In case the above-mentioned methods cannot sufficiently protect the Group’s intellectual property rights in its most important markets or in case the protection is no longer valid, third parties (competitors included) could commercialize its innovations or products or use its knowhow, which could affect our activities and/or operating results.

We cannot guarantee that all trademarks and patents that are applied for will be approved in the future, nor can we exclude the risk that certain of our trademark and patent registrations will expire should we not succeed in extending such trademark and patent registrations. In certain geographical markets, it might be more difficult for the Group to obtain property rights.

The Group’s success will partially depend on its ability to exercise its activities without infringing third parties’ property rights, or without unlawfully appropriating those rights. Although there are currently no important claims against the Group regarding the violation of intellectual property rights, the Group cannot guarantee that it will not (unintentionally) infringe third parties’ patents from time to time.

The Group might be obliged to spend a lot of time and efforts or might incur judicial costs should the company have to deal with legal claims on intellectual property rights, irrespective of their justifiability. If the Group indeed infringes or has infringed patents or other intellectual property rights of third parties, it can be subject to substantial insurance claims that could impact the Group’s cash flow, activities, financial situation or operating results. The Group might also be required to put a halt to the development, use or sales of the product or process concerned. It might also need to obtain a license in order to be able to use the disputed rights, which is not available at commercially reasonable conditions or not available at all.

To reduce probability of such a violation, management implemented a process to continuously examine possible infringements of patents and intellectual property rights.

**Product liability.** The Group’s activities are subject to possible product liability risks that are characteristic to the production and distribution of its products. Product liability can also apply to new products that will be

manufactured or distributed in the future. A possible insufficiency of the product liability insurance to cover product liability claims could substantially influence the company’s activities, financial situation and operating results. Furthermore, defense against such claims can exert considerable pressure on the management, considerable damages can be claimed or the Group’s reputation can be influenced negatively, even if the company’s defense against such claims regarding the products they put on the market is successful.

**Environmental requirements.** The Group operates in markets with different strict and evolving environmental requirements. Compounding and storage of hazardous industrial products always involves an environmental risk. Although the Group has taken all necessary measures to mitigate this risk and no significant problems have occurred in the past, environmental liability cannot be excluded, especially as environmental legislation and regulations can provide for a system of strict liability by which the Group becomes liable, regardless of whether the Group has been negligent or has committed any other offense. Failure to comply with existing or future environmental legislation and regulations may result in criminal or administrative penalties, which could have a material adverse effect on the Group’s business results.



INNERGY AP® thermal pressure plates for Vaisala NA HQ in Louisville, CO (US)

# Corporate Governance Statement

## Setting the scene

Deceuninck complies with the Belgian Corporate Governance Code 2020 (the “Code”). The Board subscribes to the principles of corporate governance and transparency as set out in the Code and applies the Code as reference code.

In its Corporate Governance Charter (together with the appendices, the “Charter”), the Company sets out the main aspects of its governance policy, such as its governance structure, the terms of reference of the Board and its Committees, the General Meeting, conflict of interest regime and measures to prevent market abuse.

The internal regulations are included as an annex to the Charter. The Charter should be read in addition to the provisions applicable to the Company and on which it is based, in particular (i) its Articles of Association, (ii) the Belgian Code on Companies and Associations (the “BCA”), and (iii) the Code. The application of Deceuninck’s corporate governance policy in 2022 is further set out in this Corporate Governance Statement.

The aim of the Board is to comply as much as possible with the principles of the Code. However, Deceuninck deviates from the Code as follows:

| Principle                | Explain                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Principles 2.10 and 2.13 | <p>The Board believes that having at any time a plan for succession of the CEO is difficult to achieve given the complexity of the business and the industry.</p> <p>The Board believes that having at any time a list of candidates for succession of all board members is difficult to achieve. Such list should have candidates available with a variety of competences to comply with the requirements of diversity within the Board.</p> |
| Principle 7.6            | <p>The non-executive Board members may receive subscription rights upon approval by the General Meeting. For that reason, it was decided not to implement the principle of remunerating the non-executive Board members partly in shares.</p>                                                                                                                                                                                                 |
| Principle 9.2            | <p>The Board decides not to apply this principle; instead, there are exit interviews with directors leaving the Board and Board evaluation in general.</p>                                                                                                                                                                                                                                                                                    |



# Governance structure



In 2020, the Board adopted the one-tier board structure as the new governance structure of the Company. This structure consists of the Board, which is authorised to perform all acts that are necessary or useful for the realisation of the object of the Company, except for those for which the general meeting is authorised by law. At least once every five years, the Board will evaluate whether the chosen governance structure is still suitable, and if not, it will propose a new governance structure to the General Meeting.

The Board established an Audit Committee and a Remuneration and Nomination Committee, which have an advisory, supervisory and preparatory role for certain decisions the Board must make. The authority to make decisions lies with the Board as a whole.

The Board also established the Executive Team Group consisting of the CEO, the CFO, the General Counsel and the CTO / COO. The members of the Executive Team Group were delegated the day-to-day management of the Company in accordance with article 7:121 BCA. Together with the three regional CEOs (the Executive Team Regions) the CHRO, the CMCO and the CIO (the Executive Team Extended), they are the Executive Management of the Company.

Finally, the Board granted a special power of attorney to the CEO in its Board meeting of 16 December 2021, as published in the Annexes to the Belgian Official Gazette.

# The Board and its Committees

## Composition of the Board

The Board currently consists of eight Directors. One member is Executive Director (“CEO”) and five members are Independent Directors in accordance with the Code. Two Directors were appointed on the recommendation of important shareholders.

|                         | Function             | Name                                                             | Membership committees                                                            | Latest renewal mandate      | Mandate expiry |
|-------------------------|----------------------|------------------------------------------------------------------|----------------------------------------------------------------------------------|-----------------------------|----------------|
| Non-Executive Directors | Executive Director   | Bruno Humblet, representative of Humblebee Partners BV           |                                                                                  | AGM 2021                    | AGM 2025       |
|                         | Executive Chairman   | Francis Van Eeckhout, representative of Beneconsult BV           | Audit Committee (member)<br><br>Remuneration and Nomination Committee (Chairman) | AGM 2019                    | AGM 2023       |
|                         | Independent Director | Marcel Klepfisch, representative of Marcel Klepfisch SAS         | Remuneration and Nomination Committee (member)<br><br>Audit Committee (member)   | AGM 2021                    | AGM 2025       |
|                         | Vice Chairwoman      | Benedikte Boone, representative of Venture Consult BV            | Remuneration and Nomination Committee (member)                                   | AGM 2021                    | AGM 2025       |
|                         | Vice Chairman        | Wim Hendrix, representative of Homeport Investment Management BV | Audit Committee (Chairman)                                                       | AGM 2022                    | AGM 2026       |
|                         | Independent Director | Anouk Lagae, representative of Alchemy Partners BV               | Remuneration and Nomination Committee (member)                                   | AGM 2021                    | AGM 2025       |
|                         | Independent Director | Paul Van Oyen, representative of PVO Advisory BV                 | Remuneration and Nomination Committee (member)                                   | Coopted on 28 February 2023 | AGM 2023       |
|                         | Independent Director | Laure Baert                                                      |                                                                                  | EGM 23 December 2022        | AGM 2026       |
|                         |                      |                                                                  |                                                                                  |                             |                |

Changes in the composition of the Board and its Committees in 2022

At the Annual General Meeting of 2022, Homeport Investment Management BV, represented by Wim Hendrix, was reappointed as Independent Director until the AGM of 2026. At the same meeting, Paul Van Oyen was appointed as Independent Director until the AGM of 2026.

Laure Baert was appointed as Independent Director until the AGM of 2026 by the Extraordinary General Meeting held on 23 December 2022.

Changes in 2023

At the Annual General Meeting to be held on 25 April 2023, Beneconsult BV, represented by Francis Van

Eeckhout, will be proposed for reappointment as Non-Executive Director until the AGM of 2027.

Paul Van Oyen resigned as Director on 28 February 2023, followed by the cooptation of PVO Advisory BV, represented by Paul Van Oyen, until the next shareholders' meeting. The final appointment of PVO Advisory BV, represented by Paul Van Oyen, as Independent Director until the AGM of 2026, will be proposed to the Annual General Meeting to be held on 25 April 2023.

Other

Deceuninck's honorary Directors are † Pierre Alain Baron De Smedt, Arnold Deceuninck and Willy Deceuninck. The Secretary to the Board is Ann Bataillie, representative of Bakor BV, General Counsel.



Resumes of the Members of the Board



**Beneconsult BV, represented by Francis Van Eeckhout (1968), Executive Chairman**

- Education: Master of Commercial Engineering (KU Leuven 1990)
- Current mandates: Independent board member of Pollet Watergroup; Chairman of Cemminerals NV
- Professional experience: 1994-2011: Managing Director of Van Eeckhout NV (concrete), VVM NV (cement)



**Humblebee Partners BV, represented by Bruno Humblet (1965), CEO**

- Education: Master in Commercial Engineering (Solvay Business School – VUB 1988)
- Current mandates: Executive Chairman Mankind (Belgium), Board member Schröder
- Professional experience: CEO Bridon Bekaert Ropes Group Ltd (UK); CFO Bekaert NV; Executive Vice President Latin America Bekaert NV; Executive Vice President Window Film Division Bekaert NV; Director Treasury EMEA and Global Cash Pool Procter & Gamble Inc.; Director Internal Audit Procter & Gamble Inc.;



**Marcel Klepfisch SAS, represented by Marcel Klepfisch (1951), Independent Director**

- Education: Master of Commercial Engineering (University of Antwerp)
- Professional experience: 2009: CRO at Deceuninck NV, former member of the Board of Directors of Nybron Flooring International Switzerland, CEO Ilford Imaging, member of the management committee Vickers Plc, CFO of BTR Power Drives, Chairman of the Board of Directors of Pack2Pack, and Chairman of the Board of Volution in the UK, Management Advisory Board of Tower Brook in London and Chairman of GSE Group in France



**Venture Consult BV, represented by Benedikte Boone (1971), Vice Chairwoman, Non-Executive Director**

- Education: Master of Applied Economic Sciences (KU Leuven 1994)
- Current mandates: member of the Board of Directors at Lotus Bakeries since 2012, director in various family companies (Bene Invest BV, Holve NV and Harpis NV)
- Professional experience: she has held positions at Creyf’s Interim and Avasco Industries



**Homeport Investment Management BV, represented by Wim Hendrix (1967), Vice Chairman, Independent Director**

- Education: Master of Commercial Engineering (KU Leuven 1990), Master of Business Administration (Washington University St. Louis, Missouri, US, 1993), Master Wealth Management (Wharton Business School, Pennsylvania, US, 2011)
- Current mandates: Chairman of the Board at XIX-Invest NV; Board Member at Capricorn Sustainable Chemistry Fund
- Professional experience: Gamma België NV, Siemens NV, Begos, Corelio, Homeport Investment Management



**Alchemy Partners BV, represented by Anouk Lagae (1975), Independent Director**

- Education: Master in Business and Engineering (Solvay Management School), Kellogg School of Management (Northwestern University, Chicago, Illinois, US)
- Current mandates: CEO Accent Belgium, member of the Advisory Board of Make Sense
- Professional experience: Coca Cola (Brussels, London and Sydney), Unilever (Brussels), Business Unit President, Core Europe at Duvel Moortgat



**PVO Advisory BV, represented by Paul Van Oyen (1961), Independent Director**

- Education: Master Geology/Mineralogy (KU Leuven 1982), Business Administration (KU Leuven 1990), Strategic R&D Management (INSEAD 1998), Strategy and Execution (London Business School 2015)
- Current mandates: Chairman of the Board at Ter Beke NV
- Professional experience: CEO and Managing Director of Etex Group



**Laure Baert (1992), Independent Director**

- Education: Business Engineering (KU Leuven, IESEG and Solvay Brussels School of Economics and Management 2015); Exchange student at National University of Singapore (2014); Summer Business Scholars Program at The University of Chicago Booth School of Business (2013)
- Professional experience: Marketing Manager Oncology (2023 - current) and Digital Transformation Lead (2021 – 2022) at Roche BeLux; Senior Consultant Organization Transformation at Deloitte (2018-2021); Strategy Implementation Consultant at BTS (2015-2017)



Composition of the Committees

General

The Board has set up specialised Committees to deal with specific matters and to give advice to the Board. The Committees have an advisory role. The ultimate decision-making responsibility lies with the Board.

Audit Committee

The current Audit Committee consists of three members, all of which are Non-Executive Directors. Two members of the Audit Committee are considered independent as set out in the Code:

- Homeport Investment Management BV, represented by Wim Hendrix, Chairman

- Marcel Klepfisch SAS, represented by Marcel Klepfisch
- Beneconsult BV, represented by Francis Van Eeckhout

The Audit Committee members as a whole have competence relevant to the sector in which Deceuninck is operating and at least one member has competence in accounting and auditing.

The CEO is invited to the meetings of the Audit Committee.

Remuneration and Nomination Committee

The current Remuneration and Nomination Committee consists of five members, all of which are Non-Executive

Directors. Three members of the Remuneration and Nomination Committee are considered independent as set out in the Code:

- Beneconsult BV, represented by Francis Van Eeckhout, Chairman
- Marcel Klepfisch SAS, represented by Marcel Klepfisch
- Venture Consult BV, represented by Benedikte Boone
- Alchemy Partners BV, represented by Anouk Lagae
- PVO Advisory BV, represented by Paul Van Oyen

Taking into account their education and professional experience, the members have the necessary expertise in the field of remuneration policy.

The CEO is invited to the meetings of the Remuneration and Nomination Committee.

Activity Report of the Board and Committee meetings in 2022

Board

The Board convened six times, mainly discussing the following topics:

- monitoring, taking the necessary measures, mitigating impact of the COVID-19 pandemic
- approval of sustainability report
- approval of budget 2023
- approval of SBTi targets
- issuance of new Subscription Rights Plan 2022
- proposal of resignation and appointment of members of the Board and the Executive Management
- the leadership transition in Deceuninck Turkey
- long-term strategy
- monitoring innovation projects and the technology strategy
- monitoring and deciding on investment and divestment opportunities
- approval of investment files
- monitoring of the business plans of the various regions
- financial reporting
- continuous monitoring of the debt and liquidity situation of the Group
- monitoring the organizational structure of the Group and the management succession planning
- preparation of the statutory and consolidated financial statements and annual report
- governance, risk and compliance
- remuneration and long-term incentives for the new CEO and members of the Executive Management
- preparation of the Annual General Meeting and the Extraordinary General Meeting



|                                                               | Board | Audit Committee | Remuneration and Nomination Committee |
|---------------------------------------------------------------|-------|-----------------|---------------------------------------|
| Total meetings held in 2022                                   | 6     | 8               | 4                                     |
| Beneconsult BV, represented by Francis Van Eeckhout           | 6     | 8               | 4                                     |
| Marcel Klepfisch SAS, represented by Marcel Klepfisch         | 6     | 8               | 4                                     |
| Venture Consult BV, represented by Benedikte Boone            | 6     | -               | 4                                     |
| Homeport Investment Management BV, represented by Wim Hendrix | 6     | 8               | -                                     |
| Alchemy Partners BV, represented by Anouk Lagae               | 6     | -               | 4                                     |
| Paul Van Oyen (currently PVO Advisory BV)                     | 6     | -               | 4                                     |
| HumbleBee Partners BV, represented by Bruno Humblet           | 6     | -               | -                                     |

Furthermore, the Board also took note of the reports and proposed resolutions of the Audit Committee and the Remuneration and Nomination Committee and, when necessary, made decisions based on the recommendations of these Committees.

Audit Committee

The Audit Committee convened eight times. It assisted the Board in the execution of its responsibilities in the broadest sense and it mainly dealt with the following topics:

- providing advice with respect to the appointment organisation of the internal audit department
- monitoring of audit activities, along with the systematic verification of signed missions by the statutory auditor
- assessing the reliability of financial information
- supervising the internal audit system
- assessing the internal control and the risk management systems
- controlling of the accounts and monitoring the budget

Remuneration and Nomination Committee

The Remuneration and Nomination Committee convened four times, mainly dealing with the following topics:

- the leadership transition in Deceuninck Turkey
- the resignation and appointment of Executive Management members
- the remuneration policy and the remuneration of the Directors and the Executive Management
- the policy with regard to the appointment of Directors and members of the Executive Management
- the structure and composition of the Committees
- the resignation and appointment of members of the Board
- the revision of the structure and composition of the Executive Management

Main features of the evaluation process of the Board, its Committees and the Directors

The Board is responsible for a regular evaluation of its own performance with a view to constantly improving the management of the Group. To this end, the Board, led by its Chairman, carries out an evaluation of its scope, composition, activities and interaction with the Executive Management, preferably every three years. The Board also assesses the functioning of the Committees and the individual Directors.

The evaluation process has four objectives:

- to assess the functioning and activities of the Board and of the relevant Committees;
- to check whether important issues are thoroughly prepared and discussed;
- to evaluate the actual contribution of the Board; and
- to assess the current composition of the Board or the Committees in light of the desired composition of the Board or the Committees.

On the basis of the results of the evaluation, the Chairman provides the Board with a report describing the weaknesses and strengths and, if necessary, proposes the appointment of a new Director or the non-renewal of a Director’s mandate to the Remuneration and Nomination Committee.

The planned performance evaluation in 2022 was postponed until 2023.





# The Executive Management

The Executive Management consists of the members of the Executive Team Group, the members of the Executive Team Regions and the members of the Executive Team Extended.

The Executive Team Group supports the CEO in the day-to-day operational management of the Group and the execution of its responsibilities in accordance with the values, strategies, policies, plans and budgets that are determined by the Board. The members of the Executive Team Group were delegated the day-to-day management of the Company in accordance with article 7:121 BCA.

The Executive Team Regions and the Executive Team Extended have an advisory role. The members of the Executive Team Extended are always invited and are as such part of the Executive Management.

On 31 December 2022, Ergün Çiçekci retired and stepped down as CEO Turkey and EM. He was appointed Executive Chairman of the Board of Ege Profil as of 1 January 2023.

|                         | Name                                                   | Function                                  |
|-------------------------|--------------------------------------------------------|-------------------------------------------|
| Executive Team Group    | Bruno Humblet, representative of HumbleBee Partners BV | CEO, Chairman of the Executive Management |
|                         | Serge Piceu, representative of Emveco BV               | CFO                                       |
|                         | Ann Bataillie, representative of Bakor BV              | General Counsel<br>Secretary to the Board |
|                         | Dries Moors, representative of DrM Consulting BV       | CTO / COO (as of 15 May 2022)*            |
| Executive Team Regions  | Alp Günvaran                                           | CEO Turkey and EM (as of 1 January 2023)  |
|                         | Luc Vankemmelbeke, representative of Value Coaching BV | CEO Europe (as of 27 April 2022)          |
|                         | Joren Knockaert                                        | CEO North America                         |
| Executive Team Extended | Carlin Deseyne, representative of Activ BV             | CHRO (as of 22 August 2022)               |
|                         | Filip Levrau                                           | CIO                                       |
|                         | Bart Peeters, representative of Flotland BV            | CMCO (as of 28 February 2022)             |

\* From 1 February 2022 until 27 April 2022, Luc Vankemmelbeke took up the role of COO.



# Diversity policy



## Criteria

Deceuninck aims for both diversity and complementarity in the composition of the Board and the Executive Management. The diversity criteria relate to gender, age, educational/professional background, geographical provenance, (international) experience and expertise/ know-how, taking into account the rules and generally accepted principles of non-discrimination.

## Implementation

The Remuneration and Nomination Committee nominates one or more candidates for appointment as member of the Board, considering the needs of Deceuninck, the appointment procedures and selection criteria of the Board. Board members are appointed by the General Meeting, to whom the relevant resumes are disclosed. Other than that, Deceuninck does not provide detailed information about diversity criteria and objectives to its shareholders.

The members of the Executive Management are appointed by the Board on the proposal of and after consultation with the CEO and the Remuneration and Nomination Committee.

## Results

- **Gender:** Deceuninck complies with the rules on gender diversity in the composition of the Board. In accordance with the Law of 28 July 2011, at least one-third of the Board’s members must be of a different gender than the other members. On 31 December 2022, three women and five men sat on the Board, while the Executive Management consisted of two women and eight men.
- **Age:** The age of the Board members ranges between 30 and 71 years of age. The youngest Executive Management member is 45 years and the oldest member is 64 years of age.

# Transactions between the Company and its Directors, not covered by the legal provisions governing conflicts of interest

- **Educational/professional background:** The members of the Board and the Executive Management have various backgrounds, in (a.o.) economics, law, engineering, geology, marketing, finance, IT, chemistry and business administration.
- **Geographical provenance:** Currently, one member of the Board has the Dutch nationality; the other members are Belgian citizens. One Board member lives in France. The Executive Management consists of Belgian nationals and one Turkish citizen.
- **(international) Experience:** Most of the Board and Executive Management members have studied and/ or worked abroad.
- **Expertise/know-how:** Given their educational and/ or professional backgrounds, the expertise and know-how of the Board and Executive Management members fulfils Deceuninck’s aim for diversity and complementarity.

Deceuninck’s policy regarding transactions and other contractual relations between the Company (including its affiliated companies) and its Directors, not covered by the conflict of interest rules set out in articles 7:96 and 7:97 BCA, is incorporated in the Charter.

The Charter provides that every transaction between the Company (or any of its subsidiaries) with any Director must be approved in advance by the Board, whether or not such a transaction is subject to applicable legal rules. Such a transaction can only take place based on terms in accordance with market practices.

# Policy for the prevention of market abuse

The Board has established a dealing code regulating transactions and the disclosure of such transactions in shares of Deceuninck or in derivatives or other financial instruments linked to them carried out for their own account by persons discharging managerial responsibilities and certain key employees.

The principles of Deceuninck’s Dealing Code have been annexed to the Charter.

# Remuneration Report

## Remuneration policy

The Company’s remuneration policy for 2022 was approved by the shareholders at the Annual General Meeting of 26 April 2022. It is published on the Company’s website.

An amended remuneration policy for 2023 will be proposed to the shareholders for approval at the General Meeting of 25 April 2023.



Total remuneration of the Non-Executive Directors in 2022 (including former members)

Non-Executive Directors receive a fixed amount as remuneration for the execution of their mandate and a fixed amount for each Board meeting attended, limited to a maximum amount. The amount of remuneration is different for the Chairman, the Vice-Chair(wo)man and the other Non-Executive Directors. If the Non-

| FIXED REMUNERATION (IN €) | Min/year | Max/year |
|---------------------------|----------|----------|
| Chairman                  | 40,000   | 80,000   |
| Vice-Chair(wo)man         | 30,000   | 60,000   |
| Director                  | 20,000   | 40,000   |

Executive Directors are also members of a Committee, their remuneration will be increased by a fixed amount per meeting of the relevant Committee. If Directors are assigned special tasks and projects, they may receive an appropriate remuneration. Performance-based remuneration such as bonuses and fringe benefits are excluded. No termination compensation or compensation for pension expenses are provided for Non-Executive Directors.

The fixed remuneration remained unchanged in 2022.

| ATTENDANCE FEE (IN €)                 | Chairman | Member |
|---------------------------------------|----------|--------|
| Board of Directors                    | 3,000    | 1,500  |
| Audit Committee                       | 2,000    | 1,000  |
| Remuneration and Nomination Committee | 1,000    | 1,000  |



Deceuninck Turkey

The total remuneration (gross) paid to the Non-Executive members of the Board in the financial year 2022 amounted to € 274,000. The Executive Chairman received a remuneration of € 250,000 for the specific projects aluminum and recycling business.

In deviation of the Code, Non-Executive Directors may receive subscription rights upon approval of the General Meeting. The Extraordinary General Meeting of 23 December 2022 approved the granting of subscription rights under the Warrant Plan 2022 to the Non-Executive Directors as follows: 30,000 to the Chairman and 15,000 to each of the Non-Executive Directors (with the exception of HumbleBee Partners BV). The price of the subscription rights under Warrant Plan 2022 amounts to € 2.38. The subscription rights were to be accepted by 20 February 2023. The exercise period runs from 2026 until 2032. In 2026, 1/3 of the subscription rights will vest, in 2027: 2/3 and in 2028: 3/3.

Each year, there will be two exercise windows: from the day after the Annual General Meeting in April until 30 June and from the day after the publication of the half-year results in August until 30 September.

In 2022, none of the members of the Board exercised subscription rights.

In 2022, nor the Company nor any affiliated Company of the Group granted any loans to any of the Directors, nor are there any outstanding repayments owed by the Directors to the Company or any affiliated Company of the Group.

The member of the Executive Team Group who also sits on the Board as executive Director, HumbleBee Partners BV, represented by Bruno Humblet, did not receive a fixed remuneration nor any attendance fees.



|                                                               | Board       | Audit Committee | Remuneration and Nomination Committee | Fixed remuneration | Variable remuneration | Total gross remuneration and proportion fixed/variable |
|---------------------------------------------------------------|-------------|-----------------|---------------------------------------|--------------------|-----------------------|--------------------------------------------------------|
| Beneconsult BV, represented by Francis Van Eeckhout           | € 18,000.00 | € 8,000.00      | € 4,000.00                            | € 40,000.00        | -                     | € 70,000.00<br><br>0% variable                         |
| Marcel Klepfisch SAS, represented by Marcel Klepfisch         | € 9,000.00  | € 8,000.00      | € 4,000.00                            | € 20,000.00        | -                     | € 41,000, capped at € 40,000<br><br>0% variable        |
| Homeport Investment Management BV, represented by Wim Hendrix | € 9,000.00  | € 16,000.00     | € 0.00                                | € 30,000.00        | -                     | € 55,000.00<br><br>0% variable                         |
| Venture Consult BV, represented by Benedikte Boone            | € 9,000.00  | € 0.00          | € 4,000.00                            | € 30,000.00        | -                     | € 43,000.00<br><br>0% variable                         |
| Alchemy Partners BV, represented by Anouk Lagae               | € 9,000.00  | € 0.00          | € 4,000.00                            | € 20,000.00        | -                     | € 33,000.00<br><br>0% variable                         |
| Paul Van Oyen (currently PVO Advisory BV)                     | € 9,000.00  | € 0.00          | € 4,000.00                            | € 20,000.00        | -                     | € 33,000.00<br><br>0% variable                         |
| HumbleBee Partners BV, represented by Bruno Humblet           | € 0.00      | € 0.00          | € 0.00                                | € 0.00             | -                     | € 0.00<br><br>0% variable                              |
| Total                                                         | € 63,000.00 | € 32,000.00     | € 20,000.00                           | € 160,000.00       | -                     | € 274,000.00                                           |

**Total remuneration of the members of the Executive Team Group and the members of the Executive Team Regions in 2022 (including former members)**

Main principles

The total remuneration of the Executive Team Group and Executive Team Regions consists of the following elements: the fixed remuneration, the short-term variable remuneration and the long-term variable remuneration. The remuneration package aims to be competitive and is aligned with the role and responsibilities of each member, in a globally operating industrial group.

- Fixed remuneration

The fixed remuneration is determined according to their individual responsibilities and skills. It is awarded independently of any result. Part of this fixed remuneration may be used, at the discretion of the management member, for pension or insurance contributions.

- Short-term variable remuneration

In order to align the interests of the Company and its shareholders with the interests of the management members, part of the remuneration package is linked to Group performance with objectives related to the annual business plan.

For 2022, the evaluation criteria for the CEO and the other members of the Executive Team Group were as follows: REBITDA Group (40%), Adjusted

Free Cash Flow Group (40%) and non-financial criteria (20%). For the members of the Executive Team Regions: REBITDA Group (10%), REBITDA Region (30%), Adjusted Free Cash Flow Group (10%), Adjusted Free Cash Flow Region (30%) and non-financial criteria (20%). The non-financial criteria relate to the contribution to greater sustainability and to the members living the Group's values Trust, Top Performance and Entrepreneurship. The short-term variable remuneration amounts in principle to 40% of the annual fixed remuneration for the members of the Executive Team Group and Executive Team Regions (excl. CEO) and 75% of the annual fixed remuneration for the CEO. This percentage may be exceeded in terms of company performance, but should not exceed 50% (for members of the Executive Team Group and Executive Team Regions) or 93.75% (for the CEO). The variable remuneration related to the business objectives is only awarded if 90% or more of the predetermined financial targets have been achieved.

The basis for the variable remuneration is the remuneration earned during the financial year. Payment is made in February of the following year.

There is no spread over time of the variable remuneration. The Extraordinary General Meeting of December 16, 2011 decided that the Company is not bound by the restrictions regarding the spread over time of the variable remuneration of the directors, the CEO and the other members of the Executive Team Group and Executive Team Regions.





Deceuninck North America

● Long term variable incentive

*Stock options and subscription rights*

The Company offers options and/or subscription rights on shares of the Company. The purpose of this kind of remuneration is to motivate and retain employees who (can) have a significant impact on the Company results in the medium-term. When granting options and/or subscription rights, due account is taken of the strategic impact of the function that the employee performs and his/her future (growth) potential. The underlying philosophy is to raise Deceuninck’s value to the maximum extent in the long term, by linking the interests of the subscription rights’ holders to those of shareholders, and to strengthen the long-term vision of the management. In this context, the exercise period of an option and subscription right is max. 10 years. One third of the options/subscription rights are each time released for exercise in the fourth, in the fifth and in the sixth calendar year after the year in which the granting took place, up to the end of the term. If they are not exercised at the end of the term, they lose all value. In

the event of involuntary dismissal (except in case of termination of contract for cause), the accepted and exercisable stock options/subscription rights can only be exercised during the first exercise period following the date of the termination of contract. The options/subscription rights that are not exercisable shall be cancelled. However, as of Warrant Plan 2022, the subscription rights that are not yet exercisable, can be exercised during the first exercise period upon vesting. In the event of involuntary dismissal for cause, however, the unexercised, accepted stock options and warrants are cancelled, whether or not they were exercisable. These terms and conditions relating to the acquisition and exercise of options and subscription rights in the event of voluntary or involuntary dismissal can be applied without prejudice to the competence of the Board to make changes to these stipulations to the advantage of the beneficiary, based on objective and relevant criteria. If the employment agreement ends due to legal retirement or end of career, the options/subscription rights shall remain exercisable. The shares that may be acquired in connection with

the exercise of the options/subscription rights are listed on Euronext Brussels; they are of the same type and have the same rights as the existing ordinary Deceuninck shares.

*Performance Share Plan*

As the Performance Share Plan of 2018 had expired, it was decided in 2022 to issue a new Plan. The members of the Executive Management are granted Performance Share Rights, which can be converted into “matching” or Performance Shares of Deceuninck NV at the vesting date (i.e. the 3rd calendar year following the year of the grant), provided the beneficiaries invested in Deceuninck Shares before 31 December 2022, at the Investment Price (i.e. the average share price of the 30 trading days preceding 16 August 2022). For each invested Share, the Executive Management member will be entitled to one or more matching Deceuninck Shares pursuant to, amongst other conditions, the fulfillment of the Performance Condition, defined as a cumulative annual average increase of the Total Shareholder

Return as determined in the Plan, the realisation of which determines the fraction or the multiple (if any) of Performance Shares a vested Performance Share Right effectively entitles to.

Members of the Executive Team Group

In 2022, the CEO received a fixed remuneration of € 450,000 and a variable remuneration of € 61,087.50 (18.1%). The CFO received a fixed remuneration of € 295,000 and a variable remuneration of € 21,358 (18.1%). The General Counsel received a fixed remuneration of € 282,159 and a variable remuneration of € 20,428.31 (18.1%). The CTO/COO received a fixed remuneration of € 172,083 and a variable remuneration of € 12,458.83 (18.1%).

Luc Vankemmelbeke, representative of Value Coaching BV, was appointed COO and member of the Executive Team Group from 1 February 2022 until he was appointed CEO Europe on 27 April 2022. In that capacity, he received a fixed remuneration of € 78,750 and a variable remuneration of € 5,053.13 (17.5%) for that period.

The remuneration package awarded to the members of the Executive Team Group does not include a long-term cash bonus. The fixed remuneration is an aggregate amount, part of which can be contributed for pension plans or for insurance, at the sole discretion of the members of the Executive Team Group. The Remuneration and Nomination Committee evaluated the achievement of the 2022 objectives for the members of the Executive Team Group and proposed to the Board to pay a short-term variable remuneration based on the 2022 performance criteria that have been only partly met.

Given the fact the current members of the Executive Team Group act through a management company, no company car is provided.

The total amount of the remuneration of the members of the Executive Team Group is in accordance with the Company’s remuneration policy and contributes to the strategic objectives of the Company.

Members of the Executive Team Regions

The members of the Executive Team Regions together received a fixed remuneration of € 1,092,985.33 and a variable remuneration of € 222,059.64. The fixed remuneration includes the remuneration of the former CEO Europe who was in his role from 1 January 2022 until 27 April 2022, and the remuneration of the current

CEO Europe as of 27 April 2022, as well as the fixed remuneration of the new CEO Turkey and EM, who started on 1 November 2022. The remuneration package awarded to the members of the Executive Team Regions does not include a long-term cash bonus. The fixed remuneration is an aggregate amount, part of which can be contributed for pension plans or for insurance, at the sole discretion of the members of the Executive Team Regions. The Remuneration and Nomination Committee evaluated the achievement of the 2022 objectives for the members of the Executive Team Regions and proposed to the Board to pay a short-term variable remuneration based on the 2022 performance criteria that have been only partly met.

A company car is provided to the CEO North America and the CEO Turkey and EM.

The total amount of the remuneration of the members of the Executive Team Regions is in accordance with the Company’s remuneration policy and contributes to the strategic objectives of the Company.

**Shares, stock options and other rights to acquire Deceuninck shares that were granted, exercised or that have lapsed during 2022**



Stock options

The Extraordinary General Meeting of October 2006 approved a stock option plan on existing shares under which the Board is authorised to allocate 75,000 options on existing shares each year.

In 2022, no stock options were granted to the members of the Executive Team Group and Executive Team Regions, no stock options were exercised, and the remaining 30,750 stock options lapsed. As a consequence, there are no more active stock option plans in 2023.

Subscription rights

On 29 June 2021, the Board approved a new subscription rights plan (“Warrant Plan 2021”) of 3,000,000 subscription rights. On 23 December 2021, 350,000 subscription rights of Warrant Plan 2021 were offered to the former CEO 50,000 subscription rights were offered to the new CEO and 60,000 subscription rights were offered to each of the CFO, General Counsel, CEO Europe, former CEO Turkey and EM and CEO North America and the price of the subscription rights amounts to € 3.07. All subscription rights were accepted by 15 February 2022. The exercise period runs from 2025 until 2031. In 2025, 1/3 of the subscription rights will vest, in 2026 another 1/3 and in 2027 another 1/3.

On 23 December 2022, the Extraordinary General Meeting approved a new subscription rights plan (“Warrant Plan 2022”) of 3,000,000 subscription rights. On 23 December 2022, 250,000 subscription rights of Warrant Plan 2022 were offered to the CEO, 60,000 subscription rights were offered to each of the CFO, General Counsel, CTO / COO, CEO Europe and CEO North America, 30,000 subscription rights were offered to the former CEO Turkey and EM. The price of the subscription rights amounts to € 2.38. The subscription rights were to be accepted by 20 February 2023. The exercise period runs from 2026 until 2032. In 2026, 1/3 of the subscription rights will vest, in 2027 another 1/3 and in 2028 another 1/3.

Each year, there are two exercise windows: from the day after the Annual General Meeting in April until 30 June and from the day after the publication of the half-year results in August until 30 September.

Right of recovery

Although the Board is entitled to introduce recovery clauses, the stipulations of the agreements between the Company and the CEO and the members of the Executive Team Group and the Executive Team Regions currently do not contain such clauses.

Severance payments paid in 2022

A severance payment amounting to 6 months’ remuneration was paid to the former CEO Europe.

The former CEO Turkey and EM received a retirement fee of not more than 12 months' remuneration.

Evolution of remuneration:

| Year | Total annual CEO remuneration | Total annual Executive Management remuneration (excl. CEO) | Total annual Non-Executive Director Remuneration | Average staff remuneration (FTE) | Sales    | EBITDA            |
|------|-------------------------------|------------------------------------------------------------|--------------------------------------------------|----------------------------------|----------|-------------------|
| 2017 | € 460,080                     | € 2,046,940 (7 members)                                    | € 263,500                                        | € 47,102                         | € 687.2m | € 66.7m (REBITDA) |
| 2018 | € 923,185                     | € 2,147,577 (7 members)                                    | € 253,500                                        | € 45,985                         | € 674.2m | € 72.4m (Adj.)    |
| 2019 | € 525,000                     | € 598,570 (2 DirCo members)                                | € 267,000                                        | € 47,090                         | € 633.8m | € 60.6m (Adj.)    |
| 2020 | € 965,781                     | € 821,038 (2 DirCo members)                                | € 296,833                                        | € 48,417                         | € 642.2m | € 86m (Adj.)      |
| 2021 | € 799,134                     | € 666,954 (2 DirCo members)                                | € 422,153                                        | € 49,027                         | € 838.1m | € 97.7m (Adj.)    |
| 2022 | € 511,087.50                  | € 2,118,532.45 (Ex. T. Group and Ex. T. Regions)           | € 524,000                                        | € 54,481                         | € 974.1m | € 102.3m (Adj.)   |

Pay ratio

The pay ratio between the highest remuneration in the Executive Management (CEO remuneration) and the lowest remuneration of the staff members is 14.61.

External audit

PwC Bedrijfsrevisoren BV CVBA, with its registered office at Woluwedal 18, 1932 Sint-Stevens-Woluwe, with enterprise number 0429.501.944, represented by Lien Winne, was appointed as the Company’s statutory auditor in 2020 for a period of three years, until the closing of the Annual General Meeting of 2023.

At the Annual General Meeting of 25 April 2023, PwC Bedrijfsrevisoren, represented by Lien Winne, will be proposed for reappointment as statutory auditor until the closing of the AGM of 2026.

Transactions between related parties

General

Each Director and each member of the Executive Management is encouraged to arrange their personal and business interests so that there is no direct or indirect conflict of interest with the Company. Deceuninck has no knowledge of any potential conflict of interest affecting the members of the Board and the Executive Management between any of their duties to the Company and their private and/or other duties.

Directors’ conflicts of interest

The conflict of interest settlement procedure of article 7:96 of the BCA was not applied in 2022.

Transactions with affiliated companies

The conflict of interest settlement procedure of article 7:97 of the BCA was not applied in 2022.

# Article 34 of the Belgian Royal Decree of 14 November 2007

## Capital structure on 31 December 2022

The share capital (€ 54,504,981.48) was represented by 138,202,261 shares without nominal value.

## Restrictions on transferring securities as laid down by law or the Articles of Association

The Company offers stock options and subscription rights on shares of the Company. Stock options and subscription rights are assigned personally and are not transferable, except in case of decease of the holder.

## Holders of any securities with special control rights

None.

## Systems of control of any employee share scheme where the control rights are not exercised directly by the employees

None.

## Restrictions on exercising voting rights as laid down by law or the Articles of Association

The voting rights attached to the shares held by Deceuninck and its direct and indirect subsidiaries are suspended. At 31 December 2022, these rights were

suspended for 13,103 shares (0.01% of the shares in circulation at that time).

## Shareholder agreements known to Deceuninck NV that could restrict the transfer of securities and/or the exercise of voting rights

None.

## Rules governing the appointment and replacement of Board members and the amendment of the Articles of Association of Deceuninck NV

The members of the Board are appointed by the General Meeting. Their initial term of office lasts maximum four years (based on the Charter), but can be renewed. The Remuneration and Nomination Committee presents one or more candidates, considering the needs of the Company and the nomination and selection criteria established by the Board. In the composition of the Board an appropriate balance is sought, based on (a.o.) gender, skills, experience and knowledge (see above “Diversity Policy”).

The age limit for Directors is 75 years at the time of the (re)appointment. In principle, a Director’s mandate ends after the Annual General Meeting, at which moment his or her mandate can be considered ended.

The amendment of Deceuninck’s Articles of Association is to be executed in accordance with legal provisions of the BCA.

## Powers of the Board with regard to the issue and repurchase of treasury shares

At the Extraordinary General Meeting of 28 April 2020, it was decided to grant the Board the authority to acquire treasury shares, by purchase or exchange, directly or by intervention of a person who acts in his own name but at the expense of the Company at a minimum price of € 1.00 and at a maximum price of the average share price of the 30 days prior to the decision of the Board raised by 30%, provided that by doing so, not for a moment the Company possesses treasury shares whose nominal value is higher than 20% of the Company’s subscribed capital. No preceding decision by the General Meeting is necessary in case the acquisition of shares occurs in order to offer them to the Company’s staff.

Furthermore, the Board is authorised to sell these shares without being bound to above-mentioned price and time limitations.

This authorization is valid for a period of five years starting on 15 May 2020 and can be renewed in accordance with article 7:215 of the BCA.

During the financial year 2022, no treasury shares were purchased.

At the Extraordinary General Meeting of 23 December 2022, it was decided to grant the Board the authority to acquire or sell treasury shares, profit-sharing bonds or certificates which relate to these bonds, according to articles 7:215 and the following of the BCA, when the acquisition or alienation is necessary to avoid threatening serious damages to the Company. This authorization is valid for a period of three years as from its publication in

the Annexes to the Belgian Official Gazette and can be renewed in accordance with article 7:215 of the BCA.

## Authorised capital

The Board is authorised, for a period of five years starting from 15 May 2020, to increase the Company’s issued capital on one or several occasions to a maximum amount of € 53,925,310.12. This capital increase can take place in conformity with the conditions determined by the Board by a cash contribution, a contribution in kind, an incorporation of the reserves or share premiums, with or without the issuance of new shares, as well as by issuing debt securities that can be converted to shares on one or several occasions, debt securities with subscription rights or subscription rights that whether or not are linked to other stocks. However, the capital increase as decided by the Board cannot be reimbursed by shares without indication of nominal value issued below accountable par value of the old shares. The Extraordinary General Meeting of 23 December 2022 authorised the Board, for a period of three years, under the conditions and within the limitations of article 7:202 of the BCA, to use the authorised capital in case of notification by the Financial Services and Markets Authority (FSMA) of a public takeover bid on the Company’s shares. The Board determines the data and conditions of the instructed capital increases in application of the foregoing, including the possible payment of issue premiums.

If the foregoing occurs (including for the issuance of convertible debt securities or subscription rights), the Board determines, in accordance with articles 7:191 and following of the BCA, the term and other conditions

concerning the exercise of the shareholder’s preferential rights as assigned by the law.

Furthermore, it can, in accordance with articles 7:191 and following of the BCA, in the Company’s interest and under the conditions determined by law, limit or cancel the shareholder’s preferential rights in favour of one person or several people that are selected, no matter whether or not these people are part of the Company’s or its subsidiaries’ staff.

If an issue premium is paid as a consequence of a capital increase, it is transferred by law to an unavailable account named “issue premiums” which can only be used under the conditions required for the capital decrease. It can, however, always be added to the issued capital; this decision can be taken by the Board as stated above. Furthermore, said Extraordinary General Meeting of the Company authorised the Board, considering the coordination of the Articles of Association, as soon as the authorised capital or a part of it is converted into capital, to amend the relevant article of the Articles of Association.

In 2022, there were no capital increases within the authorised capital, other than one confirmatory capital increase within the framework of the authorised capital as a result of the exercise of subscription rights (on 2 June 2022).

**Significant agreements to which Deceuninck NV is a party and which take effect, alter or terminate upon a change of control of Deceuninck NV following a public takeover bid**

1. The € 60,000,000 Sustainability Linked RevolvingFacility Agreement of 9 July 2019 for Deceuninck NV,with KBC Bank NV (as Coordinating BookrunningMandated Lead Arranger) and ING Belgium NV/SAand Commerzbank Aktiengesellschaft, FilialeLuxemburg (as Bookrunning Mandated LeadArrangers) and Belfius Bank NV/SA (as Mandated LeadArranger) and with ING Bank NV (as Facility Agent).
2. The € 120,000,000 Sustainability Linked Revolving Credit Facility of 7 December 2022 for Deceuninck NV, with KBC Bank NV as Lender.

**Agreements between Deceuninck NV and its Directors or employees providing for compensation if the directors resign or are made redundant, or if employees are made redundant, without valid reason following a public takeover bid**

None.





# Shareholder structure

Every shareholder holding a minimum of 3% of the voting rights needs to comply with the law of 2 May 2007 in respect of the notification of significant investments, the Royal Decree of 14 February 2008 and the BCA.

The involved parties need to submit a notification to the Financials Services and Markets Authority (FSMA) and to the Company.

In application of the Law of 2 May 2007, the latest report of participations that have been received shows the following breakdown of shareholders on 31 December 2022:

| Shareholders               | Number of shares | Percentage |
|----------------------------|------------------|------------|
| Gramo BV <sup>1</sup>      | 24,288,733       | 17.57      |
| Holve NV <sup>1</sup>      | 16,427,925       | 11.89      |
| H.P. Participaties Comm.V. | 10,523,777       | 7.62       |
| Frank Deceuninck           | 7,092,237        | 5.13       |
| Treasury shares            | 13,103           | 0.01       |
| Others                     | 79,856,486       | 57.78      |
| Total                      | 138,202,261      | 100.00     |

<sup>1</sup> Holding controlled by Francis Van Eeckhout



A close-up portrait of a man with light brown hair and blue eyes, looking directly at the camera with a slight smile. The background is a solid blue color.

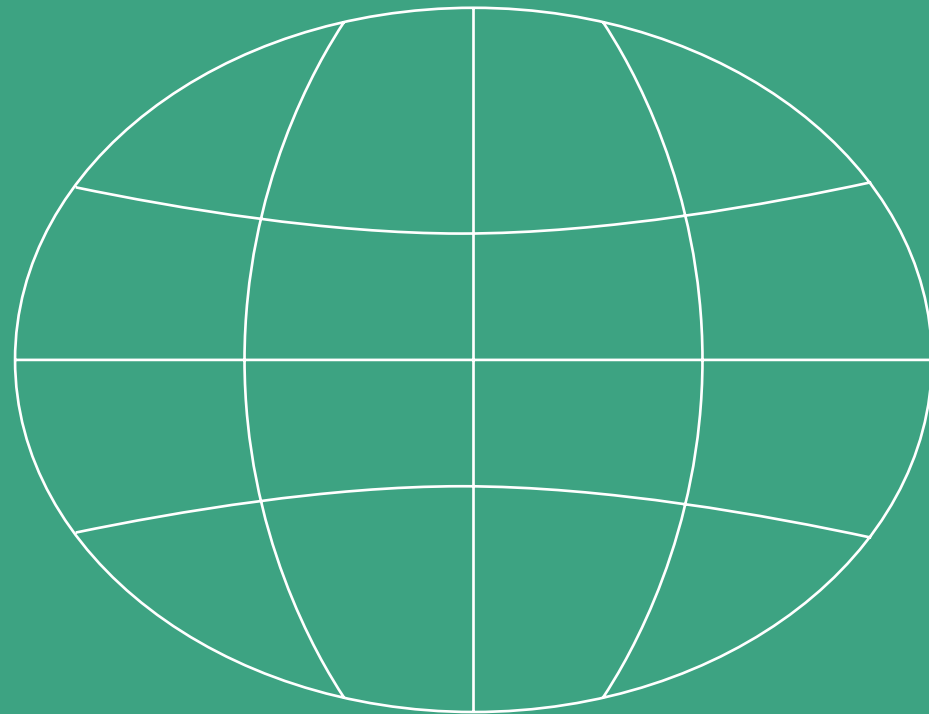
# Supporting the world's journey toward sustainable housing

**Dan Hoelting**  
Vice President Finance (US)

Cutting-edge thinking has always been in our DNA. We develop our products and use our knowhow so as to combine design and efficiency with superior insulation, contributing to both increasing comfort standards and global warming objectives.

## 2.5 Sustainability

### 2.5.1 The World We Operate in



**Global trends impact our current and future operations and create risks and opportunities for our business. Below, we summarize some of the most important trends and their possible impact on our business model and sustainability strategy.**

#### Climate Change

The European Union wants to be climate neutral by 2050 (Green Deal). As a consequence, companies - using energy, water and affecting biodiversity - increasingly take into consideration the impact their activities have on carbon emissions, while these efforts will be regulated in the future.

On the climate adaptation side, climate change already impacts the type of housing in some regions (ex. stilt houses) and, due to increasing physical effects of climate change, will do so even more in the future.

#### Impact on Our Business

Our products have a superior quality and long lifespan. With optimal thermal insulation characteristics, they ensure energy savings.

Because we recycle PVC, we save potential CO<sub>2</sub> emissions by avoiding to source virgin raw material.

We set carbon reduction targets in alignment with the Science Based Targets.



#### Inflation and Energy Disruption

Record levels of inflation affect businesses in many ways, especially when it comes to cash flow. It impacts the spending power of businesses and consumers, which reduces the demand for goods throughout the economy. On top, the invasion of Ukraine has disrupted the global energy market, with a volatile energy market and rising energy prices as a consequence.

#### Impact on Our Business

Inflation is high in all our key areas. The economic environment leads to a slowdown in the construction market.

Rising energy costs encourage to invest in own production of renewable energy and energy efficiency.

#### Environmental, Health and Safety Impacts of Products

We see rising expectations and information needs of policy makers and consumers about the environmental performance of products and exposure to potentially harmful chemical substances in products. This is also driven by the societal debate around the harmfulness of plastics. However, all too often no distinction is made between single use plastics and more durable use of plastics.

#### Impact on Our Business

A risk-based approach towards exposure to potential hazardous substances which ensures that our products can be safely used.

Calculate environmental performance of products during their lifetime.

Proactive communication on the added value of our products and our efforts to invest in a circular economy.

#### Talent Attraction and Retention

Companies face increased competition to attract and retain a skilled workforce. Answering the pressure on

the labor market, it is not only important to attract more people, but also to attract a more diverse range of talents. The need for on-the-job training increases in the fast-moving working environment.

#### Impact on Our Business

HR focus on employee engagement and a training programme with a welcome package and on the job training.

A diverse workforce as an essential part of our DNA.

#### Demography and Urbanisation

Global population growth leads to an increasing demand for housing. At the same time, regulation evolves, leading to (for example) building bans on new grounds which favorably impacts renovation of existing housing or noise-isolating characteristics of housing becomes increasingly important in an urbanization context.

#### Impact on Our Business

The building renovation is expected to positively impact our sales in the coming years.

Our products have optimal acoustic characteristics due to the superior thermal insulation.

#### Disrupted Supply Chain

The world has been confronted with unprecedented shortages of raw materials which led to record high prices and delays in supply chains. While the effect played less in 2022 than in 2021, it remains a point of attention in the future.

#### Impact on Our Business

Investments in recycling and using recycled content in production as part of the solution to mitigate the risk of resource scarcity





Our Stakeholders

The impact of these trends creates a strategic imperative to address the expectations of a broad range of stakeholders to create long-term value. Achieving our aspiration of building a sustainable home cannot be done without considering the interests and expectations of our stakeholders. The Group cares about their needs and keeps an open dialogue.

| Stakeholder                                   | Expectations                                                                                                                                                      | Interactions                                                                                                                                 | Actions                                                                                                                                                                                                       |
|-----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Employees                                     | Fair treatment and good working conditions<br>Health, safety and well-being<br>Career development                                                                 | Annual performance review<br>Deceuninck Intranet<br>Annual employee survey                                                                   | Safety training and awareness programs<br>Talent management<br>Remuneration benchmarks<br>Teambuilding<br>Diversity policy                                                                                    |
| Customers                                     | Qualitative products<br>Service and technical support<br>Information sharing<br>Data security<br>Solid financial performance<br>Circular product solutions        | Customer service<br>Preferred Partnerships<br>Customer training programs<br>Commercial fairs                                                 | Development and manufacturing of products that meet the highest quality standards<br>Focus on service and dedicated technical support teams<br>Digital transformation<br>Communication on product circularity |
| Investors                                     | Creation of shareholder value<br>Risk management<br>Transparency<br>ESG performance                                                                               | Investor road shows and general meetings<br>Press releases<br>Dedicated webpage                                                              | Solid financial performance<br>Transparent financial information<br>Integrated reporting<br>ESG ratings participation                                                                                         |
| Suppliers                                     | Shared growth and innovation<br>Ethical business practice                                                                                                         | Daily contacts in the field<br>Supplier Code of Conduct                                                                                      | Supplier audits<br>Supplier engagement on decarbonization                                                                                                                                                     |
| Local Community and Neighbors                 | Local recruitment<br>Local environment protection<br>Charity                                                                                                      | Social and other media                                                                                                                       | Local recruitment campaigns<br>Charity                                                                                                                                                                        |
| Regulator, Governments, Associations, Experts | Compliance with regulations<br>Knowledge and experience sharing<br>Health and environmental performance of our products<br>Climate action<br>Corporate governance | Participation in working groups and consultative bodies<br>Ad-hoc dialogue with local government<br>Cooperation with experts on R&D projects | Building a compliance culture with policies, trainings and awareness programs<br>Communicate how our products contribute to the EU Green Deal<br>Climate reduction strategy                                   |



# 2.5.2 Strategy

## Materiality Analysis

The Group has a clear commitment to act with respect for people, society and the environment. Sustainability is an integral part of our business model and thus our sustainability strategy is an integral part of our corporate strategy. To deliver our sustainability ambition and have our voice in the market, a solid financial performance and substantial market share is key. The financial aspects are detailed in the financial statements.

People, Planet and Community are the three main pillars of our sustainability strategy. We have defined an overall mission statement for each pillar and linked it to the most relevant material topics.

The material topics for our business and our stakeholders have been defined taking into consideration the following input information: the global trends, analysis of the sustainability frameworks, the expectations of our stakeholders, our risk assessment and a peer review. The sustainability frameworks which served as inspiration topics are the UN Sustainable Development Goals (SDGs),

the Sustainability Accounting Standards Board (SASB), the Chemical Standard and the Global Reporting Initiative (GRI).

We have defined how the material topics contribute to the UN Sustainable Development Goals. The SDGs consist of 17 global goals to reach by 2030. While we support all SDGs, our approach focuses on the 9 SDGs where we can have the most impact. In addition, SDG 17 (global partnerships for sustainable development) is to us an overarching aim to reach our ambition.

We conducted an internal assessment in 2022 to re-evaluate the significance of the material topics. We concluded that the material topics are still valid. In 2023, we will re-assess the materiality analysis, in particular the 'double materiality' consideration and stakeholder engagement, in preparation of the CSRD (Corporate Sustainability Reporting Directive).

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|                 | People                                                                                                                                                                                                                                                                                                                          | Planet                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Community                                                                                                                                                                                                                                                                                                        |
|-----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Our Mission     | We build a sustainable home for our people, based on our core values. We create the conditions for a good working environment and an inclusive workplace. We train our people to have the necessary skills and competencies to be successful in their role and their contribution to the realization of the Company objectives. | We help to build an energy efficient home. We create long lasting, low maintenance building products with top insulating properties. Our products are created with the lowest ecological footprint and can be fully recycled at end-of-life. We invest in lowering the ecological footprint of our operations.                                                                                                                                                                                                                      | We deliver added value to our customers and end-consumers through our solutions and services. We offer top performance in quality and service through trusted customer partnerships. We uphold the highest health and safety product standards. Our employees and suppliers adhere to ethical working standards. |
| Our Priorities  | Human capital<br>Talent management<br>Health, safety & wellbeing<br>Diversity                                                                                                                                                                                                                                                   | Recycling<br>Use of recycled material<br>Product insulation<br>Greenhouse gas emissions<br>Energy efficiency & renewable energy<br>Waste generation<br>Water withdrawal                                                                                                                                                                                                                                                                                                                                                             | Health & safety of the end-user<br>Business ethics<br>Sustainable sourcing<br>Community engagement                                                                                                                                                                                                               |
| Related UN SDGs |                                                                  |       |                                                                                                                                        |



Governance

Our governance system is based on a clear definition of roles and responsibilities between the following actors:

- The Board oversees and approves the sustainability commitments. Environmental, social and community related risks and opportunities are an integral part of the risk management process and are reviewed by the Audit Committee.
- The Executive Management proposes the strategy, approves the targets and monitors the execution.
- In 2022, we have appointed a Group Chief Technology and Operations Officer (CTO / COO) who holds executive responsibility over the sustainability related performance.
- The Group Sustainability Manager reports to the CTO / COO and coordinates the integration of sustainability into the organisation, identifying bottlenecks, drawing up action plans and providing input for the sustainability strategy together with different departments and the regional EHS leaders.
- Sustainability progress is an important topic on the agenda of every meeting of the Executive Management and Board of Directors.

The Board of Directors

oversees & approves the sustainability commitments



The Executive Management

defines strategy, approves targets and monitors execution



The Sustainability Manager

deploys the sustainability strategy together with the business

Reporting Framework and Scope

The report is drafted with reference to the GRI (Global Reporting Initiative) Standards.

The information in this chapter is provided for our main markets (Europe, Turkey, North America) and Colombia. Numbers for the reference years 2021 and 2020 are provided when comparative data is available.

Building a sustainable home is a continuous journey. We are committed to continuously improving our reporting. During 2023-24, we will review our targets, KPI's, data collection and risk assessment in the context of the upcoming CSRD (Corporate Sustainability Reporting Directive).

## 2.5.3 People



### Ambition

The success of our company depends on our ability to attract and retain skilled staff who have a thorough knowledge of and are familiar with our markets, technology and products. We want our people to thrive, to feel well and safe while working at our premises. We must ensure respect towards each other and we expect everyone to handle in accordance with our business values: Trust, Top Performance and Entrepreneurship.

**Trust:** We embrace transparency. Trust is given and received.

**Top Performance:** We strive to improve every day, are accountable and act in a result-focused way.

**Entrepreneurship:** We take actions spontaneously and strive for innovation. We respect and reward initiative.

Our ambition is to attract and retain talent by encouraging our people to learn and to develop themselves, by investing in their health and safety and by protecting their fundamental rights. We create an inclusive workplace that is open to everyone and embraces the diversity of our people.

### Results and Targets

#### Employment

|                        | 2022  | 2021  | 2020  |
|------------------------|-------|-------|-------|
| Number of employees    | 3,939 | 3,709 | 3,660 |
| New employee hires     | 1,037 | 1,577 | 1,153 |
| Employee turnover rate | 20%   | 40%   | 31%   |
| Temporary employees    | 448   | 173   | 136   |

#### Talent Management

|                                                                                          | 2022 | 2021 |
|------------------------------------------------------------------------------------------|------|------|
| Percentage of white-collar employees who received a formal, automated performance review | 84%  | 70%  |

We aim at creating a culture of excellence by establishing a tangible link between learning, performance and compensation, succession planning and knowledge transfer, by providing training that supports strategic organizational objectives and by fostering a culture of continuous improvement that values organizational learning.



“Our people are the driver of our activities. We believe that great people deliver great results”

In terms of personal development, we encourage internal and international mobility, enabling employees to move to other countries to pursue their ambitions within the Group. We also organise technical trainings, safety trainings & safety awareness workshops, and stress management sessions. We develop leadership and people management competencies, project management and skill trainings such as languages and IT skills.

In 2022, the automated Performance Review process was reviewed in the Group, both in terms of content and process. This was linked with the company strategy and named the ‘Deceuninck Together Ahead Dialogue’.

The purpose of Deceuninck is ‘Building a sustainable Home with the best team’. To build our teams, trust is key. The Deceuninck Together Ahead Dialogue enables to build trust in the teams:

- It is an important step in a continuous feedback culture,
- It gives the opportunity to connect with and to engage the employees,
- It provides more attention to career aspirations and the well-being of employees,
- Expectations can be aligned, strategic goals and personal development goals can be set.

Our goal is that our business results are achieved with the best team and that our core values Top Performance and Entrepreneurship can grow within an environment of Trust.

### Together

- To align Company, Manager and Employee
- Focus on mutual challenges and growing together

### Ahead

- Focus on the future: agreeing on actions
- Challenging the status quo
- Insight into future career ambitions

### Dialogue

- Open conversation and feedback

The extreme pressure on the labor market has returned to more normal market conditions in 2022. Also, the Group has paid more attention to connect employees by improving internal communication, incorporating the value of ‘trust’ in the corporate culture and creating fun moments where colleagues can get to know each other better. This has lead to a positive evolution in the turnover figures. To respond more flexibly to evolutions in the market we have hired more temporary employees in 2022.



Deceuninck UK was awarded the Investors In People (IIP) Silver accreditation in recognition of the measures implemented to further reward and support the workforce.

*Data availability note: We do not structurally track the training hours in a comparable way across the Group but will do so as from 2023. We will implement a learning management system linked to e-learning, content providing and knowledge management.*

| Health & Safety                        |       |       |       |
|----------------------------------------|-------|-------|-------|
|                                        | 2022  | 2021  | 2020  |
| High-consequence work-related injuries |       |       |       |
| Number:                                | 2     | 1     | 0     |
| Rate*:                                 | 0.3   | 0.2   | 0     |
| Work-related injuries with lost time   |       |       |       |
| Number:                                | 86    | 110   | 87    |
| Rate*:                                 | 13.1  | 17.4  | 14.4  |
| Number of lost days                    | 1,616 | 1,808 | 1,260 |
| Number of fatalities                   | 0     | 0     | 0     |

\*Calculated based on 1,000,000 hours worked

Building a sustainable home can only be done in a healthy and safe working environment. By investing in prevention, training, making available safe working tools and monitoring and reporting efforts, we get closer to achieving our aspirational goal of zero accidents.

Our ambition is clear: provide a safe working environment to all employees, contractors and visitors that work at or visit a site of the Group.

Our EHS management system includes a clear governance structure on group, regional and site level, coordinated by regional EHS managers and with management involvement to review preventive and corrective actions and define targets. Deceuninck Turkey applies the ISO 45001 Occupational Health and safety management system and in our US plants the Federal



& State Occupational Safety & Health Administration Standards are applied. 31 % of our workers is covered by a management system based on legal requirements or a recognised standard and audited by an external party. Risk assessment is a central element of our EHS management system. Potential risks are assessed periodically and after an accident, changing of any procedure, material or machine. The risk assessment reports contain risks, lost days, causes and corrective and preventive actions. Risks are mainly linked to high-tension electricity, use of chemicals, moving parts of machines, loading and unloading, work at height, slipping and ergonomics. Every employee is required to report unsafe situations and takes steps to correct them immediately. Incidents and near-misses are reported to the local EHS responsible. Contractors follow the same incident management and reporting procedures.

Several actions have been taken in 2022 to eliminate the hazards and minimize risks linked to the accidents that happened, for example: repairs of machinery and infrastructure, training to operators and temporary workers, a training and awareness campaign.

We have set up a new immediate accident reporting system on European and Group level in 2022. We have stepped up our efforts to embed a safety culture in our workforce. ‘10 Golden Rules’ to prevent injuries and incidents were communicated throughout the Group. Behavioral based safety rules are essential to increase safety awareness, on all levels of the organization.

Every site has specific targets linked to frequency and severity rate.



# our 10 GOLDEN rules

-  Unsafe conditions: stop work and inform your supervisor.
-  Accident or near miss: inform your supervisor immediately.
-  Only use machines or equipment when you are trained and authorized to.
-  Only enter warehouse areas when you are authorized to.
-  Use the marked walkways and keep them clean.
-  Keep distance from material handling equipment.
-  Don't walk under loads.
-  Use your Personal Protective Equipment correctly.
-  Keep your machines and working areas tidy.
-  Be alert to fire and never smoke outside of designated smoking areas.



Deceuninck Turkey

## Employee Engagement

It is a strategic priority of the Group to keep employees engaged and connected to our company and each other. A strong employee engagement is an enabler to a good working culture, reduction of employee turnover, increase of productivity and better relations with stakeholders.

An employee survey is a means to measure and monitor employee satisfaction and take targeted action where needed. In 2022, we increased the number of employee surveys.

- Employee surveys were presented to employees in all the European countries in which Deceuninck is active, except in Spain. In Belgium, a global survey was set up in 2021. Based on the results, an action plan was developed around the priorities: Communication, Wellbeing, Development, Community & Organizational structure and division of roles.
- In Turkey, an Employee Opinions survey was set up at the end of 2022, with a particularly high participation rate of 90%. Once we understand the root causes of

some outcomes, the aim is to work out detailed action plans, throughout the organization.

- Personnel surveys are set up in DNA on a regular basis: a baseline Annual Employee Satisfaction Survey, an update survey, a Culture Improvement Survey, as well as bi-weekly small in person-sessions on specific themes such as Teamwork and Positive Work Environment. The feedback leads to improvement actions such as the Culture Improvement Teams of blue collar and white collar employees to generate solutions on our focus areas.

Engagement includes information exchange and negotiations with labor unions. We recognize the right of any employee to join or to refrain from joining a labor union. When employees or their close family members encounter exceptional, serious economic and/or health difficulties, we see how we can support them by providing the necessary assistance.



| Diversity  |      |      |      |
|-----------------------------------------------------------------------------------------------|------|------|------|
|                                                                                               | 2022 | 2021 | 2020 |
| Percentage of employees per gender                                                            |      |      |      |
| Women                                                                                         | 15%  | 14%  | 16%  |
| Men                                                                                           | 85%  | 86%  | 84%  |
| Percentage of employees per age group                                                         |      |      |      |
| Under 30 years old                                                                            | 22%  | 22%  | -    |
| 30-50 years old                                                                               | 58%  | 58%  | -    |
| Over 50 years old                                                                             | 20%  | 20%  | -    |

Data availability note: we do not track amount of nationalities on Group level.

We respect cultural differences. We believe that diversity of people and ideas provides the Group with a business advantage. An inclusive workplace also gives access to the labour market to its fullest extent.

We value and respect the unique character and contribution of each person. Treating each other with dignity, respect and fairness is the foundation of good business. Discriminating against any employee or person with whom we do business on the basis of age, race, colour, religion, gender, disability, national origin, sexual orientation is not permitted. The recruitment, remuneration, application of employment conditions, training, promotion and career development of our employees are based on professional qualifications only.

We have a zero-tolerance policy against discrimination and harassment. Employees can confidentially report any case through the internal whistleblower procedure. Every occurrence is investigated and a remediation procedure is foreseen, if applicable.

Our ambition is to increase diversity in terms of age (meaning having employees represented in all age categories), in terms of gender and nationality. We also invest in the inclusion of our diverse workforce, for example by offering language and culture trainings.



## 2.5.4 Planet



### Ambition

We understand that we have an impact on the environment in which we operate. Our planet gives us food, fresh air, clean water, etc., but the strain on natural resources has a negative impact. The world continues to experience increasing concentrations of greenhouse gases, extreme weather conditions, rising sea levels and waste generation. As we affect climate change through our operations and products and climate change might affect our business continuity, we have a responsibility to minimize the environmental impact of our operations.

Historically, our focus has been on designing and developing innovative products with high insulation vales, in order to reduce energy loss and minimize carbon footprint in the use-phase, in combination with major investments in recycling. Since 2022, we combine this focus with a carbon reduction strategy in our production processes, our energy consumption and the sourcing of raw materials. We will accelerate in the coming year, by carefully managing how we source materials, how we design products, how we produce, how we deliver the products to our clients and how – and how much – they are recycled at the end of their long lifetimes.

We operate in markets with different strict and evolving environmental requirements. Compounding and storage of hazardous industrial materials involves an environmental risk, especially as environmental legislation and regulations change over time. Failure to comply with existing or future environmental legislation and regulations may result in criminal or administrative penalties, which could have a material adverse effect on our financial results and operations.

### Results and Targets

| Our Recycling Activities  |        |        |        |
|----------------------------------------------------------------------------------------------------------------|--------|--------|--------|
|                                                                                                                | 2022   | 2021   | 2020   |
| Input volume material recycled in our recycling plant (tonnes)                                                 | 24,107 | 23,500 | 22,000 |
| Weight of PVC material recycled (tonnes)                                                                       | 19,804 | 17,400 | 14,000 |



“Our vision on circular economy: our PVC products are designed to be 100% recyclable, we recycle in a closed loop system at superior efficiency and we manufacture long-lasting, low-maintenance products with less virgin material”

Our sector leadership in circular economy is clear by the investment in the state-of-the art recycling plant with advanced recycling technologies in Diksmuide (Belgium). Centrally located in Europe, we supply recycled PVC to our extrusion plants.

Recycling post-industrial waste of our own production facilities and customers is what we have been doing since 2012. All our facilities grind their waste materials as much as possible locally and re-use it on the production site. As such, we avoid transport to Diksmuide or other local recyclers.

A circular economy goes further and closes the loop of post-industrial and especially post-consumer PVC profiles, coming from demolition and renovation works. By collecting these waste streams, the Group has a firm ambition to further increase the recycling volumes in the coming years towards the maximum capacity of the recycling plant: 45,000 tonnes.

We expect the inflow of material to increase significantly, because the EU Green Deal results in more renovation projects which will lead to more PVC materials becoming available for recycling.

We already collected post-consumer waste and external post-industrial waste in cooperation with partners and have further expanded our services with a partnership with 10 recycling hubs in Belgium and flexible solutions for the window fabricators in 2022.

The high-tech fully automated sorting line enables an optimal sorting of the materials and output quality. Quality is a key requirement to be able to use the post-consumer materials closed-loop in the production of new profiles.

We set up R&D projects with universities and other knowledge and industry partners to investigate how we can valorise the waste fractions for which we have



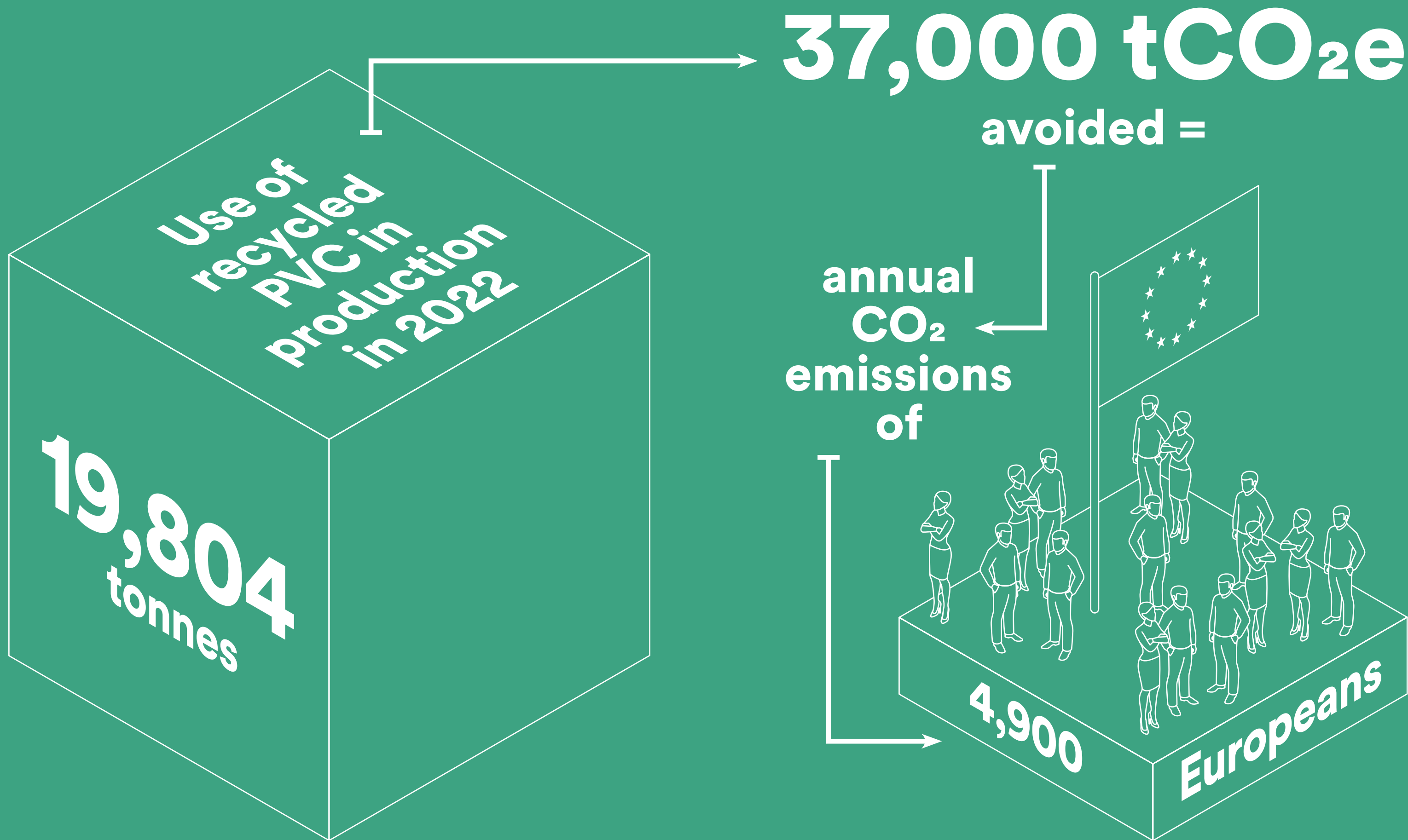
not found a circular solution yet. Examples are: the "SUPR<sup>2</sup> project", investigating possibilities to reduce the mechanical wear of the recycling line, "Pocomic" investigating micronization as a pretreatment for granulation and "Remadyl," a project that aims at recycling PVC additivated with hazardous legacy substances.

By recycling, we directly contribute to the waste prevention that would other ways go to landfill or be incinerated. However, we realize that our recycling activities also have an environmental impact. Our recycling factory is therefore fully part of the energy reduction efforts in our carbon reduction strategy.

Our recycling activities are independently audited by EuCertPlast. This certification aims at environmentally optimal plastics recycling processes. As such, we contribute to the Recoviny and Vinyl Plus 2030 European recycling objectives.

The Group recycled 24,107 tonnes of post-industrial and post-consumer rigid PVC waste in 2022, resulting in 19,804 tonnes of high-quality recycled PVC.

In 2023, we will keep investing in our recycling activities to be upgraded towards an output capacity of at least 21,000 tonnes – leading to significant reduction of our ecological impact and making us one of the largest PVC recyclers of Western-Europe.





| Use of Recycled Material                   |       |       |       |
|--------------------------------------------|-------|-------|-------|
|                                            | 2022  | 2021  | 2020  |
| Share of recyclable products               | 100%  | 100%  | 100%  |
| Share of recycled input PVC materials used | 14.4% | 14.9% | 13.3% |

Product design to be 100% recyclable is one of the key principles of our circular economy commitment. PVC is a valuable material that can be recycled at least 8 times without losing its mechanical characteristics. Installed for at least 35 years, it has a potential lifecycle of 280 years or more.

The use of recycled materials is one of the main design criteria used by our product design teams in the design process. They apply the "Design for Recycling" guidelines of EPPA, the European Trade Association of PVC Window System Suppliers.

The quality of the recycled material is paramount to ensure the quality of the end-product. Therefore, we invest in fully automated recycling processes that

eliminate other waste streams from the PVC fraction. All recycled materials we use, comply with the applicant quality certifications.

Our recycling activities are complemented with investments in co-extrusion production lines that combine virgin with recycled PVC in our product manufacturing. In 2022, we have invested 2 million euro in new co-extrusion lines. We will continue our investments in the coming years.

We have intensified our efforts to collect and recycle cut-offs from our clients. Both DNA and Deceuninck Turkey have initiated 'take-back' programs at the end of 2022.

In 2022, on average 14% recycled PVC material was used in production. Calculated against the total input material used, this is a combination of post-consumer waste - mainly sourced from our own recycling plant, post-industrial waste originating from our own production and pre-consumer waste from our customers.

Deceuninck North America is certified for the recycled content in window lineals via the external certification



agency GreenCircle. As such, we are the only North American PVC window lineal supplier. The certification covers claims for recycled content, in accordance with US criteria for recycled content of building products.

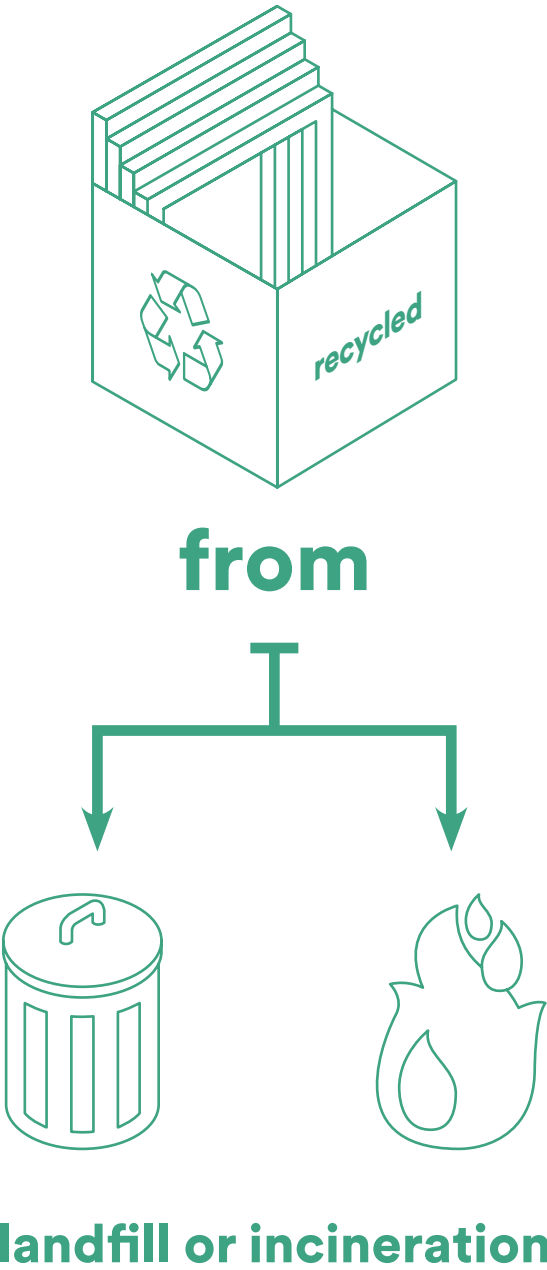
The Elegant product range for windows and doors contains high levels of recycled content, between 15 % and 30%. Phoenix is the newest addition to the Elegant product range and available since January 2022 in the Benelux. As a fully recycled profile, it is our strongest circular product achievement so far.

Through the above measures, we aim to gradually increase the share of recycled content in production in the coming years.

| Volume of materials used to produce the products (tonnes) |         |         |
|-----------------------------------------------------------|---------|---------|
|                                                           | 2022    | 2021    |
| Raw materials (tonnes)                                    |         |         |
| PVC resin                                                 | 126,000 | 200,000 |
| Additives                                                 | 35,000  | 41,000  |
| Decorative foil                                           | 2,000   | 2,000   |
| Reinforcement materials (tonnes)                          |         |         |
| Reinforcement materials (steel, steelwire, fiberglass)    | 7,500   | 7,500   |



Our ambition:  
to save  
**2.3**  
million  
old windows



Product Insulation



40% of fossil fuels in Europe is used for heating buildings, which represents 36% of energy-related greenhouse gas emissions. The Group’s mission is to develop products that reduce the heating and cooling loss and thus reduce the energy intensity of a building.

PVC building products provide superior insulation performance and are the most economical solution for insulation. The use of new PVC windows at least halves energy consumption, assuming that a 30-year-old window is replaced leading the house to comply with passive house standards.

National building codes are gradually introducing stricter insulation and ventilation targets to meet legal requirements. Governments worldwide are deploying policies that impose stricter energy performance requirements, such as, for example, the revision of the EU Energy Performance of Buildings Directive expected in 2023, one of the key initiatives of the EU Renovation Wave strategy which aims for nearly zero energy buildings (NZEBs). Or the US Federal Building

Energy Code for Federal buildings. It is also expected that, in 2023, Turkey will upgrade requirements for heat insulation in the Building Energy Regulation.

Our design teams constantly innovate on building products with improved energy performance at an even lower weight.

The Elegant range for windows and doors profiles, based on the uniquely developed iCOR principle, is the result of this product design value into practice. It uses the new iCOR platform of profile combinations and introduces a central gasket for maximum thermal and acoustic performance. Adding the unique ThermoFibra technology combined with Forthex, which make steel reinforcements redundant, Deceuninck is able to manufacture profiles for large windows with a significantly lower weight, a better U-value and a faster processing time.

Thermal properties of windows and doors are calculated according to parameters of thermal transmission of the PVC frame (Uf) and glazing (Ug). As system owner, the critical parameter is the Uf, which is determined during the design phase. Based on this, we have several Passive



House Components Certifications: in the EU for the Zendow#neo, Elegant Infinity and Elegant ThermoFibra Infinity systems (climate zone warm). Deceuninck Turkey received the first Passive House Component Certification for PVC Windows in Turkey with the Winsa-Revotech window range from the German Passive House Institute.

Environmental Product Declarations (EPD)

Environmental Product Declarations (EPD) present the results of a life cycle assessment (LCA) of a product. The Group participates to the EPDs of EPPA (European Trade Association of PVC Window System Suppliers), updated in 2022 for double-glazed windows and triple-glazed PVC windows. An EPD for Twinson massive decking is available and work has been initiated to establish an EPD for the complete Twinson product range (terrace and claddings). Finally, we will publish EPD’s for our products on the French market in 2023.

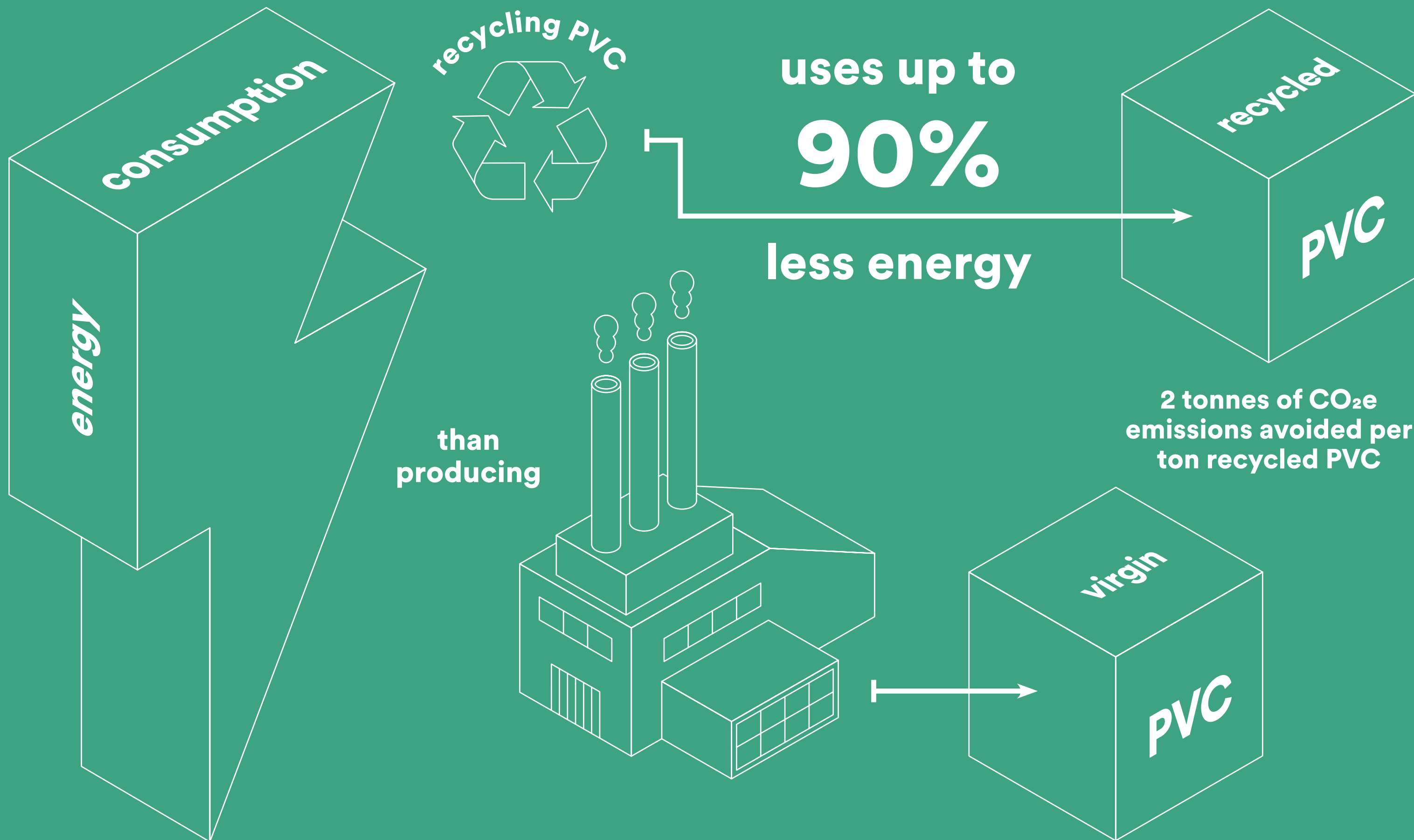
VinylPlus Label

The VinylPlus label is applicable for the product ranges Elegant, Elegant Thermofibra, Zendow, Zendow#neo, and Twinson in Europe. The voluntary label by VinylPlus, BRE and the Natural Step confirms that our products and processes apply to the highest quality, performance and

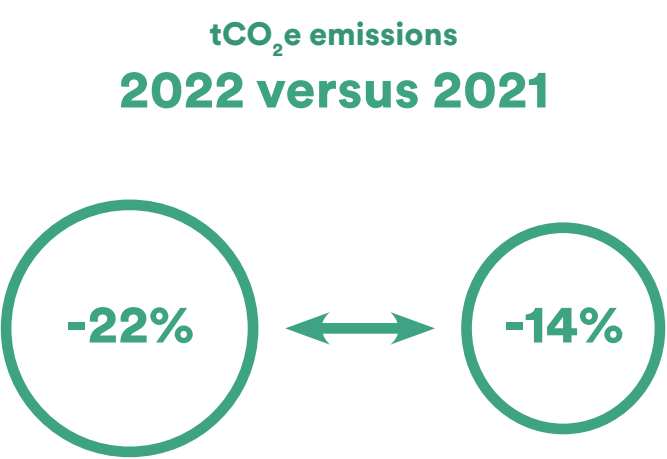
sustainability standards. The external audit certifies the policies, processes, products and performance on the following criteria:

- Responsible Sourcing – traceability of raw materials
- Controlled Loop Management – reduce waste and increase use of recycled material
- Organo-chlorine Emissions – PVC sourced from ECVm chartered suppliers
- Sustainable use of additives – cadmium and lead-free products, additives used contribute to lower ecological footprint
- Energy and climate stability – energy efficiency improvement and use of renewable energies above national legal requirements





| Greenhouse Gas Emissions                                                  |         |         |         |
|---------------------------------------------------------------------------|---------|---------|---------|
|                                                                           | 2022    | 2021    | 2020    |
| CO <sub>2</sub> e emissions Scope 1 (tCO <sub>2</sub> e)                  | 12,916  | 18,573  | 19,875  |
| CO <sub>2</sub> e emissions Scope 2 - Location based (tCO <sub>2</sub> e) | 48,413  | 59,694  | 54,110  |
| CO <sub>2</sub> e emissions Scope 2 Market based (tCO <sub>2</sub> e)     | 45,763  | 58,751  | 53,675  |
| GHG emissions intensity Scope 1,2                                         | 0.33    | 0.34    | 0.34    |
| CO <sub>2</sub> e emissions Scope 3 (tCO <sub>2</sub> e)                  | 468,458 | 595,771 | 502,904 |
| GHG emissions Scope 3 intensity ratio                                     | 2.3     | 2.50    | 2.49    |
| Total CO <sub>2</sub> e emissions (tCO <sub>2</sub> e)                    | 527,136 | 673,096 | 576,455 |
| Total GHG emissions intensity ratio (tCO <sub>2</sub> e/tonnes)           | 2.50    | 2.90    | 2.79    |
| CDP score                                                                 | C       | D       | N/A     |



Deceuninck Group has committed to the ambitious Science Based Targets initiative (SBTi). This global collaboration enables businesses to set targets in line with the level of decarbonization needed to reach the goals of the UN Paris climate agreement. We are expecting a validation in 2023 of the targets we have submitted for validation mid-2022.

- Deceuninck commits to reduce absolute Scope 1 & 2 emissions by 60% by 2030 from a 2021 base year. This requires a relative emission reduction of 75% per ton of product produced.
- Deceuninck commits to reduce Scope 3 emissions 48% per ton product produced by 2030 from a 2021 base year.
- Deceuninck commits to reach net-zero GHG emissions across the value chain by 2050.

Our carbon reduction roadmap includes investments in energy efficiency in operations and electrification, a phase-out of fuel oil as well as production and sourcing of renewable energy. Targets for Scope 3 emissions are linked to cooperation with suppliers to lower carbon raw materials, intensifying our own recycling efforts and efficiencies in logistics.

Unsurprisingly, the impact of the indirect emissions in the supply chain is very large, as for the manufacture of PVC (polyvinylchloride) two main feedstocks are needed: chlorine and ethylene. Ethylene is mainly derived from non-renewable fossil fuels, either crude oil or natural gas (and also shale gas). Raw materials (Scope 3) contribute to 77% of our total carbon footprint, 58% is linked to virgin PVC resin. To make tangible steps towards reaching the Scope 3 sustainability ambitions, we started in 2022 an open dialogue with key PVC resin suppliers about capabilities and objectives, as a basis to identify the suppliers that are best suited to co-drive sustainability.



The second largest contributor comes from the energy consumption in our operations (13%), Scope 1 and 2 emissions together. The use of electricity accounts for the largest share (9%), following by natural gas use (2%). Other contributors to energy consumption, to a much lower extent are the use of fuel oil and propane as well as leakages of refrigerants. In 2022 we have prepared a detailed roadmap on site-level with energy efficiency actions linked to pre-defined priority axes. We have also prepared an investment plan to increase the roof solar pv production on several sites. The implementation of these actions will intensify as of 2023.

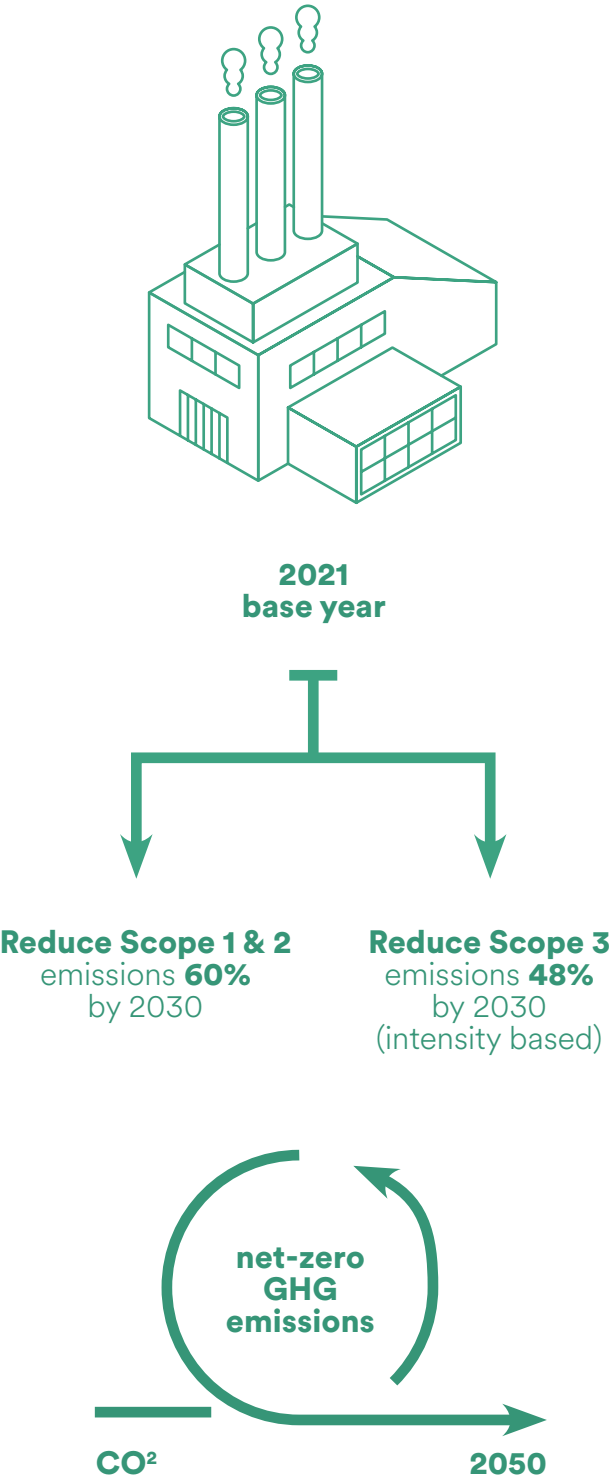
Logistics also represent an important share (8%) of CO<sub>2</sub>e emissions, largely influenced by road transportation. Company cars, commuting, waste and business travel each represent < 1% of our climate impact.

Fluctuations per site directly reflect the quantities of raw materials processed. Monroe (US), Menemen (TR) and Kartepe (TR) together represent 50% of our total footprint.

Emissions have decreased by 22% between 2022 and 2021. Between 2020 and 2019 there was an increase of 13%. These evolutions are mainly linked to the evolutions in raw materials. We also notice a first effect of our efforts in 2022 in energy efficiency in operations.

**ESG rating**  
As of 2021, Deceuninck participates to the CDP climate change questionnaire. On a scale from A to D-, Deceuninck has received a C score, a clear improvement compared to the D score awarded in 2021. We intend to improve our scoring year over year through a targeted approach on the key elements targets, strategy, governance and risks.

**Our ambition**



A close-up portrait of a man with dark hair and brown eyes, looking directly at the camera with a slight smile. The background is a solid blue color.

# Building trust day by day

**Juan Pablo Moreno**  
Sales Manager LATAM (Colombia)

We believe that great people deliver great results. Our ambition is to attract and retain talent by encouraging our people to learn and develop themselves, by investing in enhancing their health and safety and by protecting their fundamental rights.

“We strive to continuously improve the environmental performance of our operations, with energy efficiency and renewable energy as key parts”

| Energy Management  |         |         |         |
|------------------------------------------------------------------------------------------------------|---------|---------|---------|
|                                                                                                      | 2022    | 2021    | 2020    |
| Total electricity consumption (MWh)                                                                  | 173,294 | 186,386 | 173,413 |
| Total natural gas, propane, lpg consumption (MWh)                                                    | 52,143  | 94,074  | 87,626  |
| Total fuel oil consumption (MWh)                                                                     | 4,216   | 5,580   | 4,170   |
| Total energy consumption (MWh)                                                                       | 229,653 | 286,041 | 265,209 |
| Energy intensity: total energy consumption / production volume (MW/tonnes)                           | 1.11    | 1.24    | 1.29    |
| Percentage of electricity use from renewable sources                                                 | 17%     | 16%     | 17%     |

As part of our commitment to sustainability and climate change mitigation, we strive to continuously improve the environmental performance of our operations, with energy efficiency and renewable energy as key parts. Energy efficient production processes, electrification as well as sourcing and producing renewable energy have an impact on the carbon footprint directly. It also

is an opportunity for the optimization of manufacturing processes and energy cost reduction.

We have started a structured energy efficiency analysis on Group level based on a predefined priority setting focused on the biggest contributors to energy consumption and quick wins in the extrusion plants, which amount for the highest electricity consumption due to the production characteristics. We kicked-off intercompany workshops to learn from each other’s experiences. As such, we started the roll-out of the following measures, which will largely generate effect as from 2023:

- Installation of electrical and air flow meters on machinery, tools that allow to monitor energy consumption in a detailed way
- Replacements of lighting systems
- Standardization and optimizations of calibration tables
- Decrease of pressure level of compressed air
- Increase of the cooling water temperature
- Electrification of forklifts

The share of renewables in the energy mix is a mixture of a trigeneration power system used in Turkey, the purchase of Renewable Energy Certificates (REC) in

Europe and own production of solar PV in Turkey and Europe, respectively for 7%, 9% and 1%. We managed to increase the share through the purchase of more REC. The share will further increase in 2023 because of the planned installation of Solar PV in European and Turkish plants and the expansion of REC purchases in Europe.

Our production facility in Bogen is ISO 50001 certified. Our production sites in Belgium, Turkey and the United Kingdom are ISO 14001 certified. The two Belgian sites (Hooglede-Gits and Diksmuide) were part of the energy efficiency covenant ‘EBO’ until the end of 2022.

| Water Management  |         |         |         |
|-------------------------------------------------------------------------------------------------------|---------|---------|---------|
|                                                                                                       | 2021    | 2021    | 2020    |
| Total water withdrawal (m³)                                                                           | 269,487 | 230,514 | 216,927 |
| Water intensity: total water withdrawal/production volume (m³/tonnes)                                 | 1.22    | 1.01    | 1.05    |
| Total water withdrawal per subcategory (m³)                                                           |         |         |         |
| Rainwater                                                                                             | 14,313  | 17,684  | -       |
| Groundwater and surface water                                                                         | 35,547  | 30,140  | -       |
| Drinking water                                                                                        | 205,727 | 182,690 | -       |
| Total water withdrawal in areas with water stress (m³)                                                | 196,995 | 180,397 |         |
| Water withdrawal in areas with water stress per subcategory (m³)                                      |         |         |         |
| Rainwater                                                                                             | 14,313  | 17,684  | -       |
| Groundwater and surface water                                                                         | 33,380  | 28,931  | -       |
| Drinking water                                                                                        | 149,302 | 133,782 | -       |

Responsible water management is another aspect of our efforts to make our production processes more environmentally friendly. Water, once an abundant natural resource, is becoming a more valuable commodity due to the physical effect of climate change and overuse. Water



Deceuninck HQ, Hooglede-Gits (Belgium)

is an inherent part of extrusion processes, as it is used to cool the PVC material upon completion of extrusion. We therefore must use it responsibly, especially in water stress regions.

Responsible use of water is an ongoing point of attention. We monitor water consumption, we are implementing measures to reduce water usage by investing in filtration systems and water re-use, we maximise the use of rainwater and take preventive treatment measures against soil and ground water contamination. In the coming years, we will intensify the management approach on responsible water use in the plants located in water stress areas, notably reuse of wastewater in extrusion processes.

Location of the plants in areas with high water stress (where the water demand exceeds the supply) are: Menemen and Kartepe (Turkey), Gits and Diksmuide (Belgium) and Borox (Spain).

| Waste Management  |        |            |            |
|--------------------------------------------------------------------------------------------------------|--------|------------|------------|
|                                                                                                        | 2022   | 2021       | 2020       |
| Total volume of waste (tonnes)                                                                         | 12,848 | 14,136,121 | 14,545,714 |
| Waste intensity (kg/tonnes)                                                                            | 62.12  | 61.7       | 70.3       |

In line with our dedication to a circular economy, an effective waste management in our operations is a priority for Deceuninck. Reducing waste streams is not only good for the environment but also for business, as it lowers waste processing costs.

We have local waste management policies and processes in place that help us to monitor waste streams, minimize waste volumes and close the loop for the difficult-to-recycle waste fractions originating from our production processes. The waste management hierarchy, central to

our waste management approach, is as follows:

- We check if we can reduce or eliminate the waste stream
- We focus on the re-use of PVC waste streams as raw material in our own production
- We process it with a third party in most environmental neutral way, which means in order of priority: recycling / incineration with energy recovery / incineration without energy recovery
- We try to avoid and eliminate landfilling

Our operations and R&D teams work on several projects to reduce the PVC waste in production. We have launched an analysis with our suppliers to assess the share of recycled plastic in packaging materials in Europe. We are engaged in the voluntary initiative Operation Clean Sweep where we pledge to prevent resin pellet, flake and powder loss. This has led to several actions taken in our compound and recycling plant in Diksmuide.

# 2.5.5 Community



## Ambition

Our daily driver is to produce exquisite, innovative, sustainable and safe building products, while playing an active role in the communities we operate in, upholding the highest ethical business standards and expecting the same from our business partners.

Our production and distribution activities are subject to possible liability risks related to our products and our supply chain (human rights violations, bribery and corruption). Any act of non-compliance can have a negative impact on the reputation of the Group, on the activities and on the value of the share. We have taken measures to protect our customers and to ensure that our employees and our suppliers act in accordance with applicable laws, as well as the highest standards of integrity and ethical practice.

## Results and Targets 2022

| Health and Safety of the End-User                                                           |      |      |      |
|---------------------------------------------------------------------------------------------|------|------|------|
|                                                                                             | 2022 | 2021 | 2020 |
| Number of incidents of non-compliance with health & safety regulations and voluntary labels | 0    | 0    | 0    |

It is critical to the Group to manufacture top quality products. Health and safety are an essential quality element, meaning that we do not tolerate that our products harm the end-users during their lifetime. Products must be designed, produced and serviced to the applicable product standards and should comply with regulations and contractual obligations.

We notice that potential health and safety impacts are an area of growing concern especially in Europe, driven by evolving European legislation. We cooperate in this policy making progress by sharing knowledge and experience in the most transparent way.

We adopt several quality standards and labels as a guideline for the design and manufacturing, backed by



tests performed in our company labs and approved by external certification partners. The tests are based on several national quality standards and cover a range of potential health and safety related impacts throughout the lifecycle: heat transmission, air and water tightness, reaction to fire, compliance with REACH and VOC regulation ...

The CE mark signifies that products sold in the EU have been assessed to meet high safety, health and environmental protection requirements. PVC profiles are not subject to CE marking, unlike PVC windows and doors. The CE marking of those finished products is provided by the window manufacturer, based on tests and reports provided by Deceuninck. All window profiles put on the market in the EU and Turkey have the necessary test reports for CE marking. PVC cladding products in Europe are subject to CE marking. A Declaration of Performance is published on our website and directly available to the customers.

Our PVC profiles containing post-consumer recycled material put on the market in the EU are consultable in the SCIP database. This EU database, established under the EU Waste Framework Directive, is intended to support consumers in making safer buying choices and

support waste managers in identifying Substances of Very High Concern containing products (SVHC) present in a concentration above 0.1% weight by weight (w/w). Lead free test reports of the virgin PVC compound are available for all products. In the context of the European REACH legislation, the EU Commission has proposed a ban to use the heavy metal lead in PVC products with a conditional derogation for the recycled rigid PVC. We are, with our industry association EPPA, closely following the discussions at European level. The proposal is currently being discussed by the EU Parliament, next steps will follow in 2023.

The elements 'Responsible use of additives' and 'Material traceability down the supply chain' are part of the externally audited VinylPlus product label in Europe (see above).



| Business Ethics  |      |      |      |
|----------------------------------------------------------------------------------------------------|------|------|------|
|                                                                                                    | 2022 | 2021 | 2020 |
| Rate of new joiners (white collars) who completed the Code of Conduct e-learning                   | 72%  | 85%  | 79%  |
| Number of incidents of non-compliance                                                              | 0    | 0    | 0    |

The Group considers business ethics as an integral component of our company’s business values. Our reputation and financial performance depend on the conduct of our employees when dealing with business partners, company assets, information, etc. The Group wants to foster a stimulating work environment in which every person is treated fairly, placing emphasis on trust and respect, the need to apply the highest standards of professional behaviour, safety and rejection of all forms of discrimination.

The policies and procedures related to anti-discrimination, anti-bribery and anti-corruption are set out in our Human Rights Policy and our Code of Conduct for employees. Violations are unacceptable and should be raised with an appointed trust person, a member of

the management team, the Group Compliance Officer or to the Chairman of the Audit Committee. In addition, the Group Internal Audit audits adherence to the policies.

To make sure that all of employees have the same understanding of the Code of Conduct principles, new joiners follow an e-learning program as part of the onboarding process. The program explains the main principles and rules of the Code of Conduct and covers topics such as anti-bribery and anti-corruption, ethics, data protection, quality and sustainability. The training is currently only available for white collars. We plan to extend the training to all employees in 2023.



| Business Ethics in The Supply Chain  |      |      |      |
|--------------------------------------------------------------------------------------------------------------------------|------|------|------|
|                                                                                                                          | 2022 | 2021 | 2020 |
| Number of suppliers who signed the Code of Conduct                                                                       | 456  | 49   | 18   |
| Percentage of spend covered by signed Code of Conduct                                                                    | 55%  | -    | -    |

We expect our suppliers and subcontractors to comply with the same ethical standards as we do. The principles, policies and procedures in terms of ethics are set out in the Supplier Code of Conduct and the Human Rights Policy. These are based on the ILO Declarations on Fundamental Principles and Rights at Work and detail our minimum expectations in supplier standards, including health and safety, labour practices and human rights, environmental protection, ethics and fair business practices.

Our priority in 2022 was increasing the number of suppliers who sign the Supplier Code of Conduct. We focus on the key suppliers in terms of spend. These typically include the raw material suppliers.

As of 2023 this supplier commitment will be part of the procurement protocol for new supplier contracts. Our goal is to have a supplier commitment representing 70% of our spend in 2023.

A high-level risk screening showed that the large majority of the suppliers operate in low-risk countries. Nevertheless, we want to avoid all inherent and residual risks, notably linked to human and environmental rights. We will therefore conduct a more detailed risk mapping based on severity and likelihood of occurrence in 2023. Based on the outcome, we will decide on supplier awareness and control actions.

Data Protection

The Group’s main activity is not the processing of personal data. However, in the interest of our company, our employees and our business partners, the Group is committed to do the utmost to protect personal data against unauthorized users and operates in accordance with the applicable rules and legislation. Non-compliance could lead to privacy claims and loss of reputation.

In 2022, the Group has launched a Security Awareness e-learning programme to explain the main principles and rules of Security Awareness. The Privacy Statement, available on our website, details the related policy.

In 2022, no security breaches of privacy or loss of data were reported.

Community Engagement

|                                          | 2022     | 2021     |
|------------------------------------------|----------|----------|
| Project support for health and education | € 94,155 | € 42,000 |

As a Group active in more than 90 countries all over the world, we have a role to play in society. We want to ensure that more people can participate in a prospering society regardless of their backgrounds. We therefore support charity projects, both bigger and smaller ones, hoping to make a difference for each and everyone involved. Apart from the monetary sponsorships we also support a variety of causes in-kind.

We mainly focus on projects in the field of health and education. Health research enable scientists to improve the prevention and quality of healthcare. Education helps underprivileged young people to grow towards independency and to open opportunities on the labour market.

A selection of projects we have supported:

- The Deceuninck C3 Compassion for Community and Causes programme in US: sponsorship of Wreaths Across America, local youth baseball, high school football, ...
- YouthStart: organisation that stimulates self-confidence among young people seeking opportunities and the opportunity to pursue their ambitions. They provide support and education to become an independent and selfsufficient individual.
- Fundraising actions for the Belgian charity event 'De Warmste Week'.





Annex:

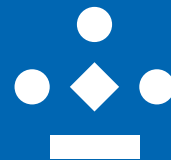
**GRI Content Index**

**EU taxonomy**





## 2.6 Financial Performance



- 
- 2.6.1 Deceuninck Consolidated**
  - 2.6.2 Financial Statements and Notes**
  - 2.6.3 Deceuninck NV**
  - 2.6.4 External Auditor's Report**
  - 2.6.5 Management Responsibility Statement**



# 2.6.1 Deceuninck consolidated

*This annual report needs to be read together with the audited consolidated financial statements of Deceuninck Group, referred to as the Group, and the notes to the financial statements. These audited consolidated financial statements were authorized by the Board on 28 February 2023.*

## 2022 Results

### Income statement

Consolidated sales in 2022 increased to a new record level of € 974.1m, up 16.2% from € 838.1m in 2021, with price increases to compensate for higher raw material prices and for cost inflation as the main driver.

The Adj. EBITDA increased to a new record as well. For the first time in the history of the company, an Adj. EBITDA of more than one hundred million euro, more specifically € 102.3m (vs € 97.7m in 2021), was achieved.

The Adj. EBITDA-margin in 2022 was 10.5%, which is 1.2 percentage point lower than in 2021 (11.7%). Price increases have offset higher production costs including raw material costs, labour and energy. Higher fixed costs due to inflation and higher provisions for doubtful debtors however impacted overall profitability. In Europe, the Adj. EBITDA-margin was additionally impacted by efficiency losses and higher logistics costs, mainly caused by costs for the transition to the new platform. In North America however, the Adj. EBITDA-margin recovered, despite very low volumes, reflecting manufacturing efficiency improvements helped by a lower turnover of blue-collar workers.

Adj. EBITDA-items (difference between EBITDA and Adj. EBITDA) amount to € 4.9m (vs € 4.9m in 2021) and include mainly costs related to the transition to Elegant.

The financial result decreased from € (14.6)m in 2021 to € (30.9)m in 2022 which is fully explained by the implementation of IAS 29.

Depreciations and amortizations increased from € 38.6m in 2021 to € 50.1m in 2022, primarily as a result of higher depreciations following the implementation of IAS 29 and the impairment of property, plant and equipment in Russia (€ 7.9m).

Despite lower Earnings before taxes, Income taxes have risen from € (2.5)m in 2021 to € (8.7)m in 2022. The lower Earnings before taxes reflect the impairment of fixed assets in Russia and the impact of IAS29, both of which are not tax deductible. In addition, taxes in 2021 were helped by the additional recognition of deferred tax assets.

As a result of the above, net profit decreased from € 37.2m in 2021 to € 7.6m in 2022 and Earnings per Share attributable to ordinary shareholders decreased from € 0.25 to € 0.04.

The Board of Directors will propose to the General Assembly on 25 April 2023 to pay out a dividend over 2022 of € 0.07 per share, representing an increase of 16.7% over the dividend of €0.06 paid over fiscal year 2021.

### Cash flow and Balance Sheet

Capex in 2022 amounted to € 48.4m (vs € 43.6m in 2021) and includes on top of € 20-25m recurring capex for maintenance and replacement of extrusion tools also € 20-25m expenditures to support our growth and strategy.

The Net Financial Debt increased from € 61.9m on 31 December 2021 to € 88.3m on 31 December 2022, causing leverage to increase slightly from 0.6x to 0.9x.

Working capital increased from € 84.3m to € 115.6m in line with sales growth.

Equity has increased from € 258.9m to € 319.6m propelled by the net result (€ 7.6m) and the impact of IAS 29 (€ 43.9m).

## Non-financial information

The non-financial information of the Group is described in the section Sustainability of this annual report.

## Research and Development (R&D)

The research and development activities of the Group are described in the section Products and Innovations of this annual report.

## Events after the balance sheet date

Please refer to Note 27 of the consolidated financial statements.

## Other circumstances

Besides the circumstances included in the paragraph on risk management, no other circumstances should be disclosed that had a significant influence on the Group's situation.

Deceuninck Group: key figures

| KEY FIGURES (IN € MILLION)                          | 2020  | 2021  | 2022  | EVOLUTION<br>2021 - 2022 |
|-----------------------------------------------------|-------|-------|-------|--------------------------|
| <b>Consolidated Income Statement (in € million)</b> |       |       |       |                          |
| Sales                                               | 642.2 | 838.1 | 974.1 | 16%                      |
| Adjusted EBITDA                                     | 86.0  | 97.7  | 102.3 | 5%                       |
| EBIT                                                | 45.9  | 54.3  | 47.2  | -13%                     |
| Net Profit                                          | 25.6  | 37.2  | 7.6   | -80%                     |
| <b>Consolidated Balance Sheet (in € million)</b>    |       |       |       |                          |
| Equity                                              | 246.3 | 258.9 | 319.6 | 23%                      |
| Net Debt                                            | 55.5  | 61.9  | 88.3  | 43%                      |
| Total Assets                                        | 599.4 | 675.1 | 709.6 | 5%                       |
| Capital Expenditure                                 | 23.5  | 43.6  | 48.4  | 1%                       |
| Working Capital                                     | 74.2  | 84.3  | 115.6 | 37%                      |
| Capital Employed                                    | 347.4 | 354.9 | 440.4 | 24%                      |
| <b>Ratios</b>                                       |       |       |       |                          |
| Net Profit On Sales                                 | 4.0%  | 4.4%  | 0.8%  | -                        |
| Adjusted EBITDA / Sales                             | 13.4% | 11.7% | 10.5% | -                        |
| Net Debt / Adjusted EBITDA                          | 0.64  | 0.63  | 0.86  | -                        |
| EBIT / Capital Employed                             | 13.2% | 15.3% | 10.7% | -                        |
| <b>Headcount</b>                                    |       |       |       |                          |
| Total Full Time Equivalents (Fte)                   | 3,660 | 3,709 | 3,939 | -                        |



2.6.2 Financial statements and notes

Deceuninck consolidated income statement

| FOR THE 12 MONTH PERIOD ENDED 31 DECEMBER<br>(IN € THOUSAND)                          | NOTES    | 2021           | 2022           |
|---------------------------------------------------------------------------------------|----------|----------------|----------------|
| <b>Sales</b>                                                                          | <b>2</b> | <b>838,099</b> | <b>974,104</b> |
| Cost of goods sold                                                                    | 3        | (608,440)      | (713,181)      |
| <b>Gross profit</b>                                                                   |          | <b>229,658</b> | <b>260,923</b> |
| Marketing, sales and distribution expenses                                            | 3        | (128,577)      | (150,095)      |
| Research and development expenses                                                     | 3        | (6,711)        | (6,509)        |
| Administrative and general expenses                                                   | 3        | (43,198)       | (50,943)       |
| Other net operating result                                                            | 3        | 3,106          | (6,137)        |
| Share of the result of a joint venture                                                | 8        | -              | -              |
| <b>Operating profit (EBIT)</b>                                                        | <b>3</b> | <b>54,278</b>  | <b>47,239</b>  |
| Costs related to the derecognition of accounts receivable                             | 3        | (3,545)        | (1,648)        |
| Interest income (expense)                                                             | 3        | (4,862)        | (5,056)        |
| Foreign exchange gains (losses)                                                       | 3        | (5,744)        | (5,564)        |
| Other financial income (expense)                                                      | 3        | (446)          | (1,679)        |
| Monetary gains (losses)                                                               | 3        | -              | (16,963)       |
| <b>Profit / (loss) before taxes (EBT)</b>                                             |          | <b>39,682</b>  | <b>16,328</b>  |
| Income taxes                                                                          | 4        | (2,503)        | (8,726)        |
| <b>Net profit / (loss)</b>                                                            |          | <b>37,179</b>  | <b>7,601</b>   |
|                                                                                       |          |                |                |
| THE NET PROFIT / (LOSS) IS ATTRIBUTABLE TO:<br>(IN € THOUSAND)                        |          | 2021           | 2022           |
| Shareholders of the parent company                                                    |          | 33,990         | 5,980          |
| Non-controlling interests                                                             |          | 3,189          | 1,621          |
|                                                                                       |          |                |                |
| EARNINGS PER SHARE DISTRIBUTABLE TO THE<br>SHAREHOLDERS OF THE PARENT COMPANY (IN €): |          | 2021           | 2022           |
| Basic earnings per share                                                              |          | 0.25           | 0.04           |
| Diluted earnings per share                                                            |          | 0.24           | 0.04           |

The accompanying notes are an integral part of these consolidated financial statements.



Deceuninck consolidated statement of comprehensive income

| FOR THE 12 MONTH PERIOD ENDED 31 DECEMBER (IN € THOUSAND)                                                             | NOTES | 2021            | 2022          |
|-----------------------------------------------------------------------------------------------------------------------|-------|-----------------|---------------|
| <b>Net profit / (loss)</b>                                                                                            |       | <b>37,179</b>   | <b>7,601</b>  |
| Currency translation adjustments                                                                                      |       | (22,449)        | 54,781        |
| Gain / (loss) on cash flow hedges                                                                                     |       |                 | 2,968         |
| Income tax impact                                                                                                     | 4     |                 | (742)         |
| <b>Net other comprehensive income / (loss) potentially to be reclassified to profit or loss in subsequent periods</b> |       | <b>(22,449)</b> | <b>57,007</b> |
| Changes due to remeasurements of post employment benefit obligations                                                  |       | 2,364           | 4,645         |
| Income tax impact                                                                                                     | 4     | (640)           | (1,386)       |
| <b>Net other comprehensive income / (loss) not to be reclassified to profit or loss in subsequent periods</b>         |       | <b>1,724</b>    | <b>3,260</b>  |
| <b>Other comprehensive income (+) / loss (-) for the period after tax impact</b>                                      |       | <b>(20,725)</b> | <b>60,266</b> |
| <b>Total comprehensive income (+) / loss (-) for the period</b>                                                       |       | <b>16,454</b>   | <b>67,867</b> |

|                                                                                                 |        |        |
|-------------------------------------------------------------------------------------------------|--------|--------|
| THE TOTAL COMPREHENSIVE INCOME (+) / LOSS (-) OF THE PERIOD IS ATTRIBUTABLE TO: (IN € THOUSAND) | 2021   | 2022   |
| Shareholders of the parent company                                                              | 16,916 | 60,576 |
| Non-controlling interests                                                                       | (462)  | 7,291  |

The accompanying notes are an integral part of these consolidated financial statements.



Deceuninck consolidated balance sheet

| (IN € THOUSAND)                    | NOTES | 2021           | 2022           |
|------------------------------------|-------|----------------|----------------|
| ASSETS                             |       |                |                |
| Intangible fixed assets            | 6     | 1,849          | 4,529          |
| Goodwill                           | 7     | 10,571         | 10,560         |
| Tangible fixed assets              | 9, 20 | 246,826        | 297,785        |
| Financial fixed assets             |       | 9              | 10             |
| Investment in a joint venture      | 8     | -              | -              |
| Deferred tax assets                | 4     | 9,792          | 11,410         |
| Long-term receivables              | 10    | 1,508          | 413            |
| <b>Non-current assets</b>          |       | <b>270,555</b> | <b>324,706</b> |
| Inventories                        | 11    | 169,589        | 171,722        |
| Trade receivables                  | 12    | 90,756         | 87,947         |
| Other receivables                  | 12    | 69,959         | 54,994         |
| Cash and cash equivalents          | 13    | 72,885         | 58,949         |
| Assets classified as held for sale | 14    | 1,346          | 11,280         |
| <b>Current assets</b>              |       | <b>404,535</b> | <b>384,893</b> |
| <b>Total Assets</b>                |       | <b>675,089</b> | <b>709,598</b> |

The accompanying notes are an integral part of these consolidated financial statements.



| (IN € THOUSAND)                                       | NOTES | 2021           | 2022           |
|-------------------------------------------------------|-------|----------------|----------------|
| EQUITY AND LIABILITIES                                |       |                |                |
| Issued capital                                        | 15    | 54,441         | 54,505         |
| Share premiums                                        | 15    | 90,213         | 90,468         |
| Retained earnings                                     |       | 256,263        | 255,672        |
| Cash flow hedge reserve                               |       | -              | 2,226          |
| Remeasurements of post employment benefit obligations | 16    | (5,690)        | (2,201)        |
| Treasury shares                                       | 15    | (75)           | (16)           |
| Currency translation adjustments                      | 15    | (142,418)      | (93,538)       |
| <b>Equity excluding non-controlling interests</b>     |       | <b>252,735</b> | <b>307,117</b> |
| Non-controlling interests                             |       | 6,184          | 12,504         |
| <b>Equity including non-controlling interests</b>     |       | <b>258,919</b> | <b>319,620</b> |
| Interest-bearing loans including lease liabilities    | 18    | 13,002         | 130,748        |
| Other long-term liabilities                           |       | 580            | 580            |
| Employee benefit obligations                          | 16    | 18,779         | 14,240         |
| Long-term provisions                                  | 17    | 3,287          | 4,301          |
| Deferred tax liabilities                              | 4     | 1,544          | 9,736          |
| <b>Non-current liabilities</b>                        |       | <b>37,192</b>  | <b>159,605</b> |
| Interest-bearing loans including lease liabilities    | 18    | 121,765        | 16,452         |
| Trade payables                                        | 19    | 176,009        | 144,023        |
| Tax liabilities                                       |       | 6,421          | 8,326          |
| Employee related liabilities                          |       | 15,439         | 16,365         |
| Employee benefit obligations                          | 16    | 1,212          | 580            |
| Short-term provisions                                 | 17    | 249            | 95             |
| Other liabilities                                     | 19    | 57,883         | 44,531         |
| <b>Current liabilities</b>                            |       | <b>378,978</b> | <b>230,372</b> |
| <b>Total equity and liabilities</b>                   |       | <b>675,089</b> | <b>709,598</b> |

The accompanying notes are an integral part of these consolidated financial statements.





Deceuninck consolidated statement of changes in equity

| (IN € THOUSAND)                                  | Issued Capital | Share premiums | Retained earnings | Changes in<br>remeasurements of post<br>employment<br>benefit obligations | Cash flow hedge reserve | Treasury shares | Currency<br>translation<br>adjustments | Total equity<br>attributable to<br>shareholders<br>of the parent<br>company | Non-controlling<br>interests | Total    |
|--------------------------------------------------|----------------|----------------|-------------------|---------------------------------------------------------------------------|-------------------------|-----------------|----------------------------------------|-----------------------------------------------------------------------------|------------------------------|----------|
| As per 31 December 2020                          | 53,950         | 88,310         | 228,334           | (7,409)                                                                   |                         | (75)            | (123,764)                              | 239,348                                                                     | 6,937                        | 246,284  |
| Net income / (loss) for the<br>current period    |                |                | 33,990            |                                                                           |                         |                 |                                        | 33,990                                                                      | 3,189                        | 37,179   |
| Other comprehensive income<br>(+) / loss (-)     |                |                |                   | 1,718                                                                     |                         |                 | (18,793)                               | (17,074)                                                                    | (3,651)                      | (20,725) |
| Total comprehensive income<br>(+) / loss (-)     |                |                | 33,990            | 1,718                                                                     |                         |                 | (18,793)                               | 16,916                                                                      | (462)                        | 16,454   |
| Capital increase                                 | 491            | 1,903          |                   |                                                                           |                         |                 |                                        | 2,395                                                                       |                              | 2,395    |
| Transactions with non-<br>controlling interests* |                |                | 216               |                                                                           |                         |                 | 138                                    | 355                                                                         | 115                          | 470      |
| Share based payments                             |                |                | 559               |                                                                           |                         |                 |                                        | 559                                                                         |                              | 559      |
| Dividends paid                                   |                |                | (6,836)           |                                                                           |                         |                 |                                        | (6,836)                                                                     | (407)                        | (7,243)  |
| As per 31 December 2021                          | 54,441         | 90,213         | 256,263           | (5,690)                                                                   |                         | (75)            | (142,418)                              | 252,735                                                                     | 6,184                        | 258,919  |

\*Transactions with non-controlling interests relate to the sale of 0.15 % of the outstanding shares of Ege Profil Ticaret ve Sanayi AS while retaining control. The ownership percentage of the Group in Ege Profil Ticaret ve Sanayi AS has subsequently changed from 88.47 % to 88.32 %.

| (IN € THOUSAND)                                  | Issued Capital | Share premiums | Retained earnings | Changes in<br>remeasurements of post<br>employment<br>benefit obligations | Cash flow hedge reserve | Treasury shares | Currency<br>translation<br>adjustments | Total equity<br>attributable to<br>shareholders<br>of the parent<br>company | Non-controlling<br>interests | Total   |
|--------------------------------------------------|----------------|----------------|-------------------|---------------------------------------------------------------------------|-------------------------|-----------------|----------------------------------------|-----------------------------------------------------------------------------|------------------------------|---------|
| As per 31 December 2021                          | 54,441         | 90,213         | 256,263           | (5,690)                                                                   |                         | (75)            | (142,418)                              | 252,735                                                                     | 6,184                        | 258,919 |
| Net income / (loss) for the<br>current period    |                |                | 5,980             |                                                                           |                         |                 |                                        | 5,980                                                                       | 1,621                        | 7,601   |
| Other comprehensive income<br>(+) / loss (-)     |                |                |                   | 3,490                                                                     | 2,226                   |                 | 48,880                                 | 54,596                                                                      | 5,670                        | 60,266  |
| Total comprehensive income<br>(+) / loss (-)     |                |                | 5,980             | 3,490                                                                     | 2,226                   |                 | 48,880                                 | 60,576                                                                      | 7,291                        | 67,867  |
| Capital increase                                 | 64             | 255            |                   |                                                                           |                         |                 |                                        | 318                                                                         |                              | 318     |
| Transactions with non-<br>controlling interests* |                |                | 984               |                                                                           |                         |                 |                                        | 984                                                                         | 208                          | 1,192   |
| Share based payments                             |                |                | 783               |                                                                           |                         |                 |                                        | 783                                                                         |                              | 783     |
| Dividends paid                                   |                |                | (8,279)           |                                                                           |                         |                 |                                        | (8,279)                                                                     | (1,179)                      | (9,459) |
| Transfer                                         |                |                | (59)              |                                                                           |                         | 59              |                                        | -                                                                           |                              | -       |
| As per 31 December 2022                          | 54,505         | 90,468         | 255,672           | (2,201)                                                                   | 2,226                   | (16)            | (93,538)                               | 307,117                                                                     | 12,504                       | 319,620 |

\*Transactions with non-controlling interests relate to the sale of 0.41 % of the outstanding shares of Ege Profil Ticaret ve Sanayi AS while retaining control. The ownership percentage of the Group in Ege Profil Ticaret ve Sanayi AS has subsequently changed from 88.32 % to 87.91 %.

The accompanying notes are an integral part of these consolidated financial statements.



## Deceuninck consolidated statement of cash flows

| FOR THE 12 MONTH PERIOD ENDED 31 DECEMBER<br>(IN € THOUSAND)  | NOTES     | 2021            | 2022            |
|---------------------------------------------------------------|-----------|-----------------|-----------------|
| Profit (+) / loss (-)                                         |           | 37,179          | 7,601           |
| Depreciations and impairments                                 | 6,7,9,14  | 38,553          | 50,090          |
| Net financial charges                                         | 3         | 14,597          | 31,029          |
| Income taxes                                                  | 4         | 2,503           | 8,726           |
| Inventory write-off (+ = cost / - = inc)                      | 11        | 3,262           | 3,398           |
| Trade AR write-off (+ = cost / - = inc)                       | 12        | (1,937)         | 3,284           |
| Movements in provisions (+ = cost / - = inc)                  |           | (1,149)         | 788             |
| Gain / loss on disposal of (in)tang. FA (+ = cost / - = inc)  | 3         | (565)           | (124)           |
| Share based payment expense                                   |           | 559             | 783             |
| <b>Gross operating cash flow</b>                              |           | <b>93,002</b>   | <b>105,575</b>  |
| Decr / (incr) in inventories                                  |           | (69,380)        | (3,968)         |
| Decr / (incr) in trade AR                                     |           | (41,669)        | (9,220)         |
| Incr / (decr) in trade AP                                     |           | 78,308          | (8,124)         |
| Decr / (incr) in other operating assets/liabilities           |           | (2,646)         | 5,894           |
| Income taxes paid (-) / received (+)                          | 4         | (7,585)         | (10,001)        |
| <b>Cash flow from operating activities</b>                    |           | <b>50,030</b>   | <b>80,157</b>   |
| Purchases of (in)tangible FA (-)                              | 6,9,14    | (43,556)        | (48,444)        |
| Proceeds from sale of (in)tangible FA (+)                     |           | 961             | 614             |
| <b>Cash flow from investment activities</b>                   |           | <b>(42,596)</b> | <b>(47,829)</b> |
| Capital increase (+) / decrease (-)                           |           | 2,395           | 318             |
| Dividends paid (-) / received (+)                             |           | (7,243)         | (9,459)         |
| Proceeds from sale of shares of Group companies (+)*          |           | 506             | 1,192           |
| Interest received (+)                                         |           | 2,826           | 2,034           |
| Interest paid (-)                                             |           | (7,621)         | (7,709)         |
| Net financial result, excl interest                           |           | (310)           | (23,029)        |
| New long-term debts                                           |           | 10,801          | 115,493         |
| Repayment of long-term debts                                  |           | (21,140)        | -               |
| New short-term debts                                          |           | 51,644          | 26,843          |
| Repayment of short-term debts                                 |           | (60,819)        | (136,213)       |
| <b>Cash flow from financing activities</b>                    |           | <b>(28,961)</b> | <b>(30,529)</b> |
| <b>Net increase / (decrease) in cash and cash equivalents</b> |           | <b>(21,527)</b> | <b>1,799</b>    |
| <b>Cash and cash equivalents as per beginning of period</b>   | <b>13</b> | <b>105,623</b>  | <b>72,885</b>   |
| Impact of exchange rate fluctuations                          |           | (11,211)        | (15,734)        |
| <b>Cash and cash equivalents as per end of period</b>         | <b>13</b> | <b>72,885</b>   | <b>58,949</b>   |

\* 2021 cash flow has been restated to reflect the amended classification of Proceeds from sale of shares of Group companies as Cash Flow from Financing Activities instead of Cash Flow from Investment Activities.  
The accompanying notes are an integral part of these consolidated financial statements.



# Notes

## 1. Significant accounting principles

The consolidated financial statements have been prepared in accordance with the ‘International Financial Reporting Standards’ (IFRS), as endorsed by the European Union. The consolidated financial statements were authorised by the Board on 28 February 2023. The dividend as included in the financial statements is subject to change as this is subject to approval during the General Meeting of Deceuninck NV, which is scheduled to be held on 25 April 2023.

### Basis of presentation

The consolidated financial statements are presented in € thousand, unless noted otherwise. The consolidated financial statements present the financial position on 31 December 2022. They have been prepared prior to the distribution of profits proposed by the parent company at the Annual General Meeting of Shareholders.

The consolidated financial statements of the Group contain comparative information with respect to the previous period.

Please note that numbers in certain tables in the financial statements may not add up due to rounding.

### Consolidation principles

The consolidated financial statements include the individual financial statements of Deceuninck NV and its subsidiaries (‘the Group’).

- The Group controls a subsidiary if, and only if, the Group has:
- Power over the subsidiary (i.e., existing rights that give it the current ability to direct the relevant activities of the subsidiary);
  - Exposure, or rights, to variable returns from its involvement with the subsidiary;
  - The ability to use its power over the subsidiary to affect its returns.

- Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
- The contractual arrangement(s) with the other vote holders of the investee
  - Rights arising from other contractual arrangements
  - The Group’s voting rights and potential voting rights

The acquisition of subsidiaries is accounted for under the acquisition method. The annual reporting date of subsidiaries is identical to that of the parent company, apart from Deceuninck Profiles India Private Limited. For consolidation purposes, the financials over the 12-month period ending 31 December 2022 of Deceuninck Profiles India Private Limited have been used. The same valuation principles apply to their financial statements.

The Group has an interest of 28.77 % in Solardec CV which is fully consolidated, as the company has two directors that are both appointed by Deceuninck NV and



the Group therefore holds the majority on the Board of the company. Furthermore, the Group has an interest of 48.95 % in Asia Profile Holding Co. Ltd which is fully consolidated as the other shareholder, holding 51.05 % of the shares, has signed a proxy which allows the Group to exercise the voting rights of the remaining 51.05 % of the shares and this allows the Group to decide upon the major operational decisions for the company.

The Group acquired a 50% interest in So Easy Belgium BV. This has been classified as joint venture. The Group’s interest in this joint venture is accounted for using the equity method in the consolidated financial statements.

### Hyperinflation

As of April 2022, the cumulative inflation rate in Turkey over a three-year period exceeded 100%, thereby triggering the requirement to transition to hyperinflation accounting as prescribed by IAS 29 Financial Reporting in Hyperinflationary Economies as of 1 January 2022.

The main principle in IAS 29 is that the financial statements of an entity that reports in the currency of a hyperinflationary economy must be stated in terms of the measuring unit current at the end of the reporting period. Therefore, the non-monetary assets and liabilities stated at historical cost, the equity and the income statement of subsidiaries operating in hyperinflationary economies are restated for changes in the general purchasing power of the local currency applying a general price index. Monetary items that are already stated at the measuring unit at the end of the reporting period are not restated.

These remeasured accounts are used for conversion into Euro at the period closing exchange rate.

Consequently, the Group has applied hyperinflation accounting for its Turkish subsidiaries for the first time in these consolidated financial statements applying the IAS 29 rules as follows:

- Hyperinflation accounting was applied as of 1 January 2022;
- Non-monetary assets and liabilities stated at historical cost (e.g. property plant and equipment, intangible assets, goodwill, etc.) and equity of the Turkish subsidiaries were restated using an inflation index (see table below). The hyperinflation impacts resulting from changes in the general purchasing power until 31 December 2021 were reported in other comprehensive income and the impacts of changes in the general purchasing power from 1 January 2022 are reported through the income statement as Monetary gains (losses);
- The income statement is adjusted at the end of the reporting period using the change in the general price index and is converted at the closing exchange rate of the period (rather than at monthly average exchange rates as for subsidiaries in non-hyperinflationary economies), thereby restating the year to date income statement account both for inflation index and currency conversion;
- The prior year income statement and balance sheet of the Turkish subsidiaries were not restated.

Upon application of IAS 29, the Group used the



conversion coefficient derived from the consumer price index (CPI) in Turkey, published by the Turkish Statistical Institute (TURKSTAT). The CPIs and corresponding conversion coefficients for the 18-year period since the Group ceased to apply hyperinflation accounting for its Turkish subsidiaries (i.e. since 1 January 2006), were as follows:

| As at 31 December | Index  | Conversion coefficient |
|-------------------|--------|------------------------|
| 2005              | 100,00 | 9,20                   |
| 2006              | 109,65 | 8,39                   |
| 2007              | 118,85 | 7,74                   |
| 2008              | 130,81 | 7,03                   |
| 2009              | 139,35 | 6,60                   |
| 2010              | 148,27 | 6,21                   |
| 2011              | 163,76 | 5,62                   |
| 2012              | 173,85 | 5,29                   |
| 2013              | 186,72 | 4,93                   |
| 2014              | 201,97 | 4,56                   |
| 2015              | 219,76 | 4,19                   |
| 2016              | 238,52 | 3,86                   |
| 2017              | 266,95 | 3,45                   |
| 2018              | 321,14 | 2,86                   |
| 2019              | 359,15 | 2,56                   |
| 2020              | 411,59 | 2,24                   |
| 2021              | 560,09 | 1,64                   |
| 2022              | 920,01 | 1,00                   |

Total currency translation adjustments related to the translation of the Turkish subsidiaries for the 12 month period ended 31 December 2022 amount to € 48,218 thousand and are included in the statement of other comprehensive income. These contain (i) the hyperinflation impacts resulting the restatement of non-monetary assets and liabilities to the general purchasing power until 31 December 2021 for € 21,821 thousand and (ii) the impact of the difference in evolution between both the inflation index and the devaluation of the TRY compared to EUR for € 26,397 thousand.

The application of IAS 29 had a negative impact on the operating profit (EBIT) of the group for an amount of € 3,179 thousand for the 12 month period ended 31 December 2022. The monetary loss amounts to € 16,963 thousand and relates to the loss on the net monetary position that is derived as the difference resulting from the restatement of non-monetary items of the financial positions and offsetting of the inflation restatement of profit or loss items. The total negative impact on net result amounts to € 20,391 thousand of which € 17,926 thousand is attributable to shareholders of the parent company and € 2,465 thousand to non-controlling interests.

Use of estimates and assumptions

In order to produce the annual financial statements in accordance with the IFRS standards, management has to use a number of estimates and assumptions that have an impact on the amounts disclosed in the financial statements. The estimates made on the reporting date reflect the existing conditions on this date, such as market prices, interest rates and foreign exchange rates.



Even though management makes these assumptions and estimates based on its best possible knowledge of current business transactions, and of the transactions the Group may undertake, the actual results can vary in relation to these estimates.

USE OF ASSUMPTIONS

In accordance with the Group’s accounting principles, the following assumption has been made:

Provision for early retirement

The Company considers it has a constructive obligation in Belgium in relation to the early retirement plan and the relating collective labour agreement because it will be renewed on an ongoing basis. For this reason, the Group is accounting for this plan as a post-employment defined benefit plan.

Restructuring provisions

The Group recognizes provisions for restructuring programs when the criteria for recognition under IAS 37 are met. Provision amounts are determined based on individual payroll data and assumptions of the number of employees and workers that will leave the Group.

USE OF ESTIMATES

The most important estimates that are likely to have a significant influence on the net carrying value of assets and liabilities for the coming year due to the uncertainty surrounding these estimates relate to:

Impairment of goodwill

Goodwill relating to business combinations is assessed

on an annual basis by means of an impairment test. This test requires an estimate of the value in use of cash-generating units, to which the goodwill is allocated. The estimation of the value in use requires an estimate of expected future cash flows of the cash-generating units and the choice of an appropriate discount rate in order to determine the present value of these cash flows. For more details on this subject, please see Note 7.

Employee benefits – Post-employment benefit plans

The costs of the granted pension schemes and the current value of the pension obligations are determined on the basis of an actuarial calculation. The actuarial calculation uses assumptions with regard to the discount rate, future increases in compensation, mortality tables and future increases in pensions. All the assumptions are reassessed on the reporting date. Further details with regard to these assumptions are disclosed in Note 16.

Employee benefits – Share-based payments

The Group values the cost of the stock option plans granted to employees on the basis of the fair value of the instruments, on the date they are granted. The estimation of the fair value of compensations in shares requires an adapted valuation model, which depends on the condition under which the grant is made. The valuation model also requires adapted input data, such as the expected life of the option, the volatility of the share price and the dividend yield. The assumptions and the valuation model used for the estimation of the actual value of compensations in shares are explained in Note 21.

Deferred tax assets

Deferred tax assets related to tax losses carry forward are only recognized if it is probable that sufficient



taxable profits will be generated in the future. Significant estimates are required from management in order to determine the amount of the deferred tax assets, based on the time period and the level of future taxable profits. More details on this subject are provided in section Income Taxes and in Note 4.

Loss allowance

In estimating the loss allowance the Group makes significant estimates by assessing the amount of the expected cash flow that it will recuperate which included, for example, credit insurance limits and guarantees received. Detailed guidance on the effective credit loss model for trade receivables is included in the accounting policies under section Financial instruments - Trade receivables.

Foreign currencies

The Group applies a monthly average exchange rate to convert the income statements of the subsidiaries outside the Eurozone, except for economies reporting under Hyperinflation, which use the closing exchange rate of the period as prescribed under IAS 29.

Foreign currencies

TRANSACTIONS IN FOREIGN CURRENCIES

Transactions in foreign currencies are accounted for using the end of month exchange rate (exchange rate on the last working day of the preceding month) or the exchange rate on the date the transaction occurs or a periodic monthly average exchange rate, which approximates the exchange rates applicable on the transaction date. Monetary assets and liabilities in foreign currencies are converted using the exchange rate on the balance sheet date. All profits and losses resulting from conversion of monetary assets and liabilities in foreign currencies into the local currency of the entity are recognized in the consolidated income statement as Foreign exchange gains / (losses). Non-monetary assets and liabilities are converted into the local currency of the entity using the historic exchange rate.

TRANSLATION OF FOREIGN CURRENCIES

The Group’s reporting currency is the euro. Assets and liabilities from subsidiaries outside the Eurozone are converted to euro on balance sheet date, using the exchange rates applicable on that date. The income statements of these subsidiaries are converted into euro at a periodic monthly average exchange rate, which approximates the exchange rates applicable on the transaction date. For the translation of entities reporting under IAS 29 hyperinflation, we refer to the section “hyperinflation”. The components of equity are converted at their historic exchange rate.

Exchange rate differences, caused by the conversion of equity into euro at the closing rate applicable on the balance sheet date, are disclosed as ‘currency translation adjustments’ under the heading ‘Equity’.

Exchange rate differences resulting from the translation of foreign currency intra-group current accounts, loans or trade receivables and payables are recognized in the consolidated income statement as Foreign exchange gains / (losses). Exception to this accounting treatment is when the intra-group loans are considered as part of an entity’s net investment in a foreign operation. Then the exchange difference is recognized in other comprehensive income and accumulated in a separate component of equity until the disposal of the foreign operation.

EXCHANGE RATES

The following exchange rates were used when preparing the financial statements:



| 1 EUR is equal to | Closing rate | Closing rate | Average rate | Average rate |
|-------------------|--------------|--------------|--------------|--------------|
|                   | 2021         | 2022         | 2021         | 2022         |
| AUD               | 1.5615       | 1.5693       | 1.5745       | 1.5159       |
| BAM               | 1.9558       | 1.9558       | 1.9558       | 1.9558       |
| BGN               | 1.9558       | 1.9558       | 1.9558       | 1.9558       |
| BRL               | 6.3101       | 5.6386       | 6.3749       | 5.4254       |
| CLP               | 964.4132     | 916.9265     | 895.2084     | 917.3120     |
| COP               | 4,508.5663   | 5,130.8363   | 4,423.3108   | 4,452.6902   |
| CZK               | 24.8580      | 24.1160      | 25.6434      | 24.5574      |
| GBP               | 0.8403       | 0.8869       | 0.8598       | 0.8524       |
| HRK               | 7.5156       | 7.5345       | 7.5290       | 7.5349       |
| INR               | 84.2290      | 88.1710      | 87.4636      | 82.6669      |
| LTL               | 3.4528       | 3.4528       | 3.4528       | 3.4528       |
| MXN               | 23.1438      | 20.8560      | 23.9843      | 21.1372      |
| PLN               | 4.5969       | 4.6808       | 4.5636       | 4.6826       |
| RON               | 4.9490       | 4.9495       | 4.9208       | 4.9316       |
| RSD               | 117.5820     | 117.2910     | 117.5705     | 117.4545     |
| RUB               | 84.0696      | 75.6556      | 87.1393      | 69.7231      |
| SEK               | 10.2503      | 11.1218      | 10.1444      | 10.6228      |
| THB               | 37.6530      | 36.8350      | 37.8003      | 36.8533      |
| TRY               | 15.0867      | 19.9349      | 10.2391      | -            |
| UAH               | 30.9226      | 38.9510      | 32.1978      | 34.2067      |
| USD               | 1.1326       | 1.0666       | 1.1829       | 1.0518       |

Intangible fixed assets other than goodwill

PATENTS AND LICENSES

Expenditure for acquired patents and licenses are capitalized at their cost price and are subsequently amortized over their estimated useful life using the straight-line method, or over the term of the contract, if this should be shorter. The useful life is usually estimated at 3 years.

TRADE NAMES

Trade names acquired as part of a business combination are measured at fair value at acquisition-date. The subsequent measurement depends on whether the Group assessed the useful lives of the trade names as indefinite or finite. Trade names with indefinite useful lives are not amortised but are tested for impairment annually and when there is an indication that the asset may be impaired. The Group believes that the most acquired and used trade names have indefinite useful lives because they contribute directly to the Group’s cash flows as a result of recognition by the customer of these trade names’ characteristics in the marketplace. Furthermore, these brands serve as the base brands in Turkey, included in the ‘Turkey & Emerging markets’ segment, and this is also defined as their cash-generating unit.

RESEARCH AND DEVELOPMENT

Research expenditure, incurred with the purpose of acquiring new scientific or technological knowledge, is included in the income statement. The cost of development activities, for which the results are applied in a plan or a design for the production of new or substantially improved products and processes, are capitalized if and only if all the criteria defined in IAS 38 are met. Such capitalized costs include directly attributable costs of creating, producing or making ready for use assets (such as raw materials and direct labour costs) less the accumulated amortization and impairment. The incurred and capitalized costs are allocated to the relevant asset classes by means of a transfer as from the moment that the asset is available for use.

SUBSEQUENT EXPENDITURES

Expenditures relating to intangible fixed assets, subsequent to their purchase or completion are only capitalized if they increase the future economic benefits specific to the asset they relate to. All other expenditures are considered as costs.



Business combinations

The Group applies the purchase method of accounting to account for acquisitions of businesses. The cost of an acquisition is measured as the aggregate of the fair values at the date of exchange of the assets given, liabilities incurred and equity instruments issued. Identifiable assets, liabilities and contingent liabilities acquired or assumed are measured separately at their fair value as of the acquisition date.

The determination of the fair values of the acquired identifiable assets and assumed liabilities is based on various assumptions requiring management judgment. Acquisition-related costs are expensed as incurred.

Goodwill

Goodwill is the positive difference between the cost of the business combination and the share of the Group in the fair value of the acquired identifiable net assets of a subsidiary or associated company at the moment of acquisition. Goodwill is not amortized, but is subject to an annual impairment test. Goodwill is expressed in the functional currency of the acquired company and is converted into euro at the closing exchange rate on the balance sheet date except for the goodwill relating to EgePen (amount: € 9.3 million) which is denominated in EUR despite being a Turkish subsidiary. The entity was acquired in 2000. Deceuninck first adopted IFRS in 2002 when the standards allowed an option (IAS 21.33.b, IAS 21 version effective as from 1 January 1995) to consider goodwill as assets of the reporting entity and consider it as non-monetary foreign currency item which is reported using the exchange rate at the date of the transaction.

Bargain Purchase

If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in the income statement.

Tangible fixed assets

Tangible fixed assets are measured at historic cost price, less accumulated depreciation and impairment. Historic cost is the initial purchase price plus any other directly attributable acquisition costs (such as non-recoverable taxes and transportation costs). The cost price of fixed assets produced by the company itself (such as tool sets) includes the cost price of materials, direct labour costs and a proportion of production related overhead costs. Subsequent expenditure is only capitalized, if it increases the future economic benefits of the fixed assets it relates to. Repair and maintenance costs, which do not increase future economic benefits, are expensed as incurred.

The expected economic useful life is determined as follows:



| Assets                           |             |
|----------------------------------|-------------|
| Buildings                        | 40 years    |
| Building fixtures and furniture  | 10-20 years |
| External infrastructure          | 20-40 years |
| Machinery and equipment          | 8-20 years  |
| Small equipment                  | 5 years     |
| Screws and cylinders             | 2 - 6 years |
| Dies and calibrators (tool sets) | 5 years     |
| Installations                    | 10-25 years |
| Office equipment                 | 4-10 years  |
| Logistics equipment              | 8 years     |
| Furniture                        | 10 years    |
| Vehicles                         | 4-5 years   |

Depreciation is calculated using the straight-line method, starting from the first date of use over the entire duration of their expected useful life.

Land, which is deemed to have an infinite useful life, is not depreciated.

Assets classified as held for sale

Assets classified as held for sale relate to assets or groups of assets that are available for immediate sale in its present condition and the sale is highly probable. These assets are valued at the lower of carrying value or fair value less costs to sell.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are

presented separately as current items in the consolidated balance sheet.

The same valuation principle applies for business units held for sale.

Investment in joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining joint control are similar to those necessary to determine control over subsidiaries. The Group’s investment in its joint venture are accounted for using the equity method.

Under the equity method, the investment in a joint venture is initially recognized at cost, which includes acquisition related expenses. The carrying amount of the investment is adjusted to recognize changes in the Group’s share of net assets of the joint venture since the acquisition date.

Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment separately. For determining the goodwill, the Group elected to apply a 12-month measurement period similar to business combinations in case it is unable to finalise the process in the year of acquisition. The statement of profit or loss reflects the Group’s share





of the results of the joint venture. Any change in OCI of the joint ventures is presented as part of the Group’s OCI. In addition, when there has been a change recognized directly in the equity of the joint venture, the Group recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

As the joint venture is considered as an integral vehicle through which the Group conducts its operations and its strategy, the aggregate of the Group’s share of profit or loss of a joint venture is shown on the face of the statement of profit or loss inside operating profit and represents profit or loss after tax and non-controlling interests in the joint venture. Considering the relevant considerations that there are no contractual or constructive obligations covering for unlimited losses, the recognition of the Group’s share of the results of the joint venture is limited to the extent of original recognized amount of the investment. All subsequent Group’s shares of the profits are not recognized by the Group until the historically non-recognized Group’s share of the results of the joint venture are covered.

The financial statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its joint venture.

At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognizes the loss within ‘Share of the result of a joint venture’ in the consolidated income statement.

Upon loss of the joint control over the joint venture, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

Leasing

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

- i) Right-of-use assets  
The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated

depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The Group elected to present the right-of-use assets as a separate asset classes of the Tangible fixed assets and provide the relevant disclosures in the notes.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

- ii) Lease liabilities  
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Group presents the lease liabilities on the line items current and non-current interest-bearing loans.

- iii)The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognized as expense on a straight-line basis over the lease term.





iv) General lease terms and Subleases

The Group has lease contracts for various items of buildings, vehicles, machines and other equipment used in its operations. Leases of buildings and machinery generally have lease terms between 2 and 5 years and a contract with a term of 10 years, while motor vehicles and other equipment generally have lease terms between 2 and 4 years. The Group’s obligations under its leases are secured by the lessor’s title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets and some contracts require the Group to maintain certain financial ratios.

v) Extension and termination options

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group’s business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

Most of the extension and termination options are related to lease contracts for cars and have a limited value due to the shorter lease periods, lower lease payments and due to the fact that the Group generally replaces the ending contract with a new asset.

Financial instruments

CRITERIA RELATING TO THE INITIAL RECOGNITION OR DERECOGNITION OF FINANCIAL ASSETS AND LIABILITIES

Financial instruments are recognized initially when the Group becomes party to the contractual provisions of the instrument. Purchases and sales of financial assets are recognized on the settlement date. Financial assets (or parts thereof) are derecognized, when the Group’s rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset or has retained the right to receive the cash flows but assumed to pay those cash flows in a pass-through arrangement to another recipient. Financial liabilities (or parts thereof) are derecognized, if the obligation stipulated in the contract is withdrawn, cancelled or expired.

CRITERIA FOR OFFSETTING FINANCIAL ASSETS AND LIABILITIES

A financial asset and a financial liability are offset and the net amount is presented on the balance sheet, if there is a legally enforceable right to offset the recognized amounts, and if there is an intention to settle the liability and simultaneously realize the asset or to settle the liability on a net basis.

CRITERIA FOR CLASSIFYING FINANCIAL ASSETS

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost (AC), fair value through other comprehensive income (FVOCI), and fair value through profit or loss (FVPL). The classification

of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Group’s business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at AC or FVOCI, it needs to give rise to cash flows that are ‘solely payments of principal and interest (SPPI)’ on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Group’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Financial fixed assets

The Group presents under this caption the equity instruments for which it has elected to present the change in fair value through other comprehensive income. The election to classify equity instruments into this category is made on an instrument-by-instrument basis. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as financial income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the

financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

*Financial assets valued at fair value through the income statement*  
Financial assets valued at fair value through the income statement consist of financial assets that are held for trading purposes or financial assets that are initially recognized at fair value through the income statement. Financial assets held for trading purposes are those acquired with the objective of selling them in a short-term notice. This category also contains derivative financial instruments, which do not fulfil the criteria of IFRS 9 for ‘hedge accounting’. Unrealized profits or losses, resulting from the changes in the fair value of financial assets held for trading, are directly booked in the income statement.

*Trade receivables*  
Trade receivables meet the condition of AC classification if they are carried at their nominal value and are subject to impairment. The Group recognizes an allowance for expected credit losses (ECLs). ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. For trade receivables, the Group applies a simplified approach in calculating ECLs based on lifetime expected credit losses. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical observed default rates, adjusted for forward looking factors specific to the debtors and the economic environment reflecting the customers’ abilities to pay (based on geographical region, type of



customer, delinquency status, credit insurance, other guarantees...). In addition to this general approach, the Group includes individually managed exposures on a case by case basis if not covered by the ECL model, also reflecting additional risk factors into the ECL model if not yet included

*Other receivables*

Checks received from Turkish customers as advance payments which can be discounted or used for payments without any preconditions are presented as other receivables and other liabilities as from the moment they are received from a customer and can be used for other purposes.

*Cash and cash equivalents*

Cash and cash equivalents consist mainly of cash in hand, short-term deposits and short-term investments (maturing within three months after their acquisition date) which are readily convertible into cash and which are subject to a limited risk of changes in value. Within the cash flow statement, cash and cash equivalents include bank balances (current and deposit accounts). Any negative cash position is presented as short-term debts with financial institutions ('bank overdrafts').

*Interest bearing loans*

Interest-bearing loans are initially valued at the fair value of the amounts received minus any costs related to the transaction. After the initial recognition interest-bearing financial debts are valued at their amortized cost. The difference between the amortized cost and the repayment value is expensed over the duration of the loan based on the effective interest rate method or until the debt is no longer held.

DERIVATIVE FINANCIAL INSTRUMENTS

The Group uses derivative financial instruments (FX forward contracts and interest rate swaps) in order to limit the risks associated with exchange rate and interest fluctuations. The Group's policy prohibits the use of these instruments for speculative purposes.

Derivative financial instruments are classified as either 'fair value' hedges, if these instruments hedge changes in the fair value of recognized assets and liabilities, or as 'cash flow' hedges, if they cover cash flow variations associated with a specific risk in relation to a recognized asset or liability or an expected highly probable transaction. For 'fair value' hedges, profits or losses resulting from the revaluation of 'fair value' hedging instruments are directly recorded through the income statement. Gains or losses on the hedged position lead to an adjustment of the book value of the hedged position and should be recorded through the income statement. If the adjustment is associated with the book value of an interest-bearing financial debt, it is amortized through profit or loss until it is entirely amortized upon maturity.

When derivative financial instruments are identified as cash flow hedges, the effective portion of the change in fair value is recognized in other comprehensive income. The gain or loss on the ineffective portion is immediately recognized in the income statement.

Financial instruments, not meeting the special requirements for recognition as a hedging transaction, are valued at their fair value, and any profit or loss resulting from a change in the fair value of the instrument is directly recognized in the income statement.



**Inventories**

Inventories are valued at the lower of cost price or net realizable value. The net realizable value is defined as the estimated selling price under normal operating conditions net of any estimated costs for handling and selling the product. Costs incurred in bringing each product to its current location and conditions are recorded as follows:

- Raw materials and consumables – purchase price, based on the FIFO principle;
- Finished goods and work in process – direct material and labour costs, plus a part of the general production costs, based on normal production capacity and on the FIFO principle;
- Trade goods – purchase price, based on the FIFO principle.

**Treasury shares**

The amount paid, including any directly attributable expenses, for treasury shares acquired by the company is deducted from equity.

**Impairments**

The Group's assets, excluding inventories and deferred tax assets, are assessed for impairment indicators at each balance sheet date except for goodwill and intangible assets with indefinite useful lives for which impairment is mandatory on annual basis. If impairment indicators are present, the recoverable amount of the asset is estimated. An impairment is recognized, if the carrying value of an asset, or that of the cash-generating unit to which it belongs, is higher than its recoverable amount.

Impairments are recorded in the income statement.

The recoverable amount of other than financial assets is the higher of their fair value less cost to sell or its value in use of the corresponding assets. In order to determine the value in use, the net present value of expected future cash flows is calculated using a pre-tax discount rate, which reflects both current market rates and the asset's specific inherent risks. When an asset does not generate cash flows, that are largely independent of the other assets, the recoverable amount of the cash-generating unit to which this asset belongs, is determined.

Impairments relating to goodwill are not reversed. Impairments of other assets are reversed, if a change takes place in the estimates used to determine the recoverable amount. An increase in the carrying value of an asset, resulting from the reversal of an impairment, cannot be higher than the carrying value (after depreciation) that would have been obtained, if no impairments had been recorded for this asset in previous years.

**Provisions**

Provisions are accounted for whenever the Group has to settle a legal or constructive obligation resulting from a past event, when it is probable that a cash outflow will be required to settle these obligations, and to the extent that these can be reliably estimated.

When the Group expects that all or part of the expenditure, which is required to settle legal obligations, will be reimbursed by another party, the amount to be reimbursed will only be recognized as an asset if it is



virtually certain that they will be effectively collected. A warranty provision is established for all products under warranty, based on historical data relating to repairs and returns of goods.

Employee benefits

PENSIONS

The Group participates primarily in defined contribution plans, and has defined benefit plans in Belgium, Germany and Turkey. The funds of these plans consist of employer and employee contributions. The Group treats the employer and employee contributions for the defined contribution plans as expenses for the year in which they were made, except for Belgian defined contribution plans: these plans are legally subject to minimum guaranteed returns in Belgium. Due to these guaranteed minimum returns, all Belgian defined contribution plans are accounted for as defined benefit plans under IFRS. In Belgium, the Group also accounts for its early retirement plan and the provision covers the employees for which there exists a plan and expected employees to retire by an early retirement scheme the next coming four years based on the collective labor agreement. For defined benefit plans, the pension obligation is estimated by using the projected unit credit method. Remeasurements, comprising of actuarial gains and losses and the return on plan assets (excluding net interest), are recognized immediately in the consolidated balance sheet with a corresponding debit or credit through other comprehensive income (OCI) in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

- the date of the plan amendment or curtailment, and
- the date that the Group recognises restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognizes the service costs, comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements, in the financial statement lines in the Consolidated Income Statement based on the function and activities of the related personnel. If the related personnel are no longer active within the Group, the cost is recognized in the section Other under Other operating costs. Net interest expense or income is included in the Consolidated Income Statement as financial result.

Where applicable, the current service cost is considered for the inventory valuation.

SHARE-BASED PAYMENTS

Various stock option, subscription right programs and performance share plans enable the staff members, senior management members and members of the Executive Team Group and Executive Team Regions to acquire company shares. The exercise price for options or warrants is equal to the lowest of (i) the average price of the share on the stock exchange during the 30-day period preceding the offer, and (ii) the latest closing price preceding the day of the offer. When such plans are exercised they are exchanged for own shares or capital is increased by the amounts received or the exercise

price. The cost of share-based payment transactions is valued at fair value on the grant date. The fair value is determined by an expert, using a binominal tree structure. The cost of share-based payment transactions and at the same time as the corresponding increase in equity, is recognized over the vesting period.

If the conditions of equity-settled share-based payment transactions are modified, the minimal cost equals the cost as if the conditions had not been changed. An additional cost is recognized for any modification which increases the fair value of share-based payment transaction or includes a benefit for the employee as of the date of modification (IFRS 2.28).

When a share-based payment is cancelled, this is considered as a compensation that was granted on the date of cancellation and the relating unamortized cost is immediately recognized. However, if a new share-based payment is granted as a replacement for the cancelled compensation and if this is recorded as a replacement compensation on the grant date, then the cancelled and the new compensations are treated as a modification of the original share-based payment transaction, as described in the preceding paragraph.

BONUSES

Contractual bonuses are granted based on planned key financial objectives and personal performances. The estimated amount of the bonus is recognized as a cost, based on an estimate as of the balance sheet date.

Sales

The Group adopted IFRS 15 using the modified retrospective method of adoption. The Group is in the business of delivering window and door systems, building products and other goods to customers. As part of its commercial relationship, the Group typically grants payment term between 15-120 days but offers under certain conditions discounts for prompt payment. The payment terms differ substantially between the regions in which the Group operates.

SALE OF GOODS

The Group’s contracts with customers for the sale of goods include one performance obligation. The Group has concluded that revenue from sale of goods should be recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the product.

(i) Consideration paid  
The consideration paid or payable by the Group represents incentives given by the entity to attract the customer to purchase, or continue purchasing, its goods or services. This may include considerations paid to customers to compensate for investments made to adjust IT systems or production processes to be able to use our products in their production facilities.

The consideration paid or payable is accounted for as a reduction of revenue for the amount in excess of the fair value of the distinct good or service received from the customer.

- The recognition of the reduction of revenue is done when (or as) the later of either of the following events occurs:
- Recognition of revenue for the transfer for the related goods or services
  - Payment or promise to pay the consideration (even if the payment is conditional on a future event)

A diversity in practice exists today for this area. The Transition Resource Group for Revenue Recognition has issued a staff paper of the FASB on this topic: Payments to Customer. There is no consensus reached by the Task Force on this issue, consequently no explicit GAAP exists for the accounting for upfront payments to customers today. Accordingly, companies should evaluate the facts and circumstances of the nature of the payment and apply professional judgement to determine the accounting method.

When the contract does not include contractual committed future volumes and there are no signed sales orders at the time the payment is made, we conclude that there is no current revenue contract with the customer at the moment of the payment, consequently the entire upfront payment will be recognized in the income statement when the payment is made.

- ii) Cash discounts given and received  
The Group recognizes the cash discounts given to customers as a deduction on revenue. Similarly, the cash discounts received from the suppliers are deducted from the costs.
- iii) Warranty obligations  
The Group typically provides warranties for general repairs of defects that existed at the time of sale.

These assurance-type warranties are accounted for as warranty provisions as they do not represent a separate performance obligation of the Group.

**Government grants**

Government grants are recognized at their fair value, when there is reasonable assurance that they will be received and that the Group will fulfil all of the conditions attached to them. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that is intended to compensate. Where the grant relates to an asset, it is recognized as deferred income.

**Income taxes**

Income taxes include current and deferred taxes. Taxes are recognized in the income statement, unless they are associated with items that are booked immediately to equity or other comprehensive income. In that case, the corresponding tax is recognized directly against equity or other comprehensive income. Current taxes include the expected amount payable on taxable earnings for the period, along with adjustments of fiscal liabilities for previous years. A taxable earnings calculation for the year is based on the tax rates applicable on the reporting date. Deferred taxes are calculated in accordance with the liability method, for all temporary differences between the tax base of assets and liabilities and their carrying amount for financial reporting purposes. The calculation is based on rates of taxation for which the legislative process has been considered as enacted or substantively enacted on the reporting date. Under this method, the Group also has to calculate deferred taxes on the difference between the fair value of the net



assets acquired and their tax base as a result of a new acquisition. Deferred tax assets are only recognized if it is probable that sufficient (i) taxable profits will be generated in the future in order to use the tax benefit or the tax losses or (ii) taxable temporary difference will be available to use those deferred tax assets. Two elements are considered to assess the likelihood of future taxable profits: 1. the profitability in the past, at least two consecutive years of profitability is needed and 2. The expected profitability of the next five years according to the detailed budget of next year and the higher-level business plan of the following four years. The recoverability of deferred income tax assets on tax losses carried forward and other tax credits is assessed including a prudence factor reflecting forecast uncertainties. The carrying amount of a deferred tax asset is reduced, when it becomes unlikely that the relating tax benefit will be realized

**Financial income/charges**

Interest income includes interest earned on bank deposits or received from customers as compensation for extended payment terms, and interest charges include interest due on loans contracted by the Group. Recorded interest is based on the ‘effective interest’ method.

Costs related to derecognition of accounts receivable consist of incurred factoring fees.

Other financial income (costs) include recorded gains or losses due to a revaluation of the fair value of financial derivatives, which are considered as ‘fair value’ hedging instruments if the hedged risks are of a financial nature, or if financial instruments do not meet the special ‘hedge accounting’ requirements.

Monetary gains/losses relate to the gain or loss on the net monetary position that is derived as the difference resulting from the restatement of non-monetary items of the financial positions and offsetting of the inflation restatement of profit or loss items after application of IAS29 Hyperinflation for the Turkish subsidiaries of the Group.

**Earnings per share (EPS)**

EPS (non-diluted) are the non-diluted earnings per share and is defined as Earnings attributable to ordinary shareholders over the weighted average number of ordinary shares.

EPS (diluted) are the diluted earnings per share and is defined as Earnings attributable to ordinary shareholders over the sum of weighted average number of ordinary shares and the weighted average number of ordinary shares which would be issued upon conversion into ordinary shares of all exercisable warrants leading to dilution.

**Non-GAAP measures**

The following alternative performance measures (non-IFRS) have been used as management believes that they are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity. The alternative performance measures may not be comparable to similarly titled measures of other companies, have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our operating results, our performance or our liquidity under IFRS.





EBITDA is defined as operating profit / (loss) adjusted for depreciations / amortizations and impairment of fixed assets.

Adjusted EBITDA is defined as operating profit / (loss) adjusted for (i) depreciations / amortizations and impairment of fixed assets, (ii) integration & restructuring expenses, (iii) gains & losses on disposal of consolidated entities, (iv) gains & losses on asset disposals, (v) impairment of goodwill and impairment of assets resulting from goodwill allocation.

EBIT is defined as Earnings before interest and taxes (= operational result).

EBT is defined as Earnings before taxes.

Net debt is defined as the sum of interest-bearing borrowings current and non-current minus cash and cash equivalents.

Working capital is calculated as the sum of trade receivables and inventories minus trade payables.

Capital employed (CE) is defined as the sum of non-current assets and working capital.

Leverage is defined as the ratio of Net debt to Adjusted EBITDA.

**Changes in accounting policies and disclosures**

The entity applied the same IFRSs as those adopted in the previous years, except for the new IFRSs and interpretations the entity adopted as of 1st January 2022, and apart from IAS 29 (Hyperinflation accounting), which took effect as of 2022 for the Group’s Turkish subsidiaries, as the cumulative inflation rates over a three-year period exceeded 100% as of April 2022 in Turkey.

**New and amended standards and interpretations**

The following amendments to standards are mandatory for the first time for the financial year beginning 1 January 2022 and have been endorsed by the European Union, but do not have a significant impact on the consolidated financial statements of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

- Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets as well as Annual Improvements
- Amendment to IFRS 16 Leases Covid 19-Related Rent Concessions beyond 30 June 2021

The following standard is mandatory since the financial year beginning 1 January 2016 (however not yet subjected to EU endorsement). The European Commission has decided not to launch the endorsement process of this interim standard but to wait for the final standard:

- IFRS 14, ‘Regulatory deferral accounts’, effective 1 January 2016

The following new amendments have been issued, are not mandatory for the first time for the financial year beginning 1 January 2022 but have been endorsed by the European Union:

- IFRS 17 ‘Insurance contracts’
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information

**Standards issued, but not yet effective**

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group’s financial statements are disclosed below. The Group intends to adopt these standards and interpretations, if applicable, when they become effective.

- Amendments to IAS 1 ‘Presentation of Financial Statements: Classification of Liabilities as current or non-current’, effective 01/01/2024
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback, effective 1 January 2024



2. Segment information

An operating segment is a separate component of the Group (a) that engages in business activities from which it may earn revenues and incur expenses, (b) for which discrete financial information is available and (c) its results are regularly reviewed by the Chief Operating Decision Maker (CODM) in order to decide how to allocate resources and in assessing performance.

Three segments have been defined based on the location of legal entities. They include the following entities:

- 1. Europe: Benelux, Bosnia, Bulgaria, Croatia, Czech Republic, France, Italy, Germany, Poland, Romania, Russia, Slovakia, Spain and the United Kingdom;
- 3. North America: Canada & the United States;
- 4. Turkey & Emerging Markets: Australia, Brazil, Chile, Colombia, India, Mexico, Thailand and Turkey.

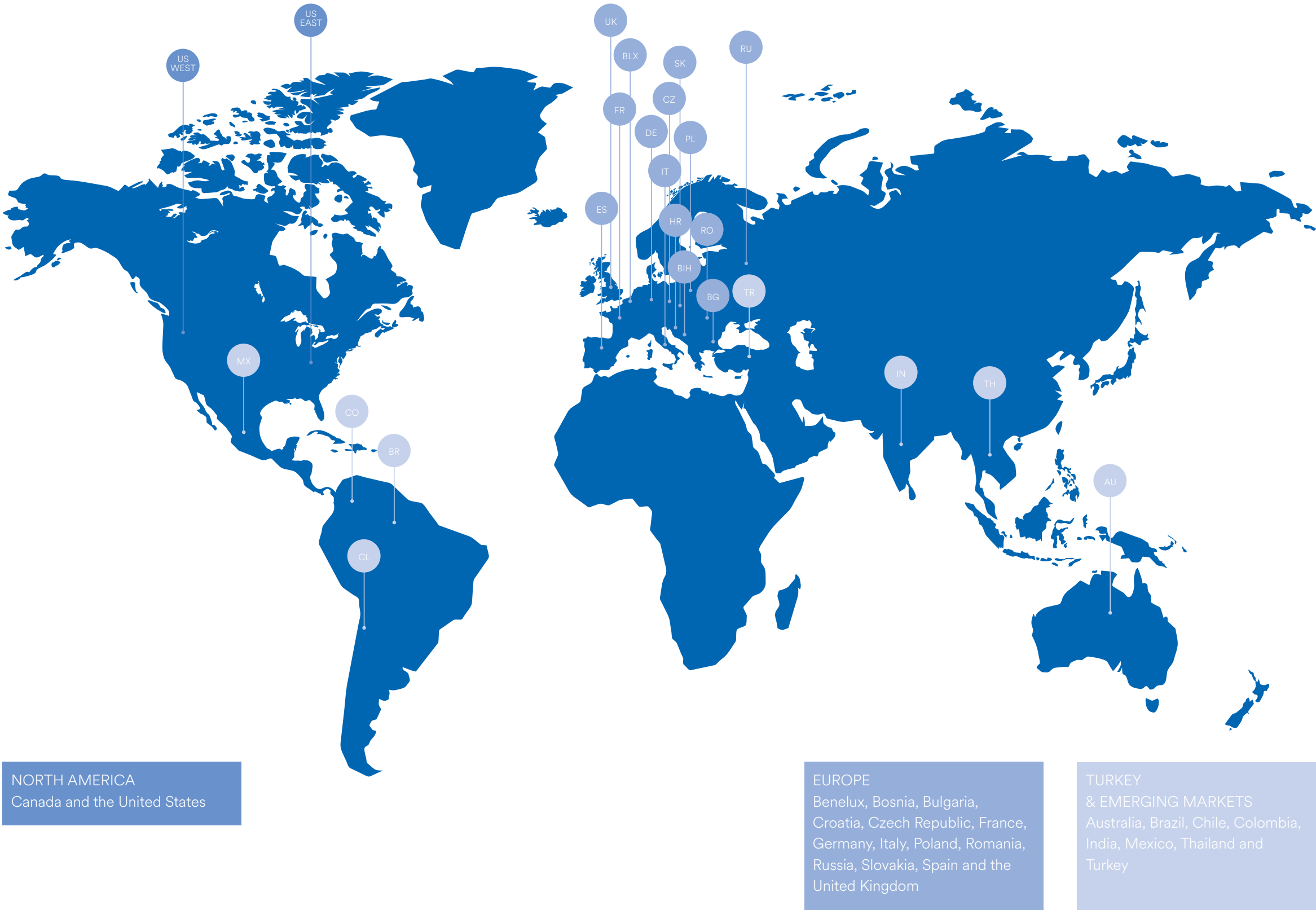
There are no segments aggregated in order to establish the above segments. Transfer prices between the operational segments are based on an ‘at arm’s length basis’ equal to transactions with third parties.

The accounting policies for the operational segments are equal to these of the consolidated financial statements.

The Group identified the Executive Management as its Chief Operating Decision Maker (“CODM”). The segments have been defined based on the information provided to the Executive Management.

The Executive Management monitors the performance of its operational segments based on sales and adjusted EBITDA per segment and make decisions about resource allocation on this geographical segmentation basis.

Segment information provided to the CODM includes the results, assets and liabilities that can be attributed directly to those segments, as stated in tables further below.





| FOR THE 12 MONTH PERIOD<br>ENDED 31 DECEMBER<br>(IN € THOUSAND) | Europe        |               | North-America |               | Turkey & Emerging<br>Markets |               | Intersegment Eliminations |              | Consolidated  |                |
|-----------------------------------------------------------------|---------------|---------------|---------------|---------------|------------------------------|---------------|---------------------------|--------------|---------------|----------------|
|                                                                 | 2021          | 2022          | 2021          | 2022          | 2021                         | 2022          | 2021                      | 2022         | 2021          | 2022           |
| External Sales                                                  | 411,396       | 458,232       | 183,160       | 224,095       | 243,542                      | 291,778       | -                         | -            | 838,097       | 974,104        |
| Intercompany Sales                                              | 4,763         | 3,021         | 1,729         | 746           | 17,647                       | 19,776        | (24,137)                  | (23,543)     | 2             | -              |
| Total sales*                                                    | 416,159       | 461,253       | 184,889       | 224,840       | 261,189                      | 311,553       | (24,137)                  | (23,543)     | 838,099       | 974,104        |
| EBITDA                                                          | 34,931        | 22,789        | 10,919        | 20,366        | 47,613                       | 54,988        | (631)                     | (815)        | 92,832        | 97,328         |
| <b>Adjusted EBITDA</b>                                          | <b>39,838</b> | <b>27,735</b> | <b>10,919</b> | <b>20,366</b> | <b>47,613</b>                | <b>54,988</b> | <b>(631)</b>              | <b>(815)</b> | <b>97,739</b> | <b>102,274</b> |
| Adj EBITDA items                                                | (4,907)       | (4,945)       | -             | -             | -                            | -             | -                         | -            | (4,907)       | (4,945)        |
| Financial Result                                                | (1,267)       | 3,657         | (1,189)       | (2,916)       | (8,828)                      | (22,993)      | (3,313)                   | (8,659)      | (14,597)      | (30,911)       |
| Taxes - Current & Deferred                                      | 4,360         | 2,657         | 724           | (1,281)       | (7,611)                      | (10,188)      | 24                        | 86           | (2,503)       | (8,726)        |
| Depreciations and Impairments                                   | 21,225        | 29,215        | 11,494        | 11,527        | 6,381                        | 9,834         | (547)                     | (487)        | 38,553        | 50,090         |
| Capital expenditures (Capex)                                    | (15,691)      | (25,120)      | (10,549)      | (10,788)      | (18,220)                     | (13,414)      | 903                       | 879          | (43,556)      | (48,444)       |

\* Out of which € 120.3 relating to Belgium

The difference between the adjusted EBITDA and EBITDA of € 4.9 million includes the following non-recurring income and expenses as recognized in other operating result:

- Costs related to the one-off product platform migration € (4.9) million in Europe.

Reconciliation of total segment assets and total Group assets:

| (IN € THOUSAND)            | Consolidated   |                |
|----------------------------|----------------|----------------|
|                            | 31 DEC 2021    | 31 DEC 2022    |
| Europe*                    | 314,433        | 313,681        |
| North America              | 109,656        | 116,483        |
| Turkey & Emerging Markets  | 191,330        | 232,437        |
| <b>Intersegment assets</b> | <b>615,419</b> | <b>662,602</b> |
| Cash and cash equivalents  | 72,885         | 58,949         |
| Intersegment eliminations  | (13,214)       | (11,952)       |
| <b>Total Group Assets</b>  | <b>675,089</b> | <b>709,598</b> |

\* Out of which € 173.6 relating to Belgium

Reconciliation of total segment liabilities and total Group liabilities:

| (IN € THOUSAND)                            | Consolidated   |                |
|--------------------------------------------|----------------|----------------|
|                                            | 31 DEC 2021    | 31 DEC 2022    |
| Europe                                     | 109,509        | 99,937         |
| North America                              | 41,002         | 31,946         |
| Turkey & Emerging Markets                  | 149,149        | 133,517        |
| <b>Intersegment liabilities</b>            | <b>299,660</b> | <b>265,399</b> |
| Equity including non-controlling interests | 258,919        | 319,621        |
| Long-term interest-bearing loans           | 13,002         | 130,748        |
| Other long-term liabilities                | 580            | 580            |
| Current portion of interest bearing loans  | 119,149        | 6,766          |
| Intersegment eliminations                  | (16,223)       | (13,516)       |
| <b>Total group liabilities</b>             | <b>675,089</b> | <b>709,598</b> |





External sales by product group is presented in the table below (in EUR and in %):

| FOR THE 12 MONTH PERIOD ENDED 31 DECEMBER 2021 |                 | Europe |  | North-America   |        | Turkey & Emerging Markets |                 | Consolidated |                 |
|------------------------------------------------|-----------------|--------|--|-----------------|--------|---------------------------|-----------------|--------------|-----------------|
|                                                | (IN € THOUSAND) | %      |  | (IN € THOUSAND) | %      |                           | (IN € THOUSAND) | %            | (IN € THOUSAND) |
| Window & Doors                                 | 343,598         | 83.5%  |  | 183,160         | 100.0% |                           | 233,605         | 95.9%        | 759,902         |
| Outdoor Living                                 | 37,437          | 9.1%   |  | -               | 0.0%   |                           | 97              | 0.0%         | 37,798          |
| Home protection                                | 30,361          | 7.4%   |  | -               | 0.0%   |                           | 9,839           | 4.0%         | 40,396          |
| Total                                          | 411,396         | 100.0% |  | 183,159         | 100.0% |                           | 243,542         | 100.0%       | 838,097         |

| FOR THE 12 MONTH PERIOD ENDED 31 DECEMBER 2022 |                 | Europe |  | North-America   |        | Turkey & Emerging Markets |                 | Consolidated |                 |
|------------------------------------------------|-----------------|--------|--|-----------------|--------|---------------------------|-----------------|--------------|-----------------|
|                                                | (IN € THOUSAND) | %      |  | (IN € THOUSAND) | %      |                           | (IN € THOUSAND) | %            | (IN € THOUSAND) |
| Window & Doors                                 | 387,510         | 84.6%  |  | 224,095         | 100.0% |                           | 279,974         | 96.0%        | 891,578         |
| Outdoor Living                                 | 36,211          | 7.9%   |  | -               | 0.0%   |                           | 74              | 0.0%         | 36,285          |
| Home protection                                | 34,511          | 7.5%   |  | -               | 0.0%   |                           | 11,729          | 4.0%         | 46,241          |
| Total                                          | 458,232         | 100.0% |  | 224,095         | 100.0% |                           | 291,778         | 100.0%       | 974,104         |

There is no significant concentration of sales (>10%) with one or a limited number of customers.



3. Revenues and expenses

| INCOME STATEMENT BY NATURE (IN € THOUSAND)                | 2021           | 2022           |
|-----------------------------------------------------------|----------------|----------------|
| <b>Sales</b>                                              | <b>838,099</b> | <b>974,104</b> |
| Material costs                                            | (456,745)      | (539,936)      |
| Operating costs                                           | (132,354)      | (158,955)      |
| Personnel costs                                           | (160,399)      | (180,035)      |
| Depreciation on (in)tangible fixed assets                 | (37,428)       | (41,802)       |
| Other net operating result                                | 3,106          | (6,137)        |
| Share of the result of a joint venture                    | -              | -              |
| <b>Operating profit (EBIT)</b>                            | <b>54,278</b>  | <b>47,239</b>  |
| Costs related to the derecognition of accounts receivable | (3,545)        | (1,648)        |
| Interest income (expense)                                 | (4,862)        | (5,056)        |
| Foreign exchange gains (losses)                           | (5,744)        | (5,564)        |
| Other financial income (expense)                          | (446)          | (1,679)        |
| Monetary gains (losses)                                   | -              | (16,963)       |
| <b>Profit / (loss) before taxes (EBT)</b>                 | <b>39,682</b>  | <b>16,328</b>  |
| Income taxes                                              | (2,503)        | (8,726)        |
| <b>Net profit / (loss)</b>                                | <b>37,179</b>  | <b>7,601</b>   |

For a high-level analysis of revenue and costs we refer to the section “2022 results” at the start of these financial statements.



| OPERATING COSTS (IN € THOUSAND)                                     | 2021             | 2022             |
|---------------------------------------------------------------------|------------------|------------------|
| Transport                                                           | (44,722)         | (51,508)         |
| Maintenance                                                         | (20,576)         | (23,026)         |
| Services                                                            | (22,277)         | (20,495)         |
| Energy                                                              | (16,529)         | (26,731)         |
| Rent                                                                | (2,155)          | (3,171)          |
| Communication                                                       | (12,400)         | (10,955)         |
| Local taxes and fines                                               | (4,442)          | (4,581)          |
| Travel                                                              | (2,807)          | (5,041)          |
| Marketing and sales support                                         | (1,112)          | (2,131)          |
| Insurance                                                           | (2,565)          | (2,757)          |
| Loss on the realization of trade debtors                            | (878)            | (279)            |
| (Increase) / decrease of allowances on doubtful debtors & inventory | (1,323)          | (6,819)          |
| Other                                                               | (566)            | (1,462)          |
| <b>Total</b>                                                        | <b>(132,354)</b> | <b>(158,955)</b> |

The increase in operating costs compared to 2021 is mainly driven by higher energy costs, transport costs, maintenance costs, travel costs and an increase of allowances on doubtful debtors & inventory.

| PAYROLL COSTS AND OTHER SOCIAL BENEFITS (IN € THOUSAND) | 2021             | 2022             |
|---------------------------------------------------------|------------------|------------------|
| Wages and salaries                                      | (121,683)        | (136,470)        |
| Social security contributions                           | (26,880)         | (30,709)         |
| Contributions to defined contribution plans             | (6,646)          | (6,405)          |
| Other                                                   | (5,191)          | (6,452)          |
| <b>Total</b>                                            | <b>(160,399)</b> | <b>(180,035)</b> |

The increase of the payroll costs is mainly explained by an increase in gross salaries in combination with an increase of the number of FTE’s.



| HEADCOUNT (TOTAL FULL TIME EQUIVALENTS (FTE) BY CATEGORY) | 2021         | 2022         |
|-----------------------------------------------------------|--------------|--------------|
| Blue-collar workers                                       | 2,663        | 2,768        |
| White-collar workers                                      | 1,047        | 1,171        |
| <b>Total</b>                                              | <b>3,709</b> | <b>3,939</b> |

The number of FTE’s increased compared to 2021 in order to support the Group’s growth.

| OTHER OPERATING INCOME (IN € THOUSAND)     | 2021         | 2022         |
|--------------------------------------------|--------------|--------------|
| Grants received                            | 1,850        | 1,551        |
| Decrease of provisions                     | 54           | -            |
| Gains on disposal of tangible fixed assets | 606          | 445          |
| Other                                      | 4,794        | 2,307        |
| <b>Total</b>                               | <b>7,305</b> | <b>4,303</b> |

The other operating income decreased mainly due to a decrease in the line Other.

| OTHER OPERATING COSTS (IN € THOUSAND)     | 2021           | 2022            |
|-------------------------------------------|----------------|-----------------|
| Increase of provisions                    | -              | (1,121)         |
| Integration costs                         | (1,713)        | -               |
| Impairments                               | (1,125)        | (8,288)         |
| Loss on disposal of tangible fixed assets | (41)           | (321)           |
| Other                                     | (1,320)        | (711)           |
| <b>Total</b>                              | <b>(4,199)</b> | <b>(10,440)</b> |

The other operating costs increased mainly due to the full impairment of Deceuninck’s tangible fixed assets in Russia.

| INTEREST INCOME / (EXPENSE) (IN € THOUSAND) | 2021           | 2022           |
|---------------------------------------------|----------------|----------------|
| Interest income                             | 2,732          | 2,080          |
| Interest expense                            | (7,594)        | (7,136)        |
| <b>Total</b>                                | <b>(4,862)</b> | <b>(5,056)</b> |

Interest income decreased due to lower cash balances held on account and slightly lower credit interest rates.  
Interest expenses decreased as result of lower amounts borrowed in (high yielding) Turkish Lira.



| FOREIGN EXCHANGE GAINS / (LOSSES) (IN € THOUSAND) | 2021           | 2022           |
|---------------------------------------------------|----------------|----------------|
| Realized foreign exchange gains                   | 8,300          | 2,305          |
| Realized foreign exchange losses                  | (3,875)        | (24,751)       |
| Unrealized foreign exchange gains                 | 4,032          | 18,588         |
| Unrealized foreign exchange losses                | (14,200)       | (1,707)        |
| <b>Total</b>                                      | <b>(5,744)</b> | <b>(5,564)</b> |

Foreign exchange gains and losses include the FX gains and losses on monetary balance sheet items in foreign currency as well as the FX gains and losses on hedging transactions. Also, the ‘cost of hedging’, defined as the difference between the spot and forward rate of hedging contracts, is included in the foreign exchange result.

The overall foreign exchange result remained fairly stable in 2022 and can be largely explained by the cost of hedging. Large swings between realized and unrealized exchange results are due to timing differences, whereby long-term exposures (e.g. the EUR-denominated loan from EBRD taken by the Turkish subsidiary Ege Profil in 2015) are hedged by short term forward contracts.

| COST RELATED TO THE DERECOGNITION OF ACCOUNTS RECEIVABLE (IN € THOUSAND) | 2021    | 2022    |
|--------------------------------------------------------------------------|---------|---------|
| Cost related to the derecognition of accounts receivable                 | (3,545) | (1,648) |

The lower cost related to the derecognition of accounts receivable is due to the lower use of trade finance solutions in Turkey and the weaker TRY/EUR conversion rate.

| OTHER FINANCIAL GAINS / (LOSSES) (IN € THOUSAND) | 2021  | 2022    |
|--------------------------------------------------|-------|---------|
| Other financial income (expense)                 | (446) | (1,679) |

Other financial income and expenses mainly include bank charges, the result on the share liquidity program with KBC Securities and withholding taxes paid on intra-group dividends and interest payments. The increase is mainly due to the loss on the share liquidity program (whereas in 2021 there was a gain) and higher withholding taxes paid following higher intra-group dividends and interests.

| MONETARY GAINS / LOSSES (IN € THOUSAND) | 2021 | 2022     |
|-----------------------------------------|------|----------|
| Monetary gains (losses)                 | -    | (16,963) |

Monetary gains/losses relate to the gain or loss on the net monetary position that is derived as the difference resulting from the restatement of non-monetary items of the financial positions and offsetting of the inflation restatement of profit or loss items after application of IAS29 Hyperinflation for the Turkish subsidiaries of the Group.



#### 4. Income taxes

The breakdown of the income tax charge for 2021 and 2022 is presented as follows:

| INCOME TAXES RECOGNIZED IN THE INCOME STATEMENT (IN € THOUSAND)                                        | 2021           | 2022            |
|--------------------------------------------------------------------------------------------------------|----------------|-----------------|
| <b>Current income taxes</b>                                                                            | <b>(8,809)</b> | <b>(13,173)</b> |
| Relating to current year                                                                               | (9,210)        | (12,773)        |
| Relating to previous years                                                                             | 703            | (276)           |
| Other                                                                                                  | (301)          | (124)           |
| <b>Deferred income taxes</b>                                                                           | <b>6,307</b>   | <b>4,447</b>    |
| Relating to temporary differences - current year                                                       | 255            | 3,531           |
| Relating to temporary differences - adjustment previous years                                          | (147)          | 169             |
| Recognition of deferred income tax asset on tax losses of current year                                 | 1,559          | 2,654           |
| Utilization of deferred income tax asset on tax losses of previous years                               | (2,737)        | (3,565)         |
| Recognition of deferred income tax asset on tax losses of previous years                               | (25)           | 432             |
| Impairment (-)/reversal of impairment (+) of deferred income tax asset on tax losses of previous years | 6,850          | 471             |
| Recognition of deferred tax assets on tax incentives                                                   | 2,071          | 1,432           |
| Utilization of deferred tax assets on tax incentives                                                   | (1,519)        | (795)           |
| Other                                                                                                  | -              | 119             |
| <b>Income taxes recognized in the income statement</b>                                                 | <b>(2,503)</b> | <b>(8,726)</b>  |



The following table provides a reconciliation between the Earning before tax and the income taxes as per 31 December 2021 and 2022:

| RECONCILIATION BETWEEN EARNINGS BEFORE TAX (EBT) - IFRS AND INCOME TAXES (IN € THOUSAND)     | 2021           | 2022           |
|----------------------------------------------------------------------------------------------|----------------|----------------|
| <b>Earnings before tax - IFRS</b>                                                            | <b>39,682</b>  | <b>16,328</b>  |
| Statutory tax rate of the parent company                                                     | 25%            | 25%            |
| <b>Income taxes calculated at the statutory tax rate of the parent company</b>               | <b>(9,920)</b> | <b>(4,082)</b> |
| <b>Tax effect of:</b>                                                                        |                |                |
| Difference between local tax rate and statutory tax rate of the parent company               | (184)          | 557            |
| Non-deductible items                                                                         | (1,728)        | (4,257)        |
| Government grants and other exempted income                                                  | 335            | 2,404          |
| Use of tax losses carried forward for which no deferred income tax asset has been recognized | 257            | -              |
| Current income taxes relating to previous years                                              | 705            | (276)          |
| Deferred taxes on temporary differences relating to previous years - adjustments             | (195)          | 169            |
| Non-recognition of deferred income taxes on current years losses and deductible temporary    | (144)          | (1,670)        |
| (De)recognition of deferred income tax assets on tax losses of previous years                | 6,723          | 2,573          |
| (De)recognition of deferred income tax assets on tax incentives                              | 1,895          | 1,432          |
| Other                                                                                        | (246)          | (5,576)        |
| <b>Income taxes recognized in the income statement</b>                                       | <b>(2,503)</b> | <b>(8,726)</b> |
| <b>Effective rate rate</b>                                                                   | <b>6.31%</b>   | <b>53.45%</b>  |

Non-deductible items in 2022 contain the tax impact of the impairment of tangible fixed assets in Russia. Other contains the impact of the application of IAS29 Hyperinflation.



The following table gives an overview of the deferred income taxes as per 31 December 2021 and 2022:

| DEFERRED TAX MOVEMENT<br>SCHEDULE<br>(IN € THOUSAND)             | 2021          | Charged/<br>credit to PL | Charged /<br>credited to<br>equity | Transfers | Translation<br>adjustments<br>Total | 2022          |
|------------------------------------------------------------------|---------------|--------------------------|------------------------------------|-----------|-------------------------------------|---------------|
| DEFERRED INCOME TAX ASSETS BY TYPE OF TEMPORARY DIFFERENCE:      |               |                          |                                    |           |                                     |               |
| Tax losses carried forward &<br>tax incentives                   | 23,663        | (406)                    | -                                  | -         | (152)                               | 23,106        |
| Tangible fixed assets                                            | 840           | 53                       | -                                  | -         | (6)                                 | 887           |
| Provisions                                                       | 5,770         | 1,526                    | (2,870)                            | -         | (23)                                | 4,404         |
| Inventories                                                      | 1,854         | 187                      | -                                  | -         | (11)                                | 2,029         |
| Interest bearing loans                                           | 19            | 517                      | -                                  | -         | (3)                                 | 533           |
| Other assets                                                     | 2,109         | 681                      | 742                                | -         | (4)                                 | 3,527         |
| <b>Deferred income tax assets</b>                                | <b>34,254</b> | <b>2,559</b>             | <b>(2,128)</b>                     | <b>-</b>  | <b>(200)</b>                        | <b>34,486</b> |
| DEFERRED INCOME TAX LIABILITIES BY TYPE OF TEMPORARY DIFFERENCE: |               |                          |                                    |           |                                     |               |
| Tax losses carried forward &<br>tax incentives                   | -             | -                        | -                                  | -         | -                                   | -             |
| Tangible fixed assets                                            | 24,471        | (2,111)                  | -                                  | -         | 8,682                               | 31,043        |
| Provisions                                                       | -             | 5                        | -                                  | -         | -                                   | 5             |
| Inventories                                                      | 38            | (38)                     | -                                  | -         | -                                   | -             |
| Interest bearing loans                                           | -             | -                        | -                                  | -         | -                                   | -             |
| Other assets                                                     | 1,497         | 256                      | -                                  | -         | 12                                  | 1,764         |
| <b>Deferred income tax liabilities</b>                           | <b>26,006</b> | <b>(1,887)</b>           | <b>-</b>                           | <b>-</b>  | <b>8,694</b>                        | <b>32,813</b> |
| <b>Net deferred income taxes</b>                                 | <b>8,248</b>  | <b>4,447</b>             | <b>(2,128)</b>                     | <b>-</b>  | <b>(8,694)</b>                      | <b>1,673</b>  |

In 2022, the Group recognized deferred income tax assets for tax losses carried forward and tax incentives, for which utilization depends on future taxable profits. The total amount of this deferred income tax asset amounted to € 23,106 thousand at the end of 2022 (end 2021: € 23,663 thousand).

The outlook provides adequate assurance that the company will generate sufficient taxable profits in the near future in order to utilize the deferred income tax assets recognized.

As per 31 December 2022, the Group did not recognize deferred income tax assets on a total amount of tax credits of € 58,290 thousand (2021: € 63,082 thousand), mainly in Belgium, UK and Russia.

Translation adjustments also contain the recognition of deferred taxes upon initial application of IAS29 hyperinflation.



5. Earnings per share

Basic earnings per share is calculated by dividing the net profit for the year, attributable to ordinary shareholders by the weighted average number of ordinary shares, excluding ordinary shares purchased by the Group and held as treasury shares. This results in a net profit per share of €0.04.

| (IN € THOUSAND)                                           | 2021        | 2022        |
|-----------------------------------------------------------|-------------|-------------|
| Earnings attributable to ordinary shareholders            | 33,990      | 5,980       |
| Weighted average number of ordinary shares (in thousands) | 137,476     | 138,135     |
| <b>Basic earnings per share (in €)</b>                    | <b>0.25</b> | <b>0.04</b> |

Diluted earnings per share are calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year increased with the weighted average number of ordinary shares which would be issued upon conversion into ordinary shares of all exercisable warrants leading to dilution. The potential dilution arises from warrants granted to staff members, senior management members and members of the Executive Management. The diluted earnings per share amount to €0.04 per share.

| (IN € THOUSAND)                                                 | 2021        | 2022        |
|-----------------------------------------------------------------|-------------|-------------|
| Earnings attributable to ordinary shareholders                  | 33,990      | 5,980       |
| Weighted average number of ordinary shares (in thousands)       | 137,476     | 138,135     |
| Dilution effect of non-exercised warrants (in thousands)        | 6,312       | 6,973       |
| Weighted average number of shares after dilution (in thousands) | 143,789     | 145,108     |
| <b>Basic earnings per share (in €)</b>                          | <b>0.24</b> | <b>0.04</b> |



6. Intangible fixed assets, other than goodwill

Amortization of intangible assets other than goodwill are, where applicable, allocated to the cost of inventories and subsequently recognized in cost of goods sold. Based on the use of the intangible assets, amortizations, other than described above, are allocated within the relevant financial statement line items in the consolidated income statement by function.

As per 31 December 2022, the intangible assets with indefinite useful lives were tested for impairment, based on the same methodology and assumptions as described in Note 7 – Goodwill.

The intangible assets with indefinite useful lives mainly relate to the trade names Winsa and Pimapen (within Turkey & Emerging markets segment). For this kind of assets there is no foreseeable end of the cash-generating period. The net carrying value of these assets is €2,861 thousand. The impairment test of these assets is included in the goodwill impairment test for Turkey (see Note 7 – Goodwill) and did not result in the recognition of an impairment on 31 December 2022.

| 2021 (IN € THOUSAND)                      | Development | Licences IT and similar right | Customer value | Trade names | Assets under construction | Total    |
|-------------------------------------------|-------------|-------------------------------|----------------|-------------|---------------------------|----------|
| COST                                      |             |                               |                |             |                           |          |
| At the beginning of this year             | 1,235       | 18,407                        | 1,296          | 4,003       | -                         | 24,940   |
| Additions                                 | -           | 463                           | -              | -           | 36                        | 499      |
| Disposals                                 | -           | (2)                           | -              | -           | -                         | (2)      |
| Transfers                                 | -           | 333                           | -              | -           | -                         | 333      |
| Translation adjustments                   | 21          | 5                             | (106)          | (345)       | -                         | (427)    |
| At the end of this year                   | 1,255       | 19,206                        | 1,189          | 3,657       | 36                        | 25,343   |
| DEPRECIATIONS AND IMPAIRMENTS             |             |                               |                |             |                           |          |
| At the beginning of this year             | (1,210)     | (17,344)                      | (1,130)        | (3,004)     | -                         | (22,688) |
| Additions to depreciations                | (10)        | (805)                         | (12)           | (47)        | -                         | (874)    |
| Disposals                                 | -           | 2                             | -              | -           | -                         | 2        |
| Transfers                                 | -           | 53                            | -              | -           | -                         | 53       |
| Translation adjustments                   | (21)        | (12)                          | 83             | (38)        | -                         | 13       |
| At the end of this year                   | (1,241)     | (18,107)                      | (1,058)        | (3,089)     | -                         | (23,494) |
| INTANGIBLE FIXED ASSETS                   |             |                               |                |             |                           |          |
| Cost                                      | 1,255       | 19,206                        | 1,189          | 3,657       | 36                        | 25,343   |
| Accumulated depreciations and impairments | (1,241)     | (18,107)                      | (1,058)        | (3,089)     | -                         | (23,494) |
| Net Carrying Value                        | 14          | 1,099                         | 132            | 568         | 36                        | 1,849    |



| 2022 (IN € THOUSAND)                      | Development | Licences IT and similar right | Customer value | Trade names | Assets under construction | Total    |
|-------------------------------------------|-------------|-------------------------------|----------------|-------------|---------------------------|----------|
| COST                                      |             |                               |                |             |                           |          |
| At the beginning of this year             | 1,255       | 19,206                        | 1,189          | 3,657       | 36                        | 25,343   |
| Additions                                 | -           | 387                           | -              | -           | 2                         | 389      |
| Transfers                                 | -           | 55                            | -              | -           | (36)                      | 19       |
| Translation adjustments                   | 17          | 33                            | 940            | 3,501       | -                         | 4,490    |
| At the end of this year                   | 1,272       | 19,680                        | 2,129          | 7,158       | 2                         | 30,242   |
| DEPRECIATIONS AND IMPAIRMENTS             |             |                               |                |             |                           |          |
| At the beginning of this year             | (1,241)     | (18,107)                      | (1,058)        | (3,089)     | -                         | (23,494) |
| Additions to depreciations                | (10)        | (696)                         | (33)           | -           | -                         | (740)    |
| Additions to impairments                  | -           | (28)                          | -              | -           | -                         | (28)     |
| Translation adjustments                   | (17)        | (25)                          | (801)          | (608)       | -                         | (1,451)  |
| At the end of this year                   | (1,268)     | (18,856)                      | (1,892)        | (3,697)     | -                         | (25,713) |
| INTANGIBLE FIXED ASSETS                   |             |                               |                |             |                           |          |
| Cost                                      | 1,272       | 19,680                        | 2,129          | 7,158       | 2                         | 30,242   |
| Accumulated depreciations and impairments | (1,268)     | (18,856)                      | (1,892)        | (3,697)     | -                         | (25,713) |
| Net Carrying Value                        | 4           | 824                           | 238            | 3,461       | 2                         | 4,529    |

Translation adjustments also contain the IAS29 hyperinflation effects of bringing the intangible fixed assets to purchasing power of 31st of December 2022 (€5,022 thousand in Cost and €1,844 thousand in Depreciations and Impairments).



7. Goodwill

| (IN € THOUSAND)                           | 2021     | 2022     |
|-------------------------------------------|----------|----------|
| COST                                      |          |          |
| At the beginning of                       | 60,014   | 63,260   |
| Translation adjustments                   | 3,246    | 1,232    |
| At the end of                             | 63,260   | 64,492   |
| IMPAIRMENTS                               |          |          |
| At the beginning of                       | (49,413) | (52,690) |
| Translation adjustments                   | (3,277)  | (1,243)  |
| At the end of                             | (52,690) | (53,933) |
| GOODWILL                                  |          |          |
| Cost                                      | 63,260   | 64,492   |
| Accumulated depreciations and impairments | (52,690) | (53,933) |
| At the end of                             | 10,571   | 10,560   |

The application of IFRS 3 ‘Business combinations’ stipulates that all identifiable assets and liabilities should be recognized at their fair value at the moment of acquisition. All differences between the cost of the business combination and the fair value defined at the time of the acquisition should be attributed to goodwill.

The net carrying value of goodwill is allocated as follows:

| CASH-GENERATING UNIT (IN € THOUSAND) | 2021   | 2022   |
|--------------------------------------|--------|--------|
| Turkey                               | 9,324  | 9,313  |
| Europe                               | 1,247  | 1,247  |
| Net Carrying Value                   | 10,571 | 10,560 |

In accordance with IAS 36, goodwill is not amortized, but is subject to an annual impairment test. This test is always performed at year-end or whenever there is an indication of a possible impairment.

The test consists of comparing the recoverable amount of each cash-generating unit with it carrying amount. An impairment loss is recognized whenever the recoverable amount is lower than the net book value.

The Group carried out the annual impairment test at 31 December 2022, consistent with previous years. This goodwill impairment assessment also did not reveal any impairment issues.



Impairment test goodwill Turkey

CASH GENERATING UNIT

The cash generating unit is Ege Profil, which holds the brands Ege Pen Deceuninck, Winsa and Pimapen, following the merger of Ege Profil and Pimas in 2017.

DISCOUNT RATE

The pre-tax discount rate is based on the risk-free rate of the currency region zone where the activities are deployed and current market assessment of the risks specific to the Deceuninck Group. The pre-tax discount rate was estimated based on the weighted average cost of capital (WACC) and is 27.4% for 2022 (2021: 26.9%).

ASSUMPTIONS FOR 2023-2027

For EBITDA of 2023, management has worked out a target based on detailed plans and actions. For the period 2024-2027 the EBITDA estimate is based on longer term plans, considering reasonable growth levels in line with country specific evolutions of the building industry. For subsequent years a terminal growth rate of 3% is assumed.

SENSITIVITY ANALYSIS

One scenario with reasonable growth expectations has been worked out with a sufficient headroom under the base case assumptions. There is no need for a detailed sensitivity analysis as no reasonable possible change in a key assumption on which management has based its determination of the cash-generating unit’s recoverable amount would cause the unit’s carrying amount to exceed its recoverable amount.

CONCLUSION

No need for impairment of goodwill.

Impairment test goodwill Europe

CASH GENERATING UNIT

The goodwill has been tested at the operating segment ‘Europe’ level because this is the lowest level at which management monitors the related goodwill as reasonable.

DISCOUNT RATE

The pre-tax discount rate is based on the risk-free rate of the currency region zone where the activities are deployed and current market assessment of the risks specific to the Deceuninck Group. The pre-tax discount rate was estimated based on the weighted average cost of capital (WACC) and is 9.7% for 2022 (2021: 9.2%).

ASSUMPTIONS FOR 2023-2027

For EBITDA of 2023, management has worked out a target based on detailed plans and actions. For the period 2024-2027 the EBITDA estimate is based on longer term plans, considering reasonable growth levels in line with country specific evolutions of the building industry. For subsequent years a terminal growth rate of 2% is assumed.

SENSITIVITY ANALYSIS

One scenario with reasonable growth expectations has been worked out with a sufficient headroom under the base case assumptions. There is no need for a detailed sensitivity analysis as no reasonable possible change in a key assumption on which management has based its determination of the cash-generating unit’s recoverable amount would cause the unit’s carrying amount to exceed its recoverable amount.

CONCLUSION

No need for impairment of goodwill.



8. Interest in a joint venture

The Group acquired a 50% interest in So Easy Belgium BV. The investment has been classified as joint venture and is involved in production of aluminium systems for window and doors manufacturing. The Group’s interest in this joint venture is accounted for using the equity method in the

consolidated financial statements. Summarized financial information of the joint venture, based on its IFRS financial statements on a 100% basis, and reconciliation with the carrying amount of the investment in the consolidated financial statements are set out below:

| FOR THE 12 MONTH PERIOD ENDED 31 DECEMBER (IN € THOUSAND) | 2021     | 2022     |
|-----------------------------------------------------------|----------|----------|
| Sales                                                     | 15,643   | 19,203   |
| Cost of goods sold                                        | (11,517) | (14,086) |
| Gross profit                                              | 4,126    | 5,116    |
| Marketing, sales and distribution expenses                | (3,055)  | (3,754)  |
| Administrative and general expenses                       | (2,349)  | (2,748)  |
| Other net operating result                                | 523      | 556      |
| Operating profit / (loss)                                 | (755)    | (830)    |
| Financial charges                                         | (1,206)  | (1,699)  |
| Financial income                                          | 170      | 256      |
| Profit / (loss) before taxes (EBT)                        | (1,791)  | (2,274)  |
| Income taxes                                              | 41       | (5)      |
| Net profit / (loss)                                       | (1,750)  | (2,279)  |
| Group's share of profit / (loss) for the year             | (875)    | (1,140)  |

| (IN € THOUSAND)                                                                   | 2021  | 2022    |
|-----------------------------------------------------------------------------------|-------|---------|
| Group's carrying amount of the investment at the beginning of                     | -     | -       |
| Group's share of profit / (loss) for the year                                     | (875) | (1,140) |
| Translation adjustments                                                           | -     | 75      |
| Non-recognized group's share of total comprehensive loss / (profit) for the year* | 875   | 1,064   |
| Group's carrying amount of the investment at the end of                           | -     | -       |

\* The Group has taken into account the relevant considerations that there are no contractual or constructive obligations covering for unlimited Total comprehensive losses, the recognition of the Group’s share of the Total comprehensive loss of the joint venture is limited to the extent of original recognized amount of the investment. All subsequent Group’s share of the Total comprehensive income are not recognized by the Group until the historically non recognized Group’s share of the Total comprehensive loss of the joint venture are covered.



| (IN € THOUSAND)           | 2021   | 2022   |
|---------------------------|--------|--------|
| ASSETS                    |        |        |
| Intangible fixed assets   | 1,004  | 689    |
| Tangible fixed assets     | 5,666  | 5,644  |
| Non-current assets        | 6,669  | 6,334  |
| Inventories               | 2,355  | 2,446  |
| Trade receivables         | 5,077  | 2,224  |
| Other receivables         | 3,706  | 595    |
| Cash and cash equivalents | 700    | 219    |
| Current assets            | 11,837 | 5,484  |
| Total assets              | 18,506 | 11,818 |

|                              |         |          |
|------------------------------|---------|----------|
| EQUITY AND LIABILITIES       |         |          |
| Equity                       | (9,100) | (11,229) |
| Interest-bearing loans       | 14,249  | 11,616   |
| Deferred tax liabilities     | 50      | 16       |
| Non-current liabilities      | 14,299  | 11,632   |
| Trade payables               | 5,109   | 3,618    |
| Other liabilities            | 8,199   | 7,797    |
| Current liabilities          | 13,308  | 11,415   |
| Total equity and liabilities | 18,506  | 11,818   |

| (IN € THOUSAND)                           | 2021    | 2022    |
|-------------------------------------------|---------|---------|
| Group's share in equity                   | (4,550) | (5,615) |
| Goodwill                                  | -       | -       |
| Goodwill after purchase price allocation  | 3,214   | 3,214   |
| Allocated losses                          | (3,214) | (3,214) |
| Non-recognized total comprehensive income | (1,336) | (2,401) |
| Group's carrying amount of the investment | -       | -       |

The Group performed a limited purchase price allocation exercise in the first year to determine the fair value of the net assets of the So Easy Group to calculate goodwill which was partly allocated to the existing customer relationships acquired.

So Easy Belgium BV cannot distribute its profits without the consent from the two venture partners.



## 9. Tangible fixed assets

| 2021 (IN € THOUSAND)                      | Land & buildings | Machinery & equipment | Furniture and vehicles | Other tangible fixed assets | Assets under construction | Total            |
|-------------------------------------------|------------------|-----------------------|------------------------|-----------------------------|---------------------------|------------------|
| COST                                      |                  |                       |                        |                             |                           |                  |
| <b>At the beginning of this year</b>      | <b>173,585</b>   | <b>490,213</b>        | <b>17,928</b>          | <b>138</b>                  | <b>11,046</b>             | <b>692,910</b>   |
| Additions                                 | 10,727           | 18,004                | 1,257                  | -                           | 12,460                    | 42,448           |
| Disposals                                 | -                | (9,734)               | (143)                  | -                           | (21)                      | (9,898)          |
| Transfers                                 | 1,235            | 11,986                | 111                    | -                           | (13,289)                  | 42               |
| Translation adjustments                   | (8,352)          | (3,992)               | (704)                  | -                           | (487)                     | (13,535)         |
| <b>At the end of this year</b>            | <b>177,195</b>   | <b>506,477</b>        | <b>18,449</b>          | <b>138</b>                  | <b>9,708</b>              | <b>711,967</b>   |
| DEPRECIATIONS AND IMPAIRMENTS             |                  |                       |                        |                             |                           |                  |
| <b>At the beginning of this year</b>      | <b>(75,490)</b>  | <b>(365,964)</b>      | <b>(13,134)</b>        | <b>(81)</b>                 | <b>-</b>                  | <b>(454,670)</b> |
| Additions to depreciations                | (4,460)          | (24,634)              | (1,218)                | (11)                        | -                         | (30,324)         |
| Additions to impairments                  | -                | (1,012)               | -                      | -                           | -                         | (1,012)          |
| Disposals                                 | -                | 9,131                 | 162                    | -                           | -                         | 9,292            |
| Transfers                                 | (11)             | (341)                 | (7)                    | -                           | -                         | (359)            |
| Translation adjustments                   | (332)            | 1,606                 | 312                    | -                           | -                         | 1,587            |
| <b>At the end of this year</b>            | <b>(80,294)</b>  | <b>(381,214)</b>      | <b>(13,885)</b>        | <b>(92)</b>                 | <b>-</b>                  | <b>(475,484)</b> |
| TANGIBLE FIXED ASSETS                     |                  |                       |                        |                             |                           |                  |
| Cost                                      | 177,195          | 506,477               | 18,449                 | 138                         | 9,708                     | 711,967          |
| Accumulated depreciations and impairments | (80,294)         | (381,214)             | (13,885)               | (92)                        | -                         | (475,484)        |
| <b>Net Carrying Value</b>                 | <b>96,901</b>    | <b>125,263</b>        | <b>4,564</b>           | <b>47</b>                   | <b>9,708</b>              | <b>236,483</b>   |



| 2022 (IN € THOUSAND)                      | Land & buildings | Machinery & equipment | Furniture and vehicles | Other tangible fixed assets | Assets under construction | Total            |
|-------------------------------------------|------------------|-----------------------|------------------------|-----------------------------|---------------------------|------------------|
| COST                                      |                  |                       |                        |                             |                           |                  |
| <b>At the beginning of this year</b>      | <b>177,195</b>   | <b>506,477</b>        | <b>18,449</b>          | <b>138</b>                  | <b>9,708</b>              | <b>711,967</b>   |
| Additions                                 | 4,346            | 21,219                | 1,466                  | -                           | 20,395                    | 47,427           |
| Disposals                                 | (15)             | (1,748)               | (52)                   | -                           | -                         | (1,816)          |
| Transfers                                 | (9,952)          | 9,306                 | 363                    | -                           | (9,950)                   | (10,233)         |
| Translation adjustments                   | 39,091           | 92,802                | 4,728                  | -                           | 158                       | 136,779          |
| <b>At the end of this year</b>            | <b>210,665</b>   | <b>628,055</b>        | <b>24,954</b>          | <b>138</b>                  | <b>20,313</b>             | <b>884,125</b>   |
| DEPRECIATIONS AND IMPAIRMENTS             |                  |                       |                        |                             |                           |                  |
| <b>At the beginning of this year</b>      | <b>(80,294)</b>  | <b>(381,214)</b>      | <b>(13,885)</b>        | <b>(92)</b>                 | <b>-</b>                  | <b>(475,484)</b> |
| Additions to depreciations                | (5,514)          | (27,352)              | (1,473)                | (10)                        | -                         | (34,348)         |
| Additions to impairments                  | (5,275)          | (2,799)               | (185)                  | -                           | -                         | (8,259)          |
| Disposals                                 | (12)             | 1,504                 | 70                     | -                           | -                         | 1,562            |
| Transfers                                 | 639              | (83)                  | (9)                    | -                           | -                         | 546              |
| Translation adjustments                   | (3,503)          | (78,273)              | (4,097)                | -                           | -                         | (85,872)         |
| <b>At the end of this year</b>            | <b>(93,958)</b>  | <b>(488,217)</b>      | <b>(19,579)</b>        | <b>(101)</b>                | <b>-</b>                  | <b>(601,856)</b> |
| TANGIBLE FIXED ASSETS                     |                  |                       |                        |                             |                           |                  |
| Cost                                      | 210,665          | 628,055               | 24,954                 | 138                         | 20,313                    | 884,125          |
| Accumulated depreciations and impairments | (93,958)         | (488,217)             | (19,579)               | (101)                       | -                         | (601,856)        |
| <b>Net Carrying Value</b>                 | <b>116,706</b>   | <b>139,838</b>        | <b>5,375</b>           | <b>37</b>                   | <b>20,313</b>             | <b>282,270</b>   |

The transfers from assets under construction in both 2021 and 2022 mainly related to finalized investments in machinery and equipment. In 2022, there was an outgoing transfer from Land & Buildings, resulting from the reclassification of real estate in Turkey to assets classified as held for sale.

In 2022 the Group has recognized impairments on tangible fixed assets for € 8,259 thousand (2021: € 1,012 thousand). These impairments mainly relate the full impairment of Deceuninck's tangible fixed assets in Russia, and have been included in other operating costs.

Translation adjustments also contain the IAS29 hyper-inflation effects of bringing the tangible fixed assets to

purchasing power of 31st of December 2022 (€ 137,263 thousand in Cost and € 86,244 in Depreciations and Impairments).

The Group has € 21.7 million fixed asset related commitments spread over the next year which are mainly related to machinery and buildings.

Tangible fixed assets under construction are further broken down in the table below. These are mainly related to tools and machinery.



| (IN € THOUSAND)       | 2021         | 2022          |
|-----------------------|--------------|---------------|
| Land & Buildings      | 348          | 3,473         |
| Machinery & equipment | 7,706        | 15,124        |
| Other                 | 1,654        | 1,716         |
| <b>Total</b>          | <b>9,708</b> | <b>20,313</b> |

The right-of-use assets are further detailed in Note 20.

were mainly related to the reclassification of real estate in Turkey to assets classified as held for sale.

The table below shows an overview of transfers between intangible fixed assets, tangible fixed assets, assets held for sale and right-of use assets. The transfers in 2022

| (IN € THOUSAND)                    | 2021     | 2022     |
|------------------------------------|----------|----------|
| Intangible fixed assets            | 387      | 19       |
| Tangible fixed assets              | (317)    | (9,687)  |
| Assets classified as held for sale | -        | 9,667    |
| Right-of-use assets                | (70)     | -        |
| <b>Total</b>                       | <b>-</b> | <b>-</b> |

10. Long-term receivables

| (IN € THOUSAND)   | 2021         | 2022       |
|-------------------|--------------|------------|
| Other receivables | 1,508        | 413        |
| <b>Total</b>      | <b>1,508</b> | <b>413</b> |

11. Inventories

| (IN € THOUSAND)               | 2021           | 2022           |
|-------------------------------|----------------|----------------|
| Raw materials and consumables | 51,503         | 56,421         |
| Finished goods                | 100,177        | 97,189         |
| Trade goods                   | 17,908         | 18,112         |
| <b>Total</b>                  | <b>169,589</b> | <b>171,722</b> |

During 2022 a net amount of € 3,398 thousand was recorded as an increase in the allowance related to the write-down on inventory (in 2021: € 3,262 thousand increase). These costs are included in Marketing, sales and distribution expenses. The cost of inventories recognized

as cost of goods sold during 2022 amounted to € 713,181 thousand (2021: € 608,440 thousand). No inventories were pledged as security for liabilities (2021: idem).



12. Trade receivables and other receivables

| (IN € THOUSAND)                  | 2021          | 2022          |
|----------------------------------|---------------|---------------|
| Gross trade receivables          | 100,747       | 100,254       |
| Impairments allowance            | (9,991)       | (12,306)      |
| <b>Trade receivables</b>         | <b>90,756</b> | <b>87,947</b> |
| VAT and other taxes              | 7,194         | 6,910         |
| Derivative financial instruments | 3,278         | 3,290         |
| Prepaid charges                  | 3,057         | 3,075         |
| Short-term warranties            | 218           | 164           |
| Advance checks received          | 52,308        | 35,669        |
| Receivables from joint ventures  | 2,727         | 4,043         |
| Other                            | 1,176         | 1,844         |
| <b>Other receivables</b>         | <b>69,959</b> | <b>54,994</b> |

Net trade receivables decreased € 2,809 thousand mainly due to an increase in the impairment allowance. Total factoring amounted to € 17.4 million at 31 December 2022 (2021: € 23.3 million).

can be discounted or used for payments without any preconditions.

The decrease in Other receivables is mainly driven by a decrease in Advance checks received.

Before finalisation of these orders, the advance checks are presented gross as both ‘other receivables’ and as ‘other liabilities’ as disclosed in Note 19. Upon delivery and invoicing, these checks are netted. The corresponding trade receivable is presented as such and will be settled at the expiry date of the check.

Days sales outstanding (DSO) remained stable year-on-year, at 37 days in 2021 and 2022.

The costs related to the derecognition of accounts receivable for 2022 amount to € 1,648 thousand (2021: € 3,545 thousand). The effect of the factoring agreement is shown as a decrease in trade receivables, as substantially all risks and rewards relating to the trade receivables are transferred to the factor company (non-recourse factoring).

An analysis of the trade receivables is provided below, which shows the ageing of both gross outstanding trade receivables and impairment allowances on these trade receivables.

The gross trade receivables consist of invoiced sales, an accrual for invoices to be issued, an accrual for credit notes to be received and exchange rate differences. The advance checks mainly consist of checks which have been received from customers in Turkey, to guarantee orders that will be executed in a later stage. This is a common practice in the local construction industry. These checks are considered as advance payments and



| AGING ANALYSIS OF<br>TRADE RECEIVABLES<br>(IN € THOUSAND) | Total         | Not due       | < 30 days    | 31 - 60<br>days | 61 - 90<br>days | 91 - 120<br>days | > 120<br>days |
|-----------------------------------------------------------|---------------|---------------|--------------|-----------------|-----------------|------------------|---------------|
| Gross trade receivables per<br>31 December 2022           | 100,254       | 75,977        | 8,729        | 1,602           | 970             | 1,437            | 11,538        |
| Impairments allowance per<br>31 December 2022             | (12,306)      | (514)         | (413)        | (49)            | (207)           | (887)            | (10,236)      |
| <b>Net carrying value per<br/>31 December 2022</b>        | <b>87,947</b> | <b>75,463</b> | <b>8,316</b> | <b>1,553</b>    | <b>763</b>      | <b>550</b>       | <b>1,302</b>  |
| <b>Net carrying value per<br/>31 December 2021</b>        | <b>90,756</b> | <b>81,369</b> | <b>4,945</b> | <b>1,328</b>    | <b>411</b>      | <b>1,437</b>     | <b>1,267</b>  |

As per 31 December 2022 an amount of € 12,306 thousand (2021: € 9,991 thousand) is recorded as impairment allowance on trade receivables.

The majority of the impairment allowance relates to specific allowances for long overdue receivables. The impact of the expected credit loss (ECL) model on the

impairment allowance remains stable compared to 2021 and is mainly included in the Turkey & Emerging Markets segment, where loss rates between 5% and 15% are applied, in line with the 2021 ECL model.

The movements during the last 2 financial years are presented in the following table:

| IMPAIRMENT ALLOWANCE (IN € THOUSAND) | 2021            | 2022            |
|--------------------------------------|-----------------|-----------------|
| <b>At the beginning of</b>           | <b>(14,848)</b> | <b>(9,991)</b>  |
| Additions                            | (1,171)         | (4,708)         |
| Reversals                            | 3,258           | 1,691           |
| Utilizations                         | 28              | -               |
| Translation adjustments              | 2,742           | 700             |
| <b>At the end of</b>                 | <b>(9,991)</b>  | <b>(12,306)</b> |



13. Cash and cash equivalents

| (IN € THOUSAND)                | 2021          | 2022          |
|--------------------------------|---------------|---------------|
| Cash and current bank accounts | 36,489        | 37,730        |
| Short term deposits            | 36,396        | 21,219        |
| <b>Total</b>                   | <b>72,885</b> | <b>58,949</b> |

Cash and cash equivalents have decreased due to an increase in working capital, capital expenditures, dividend payments and net financial result excl interests, partly

offset by a strong gross operating cash flow. The cash and cash equivalents balances are mainly concentrated in Belgium, Turkey and the United States.

14. Assets classified as held for sale

| ASSETS CLASSIFIED AS HELD FOR SALE (IN € THOUSAND) | 2021         | 2022          |
|----------------------------------------------------|--------------|---------------|
| Cost                                               | 1,436        | 12,006        |
| Accumulated depreciations and impairments          | (90)         | (726)         |
| <b>Net Carrying Value</b>                          | <b>1,346</b> | <b>11,280</b> |

The assets classified as held for sale mainly relate to real estate in Turkey and land held for sale in Poland. All assets are available for immediate sale in its present condition and the sale is highly probable. Necessary actions have

been taken in order to place these assets on the market and sales are expected during 2023. Following the reclassification to assets classified as held for sale, these assets are no longer depreciated.

15. Issued capital and reserves

Issued capital

| ISSUED CAPITAL                           | 2021        | 2022        |
|------------------------------------------|-------------|-------------|
| Amount (in € thousand)                   | 54,441      | 54,505      |
| Number of shares (without nominal value) | 138,040,929 | 138,202,261 |

As per 31 December 2022, issued capital is set at € 54,505 thousand and is composed of 138,202 thousand shares without a nominal value.



Share premiums

| SHARE PREMIUMS         | 2021   | 2022   |
|------------------------|--------|--------|
| Amount (in € thousand) | 90,213 | 90,468 |

Treasury shares

| TREASURY SHARES                          | 2021   | 2022   |
|------------------------------------------|--------|--------|
| Amount (in € thousand)                   | (75)   | (16)   |
| Number of shares (without nominal value) | 69,769 | 13,103 |

On 31 December 2022, the Group held 13,103 treasury shares to fulfil its commitments with respect to stock option plans.

Currency translation adjustments

An overview of the currency translation adjustments by currency is given below:

| CURRENCY TRANSLATION ADJUSTMENTS (IN € THOUSAND) | 2021      | 2022     |
|--------------------------------------------------|-----------|----------|
| USD                                              | (8,434)   | (3,162)  |
| TRY                                              | (117,298) | (74,961) |
| RUB                                              | (10,722)  | (9,096)  |
| PLN                                              | (4,501)   | (4,911)  |
| GBP                                              | (2,071)   | (3,085)  |
| CZK                                              | 668       | 1,080    |
| Other                                            | (59)      | 598      |
| Total                                            | (142,418) | (93,538) |

Currency translation adjustments include all exchange rate differences resulting from the conversion of the financial statements of subsidiaries into euro. The total currency translation adjustments amount to € (93,538) thousand at 31 December 2022.

The 2022 movement of currency translation adjustments in TRY, attributable to shareholders of the parent company, contain (i) € 19,183 thousand hyperinflation impacts resulting the restatement of non-monetary assets and liabilities to the general purchasing power until

31 December 2021 and (ii) the impact of the difference in evolution between both the inflation index and the devaluation of the TRY compared to EUR for € 23,205 thousand.



16. Provisions for post-employment employee benefits

| NET LIABILITY (ASSET) RECONCILIATION (IN € THOUSAND) | Deceuninck Germany and Produktions GmbH (Germany) | Deceuninck NV (Belgium) | Ege Profil AS (Turkey) | Other | Total   |
|------------------------------------------------------|---------------------------------------------------|-------------------------|------------------------|-------|---------|
| As per 31 December 2021                              | 14,411                                            | 3,617                   | 1,405                  | 559   | 19,991  |
| Pension cost recognized in income statement          | 197                                               | 824                     | 395                    | 140   | 1,556   |
| Remeasurements recognized in OCI                     | (3,901)                                           | (3,123)                 | 2,379                  | -     | (4,645) |
| Benefits paid directly                               | (478)                                             | (822)                   | (252)                  | (1)   | (1,553) |
| Translation adjustments                              | -                                                 | -                       | (536)                  | 6     | (529)   |
| As per 31 December 2022                              | 10,229                                            | 496                     | 3,391                  | 703   | 14,820  |
| Non-current                                          | 9,703                                             | 450                     | 3,391                  | 695   | 14,240  |
| Current                                              | 526                                               | 45                      | -                      | 9     | 580     |

Defined benefit plans and other post-employment benefits

Deceuninck NV (Belgium)

For Deceuninck NV, the provisions for post-employment benefits relate to the early retirement obligation and Belgian pension plans. According to IAS19, Belgian defined contribution plans that guarantee a specified return are defined benefit plans, as the employer has to cover the investment risk until the applicable legal minimum rates.

The returns guaranteed by the insurance company are in most cases lower, as a result the Group has not fully hedged its risk and a provision needs to be accounted for.

Deceuninck NV has a number of defined contribution plans, applicable to different categories of personnel. Those pension plans have been set up by Deceuninck NV and are thus not multi-employer plans. All plans are funded through group insurances with an insurance company. Contributions are made by the employer and employee.

Deceuninck NV operates an early retirement plan under the legal framework in Belgium and allows that

employees reaching the legal pre-pension age (currently 62 years with certain additional conditions linked to the length of career) can benefit from an early pension and retire before the legal pension age (currently 65 years). The elderly employees accepting such offers will receive a temporary supplement paid by Deceuninck NV until their legal retirement age on top of the unemployment allowance. The provision covers the employees for which there exists a plan and the expected employees to retire by an early retirement scheme the next coming 4 years based on the collective labor agreement. The plan is available for all employees meeting the requirements. It is unfunded and administered by Deceuninck NV.

In Belgium, inactive members are not included as there is no material deficit. The total amount of the reserve for these members amount to € 6,685 thousand. The reserves are fully funded with plan assets.

In accordance with IFRS, the actuarial present value of the defined pension benefit plans must be calculated, as that value represents the total of the amounts that can currently be allocated to each participant in the plan. The actuarial present value was calculated based on the mortality tables IA/BE (age correction -1 years) and the following actuarial assumptions:



| DECEUNINCK NV (BELGIUM) - PRINCIPAL ACTUARIAL ASSUMPTIONS | 2021  | 2022  |
|-----------------------------------------------------------|-------|-------|
| Discount rate                                             | 1.00% | 3.75% |
| Increase in compensations - white collar                  | 2.65% | 3.05% |
| Increase in compensations - blue collar                   | 2.65% | 3.05% |
| Increases in social security                              | 2.65% | 3.05% |
| Increases in pensions                                     | N/A   | N/A   |
| Inflation                                                 | 1.90% | 2.30% |

The main risks for Deceuninck NV relate to future salary increases.

**Deceuninck Germany GmbH and Deceuninck Germany Produktions GmbH & Co KG (Germany)**

For Deceuninck Germany GmbH and Deceuninck Germany Produktions GmbH & Co KG, the provisions for employee benefits refer to the provision for pensions which is unfunded.

The pension plan entitles the beneficiary to a lump sum amount at the start of their pension. The plan was available to all employees started to work for Deceuninck Germany GmbH before 1999. For one manager there is an individual pension plan which provides an annuity payment after retirement. The plan is based on the collective agreement of IGBCE and the respective company agreement.

The actuarial present value was calculated based on the following assumptions:

| DECEUNINCK GERMANY AND PRODUKTIONS GMBH (GERMANY) - PRINCIPAL ACTUARIAL ASSUMPTIONS | 2021  | 2022  |
|-------------------------------------------------------------------------------------|-------|-------|
| Discount rate                                                                       | 0.90% | 3.70% |
| Increase in compensations - white collar                                            | 3.00% | 3.00% |
| Increase in compensations - blue collar                                             | 3.00% | 3.00% |
| Increases in social security                                                        | 3.00% | 3.00% |
| Increases in pensions                                                               | 1.70% | 2.00% |
| Inflation                                                                           | 3.00% | 2.00% |

**Ege Profil AS (Turkey)**

The company is required to pay a termination indemnity

upon the date of retirement. This plan is legally required for all employees and is unfunded. The actuarial present value was calculated based on the following assumptions:

| EGE PROFIL AS (TURKEY) - PRINCIPAL ACTUARIAL ASSUMPTIONS | 2021   | 2022   |
|----------------------------------------------------------|--------|--------|
| Discount rate                                            | 16.45% | 19.70% |
| Increase in compensations - white collar                 | 9.50%  | 19.20% |
| Increase in compensations - blue collar                  | 9.50%  | 19.20% |
| Increases in social security                             | 9.50%  | 19.20% |
| Increases in pensions                                    | N/A    | N/A    |
| Inflation                                                | N/A    | N/A    |





Other

These provisions for employee benefits refer to local pension regulations.

The tables below provide an overview of the pension costs included in the consolidated income statement, and the amounts recognized in the balance sheet position for the defined pension plan of Deceuninck Germany GmbH, Deceuninck Produktions GmbH & Co. KG, Ege Profil AS and the Belgian subsidiaries of the last two years:

| COMPONENTS OF PENSION COST     |                                                   |                        |                         |       | 2022                                              |                        |                         |       |  |
|--------------------------------|---------------------------------------------------|------------------------|-------------------------|-------|---------------------------------------------------|------------------------|-------------------------|-------|--|
| 2021                           |                                                   |                        |                         |       |                                                   |                        |                         |       |  |
| (IN € THOUSAND)                | Deceuninck Germany and Produktions GmbH (Germany) | Ege Profil AS (Turkey) | Deceuninck NV (Belgium) | Total | Deceuninck Germany and Produktions GmbH (Germany) | Ege Profil AS (Turkey) | Deceuninck NV (Belgium) | Total |  |
| Current service cost           | 89                                                | 523                    | 998                     | 1,610 | 70                                                | 260                    | 792                     | 1,122 |  |
| Interest cost                  | 63                                                | 219                    | 21                      | 303   | 127                                               | 135                    | 32                      | 295   |  |
| Recognized in income statement | 152                                               | 742                    | 1,019                   | 1,913 | 197                                               | 395                    | 824                     | 1,417 |  |

The current service cost is included in the financial statement lines in the consolidated income statement based on the function and activities of the related personnel. If the related personnel are no longer active within the Group, the cost is recognized in the section

Other under Other operating costs. The interest cost is included in Other financial result. Where applicable, the current service cost is considered for the inventory valuation.

| AMOUNTS RECOGNIZED IN THE STATEMENT OF FINANCIAL POSITION |                                                   |                        |                         |         | 2022                                              |                        |                         |         |  |
|-----------------------------------------------------------|---------------------------------------------------|------------------------|-------------------------|---------|---------------------------------------------------|------------------------|-------------------------|---------|--|
| 2021                                                      |                                                   |                        |                         |         |                                                   |                        |                         |         |  |
| (IN € THOUSAND)                                           | Deceuninck Germany and Produktions GmbH (Germany) | Ege Profil AS (Turkey) | Deceuninck NV (Belgium) | Total   | Deceuninck Germany and Produktions GmbH (Germany) | Ege Profil AS (Turkey) | Deceuninck NV (Belgium) | Total   |  |
| Present value of defined benefit obligation               | 14,411                                            | 1,405                  | 11,313                  | 27,129  | 10,230                                            | 3,391                  | 8,533                   | 22,154  |  |
| Fair value of plan assets                                 | -                                                 | -                      | (7,696)                 | (7,696) | -                                                 | -                      | (8,037)                 | (8,037) |  |
| Net liability (asset)                                     | 14,411                                            | 1,405                  | 3,617                   | 19,433  | 10,230                                            | 3,391                  | 496                     | 14,117  |  |





| CHANGE IN PENSION<br>BENEFIT OBLIGATIONS                     |                                                               |                           |                            | 2021    | 2022                                                          |                           |                            |         |
|--------------------------------------------------------------|---------------------------------------------------------------|---------------------------|----------------------------|---------|---------------------------------------------------------------|---------------------------|----------------------------|---------|
| (IN € THOUSAND)                                              | Deceuninck<br>Germany and<br>Produktions<br>GmbH<br>(Germany) | Ege Profil AS<br>(Turkey) | Deceuninck<br>NV (Belgium) | Total   | Deceuninck<br>Germany and<br>Produktions<br>GmbH<br>(Germany) | Ege Profil AS<br>(Turkey) | Deceuninck<br>NV (Belgium) | Total   |
| At the beginning of                                          | 16,107                                                        | 2,192                     | 11,806                     | 30,105  | 14,411                                                        | 1,405                     | 11,313                     | 27,129  |
| Current service cost                                         | 89                                                            | 523                       | 998                        | 1,610   | 70                                                            | 260                       | 792                        | 1,122   |
| Interest cost                                                | 63                                                            | 219                       | 54                         | 336     | 127                                                           | 135                       | 112                        | 375     |
| Plan participants<br>contributions                           | -                                                             | -                         | 193                        | 193     | -                                                             | -                         | 240                        | 240     |
| Actuarial (gain) / loss                                      | (1,340)                                                       | 16                        | (1,083)                    | (2,407) | (3,901)                                                       | 2,379                     | (3,014)                    | (4,536) |
| <i>Arising from changes in<br/>    financial assumptions</i> | (884)                                                         | (503)                     | (817)                      |         | (4,605)                                                       | 1,640                     | (3,183)                    |         |
| <i>Experience adjustments</i>                                | (456)                                                         | 316                       | (266)                      |         | 704                                                           | 738                       | 159                        |         |
| <i>Arising from demographic<br/>    assumptions</i>          | -                                                             | 92                        | -                          |         | -                                                             | -                         | 10                         |         |
| <i>Changes in the effect of<br/>    asset ceiling</i>        | -                                                             | 110                       | -                          |         | -                                                             | -                         | -                          |         |
| Benefits paid directly                                       | (508)                                                         | (634)                     | (656)                      | (1,798) | (478)                                                         | (252)                     | (910)                      | (1,640) |
| Exchange rate differences                                    | -                                                             | (910)                     | -                          | (910)   | -                                                             | (536)                     | -                          | (536)   |
| At the end of                                                | 14,411                                                        | 1,405                     | 11,313                     | 27,129  | 10,230                                                        | 3,391                     | 8,533                      | 22,154  |

| CHANGE IN FAIR VALUE OF<br>PLAN ASSETS |                                                               |                           |                            | 2021  | 2022                                                          |                           |                            |       |
|----------------------------------------|---------------------------------------------------------------|---------------------------|----------------------------|-------|---------------------------------------------------------------|---------------------------|----------------------------|-------|
| (IN € THOUSAND)                        | Deceuninck<br>Germany and<br>Produktions<br>GmbH<br>(Germany) | Ege Profil AS<br>(Turkey) | Deceuninck<br>NV (Belgium) | TOTAL | Deceuninck<br>Germany and<br>Produktions<br>GmbH<br>(Germany) | Ege Profil AS<br>(Turkey) | Deceuninck<br>NV (Belgium) | Total |
| At the beginning of                    |                                                               |                           | 7,079                      | 7,079 |                                                               |                           | 7,696                      | 7,696 |
| Interest income on plan assets         |                                                               |                           | 33                         | 33    |                                                               |                           | 80                         | 80    |
| Actuarial (gain) / loss                |                                                               |                           | -                          | -     |                                                               |                           | 109                        | 109   |
| <i>Return on plan asset</i>            |                                                               |                           |                            |       |                                                               |                           | 109                        |       |
| Employer contributions                 |                                                               |                           | 790                        | 790   |                                                               |                           | 745                        | 745   |
| Plan participants contributions        |                                                               |                           | 193                        | 193   |                                                               |                           | 240                        | 240   |
| Benefits paid directly                 |                                                               |                           | (399)                      | (399) |                                                               |                           | (833)                      | (833) |
| At the end of                          | -                                                             | -                         | 7,696                      | 7,696 | -                                                             | -                         | 8,037                      | 8,037 |



| OTHER                                                                  |                                                   | 2022                   |                         |
|------------------------------------------------------------------------|---------------------------------------------------|------------------------|-------------------------|
| (IN € THOUSAND)                                                        | Deceuninck Germany and Produktions GmbH (Germany) | Ege Profil AS (Turkey) | Deceuninck NV (Belgium) |
| <b>Contributions</b>                                                   |                                                   |                        |                         |
| Expected contribution to the plan for the next annual reporting period | 406                                               | N/A                    | 745                     |
| Maturity profile                                                       |                                                   |                        |                         |
| Duration jubilee benefits                                              | N/A                                               | N/A                    | N/A                     |
| Duration prepayments                                                   | N/A                                               | N/A                    | 3.0                     |
| Duration DC pension plans                                              | 13.0/19.0                                         | N/A                    | 13.1                    |
| Duration other long term benefits                                      | N/A                                               | 11.4                   | N/A                     |
| <b>Expected payments from the defined benefit plan within</b>          |                                                   |                        |                         |
| CashFlow Year 1                                                        | 527                                               | 432                    | 61                      |
| CashFlow Year 2                                                        | 524                                               | 136                    | 5                       |
| CashFlow Year 3                                                        | 524                                               | 128                    | 52                      |
| CashFlow Year 4                                                        | 536                                               | 130                    | 40                      |
| CashFlow Year 5                                                        | 533                                               | 114                    | 732                     |
| CashFlow Year 6-10                                                     | 2,767                                             | 972                    | 2,994                   |

Sensitivity analysis shows the following impacts:

| AS PER 31 DECEMBER 2022                                                      | Deceuninck Germany and Produktions GmbH (Germany) |                            | Ege Profil AS (Turkey) |              | Deceuninck NV (Belgium)    |                            |
|------------------------------------------------------------------------------|---------------------------------------------------|----------------------------|------------------------|--------------|----------------------------|----------------------------|
| Change in discount rate                                                      | -0.20%                                            | 0.20%                      | -0.20%                 | 0.20%        | -0.20%                     | 0.20%                      |
| <b>Impact on present value of defined benefit obligation (in € thousand)</b> | <b>213</b>                                        | <b>(202)</b>               | <b>78</b>              | <b>(76)</b>  | <b>178</b>                 | <b>(172)</b>               |
| Change in pension increase rate                                              | -0.50%                                            | 0.50%                      | -0.50%                 | 0.50%        | N/A                        | N/A                        |
| <b>Impact on present value of defined benefit obligation (in € thousand)</b> | <b>(477)</b>                                      | <b>501</b>                 | <b>186</b>             | <b>(201)</b> |                            |                            |
| Change in longevity                                                          | - one year life expectancy                        | + one year life expectancy | N/A                    | N/A          | - one year life expectancy | + one year life expectancy |
| <b>Impact on present value of defined benefit obligation (in € thousand)</b> | <b>(353)</b>                                      | <b>365</b>                 |                        |              | <b>24</b>                  | <b>(25)</b>                |



17. Provisions

| (IN € THOUSAND)                | Restructuring | Warranties   | Claims       | Other        | Total        |
|--------------------------------|---------------|--------------|--------------|--------------|--------------|
| <b>As per 31 December 2021</b> | <b>154</b>    | <b>1,068</b> | <b>948</b>   | <b>1,365</b> | <b>3,536</b> |
| Additions                      | -             | 577          | 272          | 549          | 1,398        |
| Utilizations                   | (154)         | (5)          | (101)        | (204)        | (464)        |
| Reversals                      | -             | -            | (27)         | (79)         | (106)        |
| Translation adjustments        | -             | (72)         | (12)         | 117          | 32           |
| <b>As per 31 December 2022</b> | <b>-</b>      | <b>1,568</b> | <b>1,080</b> | <b>1,749</b> | <b>4,396</b> |
| Non-current                    | -             | 1,522        | 1,031        | 1,749        | 4,301        |
| Current                        | -             | 46           | 49           | -            | 95           |

Restructuring provisions are recognized when conditions of IAS 37 are fulfilled, and represented in 2021 the restructuring provision for the strategic repositioning of Europe region. As per 31 December 2022, there are no more restructuring provisions.

Provisions for warranties are based on historical data of the cost incurred for repairs and returns.

The provisions for claims mainly relate to claims for quality issues of products sold.

The other provisions include a large number of items such as provisions for legal disputes.



18. Interest-bearing debts

The following tables provide an overview of the interest-bearing debts of the Group at year end:

| LONG-TERM INTEREST-BEARING DEBTS<br>(IN € THOUSAND)  | 2021    | 2022    |
|------------------------------------------------------|---------|---------|
| Loans from financial institutions                    | 6,625   | 119,331 |
| Leasing                                              | 6,378   | 11,417  |
| Long-term interest-bearing debts                     | 13,002  | 130,748 |
|                                                      |         |         |
| SHORT-TERM INTEREST-BEARING DEBTS<br>(IN € THOUSAND) | 2021    | 2022    |
| Loans from financial institutions                    | 16,712  | 11,171  |
| Leasing                                              | 5,094   | 5,280   |
| Retail Bond 3.75% - 08 Dec 2022                      | 99,959  | -       |
| Short-term interest-bearing debts                    | 121,765 | 16,452  |

Long-term interest-bearing loans mainly consist of straight loans drawn under the € 60 million Sustainability Linked Revolving Facility Agreement maturing in 2024 and the € 120 million Sustainability Linked Loan Facility Agreement maturing in 2027.

The long-term leasing contracts mainly consist of agreements for the leasing of cars, equipment or buildings. See further Note 20.

Short term interest-bearing loans mainly consist of working capital loans from Turkish banks maturing within 12 months.

|                                           |         | Non-cash changes |                         |                                                           |                                         |           |                                    |         |
|-------------------------------------------|---------|------------------|-------------------------|-----------------------------------------------------------|-----------------------------------------|-----------|------------------------------------|---------|
| INTEREST BEARING DEBTS<br>(IN € THOUSAND) | 2020    | Cash<br>Flows    | Capitalised<br>Interest | Foreign<br>Exchange<br>revaluation in<br>(profit) or loss | IFRS 16<br>New<br>Leases /<br>Disposals | Transfers | Foreign<br>exchange<br>translation | 2021    |
| Loans from financial institutions         | 43,343  | (13,163)         | 96                      | 4,857                                                     | -                                       | -         | (11,796)                           | 23,336  |
| Leasing                                   | 17,835  | (6,386)          | -                       | 173                                                       | 1,635                                   | -         | (1,785)                            | 11,472  |
| Retail Bond 3.75% - 08 Dec 2022           | 99,913  | -                | 46                      | -                                                         | -                                       | -         | -                                  | 99,959  |
| Interest bearing debts                    | 161,090 | (19,549)         | 142                     | 5,030                                                     | 1,635                                   | -         | (13,581)                           | 134,767 |



|                                           |         | Non-cash changes |                         |                                                           |                                         |                                    |         |
|-------------------------------------------|---------|------------------|-------------------------|-----------------------------------------------------------|-----------------------------------------|------------------------------------|---------|
| INTEREST BEARING DEBTS<br>(IN € THOUSAND) | 2021    | Cash<br>Flows    | Capitalised<br>Interest | Foreign<br>Exchange<br>revaluation in<br>(profit) or loss | IFRS 16<br>New<br>Leases /<br>Disposals | Foreign<br>exchange<br>translation | 2022    |
| Loans from financial institutions         | 23,336  | 112,021          | 96                      | (549)                                                     | -                                       | (4,402)                            | 130,502 |
| Leasing                                   | 11,472  | (5,898)          | -                       | 568                                                       | 11,480                                  | (925)                              | 16,697  |
| Retail Bond 3.75% - 08 Dec 2022           | 99,959  | (100,000)        | 41                      | -                                                         | -                                       | -                                  | -       |
| Interest bearing debts                    | 134,767 | 6,122            | 137                     | 19                                                        | 11,480                                  | (5,327)                            | 147,199 |

As of 31 December 2022, undrawn committed credit lines under the above mentioned facility agreements amounted to € 59.7 million.

All interest-bearing debt of Deceuninck is unsecured. Usual financial covenants (Leverage, Interest Cover...) are applicable to the committed credit facilities and the remaining balance (€ 1 million) of the loan received in 2015 from the European Bank for Reconstruction and Development for the construction of the new plant in

Menemen (Turkey). As per 31 December 2022 and at all preceding testing dates throughout 2022, Deceuninck Group has met all its covenants.

The following table provides a summary of the outstanding debts by currency, the average interest rates and maturity profile as per 31 December 2022:

| TERMS AND MATURITY PROFILE<br>(IN € THOUSAND)    | Interest % | Due within<br>1 year | Due between<br>1 and 5 years | Due after<br>5 years | Total   |
|--------------------------------------------------|------------|----------------------|------------------------------|----------------------|---------|
| Financial liabilities (excl leasing liabilities) |            | 116,671              | 6,625                        | -                    | 123,296 |
| Leasing liabilities                              |            | 5,237                | 7,284                        | 143                  | 12,664  |
| 2021                                             |            | 121,908              | 13,909                       | 143                  | 135,960 |
| Financial liabilities (excl leasing liabilities) |            | 11,171               | 119,331                      |                      | 130,502 |
| Leasing liabilities                              |            | 5,405                | 12,747                       | 615                  | 18,767  |
| 2022                                             |            | 16,576               | 132,078                      | 615                  | 149,269 |
| Of which                                         |            |                      |                              |                      |         |
| EUR                                              | 2.62%      | 10,648               | 116,215                      | 14                   | 126,877 |
| TRY                                              | 16.59%     | 3,152                | 7,135                        | -                    | 10,287  |
| USD                                              | 4.74%      | 1,178                | 5,502                        | -                    | 6,680   |
| Other foreign currencies                         | 8.14%      | 1,597                | 3,226                        | 601                  | 5,425   |

The Group has € 130,502 thousand outstanding financial liabilities (excl leasing liabilities), of which € 119,709 thousand are loans at a variable interest rate. In order to mitigate the risk of increasing interest rates, Deceuninck has entered into Interest Rate Swaps with a tenor of five

years for a total notional amount of € 100 million, whereby it will pay a fixed interest rate and will receive the floating rate (i.e. Euribor 1 month).



## 19. Trade payables and other liabilities

| (IN € THOUSAND)                  | 2021           | 2022           |
|----------------------------------|----------------|----------------|
| <b>Trade Debts</b>               | <b>176,009</b> | <b>144,023</b> |
| Derivative financial instruments | 650            | 327            |
| Guarantees from Customers        | 830            | 897            |
| Accrued interest                 | 843            | 439            |
| Accrued charges                  | 125            | 453            |
| Deferred income                  | 1,713          | 1,522          |
| Advance checks received          | 52,308         | 40,530         |
| Other                            | 1,414          | 363            |
| <b>OTHER LIABILITIES</b>         | <b>57,883</b>  | <b>44,531</b>  |

The conditions for the above-mentioned trade debts and other debts are as follows:

- Trade debts do not bear interest and are usually paid on the basis of payment terms that can vary depending on the market. On average, these payment terms fluctuate between 45 and 65 days from the end of the month in which the debt is incurred. In Turkey this can be up to one year after the invoice date.
- For the conditions with regard to the financial instruments, we refer to Note 25.
- The guarantees from customers do not bear any

interest and are immediately payable, as soon as the contractual obligations of the customer have been fulfilled.

Trade debts include, besides the invoiced purchases also a provision for invoices to be received, a provision for credit notes to be issued and foreign currency translation differences.

The other payables mainly consist of advance checks as referred to in Note 12.

## 20. Leasing

Set out below are the carrying amounts of right-of-use assets recognized and the movements during the period:

| (IN € THOUSAND)                | Buildings    | Cars         | Machinery & equipment | Total         |
|--------------------------------|--------------|--------------|-----------------------|---------------|
| <b>As per 31 December 2020</b> | <b>8,821</b> | <b>2,694</b> | <b>4,519</b>          | <b>16,034</b> |
| Additions                      | 2,474        | 1,704        | 1,186                 | 5,364         |
| Disposals                      | (3,396)      | (92)         | -                     | (3,487)       |
| Depreciations                  | (2,836)      | (1,813)      | (1,523)               | (6,173)       |
| Transfers                      | (70)         | -            | -                     | (70)          |
| Translation adjustments        | (202)        | (242)        | (880)                 | (1,324)       |
| <b>As per 31 December 2021</b> | <b>4,792</b> | <b>2,250</b> | <b>3,301</b>          | <b>10,343</b> |



| (IN € THOUSAND)                | Buildings    | Cars         | Machinery & equipment | Total         |
|--------------------------------|--------------|--------------|-----------------------|---------------|
| <b>As per 31 December 2021</b> | <b>4,792</b> | <b>2,250</b> | <b>3,301</b>          | <b>10,343</b> |
| Additions                      | 7,995        | 2,494        | 1,264                 | 11,753        |
| Disposals                      | (206)        | (55)         | (12)                  | (273)         |
| Depreciations                  | (3,064)      | (1,978)      | (1,701)               | (6,742)       |
| Translation adjustments        | (97)         | 141          | 414                   | 459           |
| <b>As per 31 December 2022</b> | <b>9,421</b> | <b>2,826</b> | <b>3,267</b>          | <b>15,515</b> |

Translation adjustments also contain the IAS29 hyperinflation effects of bringing the right-of-use assets to purchasing power of 31st of December 2022.

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

| LEASE LIABILITY (IN € THOUSAND) | 2021          | 2022          |
|---------------------------------|---------------|---------------|
| <b>Opening balance</b>          | <b>17,835</b> | <b>11,472</b> |
| Additions                       | 5,364         | 11,753        |
| Disposals                       | (3,729)       | (273)         |
| Accretion of interests          | 867           | 980           |
| Payments                        | (7,252)       | (6,878)       |
| Translation adjustments         | (1,612)       | (357)         |
| <b>Closing balance</b>          | <b>11,472</b> | <b>16,697</b> |
| Current                         | 5,094         | 5,280         |
| Non-current                     | 6,378         | 11,417        |

The maturity analysis of lease liabilities is disclosed in Note 18.

The following are the amounts recognized in profit or loss:

| (IN € THOUSAND)                                             | 2021           | 2022            |
|-------------------------------------------------------------|----------------|-----------------|
| Depreciation expense of right-of-use-assets                 | (6,173)        | (6,742)         |
| Interest expense on lease liabilities                       | (867)          | (980)           |
| Expenses relating to short-term leases and low-value assets | (2,155)        | (3,171)         |
| <b>Total amount recognized in profit or loss</b>            | <b>(9,194)</b> | <b>(10,892)</b> |



21. Share-based payments

The Group offers the possibility to staff members, senior management members and the members of the Executive Management to register for stock options and subscription rights (warrants).

The purpose for such a decision is to motivate the staff members, senior management and the members of the Executive Team Group and Executive Team Regions, by enabling them to acquire shares in the company under relatively advantageous terms, thereby increasing and improving their commitment to the company.

IFRS 2 has a total negative impact of € 783 thousand on the results of 2022 (2021: € 559 thousand) as recognized in ‘Other payroll expenses’ in Note 3. Revenue and costs are split up as below:

- Warrant plan: € 783 thousand in 2022 (€ 516 thousand in 2021)
- Performance share plan: € 0 in 2022 (€ 43 thousand in 2021)
- Stock option plans: No impact in 2022 (no impact in 2021)

|                                   |           |
|-----------------------------------|-----------|
| STOCK OPTIONS OVERVIEW            | 2007      |
| Grant date                        | 19/12/07  |
| To be accepted by                 | 17/02/08  |
| N° of beneficiaries at grant date | 74        |
| Exercise price (EUR)              | 15.54     |
| Granted                           | 70,750    |
| Accepted                          | 64,500    |
| Exercised                         | -         |
| Forfeited                         | 33,750    |
| Expired                           | 30,750    |
| Outstanding 31/12/2022            | -         |
| Excercisable 31/12/2022           | -         |
| Exercise periods                  | 2011-2017 |
| Extension of exercise periods     | 2018-2022 |

Stock option plans, warrant plans and performance share plans were valued on the basis of the binominal tree structure. Volatility was determined on the basis of historical data.

Stock option plans

There are no outstanding options at the end of December 2022. One option entitles the holder to buy one Deceuninck NV share at a fixed exercise price. The options expire if they are not exercised on the last day of the last exercise period. The options can be exercised for the first time after the end of the third calendar year, following the year in which the offer has taken place. The exercise period related to the plan of 2007 was extended with 5 years in 2009. The exercise price of an option will be equal to the lowest of (i) the average price of the share on the stock exchange during the 30-day period preceding the offer, or (ii) the latest closing price preceding the day of the offer.



|                           |         |                                 |
|---------------------------|---------|---------------------------------|
| OPTIONS MOVEMENTS IN 2021 | 2007    | Weighted average exercise price |
| Outstanding 2020          | 31,750  | 15.54                           |
| Accepted                  | -       | N/A                             |
| Exercised                 | -       | N/A                             |
| Forfeited                 | (1,000) | 15.54                           |
| Expired                   | -       | N/A                             |
| Outstanding 2021          | 30,750  | 15.54                           |

|                           |          |                                 |
|---------------------------|----------|---------------------------------|
| OPTIONS MOVEMENTS IN 2022 | 2007     | Weighted average exercise price |
| Outstanding 2021          | 30,750   | 15.54                           |
| Accepted                  | -        | N/A                             |
| Exercised                 | -        | N/A                             |
| Forfeited                 | (30,750) | 15.54                           |
| Expired                   | -        | N/A                             |
| Outstanding 2022          | -        | N/A                             |





Warrant plans

The balance of the outstanding warrants at the end of December 2022 is 6,973,162. One warrant entitles the holder to buy one Deceuninck NV share at a fixed exercise price. Within the scope of the warrant plans, 167,998 warrants were exercised in the course of 2022. The warrants expire if they have not been exercised at the last day of the last exercise period. The warrants can be

exercised for the first time at the end of the third calendar year of the grant.

The exercise price of a warrant will be fixed by the Remuneration Committee on the date of offer and will be equal to the lowest of (i) the average price of the share on the stock exchange during the 30-day period preceding the offer, and (ii) the latest closing prices preceding the day of the offer.

| WARRANTS                                  | Plan 2011  | Plan 2011  | Plan 2013  | Plan 2013  | Plan 2013  | Plan 2015  | Plan 2015  | Plan 2015  | Plan 2017  | Plan 2018  | Plan 2018  | Plan 2018  | Plan 2018  | Plan 2020  | Plan 2021  | Plan 2022  | Total      |
|-------------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Grant date                                | 21/12/2011 | 21/12/2012 | 17/12/2013 | 17/12/2013 | 17/12/2014 | 16/12/2015 | 21/12/2016 | 21/12/2016 | 21/12/2017 | 21/12/2018 | 21/12/2018 | 13/12/2019 | 21/12/2019 | 17/12/2020 | 16/12/2021 | 23/12/2022 |            |
| Acceptance date                           | 15/02/2012 | 17/02/2013 | 14/02/2014 | 14/02/2014 | 16/02/2015 | 15/02/2016 | 21/02/2017 | 21/02/2017 | 19/02/2018 | 19/02/2019 | 19/02/2019 | 01/02/2020 | 01/02/2020 | 16/02/2021 | 14/02/2022 | 20/02/2023 |            |
| Number of beneficiaries at grant date     | 42         | 49         | 59         | 9          | 66         | 73         | 8          | 66         | 54         | 45         | 12         | 43         | 14         | 54         | 56         | 87         |            |
| Exercise price (in €)                     | 0.73       | 1.17       | 1.71       | 1.76       | 1.79       | 2.40       | 2.40       | 2.27       | 3.06       | 1.82       | 1.97       | 1.82       | 1.97       | 1.78       | 3.07       | 2.38       |            |
| Share price on acceptance date (in €)     | 1.07       | 1.38       | 2.19       | 2.19       | 1.98       | 2.08       | 2.22       | 2.22       | 2.88       | 2.19       | 2.19       | 1.98       | 1.98       | 2.44       | 2.85       | 2.56       |            |
| Granted                                   | 490,000    | 485,000    | 332,500    | 570,000    | 910,000    | 630,000    | 710,000    | 524,000    | 1,334,000  | 700,000    | 755,000    | 546,500    | 828,500    | 1,183,000  | 1,302,000  | 1,190,500  | 12,491,000 |
| Accepted                                  | 487,500    | 482,500    | 332,500    | 570,000    | 892,500    | 607,500    | 710,000    | 524,000    | 1,233,500  | 577,000    | 755,000    | 546,500    | 798,500    | 1,145,000  | 1,224,250  | 402,400    | 11,288,650 |
| Exercised                                 | 344,999    | 333,331    | 171,659    | 496,666    | 644,160    | 143,330    | 40,000     | 153,999    | 20,000     | 84,996     | 35,000     | -          | -          | -          | -          | -          | 2,468,140  |
| Forfeited                                 | 135,001    | 129,168    | 109,171    | 55,000     | 150,004    | 260,000    | 60,000     | 209,000    | 265,000    | 71,000     | 60,000     | 62,000     | 73,500     | 38,500     | 37,000     | -          | 1,714,344  |
| Expired                                   | 7,500      | 20,001     | 13,335     | 18,334     | 45,834     | 5,000      | -          | 8,000      | 10,000     | 5,000      | -          | -          | -          | -          | -          | -          | 133,004    |
| Outstanding 31/12/2022                    | -          | -          | 38,335     | -          | 52,502     | 199,170    | 610,000    | 153,001    | 938,500    | 416,004    | 660,000    | 484,500    | 725,000    | 1,106,500  | 1,187,250  | 402,400    | 6,973,162  |
| Exercisable 31/12/2022                    | -          | -          | 38,335     | -          | 52,502     | 199,170    | 610,000    | 153,001    | 620,996    | 86,664     | 196,666    | -          | -          | -          | -          | -          | 1,957,334  |
| Exercise periods                          | 2015-2021  | 2016-2021  | 2017-2023  | 2017-2023  | 2018-2023  | 2019-2025  | 2020-2024  | 2020-2024  | 2021-2027  | 2022-2028  | 2022-2028  | 2023-2028  | 2023-2028  | 2024-2030  | 2025-2031  | 2026-2032  |            |
| Assumptions                               |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |
| Volatility                                | 40.00%     | 40.00%     | 45.00%     | 45.00%     | 45.00%     | 45.00%     | 40.00%     | 40.00%     | 30.00%     | 30.00%     | 30.00%     | 24.80%     | 24.80%     | 27.70%     | 34.74%     | 36.77%     |            |
| Risk-free interest                        | 2.49%      | 0.99%      | 0.99%      | 0.99%      | -0.03%     | -0.28%     | -0.32%     | -0.32%     | 0.13%      | -0.12%     | -0.12%     | 0.02%      | 0.02%      | -0.24%     | 0.12%      | 3.00%      |            |
| Dividend (in €)                           | 0.03       | 0.03       | 0.03       | 0.03       | 0.03       | 0.03       | 0.03       | 0.03       | 0.03       | 0.03       | 3.03       | 1.03       | 0.03       | 0.03       | 0.05       | 0.06       |            |
| Early exercised - Minimum gain            | 25%        | 25%        | 25%        | 25%        | 25%        | 25%        | 25%        | 25%        | 25%        | 25%        | 25%        | 25%        | 25%        | 25%        | 25%        | 25%        |            |
| Early exercised - Probability to exercise | 50%        | 50%        | 50%        | 50%        | 50%        | 50%        | 50%        | 50%        | 50%        | 50%        | 50%        | 50%        | 50%        | 50%        | 50%        | 50%        |            |





| WARRANTS<br>MOVEMENTS IN 2021 | Plan 2011 | Plan 2011 | Plan 2013 | Plan 2013 | Plan 2013 | Plan 2015 | Plan 2015 | Plan 2015 | Plan 2017 | Plan 2018 | Plan 2018 | Plan 2018 | Plan 2018 | Plan 2020 | Plan 2021 | Plan 2022 | Total     | Weighted<br>average<br>exercise<br>price |
|-------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------------------------------------|
| Outstanding 2020              | 7,500     | 25,835    | 92,507    | 306,669   | 617,305   | 385,000   | 680,000   | 334,000   | 1,051,500 | 545,000   | 695,000   | 546,500   | 725,000   | 648,500   | -         | -         | 6,660,316 | 2.15                                     |
| Accepted                      | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | 496,500   | 680,000   | -         | 1,176,500 | 2.53                                     |
| Exercised                     | -         | 18,335    | 50,005    | 306,669   | 556,469   | 138,330   | 40,000    | 115,998   | 20,000    | -         | -         | -         | -         | -         | -         | -         | 1,245,806 | 1.92                                     |
| Forfeited                     | -         | -         | 2,500     | -         | 5,000     | 37,500    | 30,000    | 19,000    | 75,000    | 15,000    | -         | 15,000    | -         | 15,000    | -         | -         | 214,000   | 2.47                                     |
| Expired                       | 7,500     | 7,500     | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | 15,000    | 0.95                                     |
| Outstanding 2021              | -         | -         | 40,002    | -         | 55,836    | 209,170   | 610,000   | 199,002   | 956,500   | 530,000   | 695,000   | 531,500   | 725,000   | 1,130,000 | 680,000   | -         | 6,362,010 | 2.25                                     |

| WARRANTS<br>MOVEMENTS IN 2022 | Plan 2011 | Plan 2011 | Plan 2013 | Plan 2013 | Plan 2013 | Plan 2015 | Plan 2015 | Plan 2015 | Plan 2017 | Plan 2018 | Plan 2018 | Plan 2018 | Plan 2018 | Plan 2020 | Plan 2021 | Plan 2022 | Total     | Weighted<br>average<br>exercise<br>price |
|-------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------------------------------------|
| Outstanding 2021              | -         | -         | 40,002    | -         | 55,836    | 209,170   | 610,000   | 199,002   | 956,500   | 530,000   | 695,000   | 531,500   | 725,000   | 1,130,000 | 680,000   | -         | 6,362,010 | 2.25                                     |
| Accepted                      | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | 544,250   | 402,400   | 946,650   | 2.78                                     |
| Exercised                     | -         | -         | 1,667     | -         | 3,334     | 5,000     | -         | 38,001    | -         | 84,996    | 35,000    | -         | -         | -         | -         | -         | 167,998   | 1.97                                     |
| Forfeited                     | -         | -         | -         | -         | -         | 5,000     | -         | 8,000     | 18,000    | 29,000    | -         | 47,000    | -         | 23,500    | 37,000    | -         | 167,500   | 2.26                                     |
| Expired                       | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | N/A                                      |
| Outstanding 2022              | -         | -         | 38,335    | -         | 52,502    | 199,170   | 610,000   | 153,001   | 938,500   | 416,004   | 660,000   | 484,500   | 725,000   | 1,106,500 | 1,187,250 | 402,400   | 6,973,162 | 2.33                                     |



Performance share plan

The balance of the outstanding Performance Share Rights granted in the plan of 2022 to the members of the Executive Management (“Beneficiaries”) is 627.816. One Performance Share Right can be converted into “matching” or Performance Shares of Deceuninck NV at the vesting date (16th August 2025), provided the Beneficiaries invested in Deceuninck Shares before 31 December 2022. The reference share price is 2.41 EUR and is equal to the average share price between 15th July 2022 and 15th August 2022.

For each invested share, the Beneficiary will be entitled to one or more matching Deceuninck Shares pursuant to the fulfilment of the Performance Condition, defined as a cumulative annual average increase of the Total Shareholder Return as determined in the Plan, the realization of which determines the fraction or the multiple (if any) of Performance Shares a vested Performance Share Right effectively entitles to.

| PERFORMANCE SHARE PLAN                | PLAN 2022 |
|---------------------------------------|-----------|
| Grant date                            | 01/01/23  |
| Acceptance date                       | 31/12/22  |
| Number of beneficiaries at grant date | 10        |
| Share price at date of grant          | 2.71      |
| Granted                               | 627,816   |
| Accepted                              | 627,816   |
| Exercised                             | -         |
| Forfeited                             | 0         |
| Expired                               | 0         |
| Outstanding 31/12/2022                | 627,816   |
| Exercisable 31/12/2022                | -         |
| Exercise periods                      | 2025      |
| Assumptions                           |           |
| Volatility                            | 37,56%    |
| Risk-free interest                    | 3.33%     |

| PERFORMANCE SHARE PLAN MOVEMENTS 2022 | PLAN 2022 |
|---------------------------------------|-----------|
| Outstanding 2021                      | -         |
| Accepted                              | 627,816   |
| Exercised                             | -         |
| Forfeited                             | -         |
| Expired                               | -         |
| Outstanding 2022                      | 627,816   |
| Risk-free interest                    | 3.33%     |



22. Related parties

During 2022, the Group made no purchases (€ 26 thousand in 2021) and no sales (no sales in 2021), under normal market conditions, from or to companies to which Directors of the Group, owning shares of the Group, are related to. The purchases mainly relate to repair and maintenance of cars.

The split of the remuneration is further disclosed in the section Corporate Governance Statement of this annual report.

Furthermore, during 2022, the Group made no purchases (no purchases in 2021) and sales of € 1,542 thousand (€ 1,053 thousand in 2021), under normal market conditions, from or to So Easy Belgium BV or related companies. Both the purchases and the sales mainly related to the cross-charge of incurred costs and provided services.

For 2022, the evaluation criteria for the CEO and the other members of the Executive Team Group were: REBITDA Group (40%), Adjusted Free Cash Flow Group (40%) and non-financial criteria (20%). For the members of the Executive Team Regions: REBITDA Group (10%), REBITDA Region (30%), Adjusted Free Cash Flow Group (10%), Adjusted Free Cash Flow Region (30%) and non-financial criteria (20%).

At year-end, there is an outstanding position of trade and other receivables of € 5,528 thousand (€ 4,998 thousand in 2021) and an outstanding payable position of € 234 thousand (€ 166 thousand in 2021) with So Easy Belgium BV or related companies. The outstanding receivable position is mainly related to working capital financing.

Options and/or subscription rights on the shares of the company are granted to members of the Executive Team Group and Executive Team Regions.

Total remuneration of members of the Board in 2022 amounted to € 274 thousand (€ 422 thousand in 2021). This amount includes additional remunerations granted to Directors for their involvement in Board committees. These remunerations are granted by the General Meeting and are included in general expenses. Directors charged with special missions and projects can receive appropriate remuneration. The Executive Chairman received a remuneration of € 250,000 for the specific projects aluminium and recycling business.

On 23 December 2022, the Extraordinary General Meeting approved a new subscription rights plan (“Warrant Plan 2022”) of 3,000,000 subscription rights. On 23 December 2022, 250,000 subscription rights of Warrant Plan 2022 were offered to the CEO, 60,000 subscription rights were offered to each of the CFO, General Counsel, CTO/COO, CEO Europe and CEO North America, and 30,000 subscription rights were offered to the former CEO Turkey and EM. These subscription rights plans are not related to the performance of the Group.

In 2022, the CEO received a total remuneration (fixed + variable) in the amount of € 511 thousand (in 2021 a total remuneration of € 799 thousand). The other members of the Executive Team Group (management committee consisting of the CEO, the CFO, the General Counsel and the CTO/COO) received total remunerations (fixed + variable) of € 803 thousand (in 2021 a total remuneration of € 667 thousand). The members of the Executive Team Regions received total remunerations (fixed + variable) of € 1,315 thousand (in 2021 a total remuneration of € 1,100 thousand).



## 23. Services provided by the external auditor

During 2022 the following charges of the external auditor were included in the Group’s income statement:

|                        |           |
|------------------------|-----------|
| Audit related services | € 596,800 |
| Other services         | € 48,600  |

## 24. Going concern

There are no indicators of circumstances that might question the continuity of the activities.

We refer to the additional disclosures as included in Note 25 Risk management – Credit risk & liquidity risk.

## 25. Risk management

The most important financial risks for the Group are exchange rate risk, interest rate risk, credit risk and liquidity risk.

### Exchange rate risk

The exchange rate risk of the Group can be split into two categories: translation risk and transaction risk.

#### TRANSLATION RISK

Translation risk arises from the conversion of financial figures of foreign subsidiaries outside the Eurozone into the Group’s reporting currency, the euro. The currencies most susceptible for this kind of risk are the US dollar and the Turkish lira. This kind of exchange rate risk is not hedged.

#### TRANSACTIONAL EXCHANGE RATE RISK

Transactional exchange rate risk arises when an entity of the Group enters into a transaction which will be settled in a currency which is not the functional currency of that entity. Transactional exchange rate risk within the Group can be of operational or financial nature.

When this risk is associated with sales and purchases in foreign currencies as a result of the commercial activities of the Group, it is denominated as operational. The most

important transactional exchange rate risks of operational nature originate from purchases of raw materials in euro and US dollar by the Turkish subsidiary Ege Profil. Sales in euro by this subsidiary mitigate to some extent this risk.

When transactional exchange rate risk is associated with cash or loans in foreign currencies it is denominated as financial. The most important risks of this nature originate from loans and leases in euro and US dollar taken by the Turkish subsidiary Ege Profil. It is important to note that loans in euro and US Dollar on the balance sheet of Ege Profil are to some extent ‘naturally hedged’ by the net position of trade receivables and payables in euro and US dollar on the same local balance sheet. Any remaining exposure is hedged financially with forward contracts. See also further below.

Some intercompany loans for which repayment is neither planned nor likely in the foreseeable future have been designated as ‘Net Investment in Foreign Operations’. As such, the exchange results on these intercompany loans are recognized directly in Other Comprehensive Income and accumulated in a separate component of equity until the disposal of the foreign operation.



## RECOGNIZED ASSETS AND LIABILITIES

The Group aims to minimize the impact of exchange rate fluctuations on the monetary assets and liabilities recognized on the balance sheet. These exchange rate risks are hedged as much as possible by offsetting monetary assets in one currency (for example trade receivables) against monetary liabilities (for example trade debts) in the same currency (‘natural hedging’). The remaining exchange rate risk, after the optimization of natural hedging, is hedged with financial instruments (‘financial hedging’) if the cost is considered as reasonable.

The most important financial instruments used by the Group for the hedging of foreign exchange rate risks are forward contracts.

It is the policy of the Group to protect its subsidiaries as much as possible from exchange rate risks. Therefore, these risks are centralized as much as possible at the parent company Deceuninck NV and are primarily managed at Group level. Exchange rate risks at the Turkish subsidiary Ege Profil are monitored closely by Corporate Treasury, but are hedged by the Turkish subsidiaries through local banks.

The table below provides an overview of the existing FX forward contracts, grouped by currency, at the end of December 2022:

| PURCHASE OR SALE  | Currency | Amount        | Maturity Date | MTM 2022 |
|-------------------|----------|---------------|---------------|----------|
| Forward sales     | AUD      | 3,000,000     | Q2 2023       | (54,491) |
|                   | BRL      | 17,870,442    | Q2 2023       | (41,583) |
|                   | CLP      | 5,088,247,311 | Q2 2023       | (33,352) |
|                   | GBP      | 790,000       | Q2 2023       | 101,997  |
|                   | INR      | 697,592,167   | Q2 2023       | 71,998   |
|                   | PLN      | 58,375,000    | Q2 2023       | (84,805) |
|                   | MXN      | 30,240,000    | Q2 2023       | (41,651) |
|                   | TRY      | 267,950,500   | Q2 2023       | (53,779) |
|                   | USD      | 4,023,000     | Q2 2023       | 3,617    |
| Forward purchases | CZK      | 344,700,000   | Q2 2023       | 143,646  |
|                   | USD      | 5,324,700     | Q2 2023       | (17,161) |

## FUTURE TRANSACTIONS

Future transactions imply future purchases and sales that are not recognized yet as monetary assets or liabilities on the balance sheet. Normally these transactions are not hedged, but if opportunities arise on the foreign exchange markets, a part of the future purchases in euro or US dollar in Turkey might be hedged.

## ESTIMATED SENSITIVITY FOR EXCHANGE RATE FLUCTUATIONS

As required by IFRS 7, ‘Financial instruments: Disclosures’, a sensitivity analysis was carried out on the evolution of the exchange rates. Based on the volatility of the relevant currencies, we have estimated the impact of the possible exchange rate movements on our financial result as follows:



| SENSITIVITY ANALYSIS ON THE POSITION IN FOREIGN CURRENCIES AS PER 31 DECEMBER 2022* |                                              |                         |                                              |                                        |          |                                       |       |
|-------------------------------------------------------------------------------------|----------------------------------------------|-------------------------|----------------------------------------------|----------------------------------------|----------|---------------------------------------|-------|
| Currency pair (HC/FC)**                                                             | Amount (in foreign currency and in thousand) | Closing rate 31/12/2022 | Possible volatility of the exchange rate *** | Rate used for the sensitivity analysis |          | Effect on revaluation (in € thousand) |       |
| AUD/TRY                                                                             | 6,936                                        | 12.70                   | 7.80%                                        | 13.6939                                | 11.7839  | (25)                                  | 27    |
| EUR/BRL                                                                             | (1,630)                                      | 5.64                    | 9.30%                                        | 6.1630                                 | 5.1588   | 25                                    | (27)  |
| EUR/CLP                                                                             | (369,515)                                    | 916.91                  | 9.30%                                        | 1002.1826                              | 838.8930 | 34                                    | (37)  |
| EUR/CZK                                                                             | (470)                                        | 24.12                   | 2.90%                                        | 24.8154                                | 23.4363  | 1                                     | (1)   |
| EUR/GBP                                                                             | (190)                                        | 0.89                    | 3.90%                                        | 0.9215                                 | 0.8536   | 8                                     | (8)   |
| EUR/INR                                                                             | 33,240                                       | 88.17                   | 4.30%                                        | 91.9624                                | 84.5360  | (16)                                  | 16    |
| EUR/PLN                                                                             | 719                                          | 4.68                    | 4.40%                                        | 4.8868                                 | 4.4835   | (6)                                   | 7     |
| EUR/RUB                                                                             | 684,746                                      | 75.66                   | 27.80%                                       | 96.6875                                | 59.1982  | (1,969)                               | 2,516 |
| EUR/TRY                                                                             | 33,371                                       | 19.93                   | 6.70%                                        | 21.2705                                | 18.6831  | (105)                                 | 112   |
| EUR/USD                                                                             | (21)                                         | 1.07                    | 5.00%                                        | 1.1199                                 | 1.0158   | 1                                     | (1)   |
| USD/TRY                                                                             | (41,997)                                     | 18.69                   | 5.30%                                        | 19.6807                                | 17.7494  | 106                                   | (112) |
| USD/MXN                                                                             | 7,098                                        | 19.55                   | 5.20%                                        | 20.5705                                | 18.5872  | (17)                                  | 18    |
| Total                                                                               |                                              |                         |                                              |                                        |          | (1,963)                               | 2,510 |

\* Balance sheet exposure after financial hedging (net-exposures) / \*\* HC = Home Currency / FC = Foreign Currncy / \*\*\* 3 month volatility

If currencies would have weakened/strengthened during 2022 in line with the above-mentioned possible rates, the profit of the financial year would have been about € 2.5 million higher / € 2.0 million lower. The relatively high sensitivity is mainly due to the Group’s exposure in Russian Roubles, for which no hedging options at reasonable costs are available.

Interest rate risk

€ 119.7 million out of the € 130.5 million outstanding loans of the Group are loans at a variable interest rate. In order to mitigate the risk of increasing interest rates, Deceuninck has entered into Interest Rate Swaps with a tenor of five years for a total notional amount of € 100 million, whereby it will pay a fixed interest rate and will receive the floating rate (i.e. Euribor 1 month).

On 31 December 2022 a total amount of € 136.9 million financing (including factoring) at a variable interest rate was outstanding, of which € 100 million is hedged by these Interest Rate Swaps. An increase or decrease of the market interest rate by 1.00% would by consequence only

have an impact on the unhedged part (€ 36.9 million) which would result in an increase or decrease of the interest costs by € 369.0 thousand.

Credit risk

The products of the Group are used almost exclusively in the construction industry. Hence, the exposure to credit risk is highly dependent on the performance of the building industry and the general economic conditions. In order to minimize the credit risk, we are closely monitoring the payment behaviour of each debtor. The Group uses credit insurance to mitigate the credit risk related to trade receivables. Two credit insurance policies have been taken out with two different insurers. Commercial limits, based on financial information and on business knowledge, can deviate from the insured credit limits. However, since the COVID-19 pandemic we have done many efforts to lower our commercial limits and have them match the amounts covered by the insurance company as much as possible in order to further reduce our credit risk. In cases where the insured limit is not sufficient we tried to obtain extra guarantees



from our customers (e.g. bank guarantees, promissory notes, letters of credit or pledges on customers assets (machinery, buildings, land plots, etc.)).

Payment behaviour of our customers has been monitored very closely and unpaid invoices have resulted immediately in a blocking of all open orders from day one.

Liquidity risk and risks linked

The Deceuninck Group holds sufficient cash, cash equivalents and committed credit facilities for the funding of its operating activities and there are no factors that cast doubts on whether going concern assumption is appropriate.

Liquidity problems could arise at Restricted Group level if an event of default would occur under one of the credit facility agreements which is not remedied within the foreseen remedy period. In that case, the outstanding amounts under both credit facility agreements might become immediately due and payable, which would jeopardize the liquidity situation of the Restricted Group.

For the Turkish subsidiary Ege Profil, liquidity problems could arise if loans at maturity could not be refinanced through local Turkish banks. Although the Turkish

government is trying to curb credit growth in an attempt to tame inflation, Ege Profil has so far always been able to obtain financing thanks to its excellent reputation and solid financials. In the unlikely case where Turkish banks would be unable to grant further loans to Ege Profil, an intra-group loan from Deceuninck NV could provide Ege Profil with the required funding. In order to detect possible events of default as a consequence of non-compliance with financial covenants at an early stage and to enable the Group to take corrective measures, a mid-term financial forecast is kept up to date and resulting impact on covenants is simulated.

In addition to the above-mentioned risk of non-compliance with the financial covenants, the liquidity risk is also linked to the evolution of the working capital of the Group, which is highly subject to seasonal fluctuations and the capital expenditure level of the Group. This is therefore closely monitored.

Hierarchical classification of fair value

A comparison is provided below between the net carrying value and the fair value of financial instruments, which have been included in the financial statements. The fair value of the loans was calculated by defining the expected future cash flows, and by discounting these on common, accepted interest rates.

| FINANCIAL INSTRUMENTS (IN € THOUSAND) | Net carrying value |         | Fair value |         |
|---------------------------------------|--------------------|---------|------------|---------|
|                                       | 2021               | 2022    | 2021       | 2022    |
| Financial assets                      |                    |         |            |         |
| Cash and cash equivalents             | 72,885             | 58,949  | 72,885     | 58,949  |
| Trade receivables                     | 90,756             | 87,947  | 90,756     | 87,947  |
| Financial fixed assets                | 9                  | 10      | 9          | 10      |
| Derivative financial instruments      | 3,278              | 3,290   | 3,278      | 3,290   |
| Financial liabilities                 |                    |         |            |         |
| Loans with a variable interest rate   | 2,706              | 119,709 | 2,706      | 119,709 |
| Loans with a fixed interest rate      | 120,590            | 10,793  | 122,795    | 11,080  |
| Financial leasing liabilities         | 11,472             | 16,697  | 11,472     | 16,697  |
| Derivative financial instruments      | 650                | 327     | 650        | 327     |



The Group uses the following hierarchical classification in determining and explaining the fair value of financial instruments by valuation technique:

- Level 1: quoted (not adjusted) prices in active markets for identical assets or liabilities.
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques that use input with a significant impact on the recorded fair value that is not based on observable market data.

During the reporting period ending 31 December 2022, there were no transfers between Level 1 and Level 2 fair value measurements and no transfers into and out of Level 3 fair value measurements.

The values as determined under 'Level 2' are based on the 'mark-to-market' calculations by the financial institutions providing the financial instruments. As per 31 December 2021 the Group had the following financial instruments.

| DERIVATIVE FINANCIAL INSTRUMENTS -<br>HIERARCHICAL CLASSIFICATION OF FAIR<br>VALUE (IN € THOUSAND) | 2021<br>31 december | Level 1  | Level 2      | Level 3  |
|----------------------------------------------------------------------------------------------------|---------------------|----------|--------------|----------|
| FX forward contracts                                                                               | 3,278               | -        | 3,278        | -        |
| <b>Assets at fair value</b>                                                                        | <b>3,278</b>        | <b>-</b> | <b>3,278</b> | <b>-</b> |
| FX forward contracts                                                                               | 650                 | -        | 650          | -        |
| <b>Liabilities at fair value</b>                                                                   | <b>650</b>          | <b>-</b> | <b>650</b>   | <b>-</b> |

As per 31 December 2022 the Group has the following financial instruments.

| DERIVATIVE FINANCIAL INSTRUMENTS -<br>HIERARCHICAL CLASSIFICATION OF FAIR<br>VALUE (IN € THOUSAND) | 2022<br>31 december | Level 1  | Level 2      | Level 3  |
|----------------------------------------------------------------------------------------------------|---------------------|----------|--------------|----------|
| Interest rate swap                                                                                 | 2,968               | -        | 2,968        | -        |
| FX forward contracts                                                                               | 322                 | -        | 322          | -        |
| <b>Assets at fair value</b>                                                                        | <b>3,290</b>        | <b>-</b> | <b>3,290</b> | <b>-</b> |
| FX forward contracts                                                                               | 327                 | -        | 327          | -        |
| <b>Liabilities at fair value</b>                                                                   | <b>327</b>          | <b>-</b> | <b>327</b>   | <b>-</b> |

### Climate-related matters

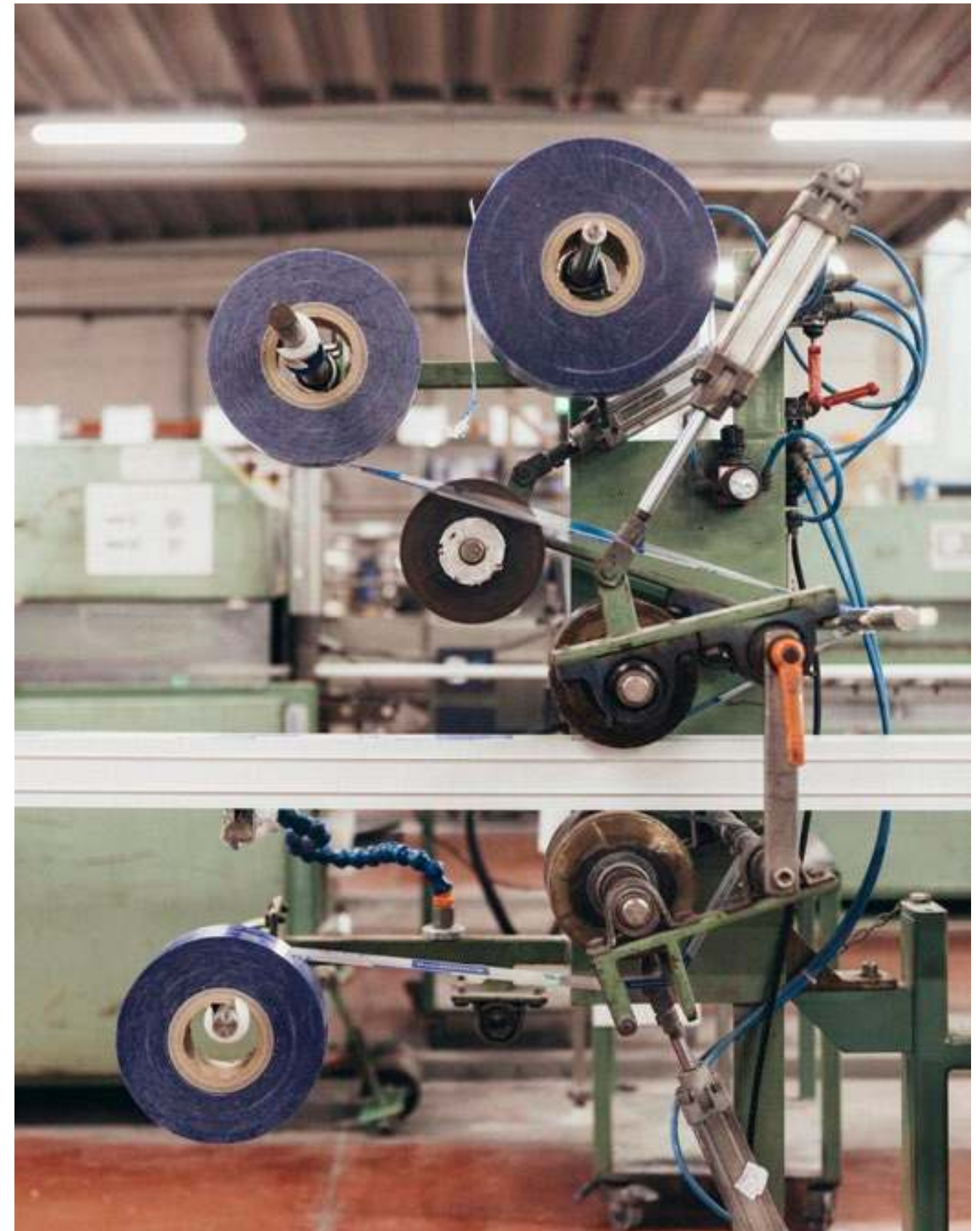
In view of climate related matters, the Group's business is not impacted by extreme weather conditions such as droughts or floods.

### Macroeconomic environment

The aftermath of the COVID-19 pandemic and the changes in geopolitical situation have led to higher interest rates and a steep increase of the inflation in Europe, Turkey

and America. The inflation affects mainly energy costs and salaries. All these costs are being critically reviewed and optimized on a constant basis. These inflation effects were passed through where possible.

As a result of the uncertain geopolitical situation in Russia since the conflict in Ukraine, the Group has fully impaired the Russian property, plant and equipment since the long-term operating plan cannot be guaranteed due to these uncertainties. The Group has no operations in Ukraine and its turnover in the country was not material.



26. Off-balance sheet commitments

The Group has the following off-balance sheet commitments as per 31 December 2022:

- Capital expenditure commitments for € 21.7 million;
- Purchase commitments for raw material for an equivalent of € 92.1 million for the period 2023 to 2026 to secure sourcing in the coming years;
- No export commitments;
- Purchase commitments resulting from derivative forward agreements: see detailed information as included in Note 25 Risk management.

27. Events after the balance sheet

The February earthquake in Turkey and Syria did not have a direct impact on the infrastructure of the Group, as the Group’s Turkish production sites are located far away from the epicentre of the earthquake. Some of the Group’s Turkish clients were impacted, though this is not expected to have significant impacts on the Group’s activities. Measures have been taken to support impacted clients.

28. List of subsidiaries

All financial periods close on 31 December 2022, apart from Deceuninck Profiles India Private Limited, as disclosed in Note 1. Fully consolidated subsidiaries:



| NAME OF THE COMPANY                          | REGISTERED OFFICE                                                                                 | Ownership percentage |        |
|----------------------------------------------|---------------------------------------------------------------------------------------------------|----------------------|--------|
|                                              |                                                                                                   | 2021                 | 2022   |
| AUSTRALIA                                    |                                                                                                   |                      |        |
| Deceuninck Pty. Ltd.                         | Level 1<br>60 Toorak Road<br>VIC 3141 South Yarra                                                 | 100.00               | 100.00 |
| BELGIUM                                      |                                                                                                   |                      |        |
| Solardec CV                                  | Bruggesteenweg 360<br>8830 Hooglede-Gits                                                          | 28.77                | 28.77  |
| Plastics Deceuninck NV                       | Bruggesteenweg 360<br>8830 Hooglede-Gits                                                          | 100.00               | 100.00 |
| Tunal NV                                     | Bruggesteenweg 360<br>8830 Hooglede-Gits                                                          | 100.00               | 100.00 |
| BOSNIA AND HERZEGOVINA                       |                                                                                                   |                      |        |
| Deceuninck d.o.o                             | Prvi mart bb<br>75270 Zivinice                                                                    | 100.00               | 100.00 |
| BRAZIL                                       |                                                                                                   |                      |        |
| Deceuninck do Brazil                         | Estrada Boa Vista 575<br>Galpão 10<br>CEP 06701 475<br>Cotia – São Paulo                          | 99.99                | 99.99  |
| BULGARIA                                     |                                                                                                   |                      |        |
| Deceuninck Bulgaria EOOD                     | 41 Sankt Peterburg Blvd<br>4000 Plovdiv                                                           | 100.00               | 100.00 |
| CHILE                                        |                                                                                                   |                      |        |
| Deceuninck Importadora Limitada              | El Otoño 472<br>Lampa<br>9390306 Santiago                                                         | 99.99                | 99.99  |
| CROATIA                                      |                                                                                                   |                      |        |
| Inoutic d.o.o.                               | Industrijska ulica 3<br>10370 Dugo Selo (Zagreb)                                                  | 100.00               | 100.00 |
| Deceuninck d.o.o.                            | Kipišće 13<br>10434 Strmec Samoborski                                                             | 100.00               | 100.00 |
| CZECH REPUBLIC                               |                                                                                                   |                      |        |
| Deceuninck Spol. s r.o                       | Tuřanka 1519/115a<br>627 00 Brno-Slatina                                                          | 100.00               | 100.00 |
| COLOMBIA                                     |                                                                                                   |                      |        |
| Deceuninck S.A.S.                            | Zona France Parque Central - Variante Turbaco<br>CII 1 Cra 2-5 DUP 1 Bdg 15<br>Turbaco - Colombia | 100.00               | 100.00 |
| FRANCE                                       |                                                                                                   |                      |        |
| Deceuninck S.A.S.                            | Zone Industrielle – Impasse des Bleuets<br>80700 Roye                                             | 100.00               | 100.00 |
| GERMANY                                      |                                                                                                   |                      |        |
| Deceuninck Germany GmbH*                     | Bayerwaldstrasse 18<br>94327 Bogen                                                                | 100.00               | 100.00 |
| Deceuninck Germany Produktions* GmbH & Co KG | Bayerwaldstrasse 18<br>94327 Bogen                                                                | 100.00               | 100.00 |



| NAME OF THE COMPANY                       | REGISTERED OFFICE                                                                                               | Ownership percentage |        |
|-------------------------------------------|-----------------------------------------------------------------------------------------------------------------|----------------------|--------|
|                                           |                                                                                                                 | 2021                 | 2022   |
| Deceuninck Holding Germany GmbH*          | Bayerwaldstrasse 18<br>94327 Bogen                                                                              | 100.00               | 100.00 |
| <b>INDIA</b>                              |                                                                                                                 |                      |        |
| Ege Profil Tic. ve San. A.S. (branch)     | Mannur Village No 523 B Block<br>Mannur Village – Sriperumbudur Taluk<br>631203 Chennai                         | 88.32                | 87.91  |
| Deceuninck Profiles India Private Limited | Building 09. Casa Grande Distripark<br>Satharai Village. Thiruvallur Taluk<br>Thiruvallur Thiruvallur TN 631203 | 88.44                | 88.03  |
| <b>ITALY</b>                              |                                                                                                                 |                      |        |
| Deceuninck Italia S.r.l.                  | Via Padre Eugenio Barsanti. 1<br>56025 Pontedera (PI)                                                           | 100.00               | 100.00 |
| <b>LITHUANIA</b>                          |                                                                                                                 |                      |        |
| Deceuninck Baltic UAB (in liquidation)    | Saltoniskiu str. 29/3<br>08105 Vilnius                                                                          | 100.00               | 100.00 |
| <b>MEXICO</b>                             |                                                                                                                 |                      |        |
| Deceuninck de Mexico SA de CV             | Huajuapán No. 809 Int 2 C.<br>Coronango<br>72680 Puebla                                                         | 100.00               | 100.00 |
| <b>POLAND</b>                             |                                                                                                                 |                      |        |
| Deceuninck Poland Sp. z o.o.              | Jasin. Ul Poznanska 34<br>62-020 Swarzedz                                                                       | 100.00               | 100.00 |
| <b>ROMANIA</b>                            |                                                                                                                 |                      |        |
| Deceuninck Romania SRL                    | Sos. De Centura nr. 13A<br>Complex Key Logistics Center<br>077040 Chiajna town<br>Jud.Ifov                      | 100.00               | 100.00 |
| <b>RUSSIA</b>                             |                                                                                                                 |                      |        |
| Deceuninck Rus OOO                        | Butlerova str., 17, room 5106<br>117342 Moscow                                                                  | 100.00               | 100.00 |
| <b>SLOVAKIA</b>                           |                                                                                                                 |                      |        |
| Deceuninck Slovakia s.r.o.                | Zámocká 30<br>811 01 Bratislava – Staré mesto                                                                   |                      | 100.00 |
| <b>SPAIN</b>                              |                                                                                                                 |                      |        |
| Deceuninck NV Sucursal en Espana          | Avda. De la Industria 1007<br>Pol. Ind. Antonio del Rincon<br>45222 Borox – Toledo                              | 100.00               | 100.00 |
| <b>THAILAND</b>                           |                                                                                                                 |                      |        |
| Deceuninck (Thailand) Co. Ltd.            | 2/3 Bangna Towers A 17fl RM 1704B<br>Bangna-Trad. Km 6.5<br>Bangkaew. Bangplee<br>Samutprakarn 10540            | 74.00                | 74.00  |
| Asia Profile Holding Co. Ltd.             | 2/3 Bangna Towers A 17fl RM 1704B<br>Bangna-Trad. Km 6.5<br>Bangkaew. Bangplee<br>Samutprakarn 10540            | 48.95                | 48.95  |

| NAME OF THE COMPANY              | REGISTERED OFFICE                                                             | Ownership percentage |        |
|----------------------------------|-------------------------------------------------------------------------------|----------------------|--------|
|                                  |                                                                               | 2021                 | 2022   |
| THE NETHERLANDS                  |                                                                               |                      |        |
| Deceuninck Kunststof BV          | Zinkstraat 24, unit C8725<br>4823AD Breda                                     | 100.00               | 100.00 |
| TURKEY                           |                                                                               |                      |        |
| Ege Profil Ticaret ve Sanayi A.Ş | Atatürk Plastik OSB Mahallesi. 5. Cadde No: 4<br>Menemen/İZMİR<br>35660 IZMİR | 88.32                | 87.91  |
| Ege Pen A.Ş                      | Atatürk Plastik OSB Mahallesi. 5. Cadde No: 4<br>Menemen/İZMİR<br>35660 IZMİR | 100.00               | 100.00 |
| UNITED KINGDOM                   |                                                                               |                      |        |
| Deceuninck Ltd.                  | Unit 2. Stanier Road<br>Porte Marsh<br>Calne – Wiltshire SN11 9PX             | 100.00               | 100.00 |
| Status Systems PVCU Ltd.         | Unit 2. Stanier Road<br>Porte Marsh<br>Calne – Wiltshire SN11 9PX             | 100.00               | 100.00 |
| Range Valley Extrusions Ltd.     | Unit 2. Stanier Road<br>Porte Marsh<br>Calne – Wiltshire SN11 9PX             | 100.00               | 100.00 |
| Deceuninck Holdings (UK) Ltd.    | Unit 2. Stanier Road<br>Porte Marsh<br>Calne – Wiltshire SN11 9PX             | 100.00               | 100.00 |
| UNITED STATES                    |                                                                               |                      |        |
| Deceuninck North America Inc.    | 351 North Garver Road<br>Monroe. 45050 Ohio                                   | 100.00               | 100.00 |
| Deceuninck North America. LLC    | 351 North Garver Road<br>Monroe. 45050 Ohio                                   | 100.00               | 100.00 |

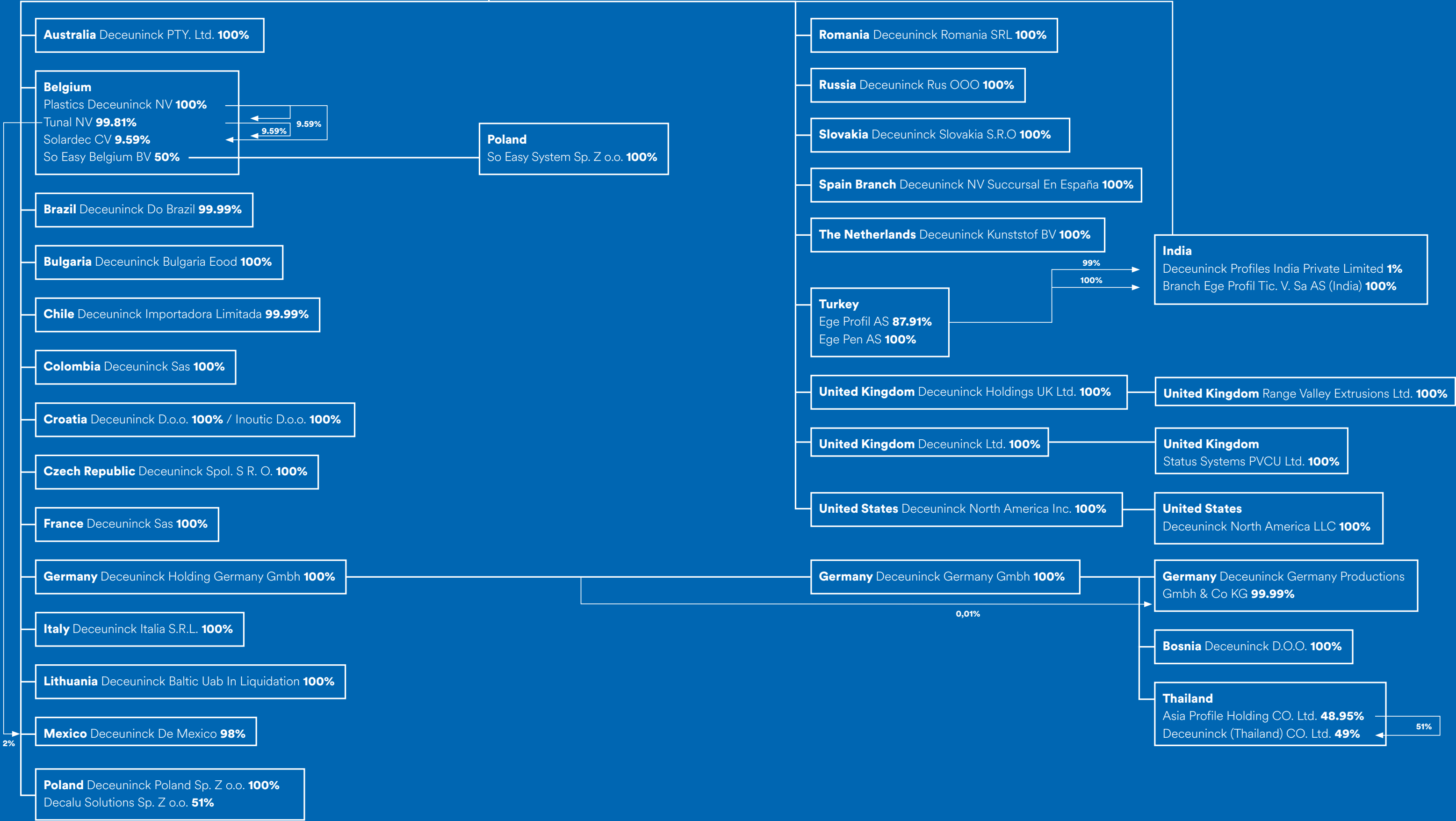
Equity investees, refer to Note 8:

| NAME OF THE COMPANY         | REGISTERED OFFICE              | Ownership percentage |       |
|-----------------------------|--------------------------------|----------------------|-------|
|                             |                                | 2021                 | 2022  |
| BELGIUM                     |                                |                      |       |
| So Easy Belgium BV          | Stokkelaar 13<br>9160 Lokeren  | 50.00                | 50.00 |
| POLAND                      |                                |                      |       |
| So Easy System Sp. Z.o.o.   | ul. Dunska 4<br>05-152 Czosnow | 50.00                | 50.00 |
| Decalu Solutions Sp. z.o.o. | ul. Dunska 4<br>05-152 Czosnow | 51.00                | 51.00 |

\* The subsidiary Deceuninck Germany GmbH makes use of the exemptions available in § 264 (3) HGB and subsidiary Deceuninck Germany Productions GmbH & Co. KG of 264 b HGB with regard to the publication of annual financial statements and the drawing up of a management report and notes to the financial statements. The Group Financial Statements of Deceuninck NV serve as exempting consolidated financial statements for these companies.

The Group guarantees the debts of these companies as at 31 December 2022 in the following fiscal year 2023.

Deceuninck NV–Belgium



## 2.6.3 Deceuninck NV

The following pages are extracts from the annual report and financial statements of Deceuninck NV. The complete version of the financial statements and the annual report will be available on request and via the Deceuninck website, at the times stipulated by the Belgian Code on Companies. The annual financial statements and the annual report are prepared in

accordance with Belgian legal requirements, which differ considerably from the IFRS accounting principles that are applied to the consolidated financial statements. The External Auditor has issued an unqualified opinion regarding the 2022 annual financial statements of Deceuninck NV.

### Income statement

The income statement for 2022 is presented below:

| INCOME STATEMENT (IN € THOUSAND)                                                | 2021         | 2022           |
|---------------------------------------------------------------------------------|--------------|----------------|
| Operating revenues                                                              | 267,800      | 302,862        |
| Operating costs                                                                 | (260,148)    | (306,743)      |
| <b>Operating Profit</b>                                                         | <b>7,652</b> | <b>(3,881)</b> |
| Financial income                                                                | 9,838        | 52,634         |
| Financial costs                                                                 | (10,326)     | (34,566)       |
| <b>Profit (+) / Loss (-) For The Financial Year Before Taxes</b>                | <b>7,164</b> | <b>14,187</b>  |
| Income taxes                                                                    | (259)        | 4              |
| <b>Profit (+) / Loss (-) For The Financial Year</b>                             | <b>6,905</b> | <b>14,191</b>  |
| <b>Profit (+) / Loss (-) For The Financial Year Available For Appropriation</b> | <b>6,905</b> | <b>14,191</b>  |

The operating revenues have increased, mostly because raw material prices were higher throughout the year, reflecting in significant surcharges on our selling prices. Sales volumes remained overall quite stable, despite the challenging market conditions.

The cost of goods sold increased due to an unfavorable evolution of the raw material prices. Within other goods and services, we note higher energy costs and higher

logistics costs, partly offset by lower marketing expenses. Payroll costs increased due to higher number of average FTE to rightsize the organization on recent years growth, and because of several cost of living increases.

The financial income mainly consists of intercompany dividends and interests while the financial costs are related to interests, foreign exchange results and impairments on participations.



### Balance sheet

| BALANCE SHEET (IN € THOUSAND)        | 2021           | 2022           |
|--------------------------------------|----------------|----------------|
| Intangible fixed assets              | 2,292          | 1,570          |
| Tangible fixed assets                | 31,438         | 37,266         |
| Financial fixed assets               | 210,471        | 219,675        |
| Other receivables                    | 53,884         | 58,871         |
| <b>Non-current assets</b>            | <b>298,085</b> | <b>317,382</b> |
| Inventories                          | 38,258         | 43,475         |
| Trade receivables                    | 48,598         | 41,498         |
| Other receivables                    | 29,333         | 26,294         |
| Cash and cash equivalents            | 8,194          | 9,226          |
| Other current assets                 | 3,788          | 6,195          |
| <b>Current assets</b>                | <b>128,171</b> | <b>126,688</b> |
| <b>TOTAL ASSETS</b>                  | <b>426,256</b> | <b>444,070</b> |
| Issued capital                       | 54,441         | 54,505         |
| Share premiums                       | 94,494         | 94,749         |
| Reserves                             | 15,520         | 15,520         |
| Retained earnings                    | 54,333         | 60,236         |
| <b>Equity</b>                        | <b>218,788</b> | <b>225,010</b> |
| <b>Provisions and deferred taxes</b> | <b>777</b>     | <b>757</b>     |
| Long-term debts                      | -              | 112,000        |
| Short-term debts                     | 205,597        | 104,632        |
| Other liabilities                    | 1,094          | 1,671          |
| <b>Liabilities</b>                   | <b>206,691</b> | <b>218,303</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b>  | <b>426,256</b> | <b>444,070</b> |

The most important fluctuations are:

- Increase in fixed assets totals as a result of important investments in extra metal stillages, capacity increase for the Diksmuide recycling plant and IT related investments.
  - Increase in stock levels due to general price increases and to respond to increased demand
  - Decrease in trade receivables linked to closer follow also on the outstanding intercompany trade receivables
- Repayment of the retail bond facility with expiry date December 2022
  - Drawdown of 112 million on the new 120 million sustainability linked loan facility with a tenor of 5 years.
  - Decrease in trade payables as a result of actions taken to optimize stock levels.



Result appropriation

The Board of Deceuninck NV will propose to the General Meeting to distribute a gross dividend of 0.07 euro per share.

| APPROPRIATION OF THE RESULTS OF DECEUNINCK NV (IN € THOUSAND) | 2021          | 2022          |
|---------------------------------------------------------------|---------------|---------------|
| Profit / (loss) from the fiscal year for appropriation        | 6,905         | 14,191        |
| Profit carried forward from previous year                     | 55,760        | 54,333        |
| <b>Profit to be appropriated</b>                              | <b>62,665</b> | <b>68,524</b> |
| Dividend                                                      | 8,278         | 9,673         |
| Allocation to legal reserves                                  | 54            | 6             |
| Profit to be carried forward                                  | 54,333        | 58,845        |
| <b>TOTAL</b>                                                  | <b>62,665</b> | <b>68,524</b> |



## 2.6.4 External auditor’s report

### Statutory auditor's report to the general shareholders' meeting of Deceuninck NV on the consolidated accounts for the year ended 31 December 2022.

We present to you our statutory auditor’s report in the context of our statutory audit of the consolidated accounts of Deceuninck NV (the “Company”) and its subsidiaries (jointly “the Group”). This report includes our report on the consolidated accounts, as well as the other legal and regulatory requirements. This forms part of an integrated whole and is indivisible.

We have been appointed as statutory auditor by the general meeting d.d. 28 April 2020, following the proposal formulated by the board of directors and following the recommendation by the audit committee and the proposal formulated by the works’ council. Our mandate will expire on the date of the general meeting which will deliberate on the annual accounts for the year ended 31 December 2022. We have performed the statutory audit of the Company’s consolidated accounts for 3 consecutive years.

#### Report on the consolidated accounts

##### Unqualified opinion

We have performed the statutory audit of the Group’s consolidated accounts, which comprise the consolidated balance sheet as at 31 December 2022, the consolidated income statement, 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 balance sheet total of EUR ‘000 709,598 and a net profit attributable to the shareholders of the parent company of EUR ‘000 5,980.

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 2022, 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) as applicable in Belgium. Furthermore, we have applied the International Standards on Auditing as approved by the IAASB which are applicable to the year-end and which are not yet approved at the national level. 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. We have determined that there are no key audit matters to report.

Responsibilities of the board of directors for the preparation of 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 determine 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 either intend 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.

In performing our audit, we comply with the legal, regulatory and normative framework applicable to the audit of the consolidated accounts in Belgium. A statutory audit does not provide any assurance as to the Group’s future viability nor as to the efficiency or effectiveness of the board of directors’ current or future business management at Group level. Our responsibilities in respect of the use of the going concern basis of accounting by the board of directors are described below.

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.

Other legal and regulatory requirements

Responsibilities of the board of directors

The board of directors is responsible for the preparation and the content of the directors’ report on the consolidated accounts, the separate report on non-financial information and the other information included in the annual report on the consolidated accounts.

Statutory auditor’s responsibilities

In the context of our engagement and in accordance with the Belgian standard 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, the separate report on non-financial information and the other information included in the annual report on the consolidated accounts 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 on the consolidated accounts

In our opinion, after having performed specific procedures in relation to the directors’ report on the consolidated accounts, this directors’ report is consistent with the consolidated accounts for the year under audit and is prepared in accordance with article 3:32 of the Companies' and Associations' 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 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.

The non-financial information required by virtue of article 3:32, §2 of the Companies' and Associations' Code is included in the directors' report on the consolidated accounts. The Company has prepared the non-financial information, based on the reference framework Global Reporting Initiative (GRI) Standards. However, in accordance with article 3:80, §1, 5° of the Companies' and Associations' Code, we do not express an opinion as to whether the non-financial information has been prepared in accordance with the Global Reporting Initiative (GRI) Standards as disclosed in the directors' report on the consolidated accounts.

Statement related to independence

- Our registered audit firm and our network did not provide services which are incompatible with the statutory audit of the consolidated accounts, and our registered audit firm remained independent of the Group 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 3:65 of the Companies' and Associations' Code are correctly disclosed and itemized in the notes to the consolidated accounts.

European Uniform Electronic Format (“ESEF”)

In accordance with the standard on the draft verification of the compliance of the financial statements with the European Uniform Electronic Format (hereinafter “ESEF”), we must verify whether the ESEF format is in accordance with the regulatory technical standards established by the European Delegate Regulation No. 2019/815 of 17 December 2018 (hereinafter: “Delegated Regulation”).

The board of directors is responsible for the preparation, in accordance with ESEF requirements, of the consolidated financial statements in the form of an electronic file in ESEF format (hereinafter “Digital consolidated financial statements”) included in the annual financial report.

Our responsibility is to obtain sufficient appropriate evidence to conclude that the format and marking language of the digital consolidated financial statements complies in all material respects with the ESEF requirements under the Delegated Regulation.

The digital consolidated financial statements have not yet been submitted to us at the date of this report.

If, in our audit of the digital consolidated financial statements, we determine that there is a material misstatement, we will be required to report the matter to the board of directors and request the latter to make any necessary changes. If this does not happen, we will be forced to adjust this report due to the fact that the format of and the marking of information in the digital consolidated financial statements included in the annual financial statements report of Deceuninck NV does not conform in all material respects with the ESEF requirements under the Delegated Regulation.

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 February 2023

The statutory auditor  
PwC Reviseurs d'Entreprises SRL / PwC Bedrijfsrevisoren  
BV represented by

Lien Winne  
Réviseur d'Entreprises / Bedrijfsrevisor



# 2.6.5 Management Responsibility Statement

The undersigned declare that:

- the annual financial statements have been prepared in conformity with the applicable standards for financial statements, and that they give a fair view of equity position, of the financial condition and of the results of the Company, including those companies that have been included in the consolidated figures;
- the annual report gives a true overview of the developments and results of the Company and of companies that have been included in the consolidated figures, also providing a true description of the most important risks and insecurities with which it is confronted, as defined in the Royal Decree of 14 November 2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market.

Beneconsult BV  
represented by  
**Francis Van Eeckhout**  
Executive Chairman

HumbleBee Partners BV  
represented by  
**Bruno Humblet**  
CEO



# Deceuninck Group Share

Deceuninck Group (ticker DECB, ISIN BE0003789063) has been listed on Euronext Brussels since 1985. Being listed provides the Group with alternative forms of financing, enhances visibility and ensures compliance and transparency.

### Number and types of shares

The company capital amounts to € 54,504,981.48 and is represented by 138,202,261 shares. There are 88,605,492 dematerialised shares and 49,596,769 registered shares. Deceuninck Group holds 13,103 treasury shares as at 31 December 2022.

### Quotation on the stock exchange

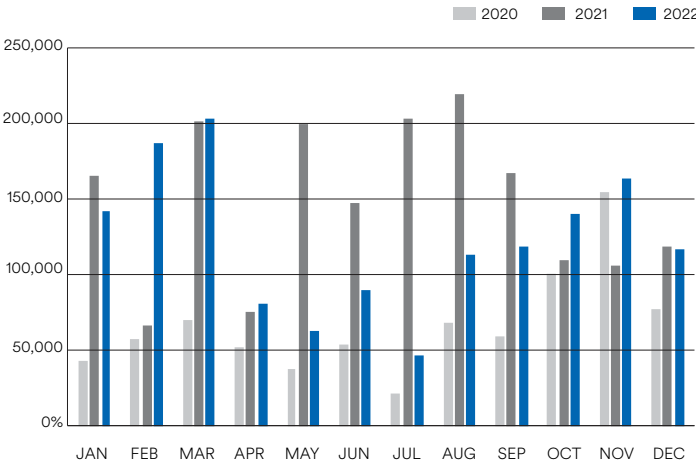
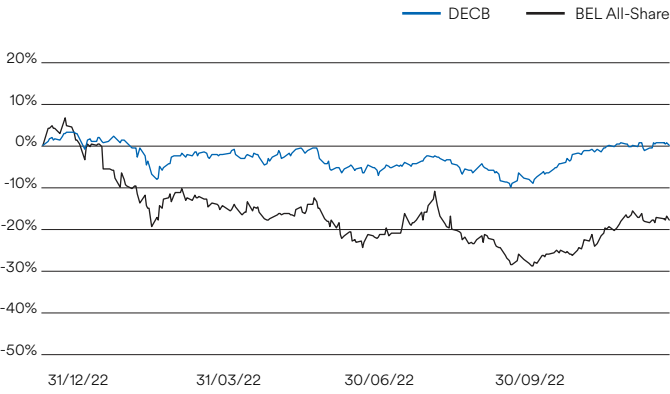
Deceuninck Group shares are listed under the code DECB and are traded on the Continuous segment of Euronext Brussels. DECB is part of the BEL Mid<sup>®</sup> index. ICB sectorial classification: 2353 Building materials & fixtures.

### Evolution of the Deceuninck Group share price

The closing price of the Deceuninck Group share decreased from € 3.36 on 31 December 2021 to € 2.45 on 30 December 2022. The Volume Weighted Average Price (VWAP) for 2022 was €2.54. The lowest closing price was € 1.90 on 12 October 2022 and the highest closing price was € 3.69 on 13 January 2022. The average number of shares traded per day in 2022 was 123,225 versus 150,379 in 2021.

### Dividends

At the Annual General Meeting scheduled on 25 April 2023, the Board of Directors will propose to pay a dividend of € 0.07 per share for the financial year 2022.



### Institutional investors and financial analysts

Deceuninck Group continuously and consistently informed the financial community about the evolution of the Group. Press releases with the annual and half year results were issued at scheduled intervals before stock exchange opening and published on the Investors page on our website ([www.deceuninck.com/Investors](http://www.deceuninck.com/Investors)) and on the website of the FSMA. A comprehensive press release on the FY 2022 results is released on 1 March 2023.

Institutional investors at home and abroad were informed by Deceuninck Group during several virtual conferences.

Sell side financial analysts covering Deceuninck Group: Kris Kippers (Degroof Petercam), Maxime Stranart (ING), Alexander Craeymeersch (Kepler Cheuvreux) and Wim Hoste (KBC Securities).

### Investor relations contact

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On the Investors page of the Deceuninck Group corporate website (<http://www.deceuninck.com/investors>) you can register to receive financial press releases per e-mail.

### Financial calendar 2023



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# Glossary

|                   |                                                                                                                                                                                                                                                                                                                                                                             |                                      |                  |
|-------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|------------------|
| EBITDA            | EBITDA is defined as operating profit / (loss) adjusted for depreciation / amortizations and impairment of fixed assets.                                                                                                                                                                                                                                                    | 2021                                 | 2022             |
|                   |                                                                                                                                                                                                                                                                                                                                                                             | Operating profit                     | 54,27847,239     |
|                   |                                                                                                                                                                                                                                                                                                                                                                             | Depreciations & impairments          | (38,553)(50,090) |
|                   |                                                                                                                                                                                                                                                                                                                                                                             | EBITDA                               | 92,83297,328     |
| Adjusted EBITDA   | Adjusted EBITDA is defined as operating profit / (loss) adjusted for (i) depreciations, amortizations and impairment of fixed assets, (ii) integration & restructuring expenses, (iii) gains & losses on disposal of consolidated entities, (iv) gains & losses on asset disposals, (v) impairment of goodwill and impairment of assets resulting from goodwill allocation. | 2021                                 | 2022             |
|                   |                                                                                                                                                                                                                                                                                                                                                                             | EBITDA                               | 92,83297,328     |
|                   |                                                                                                                                                                                                                                                                                                                                                                             | Integration & restructuring expenses | 4,9074,945       |
|                   |                                                                                                                                                                                                                                                                                                                                                                             | Adjusted EBITDA                      | 97,739102,274    |
| EBIT              | EBIT is defined as Earnings before interests and taxes (operational result).                                                                                                                                                                                                                                                                                                | 2021                                 | 2022             |
|                   |                                                                                                                                                                                                                                                                                                                                                                             | EBITDA                               | 92,83297,328     |
|                   |                                                                                                                                                                                                                                                                                                                                                                             | Depreciations & impairments          | (38,553)(50,090) |
|                   |                                                                                                                                                                                                                                                                                                                                                                             | EBIT                                 | 54,27847,239     |
| EBT               | EBT is defined as Earnings before taxes.                                                                                                                                                                                                                                                                                                                                    |                                      |                  |
| EPS (non-diluted) | EPS (non-diluted) are the non-diluted earnings per share and is defined as Earnings attributable to ordinary shareholders over the weighted average number of ordinary shares.                                                                                                                                                                                              |                                      |                  |
| EPS (diluted)     | EPS (diluted) are the diluted earnings per share and is defined as Earnings attributable to ordinary shareholders over the sum of weighted average number of ordinary shares and the weighted average number of ordinary shares which would be issued upon conversion into ordinary shares of all exercisable warrants leading to dilution.                                 |                                      |                  |
| Net debt          | Net debt is defined as the sum of current and non-current interest-bearing borrowings minus cash and cash equivalents.                                                                                                                                                                                                                                                      | 2021                                 | 2022             |
|                   |                                                                                                                                                                                                                                                                                                                                                                             | Interest-bearing loans – non-current | 13,002130,748    |
|                   |                                                                                                                                                                                                                                                                                                                                                                             | Interest-bearing loans - current     | 121,76516,452    |
|                   |                                                                                                                                                                                                                                                                                                                                                                             | Cash and cash equivalents            | (72,885)(58,949) |
|                   |                                                                                                                                                                                                                                                                                                                                                                             | Net debt                             | 61,88288,251     |



|                       |                                                                                                                    |                       |                    |
|-----------------------|--------------------------------------------------------------------------------------------------------------------|-----------------------|--------------------|
| Working capital       | Working capital is calculated as the sum of trade receivables and inventories minus trade payables.                | 2021                  | 2022               |
|                       |                                                                                                                    | Trade receivables     | 90,75687,947       |
|                       |                                                                                                                    | Inventories           | 169,589171,722     |
|                       |                                                                                                                    | Trade payables        | (176,009)(144,023) |
|                       |                                                                                                                    | Working capital       | 84,336115,646      |
| Capital employed (CE) | The sum of non-current assets and working capital.                                                                 | 2021                  | 2022               |
|                       |                                                                                                                    | Working capital       | 84,336115,646      |
|                       |                                                                                                                    | Non-current assets    | 270,555324,706     |
|                       |                                                                                                                    | Capital employed (CE) | 354,890440,352     |
| Subsidiaries          | Companies in which the Group owns a participation in excess of 50 % or companies over which the Group has control. |                       |                    |
| MTM                   | Mark-to-Market.                                                                                                    |                       |                    |
| Headcount (FTE)       | Total Full Time Equivalents including temporary and external staff.                                                |                       |                    |
| Restricted Group      | The Restricted Group consists of all entities of the Group excluding Turkish subsidiaries and their subsidiaries.  |                       |                    |
| Leverage              | Leverage is defined as the ratio of Net debt to LTM (Last Twelve Months) Adjusted EBITDA.                          | 2021                  | 2022               |
|                       |                                                                                                                    | Net debt              | 61,88288,251       |
|                       |                                                                                                                    | LTM Adjusted EBITDA   | 97,740102,274      |
|                       |                                                                                                                    | Leverage              | 0.630.86           |



GRI Index

GENERAL DISCLOSURES GRI 101 — 2022

| Topic                                           | Disclosure |                                                                             | Reference                                                                                                                                                                                                                      |
|-------------------------------------------------|------------|-----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. The organization and its reporting practices | 2-1        | Organizational details                                                      | Legal and organizational structure                                                                                                                                                                                             |
|                                                 | 2-2        | Entities included in the organizations' sustainability reporting            | People: all entities<br>Planet: extrusion and foiling sites                                                                                                                                                                    |
|                                                 | 2-3        | Reporting period, frequency, contact point                                  | 01/01/2022-31/12/2022. Annual.<br>Publication date: March 1st, 2022,<br>contact: celine.dewaele@deceuninck.com                                                                                                                 |
|                                                 | 2-4        | Restatements of information                                                 | No restatements                                                                                                                                                                                                                |
|                                                 | 2-5        | External assurance                                                          | No external assurance                                                                                                                                                                                                          |
| 2. Activities and workers                       | 2-6        | Activities, value chain and other business relationships                    | What we do<br>How we create value                                                                                                                                                                                              |
|                                                 | 2-7        | Employees                                                                   | People<br>Methodology: FTE                                                                                                                                                                                                     |
|                                                 | 2-8        | Workers who are not employees                                               | People (temporary employees)<br>Methodology: FTE                                                                                                                                                                               |
| 3. Governance                                   | 2-9        | Governance structure and composition                                        | The Board and its Committees -<br>Composition of the Board -<br>Composition of its committees                                                                                                                                  |
|                                                 | 2-10       | Nomination and selection of the highest governance body                     | Article 34 of the Belgian Royal Decree of 14 November 2007 - Rules governing the appointment and replacement of Board members and the amendment of the Articles of Association of Deceuninck NV<br>Diversity Policy - Criteria |
|                                                 | 2-11       | Chair of the highest governance body                                        | The Board and its Committees -<br>Composition of the Board                                                                                                                                                                     |
|                                                 | 2-12       | Role of the highest governance body in overseeing the management of impacts | Sustainability - Governance                                                                                                                                                                                                    |
|                                                 | 2-13       | Delegation of responsibility for managing impacts                           | Information unavailable/incomplete                                                                                                                                                                                             |
|                                                 | 2-14       | Role of the highest governance body in sustainability reporting             | Sustainability - Governance                                                                                                                                                                                                    |
|                                                 | 2-15       | Conflicts of interest                                                       | Transactions between related parties +<br>Transactions between the Company and its Directors, not covered by the legal provisions governing conflicts of interest                                                              |
|                                                 |            |                                                                             |                                                                                                                                                                                                                                |



GENERAL DISCLOSURES GRI 101 — 2022

| Topic                               | Disclosure |                                                                                    | Reference                                                                                                                                                                   |
|-------------------------------------|------------|------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                     | 2-16       | Communication of critical concerns                                                 | Information unavailable/incomplete                                                                                                                                          |
|                                     | 2-17       | Collective knowledge of the highest governance body                                | Information unavailable/incomplete                                                                                                                                          |
|                                     | 2-18       | Evaluation of the performance of the highest governance body                       | The Board and its Committees -<br>main features of the evaluation process                                                                                                   |
|                                     | 2-19       | Remuneration policies                                                              | Remuneration report                                                                                                                                                         |
|                                     | 2-20       | Process to determine remuneration                                                  | Remuneration report                                                                                                                                                         |
|                                     | 2-21       | Annual total compensation ratio                                                    | Information unavailable/incomplete                                                                                                                                          |
|                                     | 2-22       | Statement on sustainable development strategy                                      | Message from the Chairman and the CEO                                                                                                                                       |
| 4. Strategy, policies and practices | 2-23       | Policy commitments                                                                 | Code of Conduct (signed by employees):<br>Community - Business ethics Supplier<br>Code of Conduct (signed by suppliers):<br>Community - Business ethics in the supply chain |
|                                     | 2-23       | Level at which each of the policy commitments was approved within the organization | Executive Management                                                                                                                                                        |
|                                     | 2-24       | Embedding policy commitments                                                       | Information unavailable/incomplete                                                                                                                                          |
|                                     | 2-25       | Processes to remediate negative impacts                                            | Information unavailable/incomplete                                                                                                                                          |
|                                     | 2-26       | Mechanisms for seeking advice and raising concerns                                 | Reporting via e-mail to the trust persons, the compliance officer or Chairman of the Audit Committee                                                                        |
|                                     | 2-27       | Compliance with laws and regulations                                               | Number of non-compliances: 0                                                                                                                                                |
|                                     | 2-28       | Membership associations                                                            | EPPA, Esscencia                                                                                                                                                             |
| 5. Stakeholder management           | 2-29       | Approach to stakeholder engagement                                                 | Strategy - Materiality Analysis                                                                                                                                             |
|                                     | 2-30       | Collective bargaining agreements                                                   | 31%                                                                                                                                                                         |





| GRI TOPIC-SPECIFIC DISCLOSURES |            |                                                                                                                               |                                                                                            |
|--------------------------------|------------|-------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| Topic                          | Disclosure |                                                                                                                               | Reference to the Sustainability Report                                                     |
| Anti-corruption                | GRI 205    | 1. Communication and training about anti-corruption policies and procedures                                                   | Community - Results and Targets - Business Ethics                                          |
|                                |            | 2. Confirmed incidents of corruption and actions taken                                                                        |                                                                                            |
| Environment                    | GRI 301    | 1. Materials used by weight or volume                                                                                         | Planet - Results and Targets - Product Design and Lifecycle Management                     |
|                                |            | 2. Recycled input materials used                                                                                              |                                                                                            |
|                                | GRI 302    | 1. Energy consumption within and outside the organization                                                                     | Planet - Results and Targets - Energy Management                                           |
|                                |            | 3. Energy intensity                                                                                                           |                                                                                            |
|                                | GRI 303    | 3. Water consumption                                                                                                          | Planet - Results and Targets - Water Management                                            |
|                                |            | 1. Direct (Scope 1) GHG emissions                                                                                             |                                                                                            |
|                                | GRI 305    | 2. Energy indirect (Scope 2) GHG emissions                                                                                    | Planet - Results and Targets - Carbon Management                                           |
|                                |            | 3. Other indirect (Scope 3) GHG emissions                                                                                     |                                                                                            |
|                                |            | 4. Reduction of GHG emissions                                                                                                 |                                                                                            |
|                                | GRI 306    | 1. Waste generated                                                                                                            | Planet - Results and Targets - Waste Management                                            |
| Social                         | GRI 405    | 1. Diversity of governance bodies and employees                                                                               | Corporate Governance Statement - Diversity Policy People - Results and Targets - Diversity |
|                                |            | 1. Assessment of the customer health and safety impacts of product and service categories                                     |                                                                                            |
|                                | GRI 416    | 2. Incidents of non-compliance concerning the health and safety impacts of products and services                              | Community - Results and Targets - Health and Safety of the End-user                        |
|                                |            | 1. Environmental requirements for product and service information and labeling                                                |                                                                                            |
|                                | GRI 417    | 1. Environmental requirements for product and service information and labeling                                                | Planet - Results and Targets - Product Design and Lifecycle Management                     |
|                                | GRI 401    | 1. New employee hires and employee turnover                                                                                   | People - Results and Targets - Employment                                                  |
|                                | GRI 403    | 1. Occupational health and safety management system                                                                           | People - Results and Targets - Health and Safety                                           |
|                                |            | 9. Work-related injuries                                                                                                      |                                                                                            |
|                                | GRI 404    | 3. Percentage of employees receiving regular performance and career development reviews                                       | People - Results and Targets - Talent Management                                           |
|                                | GRI 412    | 3. Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening | Community - Results and Targets - Business Ethics in the Supply Chain                      |





# Taxonomy Disclosure

## Reporting on the EU Taxonomy

### Rationale of the environmental objectives reported

Deceuninck does not offer products that have the possibility to substantially contribute to Climate change adaptation, as our products cannot be seen as solutions to reduce the physical climate risks. Therefore, eligible activities related to the Climate acts are related to the Climate change mitigation objective.

The EU Taxonomy reporting concerns the ‘sorting and processing of separately collected waste streams from post-consumer windows and doors into secondary raw materials involving a mechanical transformation process’, under activity 5.9. Material recovery from non-hazardous waste.

We have concluded, in consultation with relevant market actors, that Deceuninck is non-eligible for the economic activity ‘Manufacture of the windows and doors at the best available techniques for energy efficient equipment for buildings and their key components’ under EU Taxonomy 3.5 Manufacture of energy efficiency equipment for buildings. The Technical Screening

Criteria, more specifically the U-values, are not applicable to us because the U-values mentioned are not in line with the U-values we as a system house apply. The indicated U-values apply to full windows, whereas U-values for window components have not been defined. We understand that further elaboration on the technical screening criteria in the future might change our current eligibility judgment.

Deceuninck will report under the Delegated Act on the Circular Economy of the EU Taxonomy when it comes into force.

### Rationale of the alignment and Eligibility reporting

Turnover is reported in accordance with IFRS Standards in the EU. Turnover of the EU Taxonomy eligible activity includes the intra- and intercompany sales of recycled PVC of our recycling plant in Diksmuide (Belgium). The proportion is a calculation of the recycled volume versus the total volume sold.

The definition of KPI CapEx is available in 2.6.2. Financial Statements and Notes (Tangible Fixed Assets). The definition of KPI OpEx is not available under the

IFRS framework, hence, in line with the EU taxonomy regulation, we have applied the same definition as in the financial statements. All Opex is included in the EU Taxonomy Opex with the exception of depreciations, write-offs and other operating results. This is a change in scope compared to the definition applied in our Taxonomy reporting 2021, as labour costs were also excluded then. Capex and Opex under the EU Taxonomy are related to the recycling activities of the (compounding and recycling) plant in Belgium.

Following a risk assessment, we have positively assessed the applicable Do No Significant Harm (DNSH) criteria: Climate adaptation, Pollution and Biodiversity. The approach followed is in line with our risk management:

- Chronic environmental risks mapping
- Identification of mitigation measures to avoid and reduce potential negative effects
- Mapping of environmental management systems in place
- Residual environmental risk mapping and evaluation of potential extra mitigation actions

Deceuninck carries out economic activities across the globe in a responsible and respectful way. In doing so, we are committed to complying with the minimum

safeguards referred to in Article 18 of the Taxonomy Regulation. The Annual Report, particularly the Risk and Governance chapter and the Community chapter of the Sustainability Report, describes the policies and practices implemented to ensure alignment with the OECD Guidelines and UN Guiding Principles in the domains of human rights, anti-corruption and bribery, taxation, fair business practices and information disclosure. Deceuninck has not been found in violation of labour or human rights, anti-corruption, tax or competitions laws and has not had any interactions with an OECD National Contact Point or a Business and Human Rights Contact Center.





Proportion of turnover from products or services associated with Taxonomy-aligned economic activities  
Disclosure covering year: 2022

|                                                                                                                      |                      |                              |                                   | Substantial contribution criteria        |                                          |                                           |                                 |                          |                                             | DNSH criteria ('Does Not Significantly Harm') |                                           |                                            |                                  |                           |                                             |                                    |                                                             |                                                               |                                                 |                                                |       |       |
|----------------------------------------------------------------------------------------------------------------------|----------------------|------------------------------|-----------------------------------|------------------------------------------|------------------------------------------|-------------------------------------------|---------------------------------|--------------------------|---------------------------------------------|-----------------------------------------------|-------------------------------------------|--------------------------------------------|----------------------------------|---------------------------|---------------------------------------------|------------------------------------|-------------------------------------------------------------|---------------------------------------------------------------|-------------------------------------------------|------------------------------------------------|-------|-------|
| Economic activities <sup>(1)</sup>                                                                                   | Codes <sup>(2)</sup> | Absolute OpEx <sup>(3)</sup> | Proportion of OpEx <sup>(4)</sup> | Climate change mitigation <sup>(5)</sup> | Climate change adaptation <sup>(6)</sup> | Water and marine resources <sup>(7)</sup> | Circular economy <sup>(8)</sup> | Pollution <sup>(9)</sup> | Biodiversity and ecosystems <sup>(10)</sup> | Climate change mitigation <sup>(11)</sup>     | Climate change adaptation <sup>(12)</sup> | Water and marine resources <sup>(13)</sup> | Circular economy <sup>(14)</sup> | Pollution <sup>(15)</sup> | Biodiversity and ecosystems <sup>(16)</sup> | Minimum safeguards <sup>(17)</sup> | Taxonomy-aligned proportion of OpEx, year N <sup>(18)</sup> | Taxonomy-aligned proportion of OpEx, year N-1 <sup>(19)</sup> | Category (enabling activity or) <sup>(20)</sup> | Category (transition activity) <sup>(21)</sup> |       |       |
|                                                                                                                      |                      |                              |                                   |                                          |                                          |                                           |                                 |                          |                                             |                                               |                                           |                                            |                                  |                           |                                             |                                    |                                                             |                                                               |                                                 |                                                | EUR   | %     |
| A. TAXONOMY-ELIGIBLE ACTIVITIES                                                                                      |                      |                              |                                   |                                          |                                          |                                           |                                 |                          |                                             |                                               |                                           |                                            |                                  |                           |                                             |                                    |                                                             |                                                               |                                                 |                                                |       |       |
| A.1. Environmentally sustainable activities (Taxonomy-aligned)                                                       |                      |                              |                                   |                                          |                                          |                                           |                                 |                          |                                             |                                               |                                           |                                            |                                  |                           |                                             |                                    |                                                             |                                                               |                                                 |                                                |       |       |
| Material recovery from non-hazardous waste                                                                           | E38.32               | 45,054,082.00                | 4.73%                             | 4.73%                                    | 0.00%                                    |                                           |                                 |                          |                                             |                                               | Y                                         | Y                                          | Y                                | Y                         | Y                                           | Y                                  | 4.73%                                                       |                                                               |                                                 |                                                |       |       |
| Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)                                          |                      | 45,054,082.00                | 4.73%                             | 4.73%                                    | 0.00%                                    |                                           |                                 |                          |                                             |                                               |                                           |                                            |                                  |                           |                                             |                                    | 4.73%                                                       |                                                               |                                                 |                                                |       |       |
| A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)               |                      |                              |                                   |                                          |                                          |                                           |                                 |                          |                                             |                                               |                                           |                                            |                                  |                           |                                             |                                    |                                                             |                                                               |                                                 |                                                |       |       |
|                                                                                                                      |                      |                              |                                   |                                          |                                          |                                           |                                 |                          |                                             |                                               |                                           |                                            |                                  |                           |                                             |                                    |                                                             |                                                               |                                                 |                                                |       |       |
| Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2) |                      | 0.00%                        | 0.00%                             |                                          |                                          |                                           |                                 |                          |                                             |                                               |                                           |                                            |                                  |                           |                                             |                                    |                                                             |                                                               |                                                 |                                                |       |       |
| Total (A.1 + A.2)                                                                                                    |                      | 45,054,082.00                | 4.73%                             |                                          |                                          |                                           |                                 |                          |                                             |                                               |                                           |                                            |                                  |                           |                                             |                                    |                                                             |                                                               |                                                 |                                                | 4.73% | 4.60% |
| B. TAXONOMY-NON-ELIGIBLE ACTIVITIES                                                                                  |                      |                              |                                   |                                          |                                          |                                           |                                 |                          |                                             |                                               |                                           |                                            |                                  |                           |                                             |                                    |                                                             |                                                               |                                                 |                                                |       |       |
| Turnover of Taxonomy-non-eligible activities (B)                                                                     |                      | 906,785,726.00               | 95.27%                            |                                          |                                          |                                           |                                 |                          |                                             |                                               |                                           |                                            |                                  |                           |                                             |                                    |                                                             |                                                               |                                                 |                                                |       |       |
| Total (A + B)                                                                                                        |                      | 951,839,808.00               | 100.00%                           |                                          |                                          |                                           |                                 |                          |                                             |                                               |                                           |                                            |                                  |                           |                                             |                                    |                                                             |                                                               |                                                 |                                                |       |       |





Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities  
Disclosure covering year: 2022

|                                                                                                                   |                      |                              |                                   | Substantial contribution criteria        |                                          |                                           |                                 |                          |                                             | DNSH criteria ('Does Not Significantly Harm') |                                           |                                            |                                  |                           |                                             |                                    |                                                             |                                                               |                                                 |                                                |     |
|-------------------------------------------------------------------------------------------------------------------|----------------------|------------------------------|-----------------------------------|------------------------------------------|------------------------------------------|-------------------------------------------|---------------------------------|--------------------------|---------------------------------------------|-----------------------------------------------|-------------------------------------------|--------------------------------------------|----------------------------------|---------------------------|---------------------------------------------|------------------------------------|-------------------------------------------------------------|---------------------------------------------------------------|-------------------------------------------------|------------------------------------------------|-----|
| Economic activities <sup>(1)</sup>                                                                                | Codes <sup>(2)</sup> | Absolute OpEx <sup>(3)</sup> | Proportion of OpEx <sup>(4)</sup> | Climate change mitigation <sup>(5)</sup> | Climate change adaptation <sup>(6)</sup> | Water and marine resources <sup>(7)</sup> | Circular economy <sup>(8)</sup> | Pollution <sup>(9)</sup> | Biodiversity and ecosystems <sup>(10)</sup> | Climate change mitigation <sup>(11)</sup>     | Climate change adaptation <sup>(12)</sup> | Water and marine resources <sup>(13)</sup> | Circular economy <sup>(14)</sup> | Pollution <sup>(15)</sup> | Biodiversity and ecosystems <sup>(16)</sup> | Minimum safeguards <sup>(17)</sup> | Taxonomy-aligned proportion of OpEx, year N <sup>(18)</sup> | Taxonomy-aligned proportion of OpEx, year N-1 <sup>(19)</sup> | Category (enabling activity or) <sup>(20)</sup> | Category (transition activity) <sup>(21)</sup> |     |
|                                                                                                                   |                      |                              |                                   |                                          |                                          |                                           |                                 |                          |                                             |                                               |                                           |                                            |                                  |                           |                                             |                                    |                                                             |                                                               |                                                 |                                                | EUR |
| A. TAXONOMY-ELIGIBLE ACTIVITIES                                                                                   |                      |                              |                                   |                                          |                                          |                                           |                                 |                          |                                             |                                               |                                           |                                            |                                  |                           |                                             |                                    |                                                             |                                                               |                                                 |                                                |     |
| A.1. Environmentally sustainable activities (Taxonomy-aligned)                                                    |                      |                              |                                   |                                          |                                          |                                           |                                 |                          |                                             |                                               |                                           |                                            |                                  |                           |                                             |                                    |                                                             |                                                               |                                                 |                                                |     |
| Material recovery from non-hazardous waste                                                                        | E38.32               | 4,544,401.00                 | 9.75%                             | 9.75%                                    | 0.00%                                    |                                           |                                 |                          |                                             |                                               | Y                                         | Y                                          | Y                                | Y                         | Y                                           | Y                                  | 9.75%                                                       |                                                               |                                                 |                                                |     |
| CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)                                          |                      | 4,544,401.00                 | 9.75%                             | 9.75%                                    | 0.00%                                    |                                           |                                 |                          |                                             |                                               |                                           |                                            |                                  |                           |                                             |                                    | 9.75%                                                       |                                                               |                                                 |                                                |     |
| A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)            |                      |                              |                                   |                                          |                                          |                                           |                                 |                          |                                             |                                               |                                           |                                            |                                  |                           |                                             |                                    |                                                             |                                                               |                                                 |                                                |     |
|                                                                                                                   |                      |                              |                                   |                                          |                                          |                                           |                                 |                          |                                             |                                               |                                           |                                            |                                  |                           |                                             |                                    |                                                             |                                                               |                                                 |                                                |     |
| CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2) |                      | 0.00%                        | 0.00%                             |                                          |                                          |                                           |                                 |                          |                                             |                                               |                                           |                                            |                                  |                           |                                             |                                    |                                                             |                                                               |                                                 |                                                |     |
| Total (A.1 + A.2)                                                                                                 |                      | 4,544,401.00                 | 9.75%                             |                                          |                                          |                                           |                                 |                          |                                             |                                               |                                           |                                            |                                  |                           |                                             |                                    |                                                             |                                                               |                                                 |                                                |     |
| B. TAXONOMY-NON-ELIGIBLE ACTIVITIES                                                                               |                      |                              |                                   |                                          |                                          |                                           |                                 |                          |                                             |                                               |                                           |                                            |                                  |                           |                                             |                                    |                                                             |                                                               |                                                 |                                                |     |
| CapEx of Taxonomy-non-eligible activities (B)                                                                     |                      | 42,082,527.00                | 90.25%                            |                                          |                                          |                                           |                                 |                          |                                             |                                               |                                           |                                            |                                  |                           |                                             |                                    |                                                             |                                                               |                                                 |                                                |     |
| Total (A + B)                                                                                                     |                      | 46,626,928.00                | 100.00%                           |                                          |                                          |                                           |                                 |                          |                                             |                                               |                                           |                                            |                                  |                           |                                             |                                    |                                                             |                                                               |                                                 |                                                |     |





Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities.  
Disclosure covering year: 2022

|                                                                                                                  |                      |                              |                                   | Substantial contribution criteria        |                                          |                                           |                                 |                          |                                             | DNSH criteria ('Does Not Significantly Harm') |                                           |                                            |                                  |                           |                                             |                                    |                                                             |                                                               |                                                 |                                                |
|------------------------------------------------------------------------------------------------------------------|----------------------|------------------------------|-----------------------------------|------------------------------------------|------------------------------------------|-------------------------------------------|---------------------------------|--------------------------|---------------------------------------------|-----------------------------------------------|-------------------------------------------|--------------------------------------------|----------------------------------|---------------------------|---------------------------------------------|------------------------------------|-------------------------------------------------------------|---------------------------------------------------------------|-------------------------------------------------|------------------------------------------------|
| Economic activities <sup>(1)</sup>                                                                               | Codes <sup>(2)</sup> | Absolute OpEx <sup>(3)</sup> | Proportion of OpEx <sup>(4)</sup> | Climate change mitigation <sup>(5)</sup> | Climate change adaptation <sup>(6)</sup> | Water and marine resources <sup>(7)</sup> | Circular economy <sup>(8)</sup> | Pollution <sup>(9)</sup> | Biodiversity and ecosystems <sup>(10)</sup> | Climate change mitigation <sup>(11)</sup>     | Climate change adaptation <sup>(12)</sup> | Water and marine resources <sup>(13)</sup> | Circular economy <sup>(14)</sup> | Pollution <sup>(15)</sup> | Biodiversity and ecosystems <sup>(16)</sup> | Minimum safeguards <sup>(17)</sup> | Taxonomy-aligned proportion of OpEx, year N <sup>(18)</sup> | Taxonomy-aligned proportion of OpEx, year N-1 <sup>(19)</sup> | Category (enabling activity or) <sup>(20)</sup> | Category (transition activity) <sup>(21)</sup> |
|                                                                                                                  |                      |                              |                                   |                                          |                                          |                                           |                                 |                          |                                             |                                               |                                           |                                            |                                  |                           |                                             |                                    |                                                             |                                                               |                                                 |                                                |
| A. TAXONOMY-ELIGIBLE ACTIVITIES                                                                                  |                      |                              |                                   |                                          |                                          |                                           |                                 |                          |                                             |                                               |                                           |                                            |                                  |                           |                                             |                                    |                                                             |                                                               |                                                 |                                                |
| A.1. Environmentally sustainable activities (Taxonomy-aligned)                                                   |                      |                              |                                   |                                          |                                          |                                           |                                 |                          |                                             |                                               |                                           |                                            |                                  |                           |                                             |                                    |                                                             |                                                               |                                                 |                                                |
| Material recovery from non-hazardous waste                                                                       | E38.32               | 5,033,000.00                 | 3.23%                             | 3.23%                                    | 0.00%                                    |                                           |                                 |                          |                                             |                                               | Y                                         | Y                                          | Y                                | Y                         | Y                                           | Y                                  | 3.23%                                                       |                                                               |                                                 |                                                |
| OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)                                          |                      | 5,033,000.00                 | 3.23%                             | 3.23%                                    | 0.00%                                    |                                           |                                 |                          |                                             |                                               |                                           |                                            |                                  |                           |                                             |                                    | 3.23%                                                       |                                                               |                                                 |                                                |
| A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)           |                      |                              |                                   |                                          |                                          |                                           |                                 |                          |                                             |                                               |                                           |                                            |                                  |                           |                                             |                                    |                                                             |                                                               |                                                 |                                                |
|                                                                                                                  |                      |                              |                                   |                                          |                                          |                                           |                                 |                          |                                             |                                               |                                           |                                            |                                  |                           |                                             |                                    |                                                             |                                                               |                                                 |                                                |
| OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2) |                      | 0.00%                        | 0.00%                             |                                          |                                          |                                           |                                 |                          |                                             |                                               |                                           |                                            |                                  |                           |                                             |                                    |                                                             |                                                               |                                                 |                                                |
| Total (A.1 + A.2)                                                                                                |                      | 5,033,000.00                 | 3.23%                             |                                          |                                          |                                           |                                 |                          |                                             |                                               |                                           |                                            |                                  |                           |                                             |                                    |                                                             |                                                               |                                                 |                                                |
| B. TAXONOMY-NON-ELIGIBLE ACTIVITIES                                                                              |                      |                              |                                   |                                          |                                          |                                           |                                 |                          |                                             |                                               |                                           |                                            |                                  |                           |                                             |                                    |                                                             |                                                               |                                                 |                                                |
| OpEx of Taxonomy-non-eligible activities (B)                                                                     |                      | 150,703,515.00               | 96.77%                            |                                          |                                          |                                           |                                 |                          |                                             |                                               |                                           |                                            |                                  |                           |                                             |                                    |                                                             |                                                               |                                                 |                                                |
| Total (A + B)                                                                                                    |                      | 155,736,515.00               | 100.00%                           |                                          |                                          |                                           |                                 |                          |                                             |                                               |                                           |                                            |                                  |                           |                                             |                                    |                                                             |                                                               |                                                 |                                                |





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**Responsible editor**

Serge Piceu  
Representative of Emveco BV  
CFO

**Creation**

Focus Advertising

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