A Window of Opportunity

deceuninck group

01 02 03 04 05

We see multiple windows of opportunity before us. A chance to create a sustainable future for our children and the generations that follow.

Are you with us?


NOTICE
NO EXIT
deceuninck
deceuninck
deceuninck
Randall
deceuninck


pierre cardin

1. 2021 at a glance

1.1 Message from the Chairman and CEO

Interview with our former Chairman, Marcel Klepfisch, our former CEO and new Chairman, Francis Van Eeckhout and our new CEO, Bruno Humblet

Marcel, your name is associated with Deceuninck since more than 10 years, first as independent director and later as Chairman of the Board. How did you see the company evolve?

Marcel: I came on board in the middle of the financial crisis, when the global economy was severely impacted. During that period, Deceuninck has proven to be a very resilient company. Management acted with a lot of agility implementing the required restructuring, including the closure of factories and raising the required capital to strengthen its financial structure. The entry of new shareholders in 2014 gave the company extra financial strength allowing it to do targeted investments to further develop the global growth plan, improve brand awareness and, very importantly, to develop the recycling technology to drive sustainability.

During the recent pandemic, Deceuninck showed once more its resilience. In this crisis also, management reacted fast and decisively, resulting in strong profitable growth when the economy started to pick up.

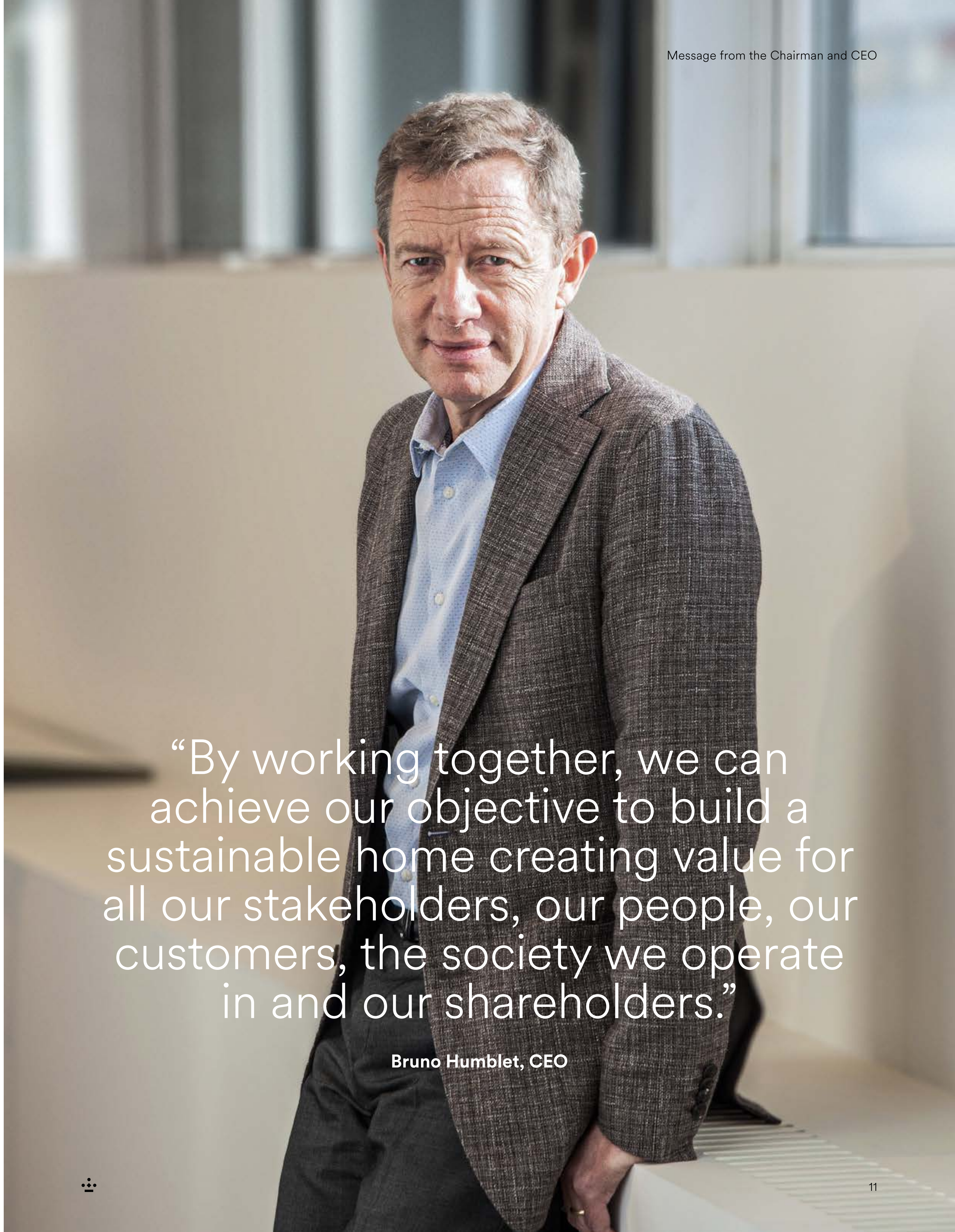
Over the past few years, it has become clear to me that we are operating in a very stable and growing market. All new building and renovation projects require high quality windows and doors. Our products and technologies deliver the best results in terms of insulation, which becomes increasingly important to help meet the climate objectives.

Francis, under your leadership Deceuninck accelerated its global expansion while improving its profitability.

Francis: In order to grow as a business, it was necessary to improve profitability first. This was more difficult than I expected. Certain structures are fairly fixed and difficult to change in the short term, but I think I can say that, over the past 5 years, we have been successful in spite of the turbulent times. Profitability has evolved nicely in recent years and our debt has reduced to a comfortable level. That created room to invest, which we did: in our brand, in our recycling activities, in growth of both geographically in — amongst others — Emerging Markets and via a renewed product range in the mature markets.

Is the return of those investments visible already in the 2021 figures?

Francis: I am very satisfied with the 2021 figures: despite COVID-19, we achieved very good results for the second



"By working together, we can achieve our objective to build a sustainable home creating value for all our stakeholders, our people, our customers, the society we operate in and our shareholders."

Bruno Humblet, CEO

"Profitability has evolved nicely in recent years and our debt has reduced to a comfortable level. That created room to invest, which we did: in our brand, in our recycling activities, in growth of both geographically in Emerging Markets and via a renewed product range in the mature markets."

Francis Van Eeckhout, former CEO and new Chairman

year in a row. Despite the disrupted supply of raw materials, we managed to achieve a volume growth of 13%. This is indeed the result of focused efforts.
In order to avoid production interruptions caused by a lack of raw materials, we were forced to accept higher purchase prices month by month, which forced us to raise our selling prices several times. On top, we saw inflation in our labor costs, transport costs and energy prices.
With some delay, we largely succeeded in passing on those higher costs. That enabled us to limit the impact on the profit in euro, but we did see a dilution in the profit margin.

Apart from the numbers, I regret to say that we did not always succeed in meeting our delivery deadlines to our customers, due to the exceptionally strong demand combined with raw material scarcity. This impact was seen across the whole sector, but we are working hard across all our plants globally to improve the delivery performance.

Because of the fall of the Turkish lira, a lot of attention was probably also paid to the Turkish business?
Francis: Turkey is a country with short-term volatility but long-term proven strong growth potential. In the long run, the growth trend in turnover and profit remains intact. Thanks to our state-of-the-art factories, strong market position, strong local management and solid local brands, we manage to absorb a lot of this volatility. In addition, with every crisis in Turkey, we gain market share as smaller competitors with weaker balance sheets regress. I am proud of the results we achieve in that region.

And how do you assess the results of the other regions?

Francis: In Europe, we see a solid growth with profitability that is much more robust than in the past. The region is also on schedule with the commercial roll-out of Elegant. Everywhere this new series is launched, customers and architects are thrilled about its look and feel. Thanks to its sleek design, no one can tell the difference from aluminum profiles.

“During the recent pandemic, Deceuninck showed once more its resilience. In this crisis also, management reacted fast and decisive, resulting in strong profitable growth when the economy started to pick up.”

Marcel Klepfisch, former Chairman

In the US, demand exceeds supply. The labor shortage affected us also in 2021. We have enough machines, but are struggling to find enough people to man them.

Bruno, you have been a Board member since 2020 and you are Deceuninck's new CEO since 1st January. Have you been able to settle in yet? Where will you put your main focus?

Bruno: Deceuninck is a great company that offers many opportunities. Over the past few months, I have had the opportunity to visit different locations and to meet the local teams. Our motivated people, all over the world, are proud of their work, our products, our mission. They live our values: Candor, Top Performance and Entrepreneurship. By working together, we can achieve our objective to build a sustainable home creating value for all our stakeholders, our people, our customers, the society we operate in and our shareholders.

I also firmly believe in our sustainability discourse: in the coming years, we will drastically reduce the carbon emissions resulting from our own activities. We are currently finalizing concrete plans and setting challenging targets to reduce our environmental impact. Thanks to our investments in recycling, we will also be able to incorporate more and more recycled PVC in our products. As recycling PVC requires 90% less energy than producing new PVC, this will further significantly reduce emissions. Finally, our products have superior insulation values and will therefore play an important role in the renovation wave that will come to meet the global climate objectives.

As Francis mentioned, an important point of attention in the short term is the shortening of delivery times to our customers. The availability of materials and labor will remain a problem, but we are optimizing to handle those impacts better.

Finally, we will remain focused on ensuring we drive profitable growth in order to be able to further invest in sustainable growth. In the given circumstances, our gross operating margin of 11.7% is a very good result, but in the longer term, we must dare to aim higher.

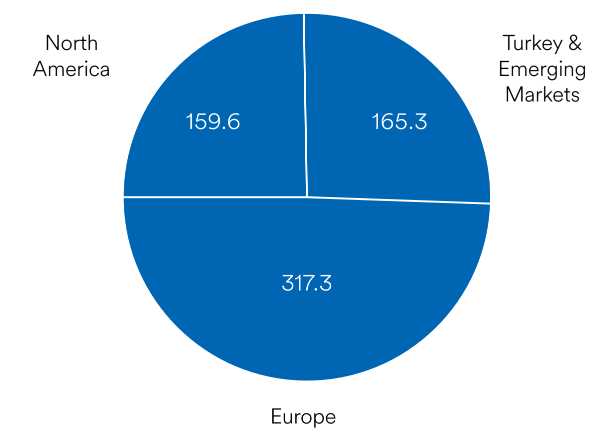
1.2 Key figures 2021

KEY FIGURES* (IN € MILLION)	2019	2020	2021	EVOLUTION 2020-2021
Consolidated Income Statement (in € million)				
Sales	633.8	642.2	838.1	31%
Adjusted Ebitda	60.6	86.0	97.7	14%
Ebit	11.2	45.9	54.3	18%
Net Profit	(14.7)	25.6	37.2	45%
Consolidated Balance Sheet (in € million)				
Equity	233.1	246.3	258.9	5%
Net Debt	140.2	55.5	61.9	12%
Total Assets	589.7	599.4	675.1	13%
Capital Expenditure	35.5	23.5	43.6	85%
Working Capital	94.5	74.2	84.3	14%
Capital Employed	416.3	347.4	354.9	2%
Ratios				
Net Profit On Sales	(2.3%)	4.0%	4.4%	-
Adjusted Ebitda / Sales	9.6%	13.4%	11.7%	-
Net Debt / Adjusted Ebitda	2.31	0.64	0.63	-
Ebit / Capital Employed	2.7%	13.2%	15.3%	-
Headcount				
Total Full Time Equivalents (Fte)	3,754	3,660	3,709	-

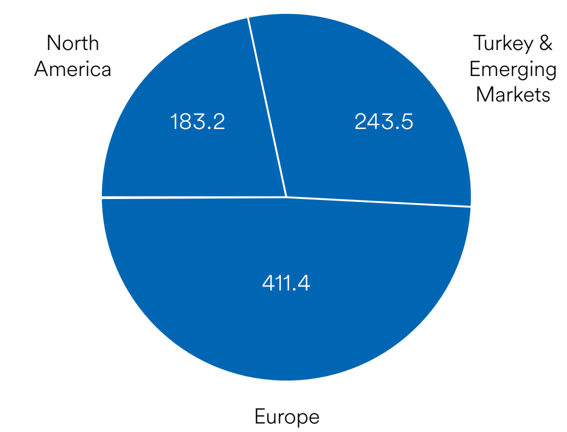
* Definitions: See glossary

KEY FIGURES PER SHARE	2019	2020	2021
Number of shares as at 31 December	136,732,506	136,795,123	138,040,929
Market capitalisation as at 31 December (in € million)	280.3	264.0	463.8
Net profit per share as at 31 December (in €)	(0.11)	0.19	0.27
Book value per share (in €)	1.70	1.80	1.88
Gross dividend per share (in €)	-	0.05	0.06
Share price at 31 December (in €)	2.05	1.93	3.36

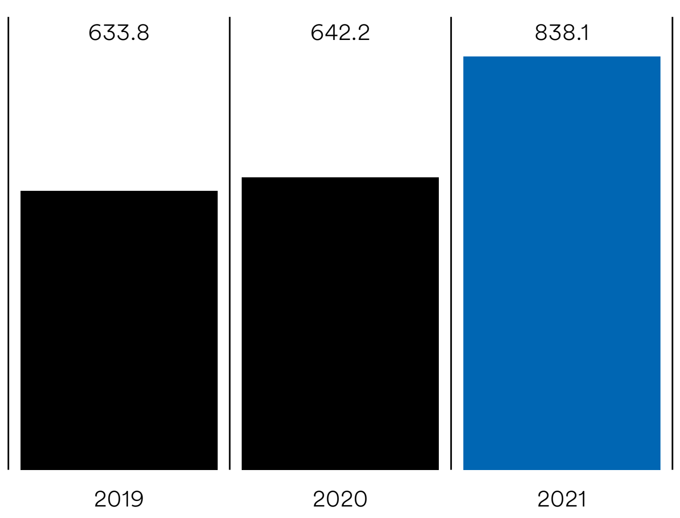
SALES 2020 PER REGION (IN € MILLION)



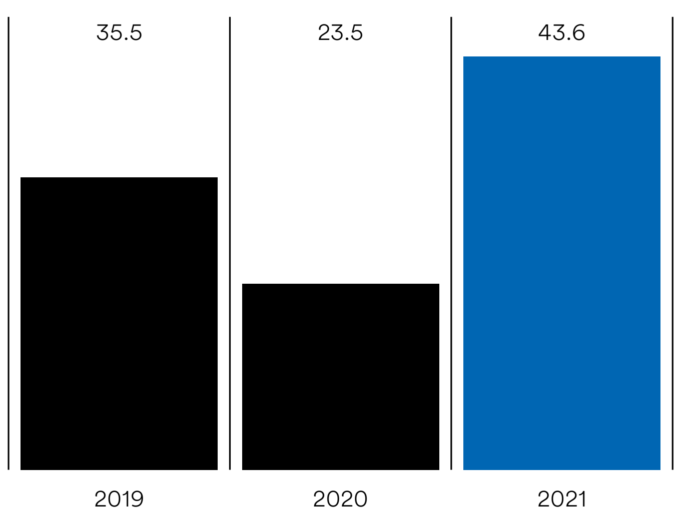
SALES 2021 PER REGION (IN € MILLION)



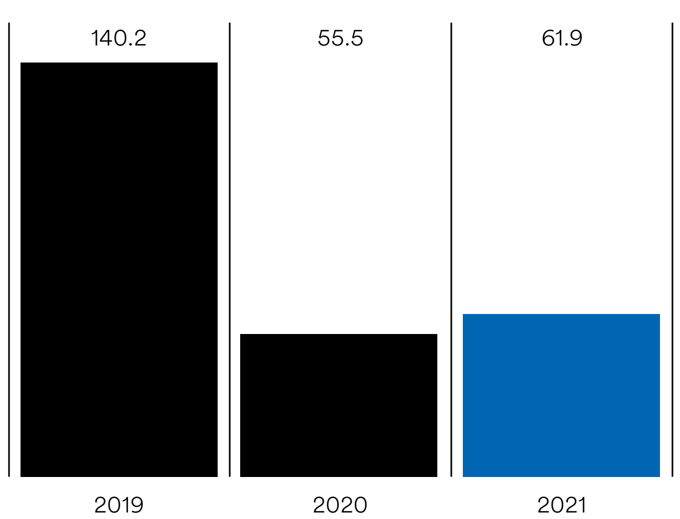
SALES (IN € MILLION)



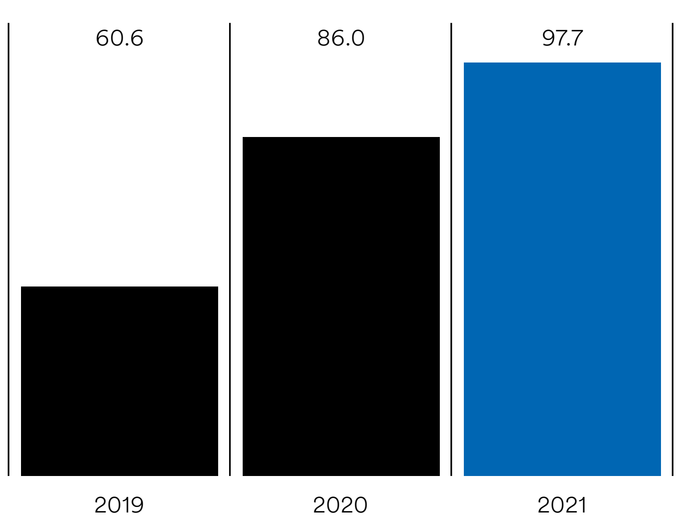
INVESTMENTS (IN € MILLION)



NET DEBT (IN € MILLION)



ADJUSTED EBITDA (IN € MILLION)



Mission: Building a Sustainable Home

Innovation

Sustainability

Reliability

Awards 2021

Polish IRBS Award for Thermofibra

Austrian "Innovation" and "Sustainability" Recognition Awards for Elegant

Some of our Sustainability Achievements

23,500 tonnes recycled in our recycling factory

15% recycled materials in our products

32,500 tCO_2e 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
Phoenix / Eos / Zenith

ISO14001 certified in production facilities Belgium, Turkey and UK

Our reporting framework
Global Reporting Initiative (GRI)

1.3 Milestones 2021

January

Deceuninck welcomes Serge Piceu as new CFO Group.

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February

Deceuninck Belgium partners up with #DASGENIAAL, a partnership between 18 international companies and local organizations with one common goal: to make youngsters passionate about science, technology, engineering, mathematics, production and design ("STEM").

Deceuninck Australia moves to its new 5,500m² Melbourne warehouse. It is the largest PVC supplier warehouse in Australia and services Deceuninck fabricators across Australia and New Zealand.

April

Deceuninck auction of the Deceuninck-Quick Step riders' jerseys brought in € 9,733.78, which was donated to the Belgian association Kom Op Tegen Kanker.

Deceuninck's ThermoFibra technology receives the Polish IRBS award.

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June

Deceuninck Germany wins two recognition awards at the Vienna Window Convention in the categories "Innovation" and "Sustainability" with the Elegant window range.

August

Deceuninck Russia announces the appointment of Evgeny Pchelintsev as its new General Manager.

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September

Deceuninck announces a leadership transition starting 1 January 2022: Bruno Humblet is appointed as new CEO Group, Marcel Klepfisch steps down as Chairman and remains independent director and Francis Van Eeckhout is appointed as Executive Chairman.

Deceuninck welcomes Paul Van Oyen as new independent director.

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warm, temperate climate

phB

CERTIFIED COMPONENT

Passive House Institute

October

Deceuninck Turkey receives the first Passive House Component Certification for PVC Windows in Turkey with the Winsa-Revotech window range from the German Passive House Institute.

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November

Deceuninck announces the sponsorship deal with the ProTeam Alpecin-Fenix as of 2022.

Deceuninck Poland is awarded a triple distinction at the prestigious Building Creator 2021 finals in Warsaw.

Deceuninck Germany wins the Training Company Award of the District of Straubing-Bogen for companies that excel in training and apprenticeships.

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SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

December

Deceuninck NV is committing to set science-based emissions reduction targets in line with the SBTi Criteria and Recommendations, to submit them to the SBTi for validation and to publish its approved targets within a maximum of 24 months.

Deceuninck renews and extends the VinylPlus® Product Label for the product families Elegant, Elegant Thermofibra, Zendow, Zendow #neo and Twinson in Europe.

SUSTAINABILITY MILESTONES

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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.

“Deceuninck Group understands the value of the HR function on the business’ ability to reach its objectives.”

Lytia Watson
VP of HR
Deceuninck North America

2. Report of the Board of Directors

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 the COVID-19 pandemic, the Group was able to resume its profitable growth track with results reaching their highest levels ever.

Deceuninck in numbers

since 1937

17 production facilities

31 subsidiaries

+4,000 customers

in +90 countries

TOP 3 global player within our industry

3,709 employees worldwide (full time equivalent)

HQ Hooglede-Gits, Belgium

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 applications, roofing, cladding and interior applications.

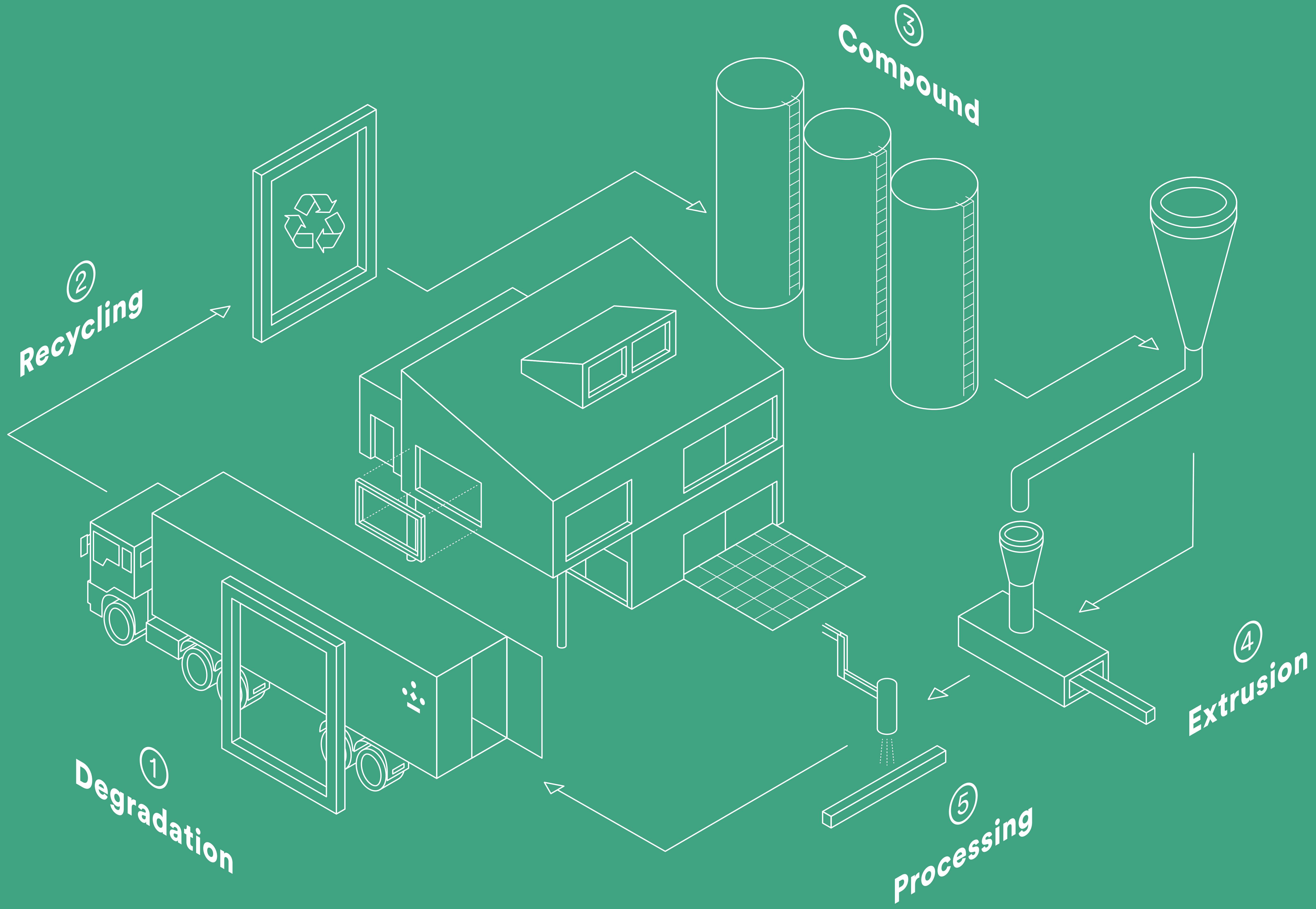
The basic technology used by the Group is extrusion of PVC. Deceuninck's integrated production process includes compounding, tooling, extrusion of seals and profiles, printing, adhesion of decorative foil and recycling.

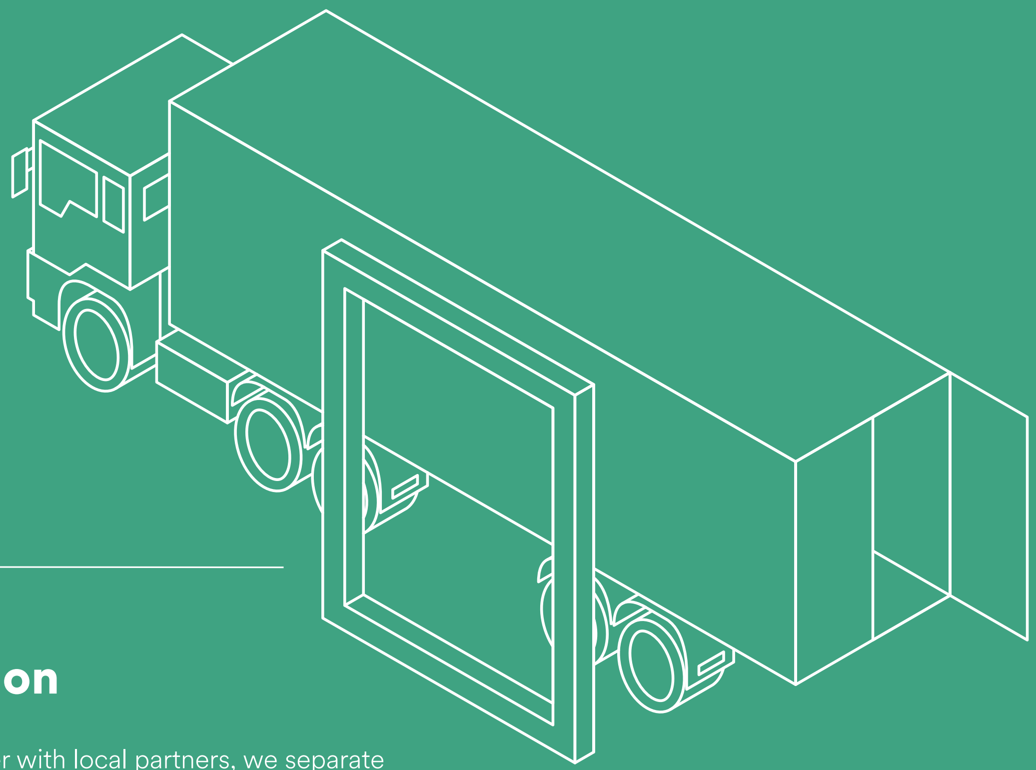
What is extrusion?

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

Our commitment to close the loop is clear by the investments we made in the state-of-the art recycling plant in Diksmuide (Belgium), making us one of the largest u-PVC recyclers of Western-Europe.

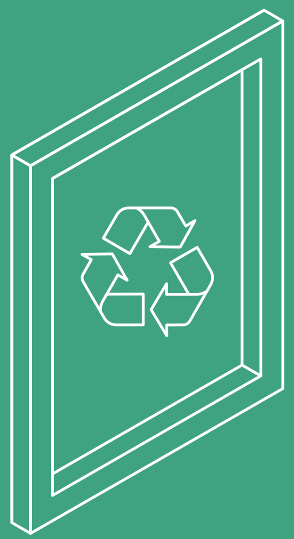

③ Compound
② Recycling
④ Extrusion
① Degradation
⑤ Processing



1

Degradation

By working together with local partners, we separate and collect post-consumer PVC materials 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 your old window into raw material to produce a new window:

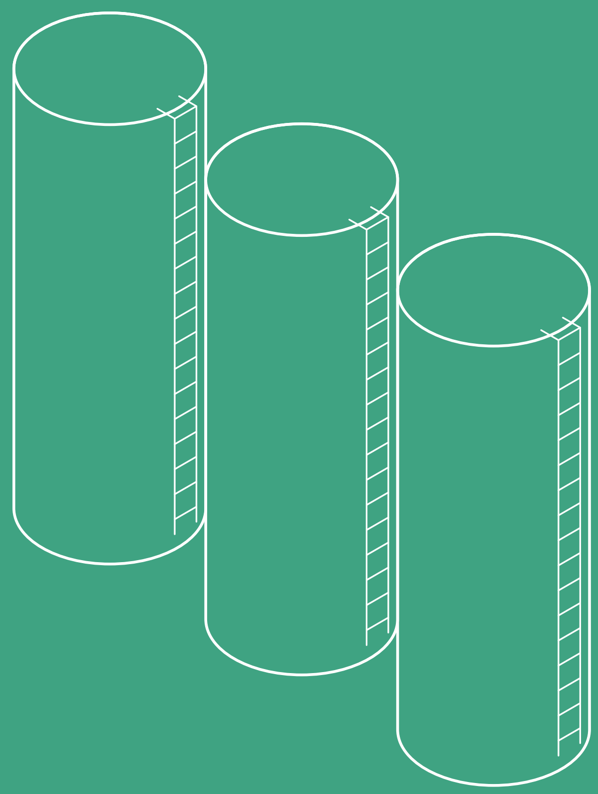
- Pre-sorting: the material is crushed and mainly metal and mineral fractions are removed
- Grinding and washing: the material is washed to separate the remaining dirt from the PVC
- Re-sorting: we mainly remove rubbers, wood and the last metals present and sort the flow by colour
- Granulation: the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

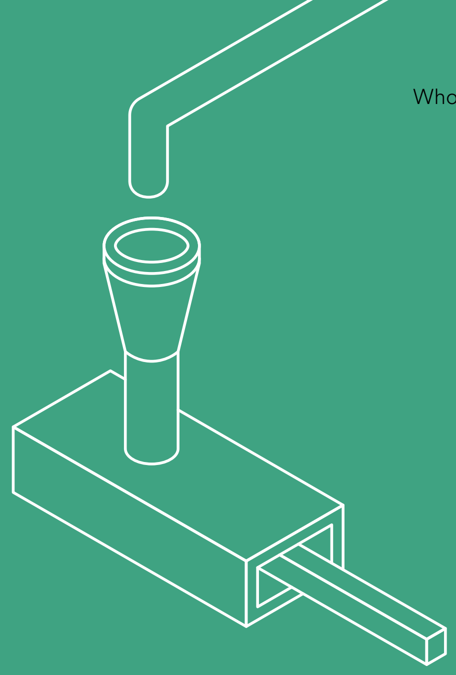
3

Compound

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.





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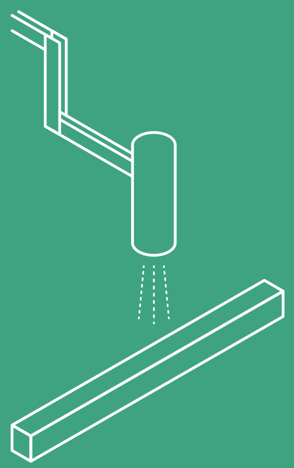
Extrusion

The PVC compound is melted in the extruder and forced 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 mix recycled material with new raw material, foam, thermal reinforcements (with steel wire) and cofirex (with fiberglass) lines.



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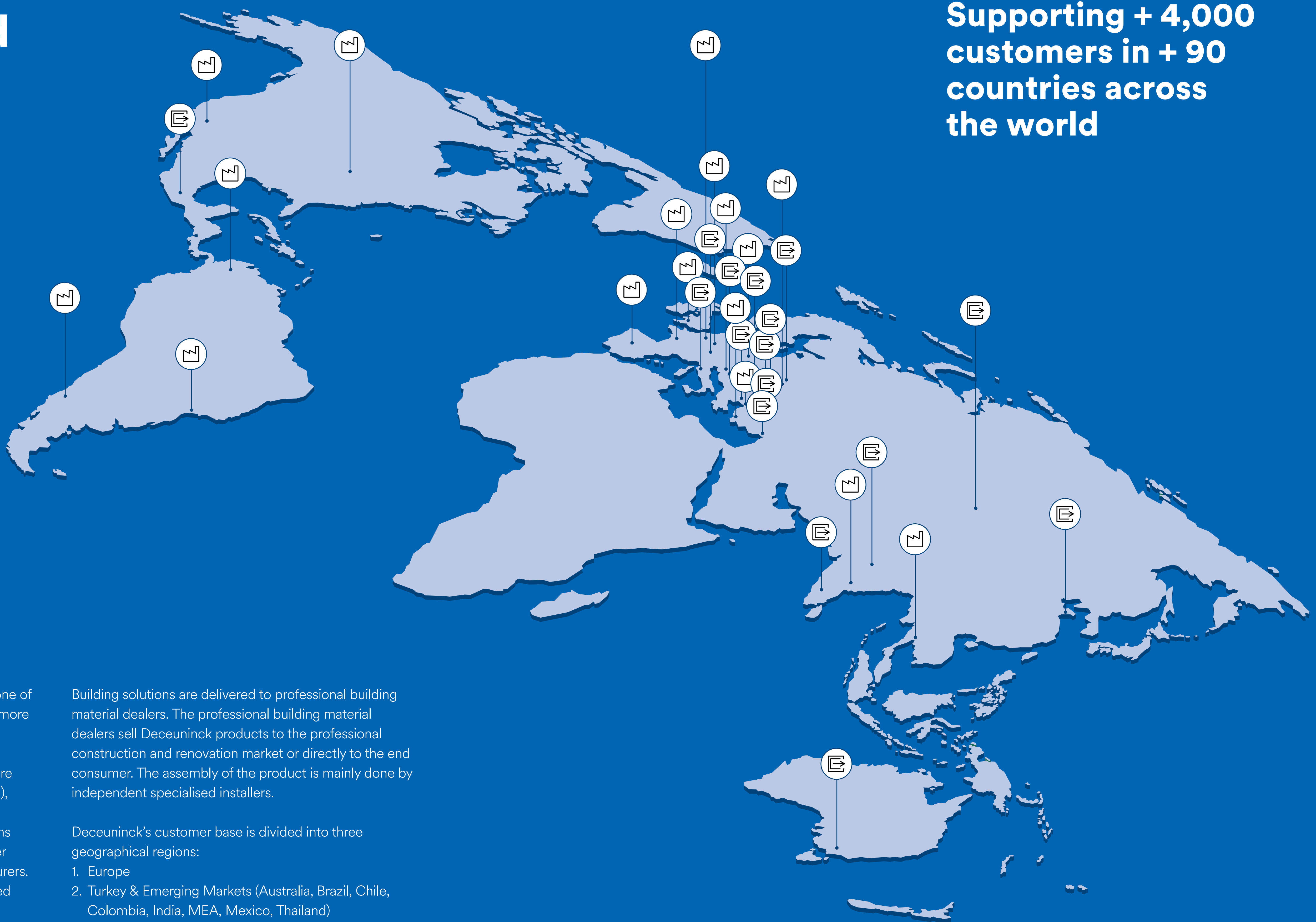
Processing

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 structure.

Customers and Markets

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



Production, distribution & sales

Distribution & sales

The geographical spread of the Group's turnover is one of its strongest assets. The Group serves customers in more than 90 countries worldwide.

The largest number of customers within the Group are window manufacturers (business-to-business model), who assemble the window solutions into a window according to the assembly and installation instructions of Deceuninck. Deceuninck has a balanced customer base of small, medium, and large window manufacturers. The latter category is equipped with highly automated machines for the manufacture of windows.

Building solutions are delivered to professional building material dealers. The professional building material dealers sell Deceuninck products to the professional construction and renovation market or directly to the end consumer. The assembly of the product is mainly done by independent specialised installers.

Deceuninck's customer base is divided into three geographical regions:

1. Europe
2. Turkey & Emerging Markets (Australia, Brazil, Chile, Colombia, India, MEA, Mexico, Thailand)
3. North America

Leadership

Group

Daily managers

CEO: **Bruno Humblet**

CFO: **Serge Piceu**

COO: **Luc Vankemmelbeke**

General Counsel and
HR Director Group: **Ann Bataillie**

Europe

CEO: **Stijn Vermeulen**

Production, distribution & sales	**8**
Distribution & sales	**8**

North America

CEO: **Joren Knockaert**

Production, distribution & sales	**2**

Turkey & Emerging Markets

CEO: **Ergün Cicekci**

Production, distribution & sales	**7**
Distribution & sales	**8**

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The geographical spread of the Group is one of its strongest assets. In order to serve the local markets' needs, we strive to be an agile organization with an efficient and flexible production footprint. An important point of attention is the shortening of delivery times to our customers. The availability of resources will remain critical and requires flexibility in order to maintain our customers' confidence as their true partner.

2.2 Mission
Building a Sustainable Home

The Group's "Building a Sustainable Home" mission is based on five pillars:

- Developing an innovative product range that meets key customers' needs, supported by a strong brand
- Having the most sustainable product and production process
- Encouraging an entrepreneurial spirit to create an agile organization, with an efficient and flexible production footprint to serve the local market needs
- Fostering the best team in the industry with a focus on safety, quality and sustainability
- Keeping a healthy financial structure to support long term vision

Why: Innovation, Sustainability and Reliability

Innovation, Sustainability and Reliability are the cornerstones of our business. Through innovative designs and production processes, we deliver the most sustainable window, door and building solutions for today's and tomorrow's customers.

How: Candor, Top Performance, Entrepreneurship

Candor, Top Performance and Entrepreneurship are our core values. We strive to deliver top performance for all our stakeholders. Our candor approach combined with our entrepreneurial spirit allow us to stay focused realizing our goals.

What: The preferred solutions provider for sustainable window, door and building products

Our goal is to be a global design and technology leader with focus on sustainability, a top 3 world player, and the preferred place to work.

–

How we create value

We build on Resources

Human		
	Our people	3,709 FTE
	Our customers	+4,000
	Our suppliers	
Materials		
	Raw materials	229,138 tonnes of PVC extruded
	Recycled materials	15% recycled materials in our products
Know-How		0.8% of sales spent on R&D
Financial		€ 37.2m net profit
Legal and Ethics		49 key suppliers signed our Supplier Code of Conduct

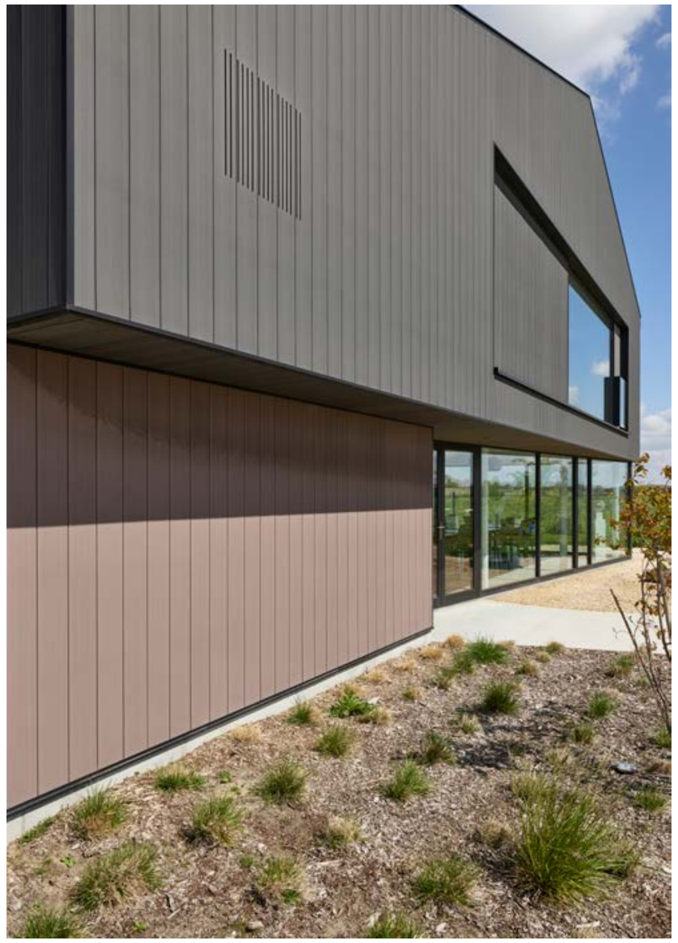
to provide our sustainable Products and Services

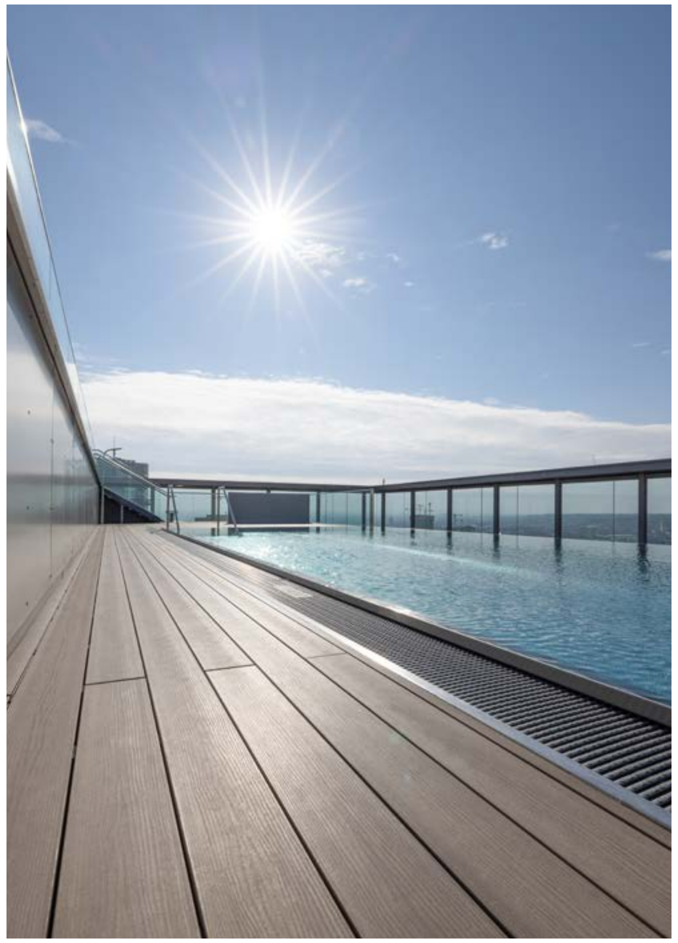
Research & Product Development	
	Window and door solutions
	Cladding and decking
	Multi-material: pvc, aluminum, wood composites
Manufacturing	
Logistics & Supply	
Technical Support	
Marketing	
Investor Relations	

in order to create Value

For Our People	Job creation	Talent acquisition and retention	Learning and development	Safe working environment
For Our Planet	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
For Prosperity	Financial sustainability	Top 3 global player	Shareholder return	
For Our Community	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

What defines our PVC and aluminum windows and doors: 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. After passing stringent tests, we achieved top performance also in terms of safety. In addition, our innovative Thermofibra technology provides extra performance in terms of stability, strength and insulation. With our sliding doors you bring the world outside into your home.

Protecting your home

We ensure a comfortable, clean and healthy living environment thanks to our special solutions for sun protection, shutters and ventilation. Full home protection is possible thanks to our roller shutter platform. Controlled airflow is assured thanks to our surface-mounted high-tech window ventilation systems: a constant flow of fresh air guaranteed.

Roof finishing and cladding

Aesthetic elegance and durability are the two main requirements that our roof finishing and cladding solutions also 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.

Innovations

“The Elegant range for windows and doors, based on the uniquely developed iCOR principle, is the result of our putting our core product design values into practice.”

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 platform iCOR.
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, German Design Award and Red Dot Award.

eos

Window System
Deceuninck North America’s innovative eos window system leads the way in residential, replacement markets. This product line has seen unprecedented growth in 2021 with homeowners looking to improve the energy efficiency, aesthetics and safety of their homes. It is designed to outperform Energy Star requirements.

Patio Door (ADA sill)
The eos patio door system is a versatile, high-performing product used in residential and light commercial remodeling and new construction applications. It was enhanced in 2021, with the design of a new sill that meets the most recent Americans with Disabilities (ADA) standards.

Zenith and Slim Slide

Deceuninck Turkey’s Zenith features a unique and intelligent design which provides significant thermal properties on the window.

The Slim Slide concept was developed and used in a new sliding frame without sill, in order to ease access for people with disabilities.

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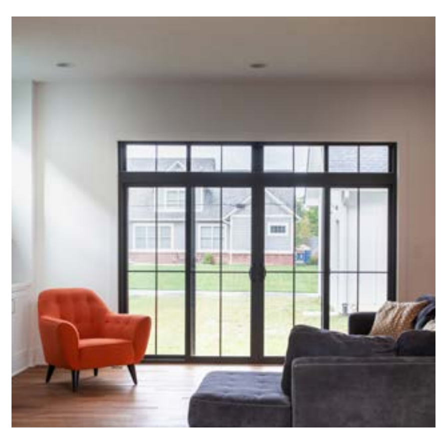

“Through 2020 and 2021, COVID-19 raged through the world disrupting markets, customers and teams but the management at Deceuninck held fast and stood behind us like a rock. Always encouraging and supporting the team, preparing us for the future.”

Satish Kumar
Business Development Manager Asia & Australia
Deceuninck India

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Cutting-edge thinking has always been in our DNA, but we want to take it a step further. We develop our products and use our know-how so as to combine design and efficiency with superior insulation, contributing to both increasing comfort standards and global warming objectives. The award-winning Elegant platform is the perfect illustration of what the future has got in store.

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 the 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.

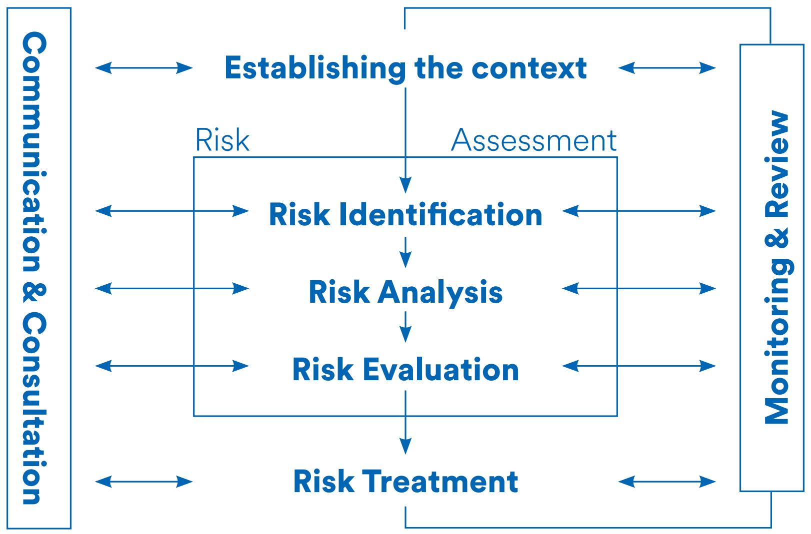
- Risk assessment

  - 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 Team member. These are reviewed twice 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.)

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, 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

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.

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.

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.

"The real story is not only about my career with the company, but about being and feeling part of the Deceuninck family."

Elena Marica
Plant and Supply Chain Manager
Deceuninck Romania

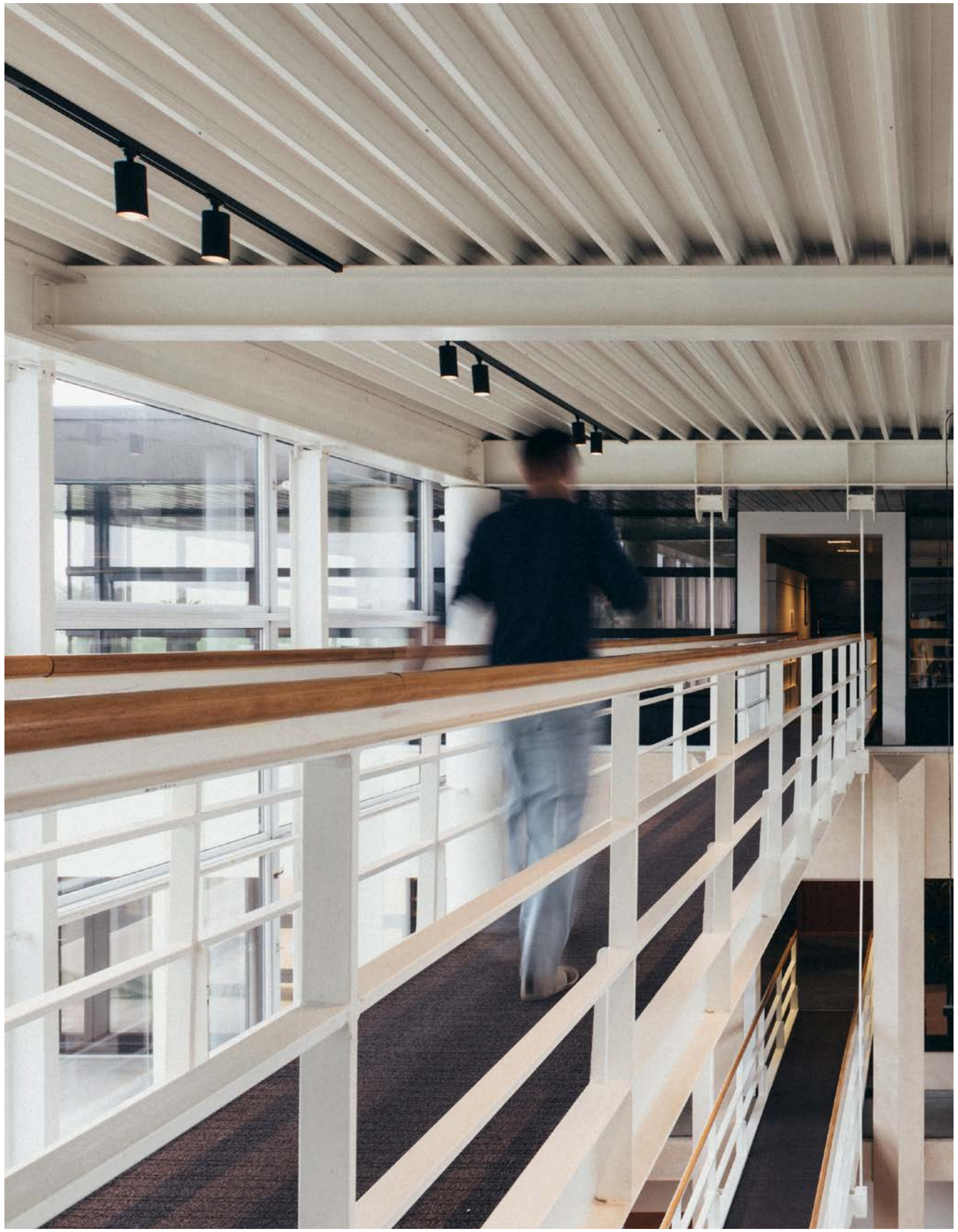
Corporate Governance Statement
Setting the scene

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 2021 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	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. 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.
Principle 7.6	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.
Principle 7.9	Although it was decided not to set a minimum threshold, the members of the Executive Management are recommended to hold shares in the Company.
Principle 9.2	The Board decides not to apply this principle; instead, there are exit interviews with directors leaving the Board and Board evaluation in general



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 authorized to perform all acts that are necessary or useful for the realization of the object of the Company, except for those for which the General Meeting is authorized 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 rests with the Board as a whole.

The Board also established a management committee consisting of the CEO, the CFO, the General Counsel and the COO (the "DirCo"). The members of the DirCo were delegated the day-to-day management of the Company in accordance with article 7:121 BCA. Together with the three regional CEO's, they are the Executive Management of the Company.

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

The Board and its Committees

Composition of the Board

The Board currently consists of seven Directors. One member is Executive Director ("CEO") and four 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
Executive Director	CEO	Humblebee Partners BV, represented by Bruno Humblet		AGM 2021	AGM 2025
Non-Executive Directors	Executive Chairman	Beneconsult BV represented by Francis Van Eeckhout	Audit Committee (member) Remuneration and Nomination Committee (Chairman)	AGM 2019	AGM 2023
	Independent Director	Marcel Klepfisch SAS represented by Marcel Klepfisch	Remuneration and Nomination Committee (member) Audit Committee (member)	AGM 2021	AGM 2025
	Vice Chairwoman	Venture Consult BV represented by Benedikte Boone	Remuneration and Nomination Committee (member)	AGM 2019	AGM 2023
	Vice Chairman Independent Director	Homeport Investment Management BV, represented by Wim Hendrix	Audit Committee (Chairman)	AGM 2018	AGM 2022
	Independent Director	Alchemy Partners BV, represented by Anouk Lagae	Remuneration and Nomination Committee (member)	AGM 2021	AGM 2025
	Independent Director	Paul Van Oyen	Remuneration and Nomination Committee (member)	Coopted by the Board on 14/09/2021	AGM 2022

Changes in the composition of the Board and its Committees in 2021

At the Annual General Meeting of 2021, Marcel Klepfisch SAS, represented by Marcel Klepfisch, and Alchemy Partners BV, represented by Anouk Lagae, were reappointed as Independent Directors until the AGM of 2025. At the same meeting, Humblebee Partners BV, represented by Bruno Humblet, was appointed as Independent Director until the AGM of 2025 and the cooptation and appointment until the AGM of 2025 of Venture Consult BV, represented by Benedikte Boone, was confirmed. The mandate of Momentum BV, represented by Chris Lebeer, as Independent Director came to an end at the Annual General Meeting of 2021.

On September 14, 2021, the Board coopted Paul Van Oyen as Independent Director until the Annual General Meeting of 2022, where his appointment will be officially submitted to the shareholders. Evedec BV, represented by Ms. Evelyn Deceuninck, resigned as Director on 13 September 2021.

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

On 6 September 2021, Deceuninck announced a leadership transition that became effective January 1, 2022. Marcel Klepfisch, representative of Marcel Klepfisch SAS, announced his intention to step down as Chairman of the Board at the end of 2021. The Board appointed Francis Van Eeckhout, representative of Beneconsult BV, as Executive Chairman (Non-Executive Director) as of 1 January 2022. At the same time, Bruno Humblet, representative of HumbleBee Partners BV, was appointed as the new CEO of the Group, taking over the responsibilities from Mr. Van Eeckhout as of 1 January 2022.

In his role as Executive Chairman, Beneconsult BV, represented by Francis Van Eeckhout, will be assigned the following specific projects: aluminum and recycling business.
The Board carefully considered the implications of appointing its former CEO as the new Chairman. The Board was convinced that the required autonomy of the new CEO would not be hampered.

The reappointment of Homeport Investment Management BV, represented by Wim Hendrix, will be submitted for approval to the Annual General Meeting of 2022.

Other

Deceuninck's honorary Directors are † Pierre Alain Baron De Smedt, Arnold Deceuninck and Willy Deceuninck.

The Secretary of the Board is Ann Bataillie, representative of Bakor BV, General Counsel.

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Resumes of the Members of the Board

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

- Education: Master of Commercial Engineering (KUL 1990)
- Professional experience: 1994-2011: managing director of Van Eeckhout NV (concrete), VVM NV (cement)
- Current other mandates: Independent board member of Pollet Watergroup; Chairman of Cemminerals NV

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

- Education: Master in Commercial Engineering (1988 Solvay Business School – VUB)
- 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.;
- Current other mandates:
  Executive Chairman Mankind (Belgium), Board member Schréder

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

- Education: Master of Commercial Engineering (University of Antwerp)
- Professional experience: 2009: Chief Restructuring Officer at Deceuninck NV, former member of the board of directors of Nybron Flooring International Switzerland, Chief Executive Officer at Ilford Imaging, member of the DirCo at Vickers Plc, Chief Financial Officer of BTR Power Drives and 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
- Current other mandates: none

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

- Education: Master of Applied Economic Sciences (KUL 1994)
- Professional experience: she has held positions at Creyf's Interim and Avasco Industries
- Current other 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)

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

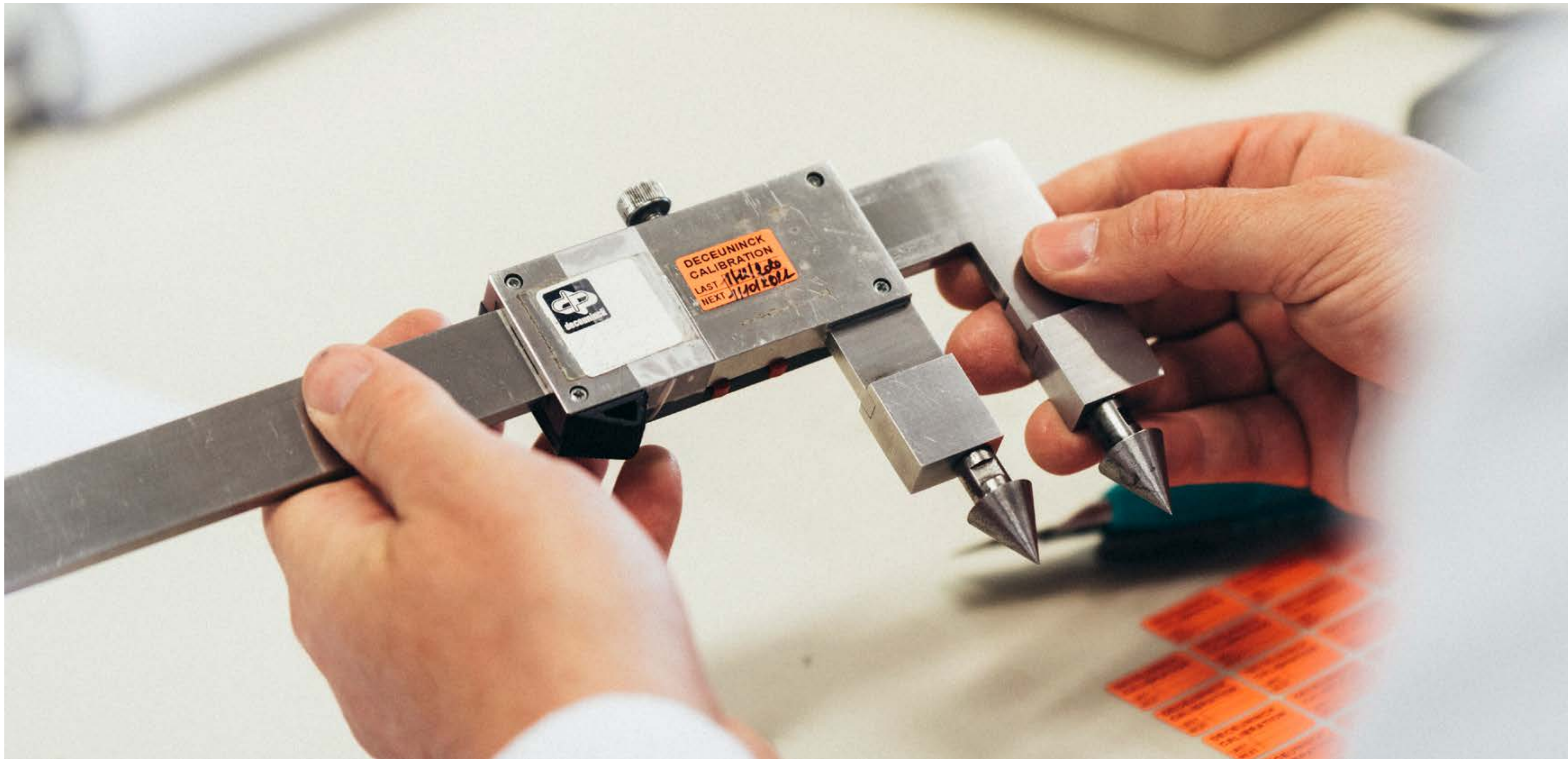
- Education: Master in Business and Engineering (Solvay Management School), Kellogg School of Management, Northwestern University in Chicago, USA
- Professional experience: Coca Cola (Brussels, London and Sydney), Unilever (Brussels), Business Unit President, Core Europe at Duvel Moortgat
- Current other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

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, USA 1993), Master Wealth Management (Wharton Business School, Pennsylvania, USA 2011)
- Professional experience: Gamma België NV, Siemens NV, Begos, Corelio, Homeport Investment Management
- Current other mandates: Chairman of the Board at XIX-Invest NV; Board Member at Capricorn Sustainable Chemistry Fund

Paul Van Oyen (1961), Independent Director

- Education: Master Geology/Mineralogy (KUL 1982), Business Administration (KUL 1990), Strategic R&D Management (INSEAD 1998), Strategy and Execution (London Business School 2015)
- Professional experience: CEO and Managing Director of Etex Group (2015-2021)
- Current other mandates: none



Composition of the Committees

General

The Board has set up specialized 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
- 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 2021

Board

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

- managing the COVID-19 pandemic: monitoring, taking the necessary measures, mitigating impact
- approval of sustainability report
- approval of budget 2022
- issuance of new Subscription Rights Plan 2021
- proposal of new members of the Board and leadership transition 2022
- 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
- the assignments of the Executive Chairman

	Board	Audit Committee	Remuneration and Nomination Committee
TOTAL meetings held in 2021	7	8	3
Beneconsult BV, represented by Francis Van Eeckhout	7	-	-
Marcel Klepfisch SAS, represented by Marcel Klepfisch	7	8	3
Venture Consult BV, represented by Benedikte Boone	7	-	3
Homeport Investment Management BV, represented by Wim Hendrix	7	8	-
Evedec. BV, represented by Evelyn Deceuninck	(until 13/09/2021) 5	-	(until 13/09/2021) 1
Alchemy Partners BV, represented by Anouk Lagae	7	-	2
Momentum BV, represented by Chris Lebeer	(until 27/04/2021) 3	-	-
HumbleBee Partners BV, represented by Bruno Humblet	7	8	-
Paul Van Oyen	(as of 14/09/2021) 2	-	(as of 14/09/2021) 2

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 of the internal auditor;
- 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, and
- controlling of the accounts and monitoring the budget.

Remuneration and Nomination Committee

The Remuneration and Nomination Committee convened three times, mainly dealing with the following topics:
- the transition of leadership: appointment of a new CEO and Executive Chairman
- the remuneration policy and the remuneration of the Directors and the DirCo;
- the policy with regard to the appointment of Directors and members of the DirCo;
- 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 DirCo.

Beneconsult BV, represented by Francis Van Eeckhout, attended the meetings of the Remuneration and Nomination Committee except when the appointment and remuneration of Venture Consult BV, represented by Benedikte Boone, and of himself were discussed.

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 DirCo, 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 2020 was postponed until 2022 due to COVID-19.

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The Executive Management

Current composition

The Executive Management of Deceuninck consists of the DirCo and the regional CEO's.

The DirCo consists of the following members:

Name	Function
HumbleBee Partners BV, represented by Bruno Humblet	CEO Group, Chairman of the DirCo
Emveco BV, represented by Serge Piceu	CFO Group
Value Coaching BV, represented by Luc Vankemmelbeke	COO Group (started on 1 February 2022)
Bakor BV, represented by Ann Bataillie	General Counsel and HR Director Group Secretary of the Board

The DirCo 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 DirCo were delegated the day-to-day management of the Company in accordance with article 7:121 BCA.

The other members of the Executive Management, who have an advisory role, are:

Name	Function
Ergun Cicekci	CEO Turkey & Emerging Markets
Déve Consulting BV, represented by Stijn Vermeulen	CEO Europe
Joren Knockaert	CEO USA

Diversity policy

Criteria

Deceuninck aims for both diversity and complementarity in the composition of the Board and the DirCo. 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 DirCo 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 and the DirCo. 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 2021, two women and five men sat on the Board, while the DirCo consisted of one female and two male members.
- **Age:** The age of the Board members ranges between 46 and 70 years of age. The youngest DirCo member is 46 years and the oldest member is 63 years of age.
- **Educational/professional background:** The members of the Board and the DirCo have various backgrounds, in (a.o.) economics, law, engineering, geology, marketing, finance, IT, people, 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 DirCo consists of Belgian citizens.
- **(international) Experience:** Most of the Board and DirCo 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 DirCo members fulfils Deceuninck's aim for diversity and complementarity.

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

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 drawn up 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 2021 was approved by the shareholders at the Annual General Meeting of 27 April 2021. It is published on the Company's website.

For 2022, an amended remuneration policy will be submitted to the shareholders for approval at the Annual General Meeting of 26 April 2022.

The proposed changes will be:

- To amend the targets for short-term variable remuneration of the members of the Executive Management as follows:

For 2022, the evaluation criteria for the CEO and the other members of the Dirco are as follows: REBITDA Group (40%), Adjusted Free Cash Flow Group (40%) and non-financial criteria (20%). For the other members of the Executive Management: 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 Executive Management members' living the Group's values Candor, 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 Management (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 Management) 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.

- To add the terms and conditions for deviation of the remuneration policy during the financial year, in accordance with the BCA.

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Total remuneration of the Non-Executive Directors in 2021 (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-Chairman and the other Non-Executive Directors. If the Non-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 allowance for the Audit Committee was raised to € 2,000 for the Chairman of the Audit Committee. The other fixed remuneration remained unchanged in 2021.

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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

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

The total remuneration (gross) paid to the non-executive members of the Board in the financial year 2021 amounted to € 422,153.88.

In deviation of the Code, Non-Executive Directors may receive subscription rights upon approval of the General Meeting. The Annual General Meeting of 2021 approved the granting of subscription rights under the Warrant Plan 2021 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 the future CEO and the coopted Non-Executive Director). The price of the subscription rights under Warrant Plan 2021 amounts to € 3.07. The subscription rights were to be accepted by 15 February 2022. The exercise period runs from 2025 until 2031 (each year in May and September). In 2025, 1/3 of the subscription rights will vest, in 2026: 2/3 and in 2027: 3/3.

In 2021, no subscription rights were exercised by Board members.
In 2021, 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 DirCo who also sat on the Board as Executive Director, Beneconsult BV, represented by Francis Van Eeckhout, did not receive a fixed remuneration nor any attendance fees.

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	Board	Audit Committee	Remuneration and Nomination Committee	Fixed remuneration	Variable remuneration	Total gross remuneration and proportion fixed/variable
Marcel Klepfisch SAS, represented by Marcel Klepfisch	€ 21,000	€ 8,000	€ 3,000	€ 40,000	-	€ 72,000 100% fixed 0% variable
Homeport Investment Management BV, represented by Wim Hendrix	€ 10,500	€ 16,000	-	€ 30,000	-	€ 56,500 100% fixed 0% variable
Venture Consult BV, represented by Benedikte Boone	€ 10,500	-	€ 3,000	€ 30,000	-	€ 43,500 100% fixed 0% variable
Evedec. BV, represented by Evelyn Deceuninck (until 13/09/21)	€ 7,500	-	€ 1,000	€ 15,000	-	€ 23,500 100% fixed 0% variable
Alchemy Partners BV, represented by Anouk Lagae	€ 9,000	-	€ 2,000	€ 20,000	-	€ 31,000 100% fixed 0% variable
Momentum BV, represented by Chris Lebeer (until 27/04/21)	€ 4,500	-	-	€ 6,667	-	€ 11,167 100% fixed 0% variable
HumbleBee Partners BV, represented by Bruno Humblet	€ 10,500	€ 8,000	-	€ 20,000	-	€ 38,500 + € 135,987.21 special assignment 100% fixed 0% variable
Paul Van Oyen (as of 14/09/21)	€ 3,000	-	€ 2,000	€ 5,000	-	€ 10,000 100% fixed 0% variable
Beneconsult BV, represented by Francis Van Eeckhout	-	-	-	-	-	-
Total	**€ 76,500**	**€ 32,000**	**€ 11,000**	**€ 166,667**	**-**	**€ 422,153.88**

Total remuneration of the members of the DirCo and the other members of the Executive Management in 2021 (including former members)

Main principles

The total remuneration of the Executive Management 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 Executive Management 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 Company performance with objectives related to the annual business plan.

  For 2021, the evaluation criteria for the former CEO and the other members of the Dirco were as follows: REBITDA Group (60%), Adjusted Free Cash Flow Group (35%) and non-financial criteria (5%). For the other members of the Executive Management: REBITDA Group (15%), REBITDA Region (45%), Adjusted Free Cash Flow Group (10%), Adjusted Free Cash Flow Region (25%) and non-financial criteria (5%).
  The non-financial criteria differ per region and relate to their contribution to greater sustainability. For Europe, North America and Russia, this was the use of recycled material (with the understanding that the objectives differ per region). Turkey and Emerging Markets were measured by reducing total waste (not PVC) per ton of profiles produced.

The short-term variable remuneration in 2021 amounts in principle to 40% of the annual fixed remuneration for the members of the Executive Management (excl. CEO) and 75% of the annual fixed remuneration for the former CEO. This percentage may be exceeded in terms of company performance, but should not exceed 50% (for members of the Executive Management) or 93.75% (for the former CEO). The variable remuneration related to the business objectives is only awarded if 85% 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 Management.

- Long term variable incentive

Stock options and warrants
The Company also offers options and/or warrants 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 warrants, 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 warrant 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 warrant is max. 10 years. The stock options and warrants can only be exercised the 3rd year following the year in which the options and warrants were offered. If they are not exercised at the end of the exercise period, they are, ipso facto, reduced to zero, and lose all value. One third of the warrants/options 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 has been made up to the end of the term.

In the event of involuntary dismissal (except in case of termination of contract for cause), the accepted and exercisable stock options/ warrants can only be exercised during the first exercise period following the date of the termination of contract. The options/ warrants that are not exercisable shall be cancelled. In the event of involuntary dismissal for cause, 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 warrants 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 warrants/ options shall remain exercisable. The shares that may be acquired in connection with the exercise of the options/warrants are listed on Euronext Brussels; they are of the same type and have the same rights as the existing ordinary Deceuninck shares.

Members of the DirCo

In 2021, the former CEO received a fixed remuneration of € 551,250 and a variable remuneration of € 247,884 (45%). The CFO received a fixed remuneration of € 264,000 and a variable remuneration of € 63,314 (24%). The General Counsel received a fixed remuneration of € 273,941 and a variable remuneration of € 65,699 (24%).

The remuneration package awarded to the members of the DirCo 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 DirCo. The Remuneration and Nomination Committee evaluated the achievement of the 2021 objectives for the members of the DirCo and proposed to the Board to pay a short-term variable remuneration based on the 2021 performance criteria that were met.

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

The total amount of the remuneration of the members of the DirCo is in accordance with the Company's remuneration policy and contributes to the strategic objectives of the Company.

Other members of the Executive Management

The other members of the Executive Management together received a fixed remuneration of € 898,854 and a variable remuneration of € 201,462 (22%). The remuneration package awarded to the other members of the Executive Management 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 other members of the Executive Management. The Remuneration and Nomination Committee evaluated the achievement of the 2021 objectives for the members of the Executive Management and proposed to the Board to pay a short-term variable remuneration based on the 2021 performance criteria that were met.

No company car is provided to the other members of the Executive Management.

The total amount of the remuneration of the other members of the Executive Management 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 2021

Stock options

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

In 2021, no stock options were granted to the members of the Executive Management, no stock options were exercised, and 1,000 stock options lapsed.

Subscription rights

On 29 October 2020, the Board approved a new subscription rights plan ("Warrant Plan 2020") of 1,500,000 subscription rights. On 23 December 2020, 350,000 subscription rights of Warrant Plan 2020 were offered to the former CEO and 60,000 subscription rights were offered to each of the General Counsel, CEO Europe, CEO Turkey and CEO USA. The price of the subscription rights amounts to € 1.78. The subscription rights were all accepted by 16 February 2021. The exercise period runs from 2024 until 2030 (each year in May and September). In 2024, 1/3 of the subscription rights will vest, in 2025 another 1/3 and in 2026 another 1/3.

On 29 June 2021, the Board approved a new subscription rights plan ("Warrant Plan 2021") of 3,000,000 subscription rights. On 16 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, CEO Turkey and CEO USA. The price of the subscription rights amounts to € 3.07. The subscription rights were to be accepted by 15 February 2022. The exercise period runs from 2025 until 2031 (each year in May and September). In 2025, 1/3 of the subscription rights will vest, in 2026 another 1/3 and in 2027 another 1/3.

In 2021, the following members of the Executive Management exercised subscription rights:

Ann Bataillie	
May 2021:	27,500 @ € 1.79
	27,500 @ € 1.76
Sept 2021:	38,330 @ € 2.4
Ergun Cicekci	
May 2021:	27,500 @ € 1.79
	18,334 @ € 1.76
	9,167 @ € 1.17

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 Management currently do not contain such clauses.

Severance payments paid in 2021

No severance payments were paid in 2021.

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
2016	€ 646,934	€ 2,521,475 (8 members)	€ 259,500	€ 44,958	€ 670.9m	€ 65.1m (REBITDA)
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)	€ 422,153.88	€ 49,027	€ 838.1m	€ 97.7m (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 25.36.

External audit

PwC Bedrijfsrevisoren BV with its registered office at Culliganlaan 5, 1831 Diegem (Machelen), 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.

Transactions between related parties

General

Each Director and each member of the DirCo are 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 DirCo 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 applied once in 2021.

On 29 June 2021, the Board convened to approve a new subscription rights plan ("Warrant Plan 2021"). Before the meeting, Beneconsult BV, represented by Francis Van Eeckhout, informed the Board of his potential patrimonial interest as an Executive Director conflicting with the agenda of the Board, as he would be a beneficiary of

the new Warrant Plan 2021. The executive Director left the meeting and did not deliberate nor decide on the approval of the new Warrant Plan 2021. Also the statutory auditor was informed of this potential patrimonial conflict of interest. In accordance with the legal provisions, this annual report contains an extract of the board minutes (translated from Dutch for information purposes):

"Before starting the discussion on this point, the private company "BENECONSULT", with permanent representative Mr. VAN EECKHOUT Francis, both aforementioned, being the executive director of the Company, represented as foreseen, announces that in on its grounds, a conflict of interest of a proprietary nature may exist with regard to the decisions that the board of directors will take with a view to approving the "Warrant Plan 2021", as it is also a beneficiary thereof. The board of directors has taken note of this conflict of interest and of the fact that this was also reported by the director concerned to the statutory auditor of the company. In accordance with Article 7:96 of the Companies and Associations Code, the director concerned, represented as foreseen, cannot participate in the deliberations of the board of directors on these transactions or decisions, nor in the voting in that regard.

As a result, the director concerned, represented as foreseen, did not participate in the deliberations or the vote.

The grounds for justification regarding the aforementioned conflict of interest are:

The initiative taken by the board of directors on the proposal of the remuneration and nomination committee to launch the Warrant Plan 2021 aims to encourage certain employees of the Company and its subsidiaries, who will be invited to participate to this Warrant Plan 2021, to contribute to the growth of the Deceuninck Group and to promote their loyalty towards the Deceuninck Group. It is important for the Company to issue a new subscription rights plan. After all, the Company believes that the work, initiative and entrepreneurial spirit of each of the beneficiaries of the Warrant Plan makes an important contribution to the development of the Company's activities and results. It therefore wishes to give the beneficiaries the opportunity to acquire (additional) shares of the Company at a predetermined subscription price, so that they can participate financially in the added value and growth of the Company. After all, the experience of the past years has shown that stock options, subscription rights and participation in the shareholding of the employees are an important element of motivation and commitment towards the company. After all, the aim of such a plan is to promote the long-term commitment and motivation of staff members, so that their commitment contributes to the realization of growth and, if necessary, of restructuring. The Company intends to continue to grant subscription rights to shares annually. The offering of these new subscription rights will not constitute a waiver on the part of the beneficiaries of previous options and / or subscription rights on shares accepted by them. As such, the proposed issue is in the interests of the Company and the board of directors considers the cancellation of the preferential subscription right of the existing shareholders to be justified. The proprietary consequences are the following: The proprietary consequences for the company arising from the fact to grant subscription rights to the executive director are minimal, taking into account on the one hand the total number of securities to which this transaction relates and on the other hand the fact that the exercise price of the subscription rights is based on the current market price of the shares.

The board of directors declares that no conflict of interest exists for the other directors of the Company, being the non-executive directors of the Company, as the "Warrant Plan 2021" provides that the possible grant of the subscription rights created on their behalf will be the result of a decision to be taken by the general meeting of the Company."

Transactions with affiliated companies

The conflict of interest settlement procedure of article 7:97 of the BCA was not applied in 2021.

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Article 34 of the Belgian Royal Decree of 14 November 2007

Capital structure on 31 December 2021

The share capital (€ 54,441,352.14) was fully paid up and was represented by 138,040,929 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 2021, these rights were suspended for 69,769 shares (0.05% 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 authorized 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 2021, no treasury shares were purchased.

At the Extraordinary General Meeting of 28 April 2020, it was also 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 authorized, for a period of 5 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 28 April 2020 authorized the Board, for a period of 3 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 right 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 instructed capital; this decision can be taken by the Board as stated above.

Furthermore, said Extraordinary General Meeting of the Company authorized the Board, considering the coordination of the Articles of Association, as soon as the authorized capital or a part of it is converted into instructed capital, to amend the relevant article of the Articles of Association.

In 2021, there were no capital increases within the authorized capital, other than two confirmatory capital increases within the framework of the authorized capital as a result of the exercise of subscription rights (on 3 June 2021 and on 4 October 2021), resulting in an authorised capital of € 53,409,268.

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 2015 issuance of bonds with a 7-year duration (maturity 8 December 2022) and a gross coupon of 3.75%, for the maximum amount of € 100,000,000.

2. The € 60,000,000 Sustainability Linked Revolving Facility Agreement of 9 July 2019 for Deceuninck NV, with KBC Bank NV (as Coordinating Bookrunning Mandated Lead Arranger) and ING Belgium NV/SA and Commerzbank Aktiengesellschaft, Filiale Luxemburg (as Bookrunning Mandated Lead Arrangers) and Belfius Bank NV/SA (as Mandated Lead Arranger) and with ING Bank NV (as Facility Agent)

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

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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.

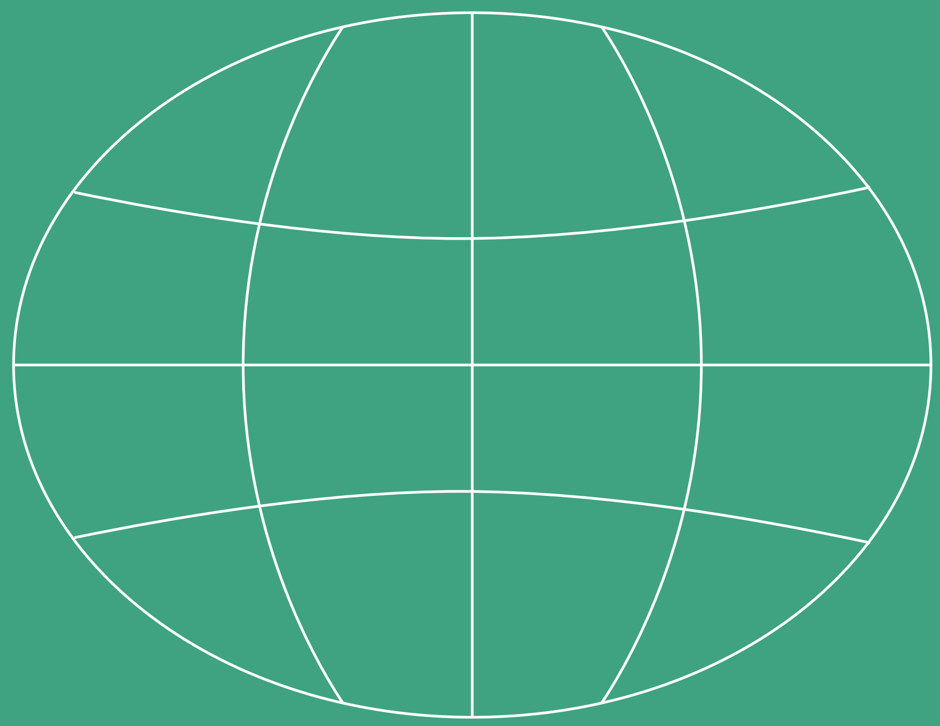
In application of the Law of 2 May 2007, the latest report of participations that have been received shows the following breakdown of shareholders on 31 December 2021:

Shareholders	Number of shares	Percentage
Gramo BV[1]	24,043,470	17.42
Holve NV[1]	16,067,809	11.64
H.P. Participaties Comm.V.	10,400,000	7.53
Frank Deceuninck	7,092,237	5.14
Treasury shares	69,769	0.05
Others	80,367,644	58.22
Total	**138,040,929**	**100.00**

[1] Holding controlled by Francis Van Eeckhout

Increasing shortage of raw materials and climate change are the drivers of our circular economy commitment. Recycling PVC, designing 100% recyclable products and investing in the collection of end-of-life products will help us reducing CO_2 emissions and will increase our independence from virgin raw materials.

2.5 Sustainability
2.5.1 The World We Operate in



Global trends impact our current and future operations and create both 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, now and in the next decade.

Climate Change

The European Union wants to be climate neutral by 2050 (European Green Deal). As a consequence, companies are increasingly being expected to take effects on carbon emissions into consideration, while using energy, water and affecting biodiversity. These effects are increasingly being regulated.

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

Impact on Our Business

Our products with a superior quality and long lifespan ensure energy savings thanks to their optimal thermal insulation characteristics. Because we recycle PVC we save potential CO_2 emissions by avoiding to source virgin raw material.

Carbon reduction targets in alignment with the Science Based Targets.

Increasing shortages of raw materials

The world has been confronted with unprecedented shortages of raw materials which led to record high prices in many sectors, amongst which also ours. In combination with a high market demand, these effects have also affected our production and logistics and remain a critical point of attention in the future.

Impact on Our Business

Investments in our own recycling facility and collection of end-of-life products.

Reputation of Plastics

Plastics have come under fire in the societal debate because too much plastic waste ends up in the environment. All too often however, no distinction is made between single used plastics and more durable use of plastics in products such as the ones we produce.

Impact on Our Business

More proactive communication on the positive characteristics of our products and our efforts to invest in a circular economy.

Environmental, Health and Safety Impacts of Products

We see rising expectations of policy makers and consumers regarding the environmental performance of products and exposure to potentially harmful chemical substances in products. Simultaneously, they expect more transparency and information on these subjects.

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

Impact on Our Business

Investments in systems and procedures to track environmental performance of products during production and their lifetime.

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 an employee training programme which focuses on a welcome package and on-the-job training.

A diverse workforce with gender equality as an essential part of our DNA.

Demography and Urbanisation

Global population growth leads to an increasing demand for housing. At the same time, it affects regulation in some regions, for example building bans on new grounds which favorably impacts renovation of existing housing. Noise-isolating characteristics of housing becomes increasingly important in an urbanization context.

Impact on Our Business

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

Our products have optimal acoustic characteristics and superior thermal insulation.

Our Stakeholders

The impact of these trends has created a strategic imperative to address the expectations of a broad range of stakeholders in creating 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. In May 2021 we have organized interviews with a selection of key stakeholders in our Belgian market. The input we received served our sustainability strategy. It is our intention to intensify the stakeholder interaction on sustainability in 2022, focusing at first instance on stakeholders in Belgium.

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Stakeholder	Expectations	Interactions	Actions
Employees	Health, safety and well-being Career development Employee rights and benefits	Annual performance review Deceuninck Intranet Code of Conduct for Employees	Safety training and awareness programs Talent management Remuneration benchmarks Teambuilding activities Diversity policy
Customers	Qualitative products Service and technical support Information sharing Data security Solid financial performance Circular product solutions	Customer service Preferred Partnerships Customer training programs Commercial fairs	Develop and manufacture products that meet the highest quality standards Customer delivery service and dedicated technical support teams Digital transformation Data availability on product circularity
Investors	Economic growth Risk management Information sharing ESG performance and transparency	Annual General Meeting Investor road shows Press releases Dedicated webpage	Solid financial performance Integrated reporting Climate reduction strategy and CDP reporting
Suppliers	Fair trade Shared growth and innovation Sustainable product offering	Daily contacts in the field Deceuninck Group trainings Supplier Code of Conduct	Supplier audits Partnerships (ex: to reduce carbon emissions linked to raw materials)
Local Community and Neighbors	Local recruitment Local environment protection Charity	Social and other media	Local recruitment campaigns Charity events
Regulator, Governments, Experts	Compliance with regulations Knowledge and experience sharing Health and environmental performance of our products Climate change Corporate governance	Participation in working groups and consultative bodies Ad-hoc dialogue with local government Cooperation with experts on R&D projects	Building a compliance culture with policies, trainings and awareness programs Communicate how our products contribute to the Green Deal objectives Climate reduction strategy

2.5.2 Sustainability 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 to have our voice in the market, a solid financial performance and substantial market share is key.

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 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 to define the material topics are: "UN Sustainable Development Goals" (SDG's), ""Sustainability Accounting Standards Board" Chemical Standard (SASB), and the "Global Reporting Initiative" (GRI).

We have defined how the material topics contribute to the United Nations Sustainable Development Goals. The SDGs consist of 17 global goals to reach by 2030. Our approach is to focus on the — 11 — goals 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.

The main change compared to the materiality analysis of 2020 consists of a stronger emphasis on climate change.

During 2022 and in line with our reporting framework GRI we will engage with our stakeholders to further assess the significance and priorities of the material topics we have identified, including the targets and performance. We will also assess the 'double materiality' consideration in our materiality exercise in preparation of the upcoming CSRD (Corporate Sustainability Reporting Directive).

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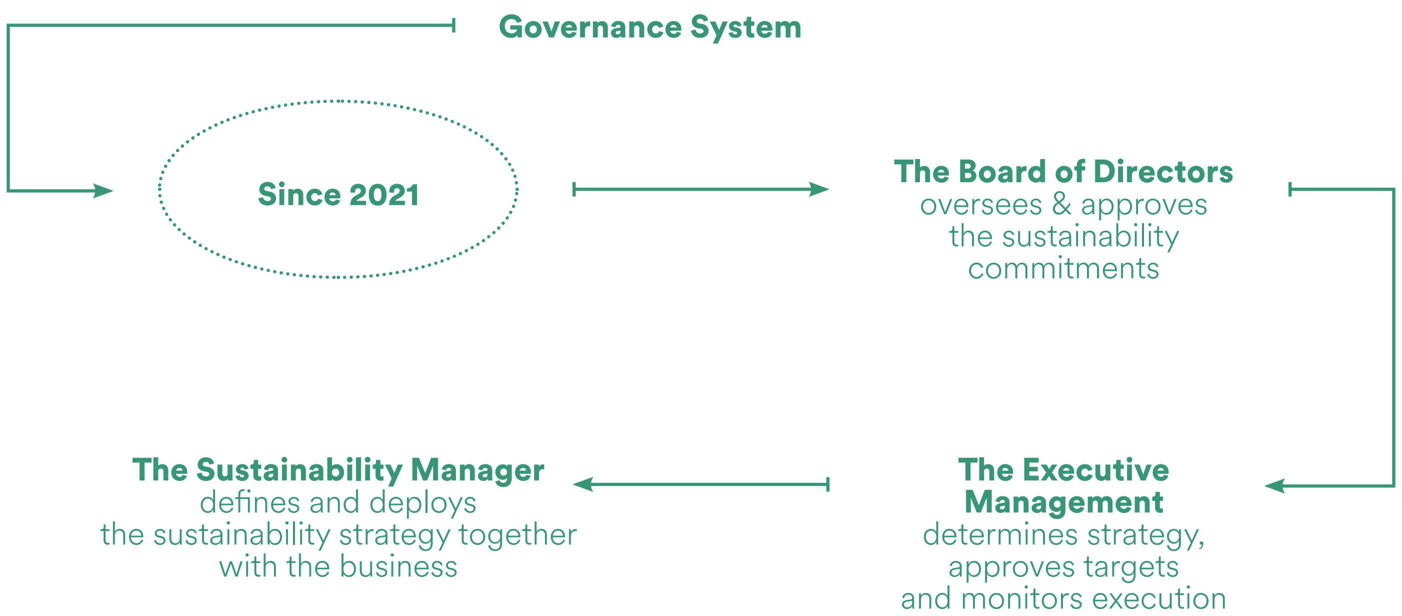
	People	Planet	Community
Our Mission	We build a sustainable 'home' for our people, based on our core values. We create the conditions for a good working environment and an inclusive workplace. Our people are active in training and personal development.	We help to build an energy efficient home. We create 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 respect ethical working standards.
Our Priorities	Employment Talent management Health & safety Diversity	Materials and recycling Product design and lifecycle management Energy management Water management Waste management Greenhouse gas emissions	Health & safety of the end-user Business ethics Human rights in the supply chain Community engagement
Related UN SDG'S			



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 determines the strategy, approves the targets and monitors the execution. The CEO has executive responsibility over the sustainability related performance, which showcases the strategic imperative of sustainability.
- In 2021, we have appointed a sustainability manager with the clear task to further define and deploy our sustainability strategy. The sustainability manager serves as a single point of contact on sustainability topics and coordinates the integration of sustainability into the organisation. Ultimately, sustainability should be embedded in every employees' role and responsibility.

During 2022, we aim to further develop the sustainability governance and management system with, amongst others, a roadmap to enhance the integration of sustainability in every entity of our organisation.

EU Taxonomy

The EU Action Plan on Financing Sustainable Growth led to the creation of the 'EU Taxonomy', a classification system for sustainable economic activities. Through transparency the EU Taxonomy wants to contribute to the redirection of resources towards the European Green Deal. It is in essence a classification system that defines which activities are environmentally sustainable ("green") and how to calculate the "greenness" of a company's turnover, CAPEX and OPEX. The EU Taxonomy encompasses a step-by-step analysis. In line with legal requirements, the Group is currently reporting the first step: the eligibility on the basis of the Taxonomy Climate Delegated Act.

From 2022 onwards, we will expand the Taxonomy assessment to the alignment with the Climate Delegated Act with a more detailed analysis of the Technical Screening, the Do No Significant Harm and the Minimal Social Safeguard criteria, as well as the other environmental objectives of the EU Taxonomy.

Eligibility analysis of activities of the Group that are contributing substantially to Climate Change Mitigation for the EU Taxonomy:

Deceuninck activity		**Taxonomy Eligible activity Climate Change Mitigation**	
Sorting and processing of separately collected waste streams from post-consumer windows and doors into secondary raw materials involving a mechanical transformation process.		Macro sector 5. Water Supply; sewerage, waste management and remediation activities Activity: 5.9. Material recovery from non-hazardous waste	
Eligibility analysis	**Total (million €)**	**Proportion of Taxonomy eligible economic activities (%)**	**Proportion of Taxonomy non-eligible economic activities (%)**
Turnover	838.1	4.6%	95.4%
Capex	43.6	4.1%	95.9%
Opex	132.3	4.9%	95.1%

Turnover 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. Capex and Opex numbers are related to the recycling activities of the recycling plant.

Deceuninck activity	**Taxonomy Non-eligible activity Climate Change Mitigation**
Manufacture of the windows and doors at the best available techniques for energy efficient equipment for buildings and their key components	Macro sector: 3. Manufacture Activity: 3.5 Manufacture of energy efficiency equipment for buildings

Our activities are non-eligible with the Taxonomy activities, due to the Technical Screening Criteria, more specifically the U-values (Uwindow/door) not being in line with the U-values we as a system house apply (Uframe). We understand that the indicated U-values are meant to apply to full windows, whereas U-values for window components have not been defined. We are willing to further analyse if the available U-values can be updated to the Taxonomy required U-values, but at the moment this has not proven possible. As a consequence, financial numbers are not available. This analysis can alter over time, when the European Commission provides more guidance or updated U-values.

Reporting Framework and Scope

The report is drafted with reference to the GRI Standards.

Building a sustainable home is a continuous journey. We are committed to continuously improve our reporting. During 2022-23, we will review our targets, KPI's, data collection and risk assessment in the context of the upcoming CSRD (Corporate Sustainability Reporting Directive) taking effect in 2024 and the European standard for sustainability reporting which will be published in 2022.

Results for People (with the exception of Employment) are provided for Europe, Turkey (i.e. without Emerging Markets) and North America. Results for Planet are provided for Europe, Turkey, North America and Colombia.

Numbers for the reference years 2020 and 2019 are provided when data tracking has proven feasible. Because we have adopted some new KPI's and calculation methods in 2021, comparability with previous years is not always possible as yet.

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: Candor, Top Performance and Entrepreneurship.

Candor: We say what we mean, we mean what we say. That is our authenticity.

Top Performance: We say what we do and do what we say. That is our accountability and discipline.

Entrepreneurship: We think like an owner. We make decisions and take ownership.

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 want to create an inclusive workplace that embraces the diversity of our people.

Results and Targets

Employment

	2021	2020	2019
Number of employees	3,709	3,660	3,754
New employee hires	1,577	1,153	481
Employee turnover rate	39.7%	30.9%	-
Temporary employees	173	-	-

The Group turnover rate is strongly influenced by the general market circumstances in the U.S.

Talent Management

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

We aim at creating a culture of excellence by establishing a tangible link between learning, performance and compensation, succession planning and knowledge

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

transfer, by arranging for and providing training that supports strategic organizational objectives and by fostering a culture of continuous improvement that values organizational learning.

New joiners and long-time employees, technicians and sales people… everyone should receive tailor-made trainings throughout his or her career at the Group. We organise technical trainings, safety trainings and language trainings.

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.

In 2022, we will evaluate the performance review process and tools.

External recognitions:

- Deceuninck Germany won the Training Company Award of the District of Straubing-Bogen for companies that excel in training and apprenticeships
- Deceuninck UK was awarded the Investors In People (IIP) Silver accreditation in recognition of the measures it has implemented to further reward and support the workforce.

Data availability note: although our employees do follow trainings, we do not structurally track the training hours in a comparable way across the Group. We will track and report the average hours of training per employee as from 2022.

Health & Safety

	2021	2020	2019
High-consequence work-related injuries Number: Rate:	 1 0.16	 0 0	-
Work-related injuries Number: Rate:	 110 17.4	 87 14.4	-
Number of lost days	1,808	1,260	2,044
Number of fatalities	0	0	0

Building a sustainable home can only be done in a healthy and safe working environment. Our success is measured by our ability to offer a healthy and safe workplace and embed a safety culture in our workforce. By investing in prevention, training and making available the necessary monitoring and reporting tools, we get closer to achieving our aspirational goal of zero accidents.

"In 2021 as well, we had to deal with the COVID-19 pandemic. The main focus was the protection of our employees' health and wellbeing and the prevention of outbreaks."

Our EHS management system includes a clear governance structure on regional and site level, coordinated by EHS managers and with management involvement in the regular EHS and management meetings to review preventive and corrective actions and define targets. In addition, 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.

Risk assessment is a central element of our EHS management system. Potential risks are assessed annually. A risk assessment report contains risks and their corrective and preventive actions, linked to for example electricity, chemicals, moving parts of machines, loading and unloading of hazardous products or ergonomics. Every employee should take the necessary precautions to prevent an accident, injury or unsafe situation by reporting unsafe or unhealthy situations and taking steps to correct them immediately. EHS managers on site-level give safety training to all workers and contractors. New, temporary and intern workers receive an EHS training during the initial phase of their employment. Other elements of the EHS management system are: periodic training of emergency situations, controls of electricity risks, subcontractors work permits, occupational hygiene, ambient measurements (noise, dust, lightning, VOC).

Accidents that caused injuries in 2021 were saw cut-related accidents, forklift-related accidents and accidents due to slipping. Several actions have been taken in 2021 and will be taken in 2022 to eliminate these hazards and minimize risks: adapation and replacement of machinery, training to operators and temporary workers, specific monitoring, an awareness campaign, safety lights on forklifts and an automatic forklift slowdown project. Apart from our aspirational target of zero accidents, every site has specific targets linked to frequency and severity rate.

In 2021 as well, the Group had to deal with the COVID-19 pandemic. The main focus was the protection of our employees' health and wellbeing and the prevention of outbreaks in our production facilities. Thanks to a swift and strict management approach and a large number of mandatory preventive rules and measures, our employees were able to continue to work safely, both from their homes as from their workplace.

Diversity

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

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. Today, employees can confidentially report any Code of Conduct violation through an internal procedure. In 2022, the internal whistleblower procedure is enhanced via an online tool. 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), gender and nationality. We also invest in the inclusion of our diverse workforce, for example by offering language and culture trainings.

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

“At Deceuninck, I feel I can always be myself. The warehouse is a place where work is to be done, but also a place where we can have a laugh.”

Axeli Vancraynest
Warehouse Operative Maintenance
Deceuninck Belgium

It is a strategic priority of the Group to keep employees engaged and connected to our company and each other. We understand that a good employee engagement is an enabler to a good working culture, reduction of 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 2021, we did not organize a survey in every region within every part of the Group. However, we aim to increase the frequency of employee surveys as of 2022.

Engagement includes information exchange and negotiations with labor unions. 31% of our employees worldwide are represented by independent trade union representations or collective bargaining agreements, these employees are located in Europe.

In Turkey, regular meetings are held with employees, especially blue-collar representatives, to discuss and find solutions for diverse issues. When employees or their close family members encounter exceptional, serious economic and/or health difficulties, we support them by providing the necessary assistance.

In Belgium, we organized an employee survey mid-2021, which allowed us to be up to date on the impact of COVID-19 on employee engagement. The key take-aways were that on average we are performing in line with the benchmark against other companies, our employees have a lot of variety in their work and feel secure about their job, we should improve internal communications and take the workload into consideration.

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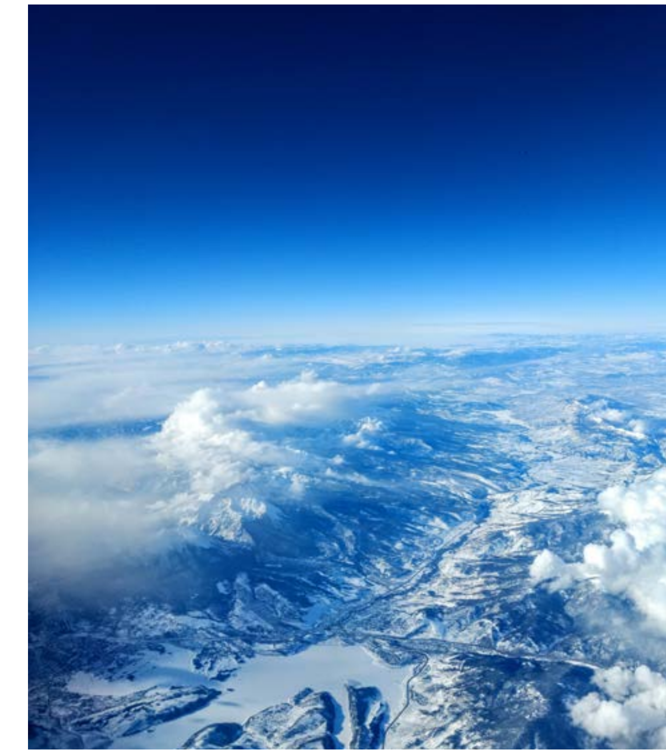
2.5.4 Planet



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 landfilling. 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 primarily been on designing and developing innovative products with high insulation levels, in order to reduce energy loss and minimize carbon footprint in the use-phase, in combination with major investments in recycling. In the coming months and years, we will combine this focus with a carbon reduction strategy linked to the production processes (energy efficiency and renewable energy) and the sourcing of raw materials. We accelerate towards a circular market for our building products, by carefully managing how we source materials, how we design products, how we produce, how we deliver our 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. The compound 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

	2021	2020	2019
Weight of waste handled (tonnes)	23,500	22,000	20,000
Weight of PVC material recycled (tonnes)	17,400	14,000	12,000

"Our vision on circularity: we design products which are 100% recyclable, we recycle in a closed loop system at superior efficiency and we manufacture long-lasting, low-maintenance products with less virgin material."

We invest in embedding the principles of a circular economy as the heartbeat of all our operations, through advanced recycling technologies of additional collection schemes.

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

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

A circular economy goes further than recycling post-industrial waste and closes the loop of post-consumer PVC profiles, coming from demolition or renovation works. By increasing the post-consumer PVC share, Deceuninck strives to further increase the recycling volumes.

- We expect the inflow of PVC to increase significantly over the coming years, because the EU Green Deal results in more renovation projects which will lead to more PVC materials becoming available for recycling. We directly contribute to preventing this PVC from going to incineration or landfill.
- We continue our strategy of cooperation with partners, such as waste management companies, container parks, demolition companies, window fabricators. We are continuously looking to set up new strategic partnerships to ensure the inflow.
- The high-tech fully automated line enables an optimal sorting of the materials and as such to process old PVC profiles at superior efficiency and quality. Quality is a key requirement to be able to use the post-consumer materials 1 on 1 in the production of new profiles.

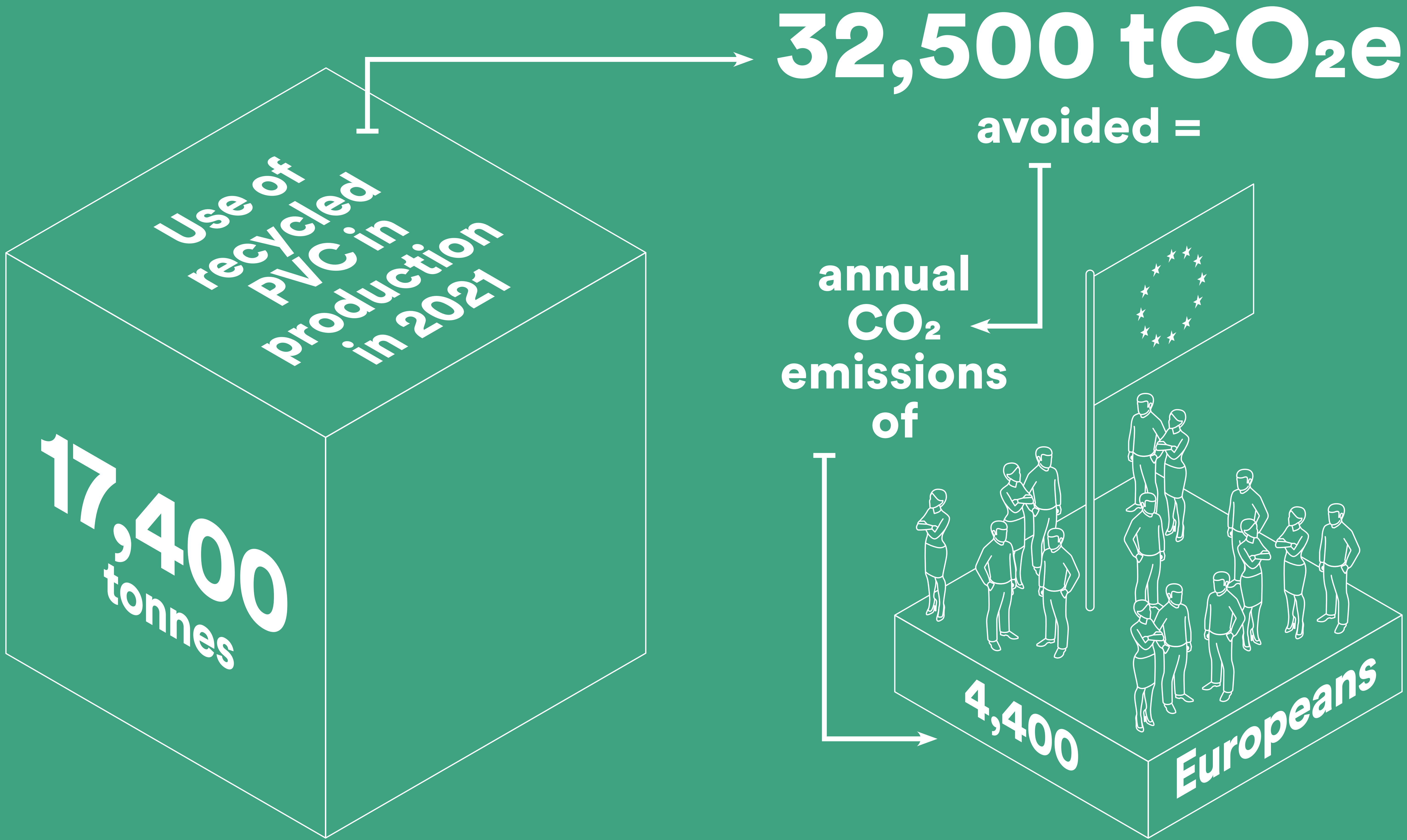
We realize that our recycling activities have an environmental impact, although the positive impacts are much larger than the negative impacts. Our recycling factory is fully part of our carbon reduction strategy.

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

For the waste fractions for which we have not found a circular solution yet, we set up pilot projects with universities and other partners to investigate how we can valorise those materials flows. Deceuninck committed in 2020 with other industrial partners and University of Ghent in the 'PoCoWaste' project to further reduce the waste of the recycling process and, upcycle and reuse significant volumes as new raw material for PVC applications.

The Group recycled 23,500 tonnes of post-industrial and post-consumer rigid PVC waste in 2021, resulting in 17,400 tonnes of high-quality raw material we use one-on-one in our production facilities. Unfortunately, we did not reach our ambitious target of 30,000 tonnes input recycled material in 2021. Investments in additional capacity were planned to be operational during the year, but due to the global supply chain crisis resulting in increasing lead times on machinery, we were not able to increase capacity as planned.

In 2022, we will keep investing in our recycling activities to be upgraded towards a capacity of 27,750 tonnes per year making us one of the largest u-PVC recyclers of Western-Europe. We are confident we will reach this target in 2022 if no major disruptions take place. The ongoing focus on the existing waste fractions will result in a growing yield, which enables us to process more recycled raw material with the same inflow.


Use of recycled PVC in production in 2021
17,400 tonnes
32,500 tCO2e
avoided =
annual CO2 emissions of
4,400 Europeans

“Product design to be 100% recyclable is one of the key principles of our circular economy commitment.”

Product Design and Lifecycle Management

	2021	2020	2019
Share of recyclable products	100%	100%	100%
Share of recycled input PVC materials used	14.9%	13.3%	10.6%

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 up to 10 times without losing its mechanical characteristics. Installed for around 35 years, it has a potential lifecycle of up to 350 years.

In the design process of our new window systems, the use of recycled materials is a one of the main design criteria used by our R&D teams.

Our design teams apply the Design for Recycling guidelines of EPPA, the European Trade Association of PVC Window System Suppliers. The guidelines were updated in 2021 with the spirit to be converted into a European Standard at a later stage.

The quality of the recycled material to ensure the quality of the end-product is paramount. Therefore, we invest in fully automated recycling processes that eliminate other waste streams from the PVC fraction. Our recycling activities are complemented with investments in co-extrusion production lines that combine virgin with recycled PVC in our product manufacturing. All recycled materials we use comply with the applicant quality certifications.

In 2021, on average 14.9% recycled PVC material was used in production. Calculated against the total virgin material used, this is a combination of post-consumer waste — mainly sourced from our own recycling plant — and post-industrial waste, partly originating from our own production, partly 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. Our GreenCircle product certification covers claims for recycled content, in accordance with US criteria for recycled content of building products.

“The new Phoenix range makes optimal use of recovery and recycling, and thus represents the rebirth of old materials. Like a phoenix rising from its own ashes, we process windows and doors that have reached the end of their lives into new, 100% recycled profiles.”

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, available since January 2022 in the BENELUX. Phoenix windows and doors profiles consist of 100% recycled material — so far, our strongest circular product achievement.

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

Breakdown of materials used in production

Raw materials (tonnes)	
PVC resin	200,000
Calcium carbonate	23,000
Impact modifier	7,000
Titaan dioxide	7,000
Decorative foil	2,000

Reinforcement materials (tonnes)	
Steel	21,000
Fiberglass	1,000
Steel wire	600

PVC building products are lightweight, require low maintenance and provide superior insulation. Our PVC products save energy and reduce CO_2 emissions.

Studies[2] show that 40% of fossil fuels in Europe are used for heating buildings, which represents 36% of energyrelated greenhouse gas emissions. The Group's mission is to reduce the energy and carbon share of heating or cooling buildings. We are continuously developing PVC and composite products that help reduce the energy that escapes from buildings through windows and walls. PVC and PVC composite products are the most economical solution for insulation.

The use of new PVC windows at least halves energy consumption[3], 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 ventilations targets to meet insulation legislation, for example the Energy Performance of Buildings Directive in the EU which introduces Energy performance certificates (EPCs) for buildings and regulations to ensure that from the end of the decade only nearly zero energy buildings (NZEBs) are built.

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

Thermal properties of windows and doors are calculated according to parameters of thermal transmission of PVC frame (Uf) and glazing (Ug). For us, 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) present the results of a life cycle assessment (LCA) carried out on a product to quantify its environmental impacts. EPDs are prepared according to strict rules defined by the EPD Programme Operators.

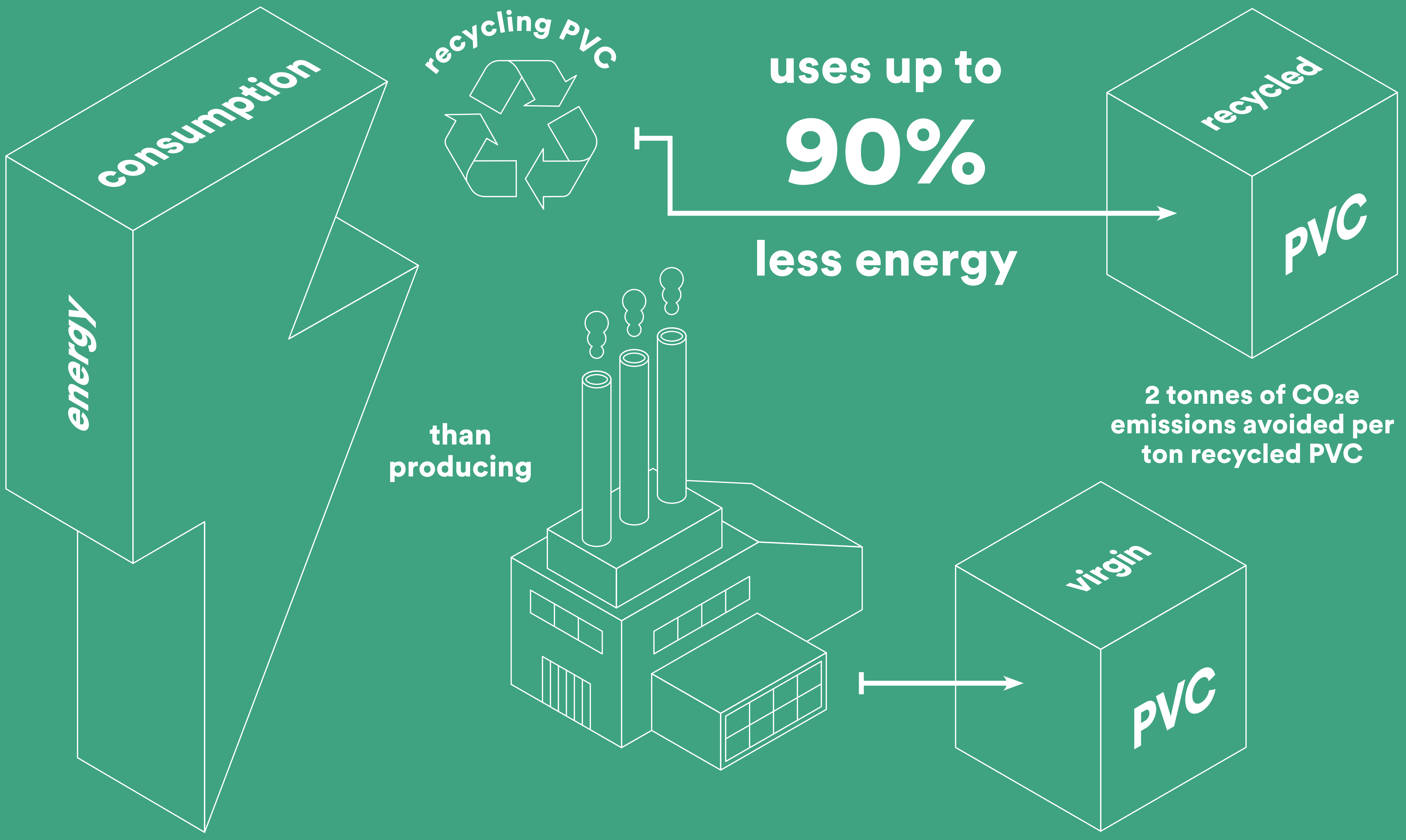
The EPDs which EPPA (European Trade Association of PVC Window System Suppliers) published for double-glazed windows and triple-glazed PVC windows, summarize the environmental impact of PVC window profile systems available on the EU market. Deceuninck is participating in the working group that is currently revising the EPD's which will be compliant with ISO 14025 and EN 15804+A2. The EPDs will be published in the first half of 2022. We are currently finalizing EPDs for the French market, and work has also been initiated to update the EPD on Twinson massive decking profile. Establishing an EPD for the complete Twinson product range (terrace and claddings) is foreseen in 2022.

In 2021, Deceuninck renewed its VinylPlus product label. The voluntary label is the sustainability quality mark for PVC building and construction profiles. It was put into place by VinylPlus, BRE and the Natural Step and was originated to make it easier for customers and markets to choose the most sustainable, high-performance PVC products. 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 leadfree products, additives used contribute to lower ecological footprint
- Energy and climate stability – energy efficiency improvement and use of renewable energies above national legal requirements

The VinylPlus label is applicable for our product ranges Elegant, Elegant Thermofibra, Zendow, Zendow#neo and Twinson in Europe. The label gives evidence that our products and processes are applying to the highest quality, performance and sustainability standards.

2 European Commission: A Renovation Wave for Europe – greening our buildings, creating jobs, improving lives (2020)
3 QKE/EPPA Environmental Product Declaration (2017)


consumption
energy
recycling PVC
uses up to
90%
less energy
than producing
recycled
PVC
2 tonnes of CO_2e emissions avoided per ton recycled PVC
virgin
PVC

“In 2021, we started a more systematic energy efficiency analysis based on detection of energy flows and evaluation of the potential of energy efficiency.”

Energy Management

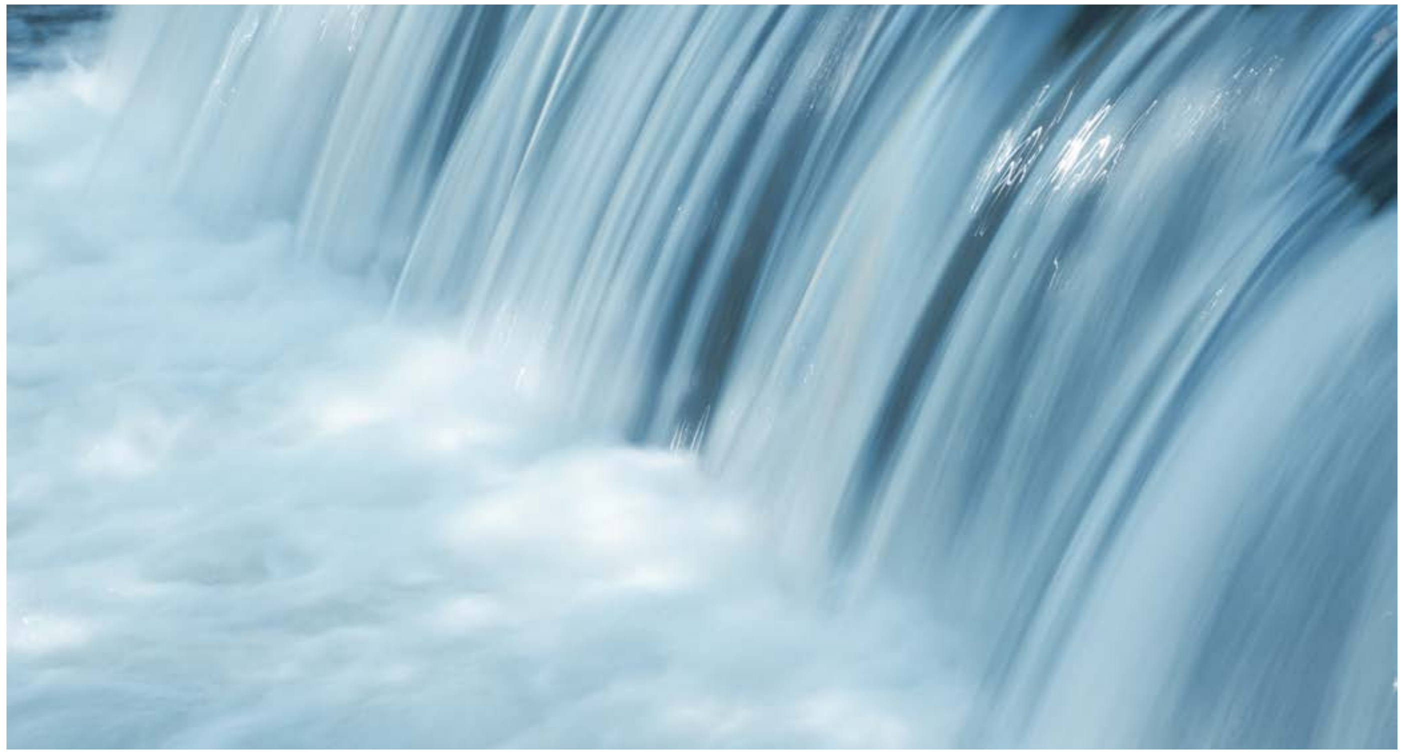
	2021	2020	2019
Total electricity consumption (MWh)	186,386	173,413	169,619
Total natural gas consumption (MWh)	94,074	87,626	82,210
Total fuel oil consumption (MWh)	5,580	4,170	7,461
Total energy consumption (MWh)	286,041	265,209	259,303
Energy intensity (MWh/tonnes)	1.25	1.28	1.32
Percentage of electricity use from renewable sources	16%	17%	16%

As part of our commitment to sustainability and climate change mitigation, we strive to continuously improve the environmental performance of our operations, with efficient use of energy and renewable energy as key parts of this. Energy efficient production processes 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.

Energy consumption is continuously monitored at all sites. The bigger contributors are additionally encouraged to develop energy efficiency projects. This is logically the case for our extrusion plants, which amount for the highest use of electricity due to the production characteristics.

In 2021, several energy efficiency projects were executed: renewal of pumps and motors, insulation of buildings, LED relighting, power savings through water cooling, etc. We also started a more systematic energy efficiency analysis on Group level based on detection of energy flows and evaluation of the potential of energy efficiency, focused at energy-consuming equipment (extrusion systems, injection moulding machines, laminating machines, compound mixing, heating, cooling and compressed air supply), forklifts and lighting in production and warehousing.

Our production facility in Bogen is ISO 50001 certified. The energy management system specifies the requirements for establishing, implementing, maintaining and improving an energy management system. Our production sites in Belgium, Turkey and the United Kingdom are ISO 14001 certified. The Plan-Do-Check-Act approach of ISO 14001 results in continuous



improvements of the environment performance based on procedures and instructions. The two Belgian sites are part of the energy efficiency covenant ‘EBO’.

The share of renewables in the energy mix can mainly be attributed to the trigeneration power system (combined heat and power) in one of the Turkish plants. 1% of the total consumption is produced by PV panels, located on our plants in Belgium, Turkey and Germany. We intend to actively pursue an increase in the share of renewables in our purchased energy mix in the coming years. We will do so starting with sourcing of renewable energy through Renewable Energy Certificates (REC) as well as with increasing our own production of renewables.
As of 2022, the increased focus on energy efficiency will lead to a decrease of energy consumption per processed kg and a shift from use of natural gas and fuel oil to (green) electricity.

Water Management

	2021	2020	2019
Total water withdrawal (m^3)	230,514	216,927	239,426
Water intensity: total water withdrawal/production volume (m^3/tonnes)	1.01	1.05	1.15
Total water withdrawal per subcategory (m^3)			
Rainwater	17,684	-	-
Groundwater and surface water	30,140	-	-
Drinking water	182,690	-	-

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

We monitor our water consumption, we are implementing measures to reduce water usage by investing in filtration systems and water reuse, we

avoid the use of drinking water and maximise the use of rainwater. We also take preventive water treatment measures against soil and ground water contamination.

At the recycling plant in Diksmuide, investments in a rain water well and a water treatment installation to enable reuse of process water back in the recycling process was done in 2021. This has led to 40% less drinking water use in 2021 in the plant.

Following our sustainability strategy, in the coming years, we will intensify the organization's management approach on responsible water use, notably reuse of wastewater in extrusion processes, focused on the plants located in water stress regions.

Waste Management

	2021	2020	2019
Total volume of waste (kg)	14,136,121	14,545,714	13,044,574
Waste intensity	61,7	70,3	63,1

In line with our dedication to a circular economy, an effective waste management in our operations is a key priority for Deceuninck. Reducing waste streams is not only good for the environment but also for business, as fewer raw materials are required to produce.

We have a waste management policy and processes in place by which we monitor and assess waste streams, minimize waste volumes and seek to close the loop for the remaining waste fractions originating from our production processes. The waste management hierarchy, central to our waste management approach, prioritizes waste prevention, followed by recovery operations that divert waste from being sent to disposal:

- We check if we can reduce or eliminate the waste stream.
- We focus on the re-use of 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 avoid and eliminate landfilling.

In 2021, several projects were initiated to avoid and re-use waste streams. For example, some packaging materials have been removed from the pallets. Deceuninck engages in the voluntary initiative Operation Clean Sweep where we pledge to prevent resin pellet, flake and powder loss.

Our dedication for waste management continues in 2022. Several projects are in the pipeline in line with the waste hierarchy mentioned above. We keep focusing on re-use of raw materials on-site, we will actively monitor and assess waste treatment methods at the waste processors with which we cooperate and we continue efforts to reduce packaging materials.

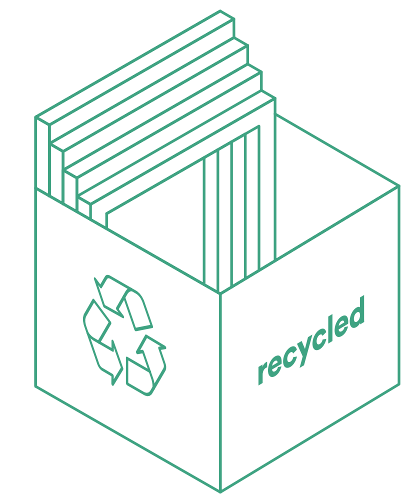
Our ambition:

to save

2.3

million

old windows



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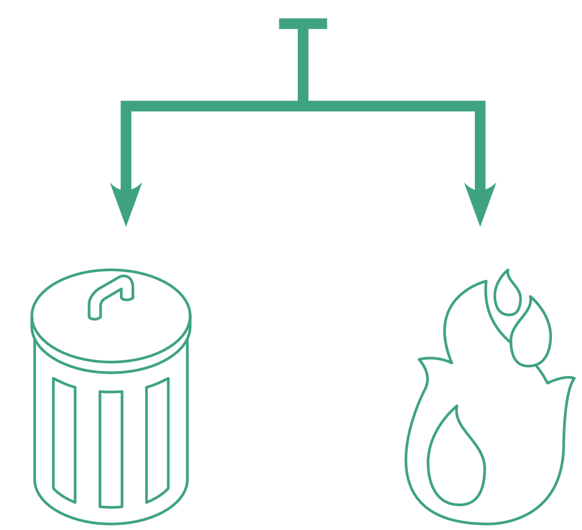

landfill or incineration

Carbon Management

	2021	2020	2019
tCO_2e emissions Scope 1	20,887	19,875	19,148
tCO_2e emissions Scope 2 (location based)	55,602	53,155	54,679
tCO_2e emissions Scope 2 (Market based)	54,659	52,720	54,146
tCO_2e emissions Scope 3 2021	570,418	510,072	470,903
Total tCO_2e emissions	645,964	582,668	544,197
Carbon emissions Intensity Scope 1 & 2	2.82	2.82	2.76
CDP score	D	-	-

Following our ambition expressed in the Annual Report 2020, we have calculated the carbon footprint of the Group in 2021. The results have proven insightful for the analysis of where our direct and indirect impacts, linked to operations and the supply chain, lay.
The greenhouse gas emissions reported are carbon dioxide (CO_2) and Hydrofluorocarbons (HFCs). To calculate their impact on climate change, greenhouse gas emissions are converted to the CO_2 equivalent using the Global Warming Potential, following the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard. Unsurprisingly, the impact of the indirect emissions in the supply chain is very large, as two main feedstocks are needed to manufacture PVC (polyvinylchloride): chlorine and ethylene. The ethylene is mainly derived from non-renewable fossil fuels, either crude oil or natural gas (and also shale gas). Even though worldwide, PVC uses less than 1% of fossil fuels consumed, it largely influences our total carbon emissions. Raw materials (Scope 3) contribute to 88% of our total carbon footprint, of which 71% is due to virgin PVC resin. The other biggest contributors are Steel, Impact Modifier and Calcium Carbonate.

The second largest contributor comes from the energy consumption in our operations (11%), Scope 1 and 2 emissions together. The use of electricity accounts for the largest share (9%), followed by natural gas use (2%). Other contributors to energy consumption is fuel oil. Energy needs increased due to increased production.

Logistics (6%) represent the third main source of CO_2e emissions, largely influenced by road transportation and to a lesser extent by sea freight.

> “Responding to the SBTi’s call for corporate climate action illustrates our strong commitment to sustainability. The science-based targets provide a framework for us to evaluate key business decisions from a climate mitigation point of view.”

Company cars, commuting and business travel all together represent < 1% of our climate impact. The same counts for waste, with the following breakdown (from high to low): plastics, residual, metals, wood.

Fluctuations per site directly reflects the quantities of raw materials processed. Monroe (US) and our two Turkish plants are the plants with the biggest climate impact which represent together 50% of our total footprint.

Emissions have increased by 11% between 2021 and 2020 and by 4% between 2019 and 2020. These increases are linked to the increases in processed raw materials. Production and related activities have been impacted by COVID-19 in 2020 and much less in 2021. The increase in carbon emissions is especially high in the Scope 3 emissions.

CDP is an international not-for-profit organisation which runs a global disclosure system that enables companies, cities, states and regions to measure and manage their environmental impacts and issues ratings. The Group participated to the CDP rating system for the first time in 2021 and received a D-score. We intend to improve our scoring year by year by developing a targeted approach on the key elements targets, strategy, governance and risks.

The Group has committed to set near- and long-term emission reduction targets in line with science-based net-zero of the Science Based Targets initiative (SBTi) and is preparing to submit targets for validation in 2022. Our ambition is to reduce the carbon emissions in Scope 1 & 2 by minimum 42% and in Scope 3 by 25% by 2030, compared to baseline year 2021. By 2050 we are aiming at 90% overall reduction of carbon emissions compared to our baseline year.

The carbon emission reduction plan includes investments in energy efficiencies in infrastructure and equipment in operations, electrification and renewable energy sourcing and production. Targets for Scope 3 emissions will be developed in 2022, linked to cooperation with suppliers to source bio-based PVC, intensifying our own recycling efforts and efficiencies in logistics.

"Everyone in this company is a valuable asset and is given real opportunities to grow and learn, personally and as a team. I am also very proud to be part of a company that respects the environment and takes important actions in recycling and sustainability."

Jonathan Ortiz
Country Manager Chile
Deceuninck Chile

2.5.5 Community

"Health and safety potential impacts are an area of growing attention especially in Europe, driven by evolving legislation."

Ambition

We want to be a reliable partner to both our customers and our suppliers. Our daily driver is to produce exquisite, innovative, sustainable and safe window, door and building solutions, 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 activities are subject to possible liability risks related to our products and related to our supply chain (human rights violations, bribery, corruption). Any act of non-compliance can have a negative impact on the reputation of the company, on the activities and on the value of the share. We have taken measures to protect our customers on the one hand and to ensure not only our employees but also our business partners act in accordance with applicable laws, as well as the highest standards of integrity and ethical practice.

Results and Targets

Health And Safety of the End-User

	2021	2020	2019
Number of incidents of non-compliance with health & safety regulations and voluntary labels	0	0	0

It is critical for the Group to manufacture window, door and building solutions that ensure top quality over their entire lifetime. Health and safety are essential quality elements, 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 Group's product standards and should comply with applicable regulations and contractual obligations. Depending on the product group we adopt several quality standards and labels as a guideline for the design and manufacturing.
Health and safety potential impacts are an area of growing concern especially in Europe, driven by evolving European legislation. We cooperate in this policy making process by sharing knowledge and experience in the most transparent way.

We provide voluntary quality labels against the applicable standards for all our products in our company labs. The tests cover a range of potential impacts, for example weather and reaction to fire, compliance with REACH and VOC regulation, throughout all product lifecycle stages and are based on national quality standards, such as ATG (Belgium), KOMO (The Netherlands), NF-CSTB (France), RAL (Germany). The assessment is successful only when the product passes on each requirement and the test reports are approved by external certification partners.

Our PVC cladding products in Europe are subject to CE marking. 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 reports provided by Deceuninck. The CE mark signifies that products sold in the European Economic Area have been assessed to meet high safety, health, and environmental protection requirements. It covers seven basic requirements: mechanical resistance and stability, safety in case of fire, hygiene, health and environment (dangerous substances, VOC, ...), safety and accessibility in use, protection against noise, energy economy and heat retention, sustainable use of natural resources. The safety and performance of our PVC cladding products are officially stated in a Declaration of Performance, published on our website and directly available to customers.

Deceuninck participates in the SCIP database, launched in 2021. This EU database, established under the EU Waste Framework Directive, is intended to support consumers in making safer choices on the articles they buy and support waste managers in identifying Substances of Very High Concern containing products (SVHC) when they are present in a concentration above 0.1% weight by weight (w/w) on the EU market. The PVC profiles containing post-consumer recycled material we put on the market in the EU are consultable in the SCIP database.

Lead free test reports for virgin compound are available for every product. 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 2022.

The elements ‘Responsible use of additives’, ‘Health and safety’ and ‘Material traceability down the supply chain’ are part of the externally audited VinylPlus product label, which has been nenewed in 2021 (see above).

Business Ethics

	2021	2020	2019
Rate of new joiners (white collars) who completed the Code of Conduct e-learning	85%	79%	85%
Number of incidents of non-compliance	0	0	0

The Group considers respect for business ethics as an integral component of sustainable business behaviour. Our reputation and financial success 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. The Group places an emphasis on respect, the need to apply the highest standards of professional behaviour, safety and security and the rejection of all kinds of discrimination.

The policies and procedures for this are set out in our Human Rights Policy and our Code of Conduct for Employees. To make sure that all of our employees have the same understanding of the Code of Conduct principles, an e-learning program was launched in 2017. The aim of the e-learning program is to explain the main principles and rules of the Code of Conduct. It covers topics such as anti-bribery and corruption, ethics, data protection, quality and sustainability.

New joiners automatically get to complete the e-learning training as part of the onboarding process. The training is currently only available for white collars. Due to technical issues, it has not yet been rolled out to our blue-collar workers. We plan to extend the training to all employees in 2022.

In order to combat fraud and corruption, the Authorized Signatories List (“ASL”) was revisited and rolled out in 2021. For the approval and monitoring of expenses, the Group implemented a workflow based expense note management system.

Data Protection

	2021	2020
Number of security breaches or loss of data reported	0	0

Being in a production environment, 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. Since the entry into force of the General Data Protection Regulation, the Group has implemented the necessary policies and procedures and organized trainings and awareness campaigns through its Intranet, targeting in particular Sales and Marketing and HR departments.

In 2021, no security breaches of privacy or loss of data were reported.

Business Ethics in The Supply Chain

	2021	2020
Number of suppliers who signed the Code of Conduct	49	18

We expect our suppliers to comply with the same ethical standards as we do with regard to non-discrimination, anti-bribery and anti-corruption and human rights, in particular in high-risk countries. This is fundamental to our long-term future and company reputation.
The principles, policies and procedures are set out in the Supplier Code of Conduct and the Human Rights Policy. It includes the commitments expected from suppliers and subcontractors in terms of ethics, human rights, respect for the environment.

All suppliers with whom we work must adhere to the ILO Declarations on Fundamental Principles and Rights at Work, take responsibility to the environment, strive for ethical behaviour and take measures to protect personal data. Our European resin suppliers must follow the VinylPlus voluntary commitments and must follow an environmental and health and safety management system. The suppliers’ location is a criterion on which the supplier is being evaluated in the decision making.

In 2022–23, our ambition is to start the preparations to develop a due diligence to identify, prevent and mitigate potential human rights and environmental impacts in our supply chain by conducting a risk and spend analysis.

Currently, we focus on getting our new suppliers to sign the Supplier Code of Conduct as part of their new contract. This is integrated in the procurement process. Existing suppliers are screened and, in a first phase, the most important suppliers in terms of ‘spend’ are asked to sign the Supplier Code of Conduct or at least to provide proof of their own internal ethical standards and policies. A high-level risk screening of our suppliers showed that the large majority of the suppliers operate in low-risk countries within the EU.

Community Engagement

	2021
Project support for health and education:	€ 42,000

As a Group active in more than 90 countries all over the world, we believe we have a role to play in society. We want to ensure that more people can participate in and benefit from a prospering society regardless of their backgrounds. We therefore support charity projects worldwide, 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 education and health:

- health research initiatives enable scientists to improve the prevention and quality of healthcare.
- education helps children and young people to grow towards independency, opens opportunities on the labour market, and is a key to breaking the vicious circle of poverty.

A selection of projects we supported in 2021:

The Deceuninck C3 Compassion for Community and Causes programme in US: sponsorship of Wreaths Across America, local youth baseball, high school football ….

YouthStart: YouthStart stimulates self-confidence among young people seeking opportunities and offers them the opportunity to pursue their ambitions. They provide a qualitative education and the necessary support to become an independent and self-sufficient individual.

De Kouter Kids: The association aims to provide support in the broadest sense to children living in a difficult home situation. De Kouter Kids tries to make sports and culture accessible to those young people. In addition, at the age of 18, they get assistance in their first independent steps in society (e.g. by sponsoring the driver’s license exam).

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The further improvement of profit margins remains a priority in order to be able to further invest in sustainable growth. Global population growth and climate change affect the need and the type of sustainable houses. With our investments in recycling and the superior thermal insulation of our products, we expect the building renovation wave to positively impact our sales in the coming years.

2.6 Financial Performance

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 22 February 2022.

2021 Results

Income statement

Consolidated sales in 2021 increased to a new record of € 838.1 million, up 30.5% from € 642.2 million in 2020. Continued strong demand in all regions from the residential construction market resulting in higher volumes and price increases to mitigate the effect of higher raw material costs, inflation and FX have been the main drivers for this increase.

The Adj. EBITDA for the year increased to € 97.7 million (+13.6% vs 2020), which is the highest number in the history of the company. Higher sales volumes have been the main driver for this record Adj. EBITDA.

The Adj. EBITDA-margin decreased from 13.4% in 2020 to 11.7% in 2021, which is still well above the historical performance. The reasons for this margin erosion are diverse. Firstly, there is an (unavoidable) delay of about three months in the pass-through of higher raw material prices into higher selling prices. Secondly, labour shortages and supply chain disruptions have led to inefficiencies in production and logistics. Next, the Adj. EBITDA-margin in H2 2020 was high because of the exceptionally low prices of raw materials purchased in Q2 2020 and reflected in the result of H2 2020. And finally, the pass-through of higher costs into higher selling prices to protect margins in absolute numbers has a dilutive effect on the margin percentage.

Adj. EBITDA-items (difference between EBITDA and Adj. EBITDA) amount to € 4.9 million (vs € 0.6 million in 2020) and include mainly costs related to the transition to the iCOR platform.

The financial result improved slightly from € (15.4) million in 2020 to € (14.6) million in 2021 thanks to a lower financial debt resulting in lower interest charges. One-off FX gains in H1 2021 were offset in H2 2021 by higher hedging costs and FX losses related to the sharp devaluation of the Turkish lira in November and December 2021.

Despite higher Earnings before Taxes (€ 39.7 million up 30.1% from € 30.5 million in 2020), Income taxes are lower (€ 2.5 million in 2021 vs € 4.9 million in 2020) because of the recognition of additional deferred tax assets.

Net profit increased from € 25.6 million in 2020 to € 37.2 million in 2021 (+45.4%). Consequently, Earnings per Share increased from € 0.18 to € 0.25.

The Board will propose to the General Assembly to pay out a dividend of € 0.06 per share (vs € 0.05 for the year 2020).

Cash flow and Balance Sheet

The Net Financial Debt increased from € 55.5 million end 2020 to € 61.9 million end 2021. Leverage remained unchanged though at 0.6x as the higher debt has been compensated by a higher Adj. EBITDA.

Negative cash impact from working capital movements in absolute numbers was € +32.7 million, driven by higher sales and higher raw material prices. However, in relative terms, working capital improved from 11.6% on sales end 2020 to 10.1% end 2021.

After being low in 2020 (€ 23.5 million) because of COVID-19, capex increased again in 2021 to € 43.6 million. Besides an amount of about € 30 million for maintenance and growth, the most important capital expenditure was the purchase of a warehouse in Kartepe (TR) for about € 10 million.

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 26 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)	2019	2020	2021	EVOLUTION 2020-2021
Consolidated Income Statement (in € million)				
Sales	633.8	642.2	838.1	31%
Adjusted Ebitda	60.6	86.0	97.7	14%
Ebit	11.2	45.9	54.3	18%
Net Profit	(14.7)	25.6	37.2	45%
Consolidated Balance Sheet (in € million)				
Equity	233.1	246.3	258.9	5%
Net Debt	140.2	55.5	61.9	12%
Total Assets	589.7	599.4	675.1	13%
Capital Expenditure	35.5	23.5	43.6	85%
Working Capital	94.5	74.2	84.3	14%
Capital Employed	416.3	347.4	354.9	2%
Ratios				
Net Profit On Sales	(2.3%)	4.0%	4.4%	-
Adjusted Ebitda / Sales	9.6%	13.4%	11.7%	-
Net Debt / Adjusted Ebitda	2.31	0.64	0.63	-
Ebit / Capital Employed	2.7%	13.2%	15.3%	-
Headcount				
Total Full Time Equivalents (Fte)	3,754	3,660	3,709	-

2.6.2 Financial statements and notes

Deceuninck consolidated income statement

FOR THE 12 MONTH PERIOD ENDED 31 DECEMBER (IN € THOUSAND)	NOTES	2020	2021
Sales	**2**	**642,189**	**838,099**
Cost of goods sold	3	(438,639)	(608,440)
Gross profit		**203,550**	**229,658**
Marketing, sales and distribution expenses	3	(110,182)	(128,577)
Research and development expenses	3	(6,908)	(6,711)
Administrative and general expenses	3	(42,063)	(43,198)
Other net operating result	3	4,508	3,106
Share of the result of a joint venture	8	(3,018)	-
Operating profit (EBIT)	**3**	**45,887**	**54,278**
Costs related to the derecognition of accounts receivable	3	(3,887)	(3,545)
Interest income (expense)	3	(5,889)	(4,862)
Foreign exchange gains (losses)	3	(4,515)	(5,744)
Other financial income (expense)	3	(1,092)	(446)
Profit / (loss) before taxes (EBT)		**30,505**	**39,682**
Income taxes	4	(4,927)	(2,503)
Net profit / (loss)		**25,578**	**37,179**

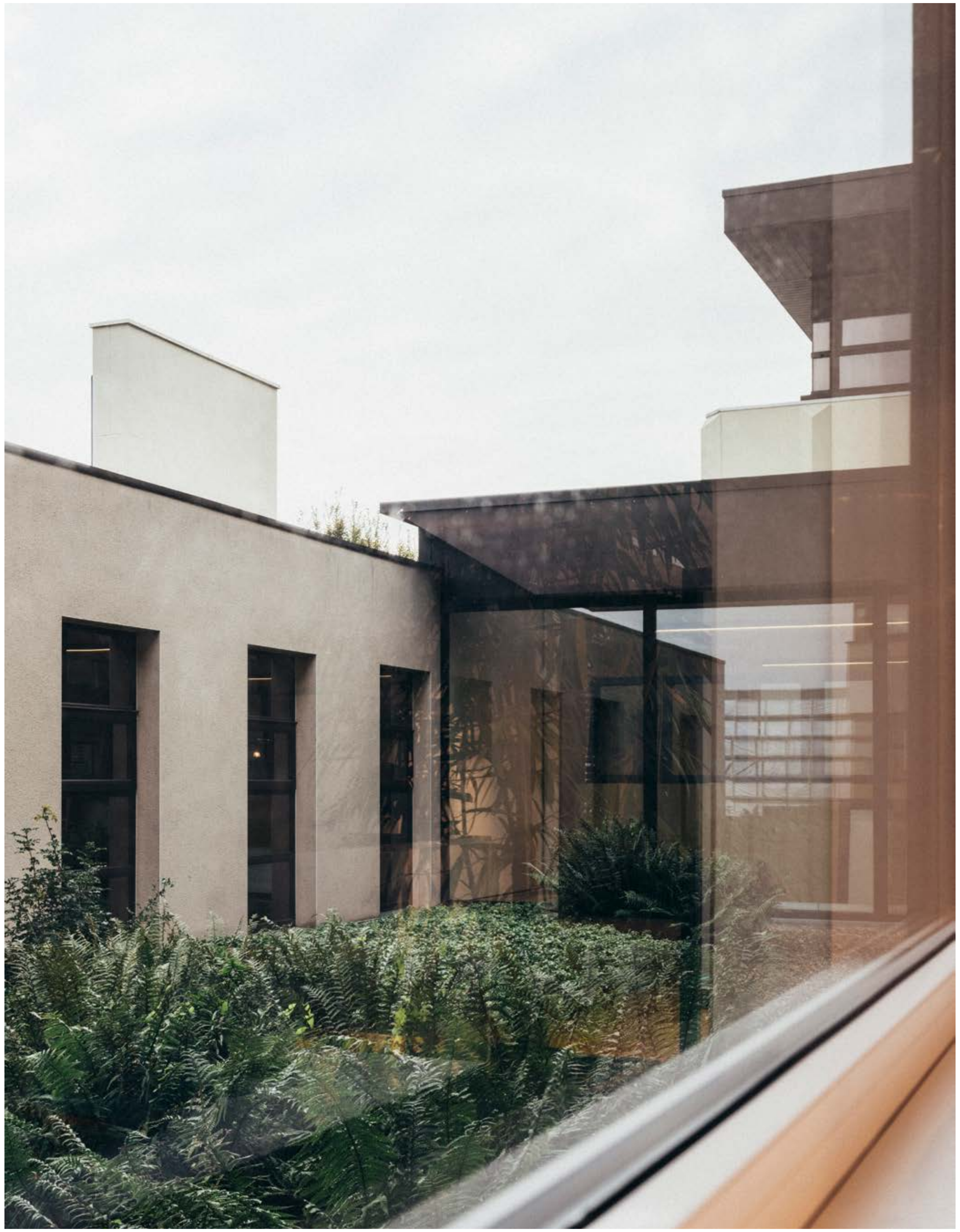
THE NET PROFIT / (LOSS) IS ATTRIBUTABLE TO: (IN € THOUSAND)	2020	2021
Shareholders of the parent company	24,242	33,990
Non-controlling interests	1,336	3,189

EARNINGS PER SHARE DISTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY (IN €):	2020	2021
Basic earnings per share	0.18	0.25
Diluted earnings per share	0.17	0.24

Deceuninck consolidated statement of comprehensive income

FOR THE 12 MONTH PERIOD ENDED 31 DECEMBER (IN € THOUSAND)	2020	2021
Net profit / (loss)	**25,578**	**37,179**
Currency translation adjustments	(27,937)	(22,449)
Net other comprehensive income / (loss) potentially to be reclassified to profit or loss in subsequent periods	***(27,937)***	***(22,449)***
Changes due to remeasurements of post employment benefit obligations	248	2,364
Income tax impact	(16)	(640)
Net other comprehensive income / (loss) not to be reclassified to profit or loss in subsequent periods	***232***	***1,724***
Other comprehensive income (+) / loss (-) for the period after tax impact	**(27,705)**	**(20,725)**
Total comprehensive income (+) / loss (-) for the period	**(2,128)**	**16,454**

THE TOTAL COMPREHENSIVE INCOME (+) / LOSS (-) OF THE PERIOD IS ATTRIBUTABLE TO: (IN € THOUSAND)	2020	2021
Shareholders of the parent company	(1,821)	16,916
Non-controlling interests	(307)	(462)



Deceuninck consolidated balance sheet

(IN € THOUSAND)	NOTES	2020	2021
ASSETS			
Intangible fixed assets	6	2,252	1,849
Goodwill	7	10,601	10,571
Tangible fixed assets	9, 20	254,274	246,826
Financial fixed assets		9	9
Investment in a joint venture	8	-	-
Deferred tax assets	4	5,174	9,792
Long-term receivables	10	829	1,508
Non-current assets		***273,139***	***270,555***
Inventories	11	112,907	169,589
Trade receivables	12	69,301	90,756
Other receivables	12	37,159	69,959
Cash and cash equivalents	13	105,623	72,885
Non-current assets held for sale	14	1,244	1,346
Current assets		***326,235***	***404,535***
Total Assets		**599,373**	**675,089**

(IN € THOUSAND)	NOTES	2020	2021
EQUITY AND LIABILITIES			
Issued capital	15	53,950	54,441
Share premiums	15	88,310	90,213
Retained earnings		228,334	256,263
Remeasurements of post employment benefit obligations	16	(7,409)	(5,690)
Treasury shares	15	(75)	(75)
Currency translation adjustments	15	(123,764)	(142,418)
Equity excluding non-controlling interests		***239,348***	***252,735***
Non-controlling interests		6,937	6,184
Equity including non-controlling interests		***246,284***	***258,919***
Interest-bearing loans including lease liabilities	18	137,022	13,002
Other long-term liabilities		676	580
Employee benefit obligations	16	22,305	18,779
Long-term provisions	17	3,485	3,287
Deferred tax liabilities	4	1,788	1,544
Non-current liabilities		***165,275***	***37,192***
Interest-bearing loans including lease liabilities	18	24,069	121,765
Trade payables	19	107,963	176,009
Tax liabilities		8,275	6,421
Employee related liabilities		14,422	15,439
Employee benefit obligations	16	1,158	1,212
Short-term provisions	17	3,212	249
Other liabilities	19	28,715	57,883
Current liabilities		***187,815***	***378,978***
Total equity and liabilities		**599,373**	**675,089**

Deceuninck consolidated statement of changes in equity

(IN € THOUSAND)	Issued Capital	Share premiums	Retained earnings	Changes in remeasurements of post employment benefit obligations	Treasury shares	Treasury shares held in subsidiaries	Currency translation adjustments	Total equity attributable to shareholders of the parent company	Non-controlling interests	Total
As per 31 December 2019	**53,925**	**88,261**	**200,427**	**(7,640)**	**(75)**	**(454)**	**(103,783)**	**230,661**	**2,443**	**233,104**
Net income / (loss) for the current period			24,242					24,242	1,336	25,578
Other comprehensive income (+) / loss (-)				232			(26,294)	(26,063)	(1,643)	(27,705)
Total comprehensive income (+) / loss (-)	**-**	**-**	**24,242**	**232**	**-**	**-**	**(26,294)**	**(1,821)**	**(307)**	**(2,128)**
Capital increase	25	49						74	-	74
Own shares purchased						454		454	157	611
Transactions with non-controlling interests*			2,953				6,333	9,286	4,626	13,912
Share based payments			712					712		712
Dividends paid								-		-
Transfer							(19)	(19)	19	-
As per 31 December 2020	**53,950**	**88,310**	**228,334**	**(7,409)**	**(75)**	**-**	**(123,764)**	**239,348**	**6,937**	**246,284**

*Transactions with non-controlling interests relate to the sale of 7.41% 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 95.88% to 88.47%.

(IN € THOUSAND)	Issued Capital	Share premiums	Retained earnings	Changes in remeasurements of post employment benefit obligations	Treasury shares	Treasury shares held in subsidiaries	Currency translation adjustments	Total equity attributable to shareholders of the parent company	Non-controlling 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 current period			33,990					33,990	3,189	37,179
Other comprehensive income (+) / loss (-)				1,718			(18,793)	(17,074)	(3,651)	(20,725)
Total comprehensive income (+) / loss (-)	**-**	**-**	**33,990**	**1,718**	**-**	**-**	**(18,793)**	**16,916**	**(462)**	**16,454**
Capital increase	491	1,903						2,395		2,395
Transactions with non-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%.

Deceuninck consolidated statement of cash flows

FOR THE 12 MONTH PERIOD ENDED 31 DECEMBER (IN € THOUSAND)	NOTES	2020	2021
Profit (+) / loss (-)		25,578	37,179
Depreciations and impairments	6,7,9,14	39,604	38,553
Net financial charges	3	15,299	14,597
Income taxes	4	4,927	2,503
Inventory write-off (+ = cost / - = inc)	11	2,866	3,262
Trade AR write-off (+ = cost / - = inc)	12	4,438	(1,937)
Movements in provisions (+ = cost / - = inc)		(4,046)	(1,149)
Gain / loss on disposal of (in)tang. FA (+ = cost / - = inc)	3	(2,850)	(565)
Fair value adjustments in equity		-	559
Share of the result of a joint venture	8	3,018	-
Gross operating cash flow		**88,835**	**93,002**
Decr / (incr) in inventories		(17,131)	(69,380)
Decr / (incr) in trade AR		(6,219)	(41,669)
Incr / (decr) in trade AP		27,174	78,308
Decr / (incr) in other operating assets/liabilities		4,662	(2,646)
Income taxes paid (-) / received (+)	4	(2,697)	(7,585)
Cash flow from operating activities		**94,624**	**50,030**
Purchases of (in)tangible FA (-)	6,9,14	(23,543)	(43,556)
Investment in financial FA (+)		(1)	-
Proceeds from sale of (in)tangible FA (+)		15,680	961
Proceeds from sale of shares of Group companies (+)		15,390	506
Cash flow from investment activities		**7,526**	**(42,090)**
Capital increase (+) / decrease (-)		-	2,395
Dividends paid (-) / received (+)		(143)	(7,243)
Interest received (+)		2,585	2,826
Interest paid (-)		(8,200)	(7,621)
Net financial result, excl interest		(4,684)	(310)
New long-term debts		13,091	10,801
Repayment of long-term debts		(14,362)	(21,140)
New short-term debts		15,285	51,644
Repayment of short-term debts		(39,757)	(60,819)
Cash flow from financing activities		**(36,185)**	**(29,467)**
Net increase / (decrease) in cash and cash equivalents		**65,965**	**(21,527)**
Cash and cash equivalents as per beginning of period	**13**	**52,799**	**105,623**
Impact of exchange rate fluctuations		(13,033)	(11,211)
Transfers		(108)	-
Cash and cash equivalents as per end of period	**13**	**105,623**	**72,885**

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 22 February 2022. 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 26 April 2022.

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 2021. 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 2021 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 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.

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.

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 ENTITIES

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. 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 2020	Closing rate 2021	Average rate 2020	Average rate 2021
AUD	1.5896	1.5615	1.6541	1.5745
BAM	1.9558	1.9558	1.9558	1.9558
BGN	1.9558	1.9558	1.9558	1.9558
BRL	6.3735	6.3101	5.8130	6.3749
CLP	870.6251	964.4132	901.9301	895.2084
COP	4,212.2999	4,508.5663	4,198.5935	4,423.3108
CZK	26.2420	24.8580	26.4372	25.6434
GBP	0.8990	0.8403	0.8887	0.8598
HRK	7.5519	7.5156	7.5382	7.5290
INR	89.6604	84.2290	84.4331	87.4636
LTL	3.4528	3.4528	3.4528	3.4528
MXN	24.4160	23.1438	24.3608	23.9843
PLN	4.5597	4.5969	4.4413	4.5636
RON	4.8683	4.9490	4.8378	4.9208
RSD	117.5779	117.5820	117.5726	117.5705
RUB	90.6824	84.0696	81.9347	87.1393
SEK	10.0343	10.2503	10.4838	10.1444
THB	36.7270	37.6530	35.6641	37.8003
TRY	9.0079	15.0867	7.9133	10.2391
UAH	34.7396	30.9226	31.0166	32.1978
USD	1.2271	1.1326	1.1396	1.1829

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.

Non-current assets held for sale

Assets 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 it 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) Short-term leases and leases of low-value assets
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 (mainly FX forward contracts) in order to limit the risks associated with exchange rate 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.

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 which are accounted for as defined benefit plans. 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:

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, warrant programs and performance share plans enable the staff members, senior management members and members of the Executive Management 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 prudency 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.

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.

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.

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 2021.

New and amended standards and interpretations

The following amendments to standards are mandatory for the first time for the financial year beginning 1 January 2021, 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 4 Insurance Contracts – deferral of IFRS 9;
- Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4, and IFRS 16);
- Amendment to IFRS 16 Leases COVID-19-Related Rent Concessions

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 2021, but have been endorsed by the European Union:

- Amendment to IFRS 16 Leases COVID 19-Related Rent Concessions beyond 30 June 2021
- 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?

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 these become effective.

- Amendments to IAS 1, Classification of liabilities as current or non-current, effective 1 January 2023;
- IFRS 17 Insurance Contracts, effective 1 January 2023;
- Amendments to IAS 12, Deferred Tax related to Assets and Liabilities arising from a Single Transaction, effective 1 January 2023;
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies, effective 1 January 2023;
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates, effective 1 January 2023;
- Amendments to IFRS 17 Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information.

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, 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. 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.

NORTH AMERICA
Canada and the United States

EUROPE
Benelux, Bosnia, Bulgaria, Croatia, Czech Republic, France, Germany, Italy, Poland, Romania, Russia, Spain and the United Kingdom

TURKEY & EMERGING MARKETS
Australia, Brazil, Chile, Colombia, India, Mexico, Thailand and Turkey

FOR THE 12 MONTH PERIOD ENDED 31 DECEMBER (IN € THOUSAND)	Europe		North-America		Turkey & Emerging Markets		Intersegment Eliminations		Consolidated	
	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
External Sales	317,267	411,396	159,641	183,160	165,252	243,542	-	-	642,159	838,097
Intercompany Sales	750	4,763	627	1,729	8,313	17,647	(9,659)	(24,137)	29	2
Total sales*	318,017	416,159	160,267	184,889	173,565	261,189	(9,660)	(24,137)	642,189	838,099
EBITDA	33,130	34,931	20,258	10,919	32,515	47,613	(411)	(631)	85,491	92,832
Adjusted EBITDA	**33,177**	**39,838**	**20,764**	**10,919**	**32,515**	**47,613**	**(411)**	**(631)**	**86,045**	**97,739**
Adj EBTIDA items	(47)	(4,907)	(506)	-	-	-	-	-	(553)	(4,907)
Financial Result	(3,781)	(1,267)	(2,229)	(1,189)	(9,288)	(8,828)	-	(3,313)	(15,299)	(14,597)
Taxes - Current & Deferred	(108)	4,360	(1,731)	724	(3,043)	(7,611)	(44)	24	(4,927)	(2,503)
Depreciations and Impairments	22,613	21,225	10,093	11,494	7,635	6,381	(737)	(547)	39,604	38,553
Capital expenditures (Capex)	(10,725)	(15,691)	(9,828)	(10,549)	(3,562)	(18,220)	571	903	(23,543)	(43,556)

** Out of which € 102.3 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 € (4.7) million in Europe;
- One-off restructuring costs in Europe € (0.2) million

Reconciliation of total segment assets and total Group assets:

(IN € THOUSAND)	Consolidated	
	31 DEC 2020	31 DEC 2021
Europe*	269,964	314,433
North America	95,986	109,656
Turkey & Emerging Markets	151,045	191,330
Intersegment assets	**516,995**	**615,419**
Cash and cash equivalents	105,623	72,885
Intersegment eliminations	(23,245)	(13,214)
Total Group Assets	**599,373**	**675,089**

** Out of which € 167.2 relating to Belgium*

Reconciliation of total segment liabilities and total Group liabilities:

(IN € THOUSAND)	Consolidated	
	31 DEC 2020	31 DEC 2021
Europe	97,984	109,509
North America	34,371	41,002
Turkey & Emerging Markets	96,778	149,149
Intersegment liabilities	**229,133**	**299,660**
Equity including non-controlling interests	246,278	258,919
Long-term interest-bearing loans	137,022	13,002
Other long-term liabilities	676	580
Current portion of interest bearing loans	12,711	119,149
Intersegment eliminations	(26,446)	(16,223)
Total group liabilities	**599,373**	**675,089**

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

FOR THE 12 MONTH PERIOD ENDED 31 DECEMBER 2020	Europe		North-America		Turkey & Emerging Markets		Consolidated	
	(IN € THOUSAND)	%	(IN € THOUSAND)	%	(IN € THOUSAND)	%	(IN € THOUSAND)	%
Window & Doors	252,783	79.7%	159,640	100,0%	157,499	95,3%	570,218	88,8%
Outdoor Living	38,250	12.1%	-	0,0%	97	0,1%	37,950	5,9%
Home protection	26,234	8.3%	-	0,0%	7,656	4,6%	33,990	5,3%
Total	**317,267**	**100.0%**	**159,640**	**100.0%**	**165,252**	**100.0%**	**642,159**	**100.0%**

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	90,7%
Outdoor Living	37,437	9.1%	-	0,0%	97	0,0%	37,798	4,5%
Home protection	30,361	7.4%	-	0,0%	9,839	4,0%	40,396	4,8%
Total	**411,396**	**100.0%**	**183,160**	**100.0%**	**243,542**	**100.0%**	**838,097**	**100.0%**

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)	2020	2021
Sales	**642,189**	**838,099**
Material costs	(301,261)	(456,745)
Operating costs	(113,382)	(132,354)
Personnel costs	(144,012)	(160,399)
Depreciation on (in)tangible fixed assets	(39,136)	(37,428)
Other net operating result	4,508	3,106
Share of the result of a joint venture	(3,018)	-
Operating profit (EBIT)	**45,887**	**54,278**
Costs related to the derecognition of accounts receivable	(3,887)	(3,545)
Interest income (expense)	(5,889)	(4,862)
Foreign exchange gains (losses)	(4,515)	(5,744)
Other financial income (expense)	(1,092)	(446)
Profit / (loss) before taxes (EBT)	**30,505**	**39,682**
Income taxes	(4,927)	(2,503)
Net profit / (loss)	**25,578**	**37,179**

For a high-level analysis of revenue and costs we refer to the section “2021 results” at the start of these financial statements.

OPERATING COSTS (IN € THOUSAND)	2020	2021
Transport	(32,762)	(44,722)
Maintenance	(17,022)	(20,576)
Services	(19,120)	(22,277)
Energy	(14,987)	(16,529)
Rent	(1,890)	(2,155)
Communication	(9,174)	(12,400)
Local taxes and fines	(3,796)	(4,442)
Travel	(2,146)	(2,807)
Marketing and sales support	(1,092)	(1,112)
Insurance	(2,521)	(2,565)
Loss on the realization of trade debtors	(1,227)	(878)
(Increase) / decrease of allowances on doubtful debtors & inventory	(7,304)	(1,323)
Other	(342)	(566)
Total	**(113,382)**	**(132,354)**

The increase in operating costs compared to 2020 is mainly driven by higher transport costs, maintenance costs, services and communications, partially offset by lower increase of allowances on doubtful debtors and inventory.

PAYROLL COSTS AND OTHER SOCIAL BENEFITS (IN € THOUSAND)	2020	2021
Wages and salaries	(109,127)	(121,683)
Social security contributions	(25,025)	(26,880)
Contributions to defined contribution plans	(5,772)	(6,646)
Other	(4,088)	(5,191)
Total	**(144,012)**	**(160,399)**

The increase of the payroll costs is mainly explained by an increase in gross salaries.

HEADCOUNT (TOTAL FULL TIME EQUIVALENTS (FTE) BY CATEGORY)	2020	2021
Blue-collar workers	2,654	2,663
White-collar workers	1,006	1,047
Total	**3,660**	**3,709**

The number of FTE's remained broadly stable in 2021.

OTHER OPERATING INCOME (IN € THOUSAND)	2020	2021
Grants received	2,066	1,850
Decrease of provisions	357	54
Gains on disposal of tangible fixed assets	3,675	606
Other	2,612	4,794
Total	**8,709**	**7,305**

The other operating income decreased mainly due to a one-off sale of land lot in Hooglede-Gits, Belgium in 2020 (€ 3,427 thousand) partly offset by an increase in the line Other.

OTHER OPERATING COSTS (IN € THOUSAND)	2020	2021
Integration costs	(1,825)	(1,713)
Impairments	(468)	(1,125)
Loss on disposal of tangible fixed assets	(191)	(41)
Result realized on disposal of a sales entity	(867)	-
Other	(850)	(1,320)
Total	**(4,201)**	**(4,199)**

The other operating costs remained broadly stable compared to 2020.

INTEREST INCOME / (EXPENSE) (IN € THOUSAND)	2020	2021
Interest income	2,605	2,732
Interest expense	(8,493)	(7,594)
Total	**(5,889)**	**(4,862)**

Lower net interest charges are the result of the lower financial debt throughout the year, partially offset by higher interest rates.

FOREIGN EXCHANGE GAINS / (LOSSES) (IN € THOUSAND)	2020	2021
Realized foreign exchange gains	2,002	8,300
Realized foreign exchange losses	(1,879)	(3,875)
Unrealized foreign exchange gains	619	4,032
Unrealized foreign exchange losses	(5,257)	(14,200)
Total	**(4,515)**	**(5,744)**

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 higher total foreign exchange loss is mainly explained by higher hedging costs as a result of higher exposures being hedged and higher interest rates in Turkey.

COST RELATED TO THE DERECOGNITION OF ACCOUNTS RECEIVABLE (IN € THOUSAND)	2020	2021
Cost related to the derecognition of accounts receivable	(3,887)	(3,545)

The lower cost related to the derecognition of accounts receivable is mainly due to the lower use of factoring and other trade finance solutions.

OTHER FINANCIAL GAINS / (LOSSES) (IN € THOUSAND)	2020	2021
Other financial income (expense)	(1,092)	(446)

Other financial gains and losses mainly include bank charges and the result on the share liquidity program with KBC Securities. The latter resulted in 2021 in a gain, whereas in 2020 the share liquidity program resulted in a loss.

4. Income taxes

The breakdown of the income tax charge for 2020 and 2021 is presented as follows:

INCOME TAXES RECOGNIZED IN THE INCOME STATEMENT (IN € THOUSAND)	2020	2021
Current income taxes	**(4,919)**	**(8,809)**
Relating to current year	(5,154)	(9,210)
Relating to previous years	237	703
Other	(1)	(301)
Deferred income taxes	**(7)**	**6,307**
Relating to temporary differences - current year	399	255
Relating to temporary differences - adjustment previous years	(114)	(147)
Recognition of deferred income tax asset on tax losses of current year	68	1,559
Utilization of deferred income tax asset on tax losses of previous years	(3,119)	(2,737)
Recognition of deferred income tax asset on tax losses of previous years	-	(25)
Impairment (-)/reversal of impairment (+) of deferred income tax asset on tax losses of previous years	2,842	6,850
Recognition of deferred tax assets on tax incentives	1,971	2,071
Utilization of deferred tax assets on tax incentives	(2,106)	(1,519)
Other	53	-
Income taxes recognized in the income statement	**(4,927)**	**(2,503)**

The following table provides a reconciliation between the Earning before tax and the income taxes as per 31 December 2020 and 2021:

RECONCILIATION BETWEEN EARNINGS BEFORE TAX (EBT) - IFRS AND INCOME TAXES (IN € THOUSAND)	2020	2021
Earnings before tax - IFRS	**30,505**	**39,682**
Statutory tax rate of the parent company	25%	25%
Income taxes calculated at the statutory tax rate of the parent company	**(7,626)**	**(9,920)**
Tax effect of:		
Difference between local tax rate and statutory tax rate of the parent company	632	(184)
Non-deductible items	(1,065)	(1,728)
Government grants and other exempted income	364	335
Use of tax losses carried forward for which no deferred income tax asset has been recognized	11	257
Current income taxes relating to previous years	59	705
Deferred taxes on temporary differences relating to previous years - adjustments	(98)	(195)
Non-recognition of deferred income taxes on current years losses and deductable temporary	(1,429)	(144)
(De)recognition of deferred income tax assets on tax losses of previous years	2,697	6,723
(De)recognition of deferred income tax assets on tax incentives	1,971	1,895
Other	(443)	(246)
Income taxes recognized in the income statement	**(4,927)**	**(2,503)**
Effective rate rate	**16.15%**	**6.31%**

DEFERRED TAX MOVEMENT SCHEDULE (IN € THOUSAND)	2020	Charged/ credit to PL	Charged / credited to equity	Transfers	Translation adjustments Total	2021
DEFERRED INCOME TAX ASSETS BY TYPE OF TEMPORARY DIFFERENCE:						
Tax losses carried forward & tax incentives	17,435	6,516	-	-	(288)	23,663
Tangible fixed assets	198	648	-	-	(6)	840
Provisions	4,545	1,309	(640)	532	24	5,770
Inventories	1,065	1,080	-	-	(291)	1,854
Interest bearing loans	10	8	-	-	-	19
Other assets	4,052	(1,047)	-	(532)	(365)	2,109
Deferred income tax assets	**27,305**	**8,515**	**(640)**	**-**	**(926)**	**34,254**
DEFERRED INCOME TAX LIABILITIES BY TYPE OF TEMPORARY DIFFERENCE:						
Tax losses carried forward & tax incentives	-	-	-	-	-	-
Tangible fixed assets	23,192	780	-	-	499	24,471
Provisions	12	(12)	-	-	-	-
Inventories	698	(358)	-	-	(302)	38
Interest bearing loans	-	42	-	-	(42)	-
Other assets	18	1,755	-	-	(276)	1,497
Deferred income tax liabilities	**23,920**	**2,208**	**-**	**-**	**(121)**	**26,006**
Net deferred income taxes	**3,386**	**6,307**	**(640)**	**-**	**(805)**	**8,248**

In 2021, 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 € 23,663 thousand at the end of 2021 (end 2020: € 17,435 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 2021, the Group did not recognize deferred income tax assets on a total amount of tax credits of € 63,082 thousand (2020: € 90,218 thousand), mainly in Belgium, the United Kingdom and Russia.

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 € 0.25.

(IN € THOUSAND)	2020	2021
Earnings attributable to ordinary shareholders	24,242	33,990
Weighted average number of ordinary shares (in thousands)	136,748	137,476
Basic earnings per share (in €)	**0.18**	**0.25**

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 € 0.24 per share.

(IN € THOUSAND)	2020	2021
Earnings attributable to ordinary shareholders	24,242	33,990
Weighted average number of ordinary shares (in thousands)	136,748	137,476
Dilution effect of non-exercised warrants (in thousands)	6,194	6,312
Weighted average number of shares after dilution (in thousands)	142,942	143,789
Basic earnings per share (in €)	**0.17**	**0.24**

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 2021, 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 € 645 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 2021.

2020 (IN € THOUSAND)	Development	Licences IT and similar right	Customer value	Trade names	Total
COST					
At the beginning of this year	**1,258**	**17,970**	**1,389**	**4,690**	**25,307**
Additions	-	338	-	-	338
Disposals	-	-	-	-	-
Transfers	-	197	-	-	197
Translation adjustments	(23)	(98)	(94)	(688)	(902)
At the end of this year	**1,235**	**18,407**	**1,296**	**4,003**	**24,940**
DEPRECIATIONS AND IMPAIRMENTS					
At the beginning of this year	**(1,222)**	**(15,936)**	**(1,182)**	**(3,285)**	**(21,625)**
Additions to depreciations	(10)	(1,502)	(15)	(84)	(1,611)
Additions to impairments	-	-	-	-	-
Disposals	-	-	-	-	-
Transfers	-	2	-	-	2
Translation adjustments	23	92	67	364	546
At the end of this year	**(1,210)**	**(17,344)**	**(1,130)**	**(3,004)**	**(22,688)**
INTANGIBLE FIXED ASSETS					
Cost	1,235	18,407	1,296	4,003	24,940
Accumulated depreciations and impairments	(1,210)	(17,344)	(1,130)	(3,004)	(22,688)
Net Carrying Value	**25**	**1,063**	**166**	**998**	**2,252**

2021 (IN € THOUSAND)	Develop-ment	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)
Additions to impairments	-	-	-	-	-	-
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**

7. Goodwill

(IN € THOUSAND)	2020	2021
COST		
At the beginning of	**63,423**	**60,014**
Additions	-	-
Disposals	-	-
Transfers	-	-
Translation adjustments	(3,409)	3,246
At the end of	**60,014**	**63,260**
IMPAIRMENTS		
At the beginning of	**(52,795)**	**(49,413)**
Additions	-	-
Disposals	-	-
Transfers	-	-
Translation adjustments	3,382	(3,277)
At the end of	**(49,413)**	**(52,690)**
GOODWILL		
Cost	60,014	63,260
Accumulated depreciations and impairments	(49,413)	(52,690)
At the end of	**10,601**	**10,571**

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)	2020	2021
Turkey	9,354	9,324
Belgium	1,247	1,247
Net Carrying Value	**10,601**	**10,571**

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 2021, 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 Pimas, 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 Group. The pre-tax discount rate was estimated based on the weighted average cost of capital (WACC) and is 26.9% for 2021 (2020: 18.2 %).

ASSUMPTIONS FOR 2022-2025

For EBITDA of 2022, management has worked out a target based on detailed plans and actions. For the period 2023-2025 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 Belgium

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 Group. The pre-tax discount rate was estimated based on the weighted average cost of capital (WACC) and is 9.2% for 2021 (2020: 6.0%).

ASSUMPTIONS FOR 2022-2025

For EBITDA of 2022, management has worked out a target based on detailed plans and actions. For the period 2023-2025 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)	2020	2021
Sales	**9,311**	**15,643**
Cost of goods sold	(7,593)	(11,517)
Gross profit	**1,717**	**4,126**
Marketing, sales and distribution expenses	(2,657)	(3,055)
Administrative and general expenses	(2,879)	(2,349)
Other net operating result	(1,920)	523
Operating profit / (loss) after impairment on goodwill	**(5,738)**	**(755)**
Financial charges	(2,056)	(1,206)
Financial income	216	170
Profit / (loss) before taxes (EBT)	**(7,578)**	**(1,791)**
Income taxes	549	41
Net profit / (loss)	**(7,029)**	**(1,750)**
Group's share of profit / (loss) for the year	**(3,514)**	**(875)**

(IN € THOUSAND)	2020	2021
Group's carrying amount of the investment at the beginning of	**2,924**	**-**
Group's share of profit / (loss) for the year	(3,514)	(875)
Translation adjustments	95	-
Non recognized group's share of profit / (loss) for the year*	495	875
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 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 share 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.*

(IN € THOUSAND)	2020	2021
ASSETS		
Intangible fixed assets	1,474	1,004
Tangible fixed assets	6,104	5,666
Non-current assets	***7,581***	***6,669***
Inventories	2,042	2,355
Trade receivables	1,038	5,077
Other receivables	1,030	3,706
Cash and cash equivalents	381	700
Current assets	***4,491***	***11,837***
Total assets	**12,072**	**18,506**
EQUITY AND LIABILITIES		
Equity	***(7,420)***	***(9,100)***
Interest-bearing loans	12,552	14,249
Deferred tax liabilities	84	50
Non-current liabilities	***12,636***	***14,299***
Trade payables	1,501	5,109
Other liabilities	5,355	8,199
Current liabilities	***6,856***	***13,308***
Total equity and liabilities	**12,072**	**18,506**

(IN € THOUSAND)	2020	2021
Equity	**(7,420)**	**(9,100)**
Goodwill	-	-
Goodwill after purchase price allocation	3,214	3,214
Allocated losses	(3,214)	(3,214)
Non recognized losses	(496)	(1,336)
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

2020 (IN € THOUSAND)	Land & buildings	Machinery & equipment	Furniture and vehicles	Other tangible fixed assets	Assets under construction	Total
COST						
At the beginning of this year	**186,567**	**500,001**	**18,367**	**138**	**15,215**	**720,289**
Additions	622	10,835	432	-	11,746	23,634
Disposals	(14,359)	(3,276)	(350)	-	-	(17,986)
Transfers	13,335	9,370	258	-	(14,284)	8,679
Translation adjustments	(12,580)	(26,717)	(778)	-	(1,632)	(41,706)
At the end of this year	**173,585**	**490,213**	**17,928**	**138**	**11,046**	**692,910**
DEPRECIATIONS AND IMPAIRMENTS						
At the beginning of this year	**(75,472)**	**(360,306)**	**(12,957)**	**(70)**	**-**	**(448,804)**
Additions to depreciations	(4,372)	(24,852)	(1,105)	(11)	-	(30,339)
Additions to impairments	(219)	(170)	(1)	-	-	(390)
Disposals	1,815	3,235	354	-	-	5,404
Transfers	10	6	17	-	-	34
Translation adjustments	2,747	16,122	557	-	-	19,426
At the end of this year	**(75,490)**	**(365,964)**	**(13,134)**	**(81)**	**-**	**(454,670)**
INTANGIBLE FIXED ASSETS						
Cost	173,585	490,213	17,928	138	11,046	692,910
Accumulated depreciations and impairments	(75,490)	(365,964)	(13,134)	(81)	-	(454,670)
Net Carrying Value	**98,094**	**124,248**	**4,794**	**57**	**11,046**	**238,240**

2021 (IN € THOUSAND)	Land & buildings	Machinery & equipment	Furniture and vehicles	Other tangible fixed assets	Assets under construction	Total
COST						
At the beginning of this year	**173,585**	**490,213**	**17,928**	**138**	**11,046**	**692,910**
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)
At the end of this year	**177,195**	**506,477**	**18,449**	**138**	**9,708**	**711,967**
DEPRECIATIONS AND IMPAIRMENTS						
At the beginning of this year	**(75,490)**	**(365,964)**	**(13,134)**	**(81)**	**-**	**(454,670)**
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
At the end of this year	**(80,294)**	**(381,214)**	**(13,885)**	**(92)**	**-**	**(475,484)**
INTANGIBLE 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)
Net Carrying Value	**96,901**	**125,263**	**4,564**	**47**	**9,708**	**236,483**

The transfers from assets under construction in both 2020 and 2021 mainly related to finalized investments in machinery, tools and infrastructure works for buildings.

The Group has € 9.6 million fixed asset related commitments spread over the next year which are mainly related to machinery and tools.

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

(IN € THOUSAND)	2020	2021
Land & Buildings	807	348
Machinery & equipment	8,694	7,706
Other	1,545	1,654
Total	**11,046**	**9,708**

In 2021 the Group has recognized impairments on tangible fixed assets for € 1,012 thousand (2020: € 390 thousand). These impairments mainly relate to tools and have been included in other operating costs.

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

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 2020 mainly related to the execution of the purchase option of leased real estate in Fernley (USA).

(IN € THOUSAND)	2020	2021
Intangible fixed assets	197	387
Tangible fixed assets	8,713	(317)
Assets held for sale	7	-
Right-of-use assets	(8,917)	(70)
Total	**-**	**-**

10. Long-term receivables

(IN € THOUSAND)	2020	2021
Trade receivables	326	-
Other receivables	503	1,508
Total	**829**	**1,508**

The other receivables consist mainly of a long-term receivable towards So Easy Belgium BV.

11. Inventories

(IN € THOUSAND)	2020	2021
Raw materials and consumables	32,603	51,503
Finished goods	67,098	100,177
Trade goods	12,666	17,908
Total	**112,907**	**169,589**

During 2021 a net amount of € 3,262 thousand was recorded as an increase in the allowance related to the write-down on inventory (in 2020: € 2,866 thousand increase). These costs are included in Marketing, sales and distribution expenses. The cost of inventories recognized as cost of goods sold during 2021 amounted to € 608,440 thousand (2020: € 438,639 thousand). No inventories were pledged as security for liabilities (2020: idem).

12. Trade receivables and other receivables

(IN € THOUSAND)	2020	2021
Gross trade receivables	84,149	100,747
Impairments allowance	(14,848)	(9,991)
Trade receivables	**69,301**	**90,756**
VAT and other taxes	5,289	7,194
Derivative financial instruments	520	3,278
Prepaid charges	3,400	3,057
Short-term warranties	269	218
Advance checks received	23,246	52,308
Other	4,435	3,903
Other receivables	**37,159**	**69,959**

Net trade receivables increased € 21,455 thousand due to higher sales, lower factoring levels and a decrease in the impairment allowance, partially offset by translation adjustments resulting mainly from TRY devaluation. Total factoring amounted to € 23.3 million at 31 December 2021 (2020: € 30.8 million).

The increase in Other receivables is mainly driven by an increase in Advance checks received, which results from higher sales activities in 2021 vs 2020 in Turkey.

Days sales outstanding (DSO) decreased year-on-year from 38 days in 2020 to 37 days in 2021.

The factoring and related cost for 2021 amounts to € 3,545 thousand (2020: € 3,887 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).

The gross trade receivables consist of invoiced sales, an accrual for invoices to be issued, an accrual for credit notes to be received, exchange rate differences and advance payments made.

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 can be discounted or used for payments without any preconditions.

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.

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.

AGING ANALYSIS OF TRADE RECEIVABLES (IN € THOUSAND)	Total	Not due	< 30 days	31 - 60 days	61 - 90 days	91 - 120 days	> 120 days
Gross trade receivables per 31 December 2021	100,747	81,679	5,155	1,379	533	2,368	9,634
Impairments allowance per 31 December 2021	(9,991)	(310)	(210)	(51)	(121)	(931)	(8,367)
Net carrying value per 31 December 2021	**90,756**	**81,369**	**4,945**	**1,328**	**411**	**1,437**	**1,267**
Net carrying value per 31 December 2020	**69,301**	**60,283**	**5,908**	**668**	**511**	**310**	**1,621**

The impact of COVID-19 on the expected credit loss model (ECL) has been reassessed. Forward-looking assumptions have been adjusted to reflect the increased credit risk resulting from the COVID-19 pandemic.

The loss rates per geographical region and type of customers have been reviewed which resulted into an additional expected loss rate between 2 and 5 % for the Europe, North America and Turkey region (2020: between 5 and 20 %). For Emerging markets, the loss rates range between 5 to 15 % (2020: between 25 and 50 %), considering the specific local COVID-19 related impact on the type of customers and projects in which they are active.

This results into an additional loss allowance of € 2,193 thousand compared to the calculation based on the expected credit loss rates as applied in the ECL model excluding these COVID-19 assumptions (2020: € 4,600 thousand). This additional provision reflects anticipated liquidity problems and increase in insolvencies as estimated by external experts[1] and takes into account the Group's measures to limit the credit losses are described under section 25 Risk management – Credit risk. A sensitivity analysis has been performed and an increase / decrease of 1% of the ranges described above would result into an adjustment to the impairment allowance of + € 314 thousand / - € 314 thousand.

As per 31 December 2021 an amount of € 9,991 thousand (2020: € 14,848 thousand) is recorded as impairment allowance on trade receivables.

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

IMPAIRMENT ALLOWANCE (IN € THOUSAND)	2020	2021
At the beginning of	**(11,716)**	**(14,848)**
Additions	(6,214)	(1,171)
Reversals	558	3,258
Utilizations	683	28
Transfers	-	-
Translation adjustments	1,841	2,742
At the end of	**(14,848)**	**(9,991)**

[1] *Allianz Research October 2021: Insolvencies: We'll be back / Coface October 2021: Supply chain and inflation headwnds hamper the global recovery*

13. Cash and cash equivalents

(IN € THOUSAND)	2020	2021
Cash and current bank accounts	66,813	36,489
Short term deposits	38,810	36,396
Total	**105,623**	**72,885**

Cash and cash equivalents have decreased due to the repayment of loans, higher working capital and capital expenditures. The cash and cash equivalents balances are mainly concentrated in Belgium, Turkey and the United States.

14. Non-current assets held for sale

NON-CURRENT ASSETS HELD FOR SALE (IN € THOUSAND)	2020	2021
Cost	1,336	1,436
Accumulated depreciations and impairments	(92)	(90)
Net Carrying Value	**1,244**	**1,346**

The non-current assets held for sale mainly relate to apartments 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 2022. Following the reclassification to non-current assets held for sale, these assets are no longer depreciated.

15. Issued capital and reserves

Issued capital

ISSUED CAPITAL	2020	2021
Amount (in € thousand)	53,950	54,441
Number of shares (without nominal value)	136,795,123	138,040,929

As per 31 December 2021, issued capital is set at € 54,441 thousand and is composed of 138,041 thousand shares without a nominal value.

Share premiums

SHARE PREMIUMS	2020	2021
Amount (in € thousand)	88,310	90,213

Treasury shares

TREASURY SHARES	2020	2021
Amount (in € thousand)	(84)	(75)
Number of shares (without nominal value)	69,769	69,769

On 31 December 2021, the Group held 69,769 treasury shares to fulfil its commitments with respect to stock option plans.

Currency translation adjustments

CURRENCY TRANSLATION ADJUSTMENTS (IN € THOUSAND)	2020	2021
USD	(15,410)	(8,434)
TRY	(89,727)	(117,298)
RUB	(11,166)	(10,722)
PLN	(4,284)	(4,501)
GBP	(3,123)	(2,071)
CZK	(3)	668
Other	(51)	(59)
Total	**(123,764)**	**(142,418)**

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 €(142,418) thousand at 31 December 2021.

An overview of the currency translation adjustments by currency is given in the table above.

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 2020	**16,107**	**4,726**	**2,192**	**438**	**23,463**
Pension cost recognized in income statement	152	1,019	741	144	2,056
Remeasurements recognized in OCI	(1,340)	(1,083)	16	43	(2,364)
Benefits paid directly	(508)	(1,047)	(634)	(1)	(2,190)
Transfers	-	-	-	-	-
Translation adjustments	-	-	(910)	(64)	(974)
As per 31 December 2021	**14,411**	**3,617**	**1,405**	**559**	**19,991**
Non-current	13,902	2,922	1,405	550	18,779
Current	509	695	-	8	1,212

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 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	2020	2021
Discount rate	0.50%	1.00%
Increase in compensations - white collar	2.35%	2.65%
Increase in compensations - blue collar	2.35%	2.65%
Increases in social security	2.35%	2.65%
Increases in pensions	N/A	N/A
Inflation	1.60%	1.90%

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	2020	2021
Discount rate	0.40%	0.90%
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	1.50%	1.70%
Inflation	1.50%	3.00%

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	2020	2021
Discount rate	13.60%	16.45%
Increase in compensations - white collar	9.50%	9.50%
Increase in compensations - blue collar	9.50%	9.50%
Increases in social security	9.50%	9.50%
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	2020				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	92	482	779	1,353	89	523	998	1,610
Interest cost	137	268	90	495	63	219	21	303
Recognized in income statement	**229**	**750**	**869**	**1,848**	**152**	**741**	**1,019**	**1,913**

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	2020				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	16,107	2,192	11,806	30,104	14,411	1,405	11,313	27,129
Fair value of plan assets	-	-	(7,079)	(7,079)	-	-	(7,696)	(7,696)
Net liability (asset)	**16,107**	**2,192**	**4,727**	**23,025**	**14,411**	**1,405**	**3,617**	**19,433**

CHANGE IN PENSION BENEFIT OBLIGATIONS	2020				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
At the beginning of	**15,460**	**2,821**	**13,217**	**31,498**	**16,107**	**2,192**	**11,806**	**30,104**
Current service cost	92	482	838	1,412	89	523	998	1,610
Interest cost	137	268	90	495	63	219	54	336
Plan participants contributions	-	-	191	191	-	-	193	193
Actuarial (gain) / loss	944	(504)	(691)	(251)	(1,340)	16	(1,083)	(2,407)
Arising from changes in financial assumptions	1,329	(240)	(277)		(884)	(503)	(817)	
Experience adjustments	(385)	(264)	(414)		(456)	316	(266)	
Arising from demographic assumptions	-	-	-		-	92	-	
Changes in the effect of asset ceiling	-	-	-		-	110	-	
Benefits paid directly	(527)	(122)	(1,840)	(2,489)	(508)	(634)	(656)	(1,798)
Exchange rate differences	-	(754)	-	(754)	-	(910)	-	(910)
At the end of	**16,107**	**2,192**	**11,806**	**30,104**	**14,411**	**1,405**	**11,313**	**27,129**

CHANGE IN FAIR VALUE OF PLAN ASSETS	2020				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
At the beginning of			**7,967**	**7,967**			**7,079**	**7,079**
Interest income on plan assets			59	59			33	33
Actuarial (gain) / loss			92	92			-	
Return on plan asset			92					
Employer contributions			610	610			790	790
Plan participants contributions			191	191			193	193
Benefits paid directly			(1,840)	(1,840)			(399)	(399)
At the end of	**-**	**-**	**7,079**	**7,079**	**-**	**-**	**7,696**	**7,696**

OTHER	2021		
(IN € THOUSAND)	Deceuninck Germany and Produktions GmbH (Germany)	Ege Profil AS (Turkey)	Deceuninck NV (Belgium)
Contributions			
Expected contribution to the plan for the next annual reporting period	197	N/A	631
Maturity profile			
Duration jubilee benefits	N/A	N/A	N/A
Duration prepensions	N/A	N/A	3.3
Duration DC pension plans	17,0/25,0	N/A	15.1
Duration other long term benefits	N/A	9.0	N/A
Expected payments from the defined benefit plan within			
CashFlow Year 1	509	148	185
CashFlow Year 2	507	74	5
CashFlow Year 3	506	32	50
CashFlow Year 4	499	50	156
CashFlow Year 5	511	23	712
CashFlow Year 6-10	2,636	185	2,847

Sensitivity analysis shows the following impacts:

AS PER 31 DECEMBER 2021	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%
Impact on present value of defined benefit obligation (in € thousand)	**497**	**(472)**	**20**	**(19)**	**328**	**(316)**
Change in pension increase rate	(0.50%)	0.50%	NA	NA	NA	NA
Impact on present value of defined benefit obligation (in € thousand)	**(512)**	**980**				
Change in longevity	-one year life expectancy	+ one year life expectancy	-one year life expectancy	+ one year life expectancy	-one year life expectancy	+ one year life expectancy
Impact on present value of defined benefit obligation (in € thousand)	**(595)**	**621**	**-**	**1**	**37**	**(39)**

17. Provisions

(IN € THOUSAND)	Restructuring	Warranties	Claims	Other	Total
As per 31 December 2020	**3,292**	**1,030**	**759**	**1,616**	**6,697**
Additions	-	176	479	73	729
Utilizations	(3,106)	-	(230)	178	(3,159)
Reversals	(32)	(12)	(76)	(268)	(388)
Transfers	-	-	-	-	-
Translation adjustments	-	(126)	17	(235)	(343)
As per 31 December 2021	**154**	**1,068**	**948**	**1,365**	**3,536**
Non-current	-	1,021	901	1,365	3,287
Current	154	47	48	-	249

Restructuring provisions are recognized when conditions of IAS 37 are fulfilled, and represent in 2020 and 2021 the restructuring provision for the strategic repositioning of Europe region.

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 (IN € THOUSAND)	2020	2021
Loans from financial institutions	25,357	6,625
Leasing	11,751	6,378
Retail Bond 3.75% - 08 Dec 2022	99,913	-
Long-term interest-bearing debts	**137,022**	**13,002**

SHORT-TERM INTEREST-BEARING DEBTS (IN € THOUSAND)	2020	2021
Loans from financial institutions	17,985	16,712
Leasing	6,083	5,094
Retail Bond 3.75% - 08 Dec 2022	-	99,959
Short-term interest-bearing debts	**24,069**	**121,765**

Long-term interest-bearing loans mainly consist of amortizing working capital loans from Turkish commercial banks with final maturity date in 2027 and a small bullet loan (€ 1.0 million) from the European Bank for Reconstruction and Development (EBRD) due in 2025.

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 the € 100 million retail bond issued in 2015 and coming to maturity on 8 December 2022. Also part of the short-term loans is the remainder (€ 6.8 million) of the loan entered into in 2015 with the EBRD for the construction of the new factory in Menemen (TR). Finally, the table of short-term loans below also includes (the short-term part of) the working capital loans from Turkish commercial banks becoming due in the course of 2022.

The 5-year amortizing loan of initially $ 12 million entered into in 2020 to refinance the real estate lease set up in 2015 to finance the construction of the factory in Fernley, NV (US) has been paid back in the course of 2021. Also, the € 5.0 million short-term loan guaranteed by the French government ("Prêt garanti par l'Etat") as part of the French government's COVID-19 support measures in 2020 has been paid back in the course of 2021.

			Non-cash changes					
INTEREST BEARING DEBTS (IN € THOUSAND)	2019	Cash Flows	Capitalised Interest	Foreign Exchange revaluation in (profit) or loss	IFRS 16 New Leases / Disposals	Transfers	Foreign exchange translation	2020
Loans from financial institutions	64,283	(18,684)	114	2,837	-	9,061	(14,268)	43,343
Leasing	28,802	(7,076)	-	1,507	7,044	(9,061)	(3,381)	17,835
Retail Bond 3.75% - 08 Dec 2022	99,866	-	46	-	-	-	-	99,913
Interest bearing debts	**192,951**	**(25,760)**	**160**	**4,344**	**7,044**	**-**	**(17,649)**	**161,090**

			Non-cash changes					
INTEREST BEARING DEBTS (IN € THOUSAND)	2020	Cash Flows	Capitalised Interest	Foreign Exchange revaluation in (profit) or loss	IFRS 16 New Leases / Disposals	Transfers	Foreign exchange 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**

The transfers in 2020 from 'Leasing' liabilities to 'Loans from financial institutions' concerned the refinancing of the real estate leasing of the plant in Fernley (US) after execution of the purchase option.

As of 31 December 2021, only € 2.9 million of the € 60 million committed credit facility entered into in 2019 with a group of selected banks was drawn, leaving about € 57 million of that credit facility available for future drawdowns. All interest-bearing debt of Deceuninck is unsecured.

Usual financial covenants (Leverage, Interest Cover, ...) are applicable to the committed credit facility, the retail bond and the EBRD loan. As per 31 December 2021 and at all preceding testing dates throughout 2021, the 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 2021:

TERMS AND MATURITY PROFILE (IN € THOUSAND)	Interest %	Due within 1 year	Due between 1 and 5 years	Due after 5 years	Total
Financial liabilities (excl leasing liabilities)		17,985	125,270	-	143,256
Leasing liabilities		6,674	12,183	216	19,074
2020		**24,660**	**137,453**	**216**	**162,329**
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**
Of which					
EUR	3.66%	111,745	4,014	16	115,775
TRY	11.95%	7,470	7,179	-	14,649
USD	5.92%	1,422	218	-	1,640
Other foreign currencies	5.56%	1,272	2,498	127	3,897

19. Trade payables and other liabilities

(IN € THOUSAND)	2020	2021
Trade Debts	**107,963**	**176,009**
Derivative financial instruments	980	650
Guarantees from Customers	887	830
Accrued interest	990	843
Accrued charges	736	125
Deferred income	494	1,713
Advance checks received	23,246	52,308
Other	1,400	1,414
OTHER LIABILITIES	**28,734**	**57,883**

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	Other	Total
As per 31 December 2019	**21,021**	**3,044**	**3,601**	**1**	**27,667**
Additions	2,629	1,745	2,969	-	7,343
Disposals	(267)	(79)	(31)	-	(377)
Depreciations	(3,657)	(1,875)	(1,694)	-	(7,226)
Transfers	(8,917)	-	-	-	(8,917)
Translation adjustments	(1,987)	(142)	(326)	-	(2,455)
As per 31 December 2020	**8,821**	**2,694**	**4,519**	**-**	**16,034**

(IN € THOUSAND)	Buildings	Cars	Machinery & equipment	Total
As per 31 December 2020	**8,821**	**2,694**	**4,519**	**16,034**
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)
As per 31 December 2021	**4,792**	**2,250**	**3,301**	**10,343**

The € 8.9 million transfer in 2020 concerned the refinancing of the real estate leasing of the plant in Fernley (US) after execution of the purchase option.

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)	2020	2021
Opening balance	**28,802**	**17,835**
Additions	7,343	5,364
Disposals	(377)	(3,729)
Accreation of interests	1,477	867
Payments	(8,476)	(7,252)
Transfers	(9,061)	-
Translation adjustments	(1,874)	(1,612)
Closing balance	**17,835**	**11,472**
Current	6,083	5,094
Non-current	11,751	6,378

The maturity analysis of lease liabilities is disclosed in Note 18.

The following are the amounts recognized in profit or loss:

(IN € THOUSAND)	2020	2021
Depreciation expense of right-of-use-assets	(7,226)	(6,173)
Interest expense on lease liabilities	(1,477)	(867)
Expenses relating to short-term leases and low-value assets	(1,890)	(2,155)
Total amount recognized in profit or loss	**(10,593)**	**(9,194)**

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 option and warrant agreements.

The purpose for such a decision is to motivate the staff members, senior management and the members of the Executive Management, 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 € 559 thousand on the results of 2021 (2020: € 720 thousand) as recognized in 'Other payroll expenses' in Note 3. Revenue and costs are split up as below:

- Warrant plan: € 516 thousand in 2021 (€ 654 thousand in 2020)
- Performance share plan: € 43 thousand in 2021 (€ 56 thousand in 2020)
- Stock option plans: No impact in 2021 (no impact in 2020)

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

The balance of outstanding options (Plans 2004-2010) at the end of December 2021 is 30,750. One option entitles the holder to buy one Deceuninck NV share at a fixed exercise price. All options relating to the stock option plans granted in 2004, 2005, 2008, 2009 and 2010 have been exercised, forfeited or expired. 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, relating to the plans of 2004, 2005 and 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.

STOCK OPTIONS OVERVIEW	2004	2005	2007	2008	2009	2010	Total
Grant date	23/12/04	22/12/05	19/12/07	12/12/08	27/10/09	23/12/10	
To be accepted by	21/02/05	20/02/06	17/02/08	11/02/09	26/12/09	22/02/11	
N° of beneficiaries at grant date	33	53	74	68	2	4	
Exercise price (EUR)	22.7	22.81	15.54	2.95	1.36	1.7	
Granted	49,000	66,250	70,750	70,750	75,000	75,000	470,750
Accepted	35,375	64,250	64,500	64,150	75,000	75,000	425,775
Exercised	-	-	-	1,250	73,102	70,000	144,352
Forfeited	12,750	25,250	33,750	29,650	-	5,000	121,400
Expired	22,625	39,000	-	33,250	1,898	-	129,273
Outstanding 31/12/2021	**-**	**-**	**30,750**	**-**	**-**	**-**	**30,750**
Excercisable 31/12/2021	-	-	30,750	-	-	-	30,750
Exercise periods	2008-2014	2009-2015	2011-2017	2012-2018	2013-2019	2014-2020	
Extension of exercise periods	2015-2019	2016-2020	2018-2022	N/A	N/A	N/A	

OPTIONS MOVEMENTS IN 2020	2004	2005	2007	2008	2009	2010	Total	Weighted average exercise price
Outstanding 2019	**-**	**39,000**	**31,750**	**-**	**-**	**-**	**70,750**	**19.55**
Accepted	-	-	-	-	-	-	-	N/A
Exercised	-	-	-	-	-	-	-	N/A
Forfeited	-	-	-	-	-	-	-	N/A
Expired	-	(39,000)	-	-	-	-	(39,000)	22.81
Outstanding 2020	**-**	**-**	**31,750**	**-**	**-**	**-**	**31,750**	**15.54**

OPTIONS MOVEMENTS IN 2021	2004	2005	2007	2008	2009	2010	Total	Weighted average exercise price
Outstanding 2020	**-**	**-**	**31,750**	**-**	**-**	**-**	**31,750**	**15.54**
Accepted	-	-	-	-	-	-	-	N/A
Exercised	-	-	-	-	-	-	-	N/A
Forfeited	-	-	(1,000)	-	-	-	(1,000)	N/A
Expired	-	-	-	-	-	-	-	N/A
Outstanding 2021	**-**	**-**	**30,750**	**-**	**-**	**-**	**30,750**	**15.54**

Warrant plans

The balance of the outstanding warrants at the end of December 2021 is 6,362,010. One warrant entitles the holder to buy one Deceuninck NV share at a fixed exercise price. Within the scope of the warrant plans, 1,245,806 warrants were exercised in the course of 2021. 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 2010	Plan 2010	Plan 2011	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	Total
Grant date	31/12/09	23/12/10	21/12/2011	21/12/2012	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	21/12/2019	21/12/2019	17/12/2020	23/12/2021	
Acceptance date	28/02/10	22/02/11	15/02/2012	17/02/2013	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	
Number of beneficiaries at grant date	16	37	42	49	1	59	9	66	78	8	66	55	57	57	43	14	59	67	
Exercise price (in €)	**1.46**	**1.70**	**0.73**	**1.17**	**1.18**	**1.71**	**1.76**	**1.79**	**2.40**	**2.40**	**2.23**	**3.06**	**1.82**	**1.97**	**1.82**	**1.97**	**1.50**	**3.07**	
Share price on acceptance date (in €)	**1.31**	**1.88**	**1.22**	**1.35**	**1.35**	**2.19**	**2.19**	**1.88**	**2.08**	**2.22**	**2.22**	**2.88**	**2.18**	**2.18**	**1.98**	**1.98**	**2.39**	**2.85**	
Granted	285,000	607,500	490,000	485,000	350,000	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	12,543,000
Accepted	240,000	562,500	487,500	482,500	350,000	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	680,000	11,494,500
Exercised	150,000	404,999	344,999	333,331	350,000	169,992	496,666	640,826	138,330	40,000	115,998	20,000	-	-	-	-	-	-	3,205,141
Forfeited	75,000	122,501	135,001	141,669	-	122,506	73,334	195,838	260,000	60,000	209,000	257,000	47,000	60,000	15,000	73,500	15,000	-	1,862,349
Expired	15,000	35,000	7,500	7,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	65,000
Outstanding 31/12/2021	-	-	-	-	-	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
Exercisable 31/12/2021	-	-	-	-	-	40,002	-	55,836	139,447	203,333	66,334	-	-	-	-	-	-	-	504,952
Exercise periods	2013-2019	2014-2019	2015-2021	2016-2021	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	
Assumptions																			
Volatility	40%	40%	40%	40%	40%	45%	45%	45%	45.00%	40.00%	40.00%	30.00%	30.00%	30.00%	24.80%	24.80%	27.70%	34.74%	
Risk-free interest	3.51%	3.51%	2.49%	0.99%	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%	
Dividend as from 2021 (in €)	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.05	
Early exercised - Minimum gain	25%	25%	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%	50%	50%	

WARRANTS MOVEMENTS IN 2020	Plan 2011	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	Total	Weighted average exercise price
Outstanding 2019	**7,500**	**40,837**	**51,783**	**100,841**	**306,669**	**650,639**	**430,000**	**710,000**	**373,000**	**1,135,500**	**545,000**	**755,000**	**-**	**-**	**-**	**5,106,769**	**2.25**
Accepted	-	-	-	-	-	-	-	-	-	-	-	-	546,500	798,500	648,500	1,993,500	1.77
Exercised	-	10,834	51,783	-	-	-	-	-	-	-	-	-	-	-	-	62,617	1.18
Forfeited	-	4,168	-	8,334	-	33,334	45,000	30,000	39,000	84,000	-	60,000	-	73,500	-	377,336	2.29
Expired	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A
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**	**2.12**

WARRANTS 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	Total	Weighted average exercise 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**	**2.12**
Accepted	-	-	-	-	-	-	-	-	-	-	-	-	-	496,500	680,000	1,176,500	2.28
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	2.45
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**	**1.87**

Performance share plan

The balance of the outstanding Performance Share Rights granted to the members of the Executive Management ("Beneficiaries") is zero.

PERFORMANCE SHARE PLAN	PLAN 2018
Grant date	31/01/18
Acceptance date	30/06/18
Number of beneficiaries at grant date	8
Share price at date of grant	3.05
Granted	474,394
Accepted	474,394
Exercised	-
Forfeited	147,499
Expired	326,895
Outstanding 31/12/2021	-
Exercisable 31/12/2021	-
Exercise periods	2021
Assumptions	
Volatility	25%
Risk-free interest	(0.30%)

PERFORMANCE SHARE PLAN MOVEMENTS	2020
Outstanding 2019	**441,691**
Accepted	-
Exercised	-
Forfeited	(114,459)
Expired	-
Outstanding 2020	**327,232**
Risk-free interest	(0.30%)

PERFORMANCE SHARE PLAN MOVEMENTS	2021
Outstanding 2020	**327,232**
Accepted	-
Exercised	-
Forfeited	-
Expired	(327,232)
Outstanding 2021	**-**
Risk-free interest	(0.30%)

22. Related parties

During 2021, the Group made purchases of € 26 thousand (€ 58 thousand in 2020) and no sales (no sales in 2020), 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.

Furthermore, during 2021, the Group made no purchases (€ 17 thousand in 2020) and sales of € 1,053 thousand (€ 639 thousand in 2020), 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.

At year-end, there is an outstanding receivable position of € 4,998 thousand (€ 2,756 thousand in 2020) and an outstanding payable position of € 166 thousand (€ 15 thousand in 2020) with So Easy Belgium BV or related companies. The outstanding receivable position is mainly related to working capital financing.

Total remuneration of members of the Board in 2021 amounted to € 422 thousand (€ 297 thousand in 2020). 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.

In 2021, the former CEO received a total remuneration (fixed + variable) in the amount of € 799 thousand (in 2020 a total remuneration of € 966 thousand). The other members of the DirCo (management committee consisting of the CEO, the CFO and the General Counsel) excluding the former CEO received total remunerations (fixed + variable) of € 667 thousand (in 2020 a total remuneration of € 821 thousand). The other members of the Executive Management received total remunerations (fixed + variable) of € 1,100 thousand (in 2020 a total remuneration of 1,607 thousand).

The split of the remuneration is further disclosed in the section Corporate Governance Statement of this annual report.

The evaluation criteria for the performance of the former CEO and the other members of the DirCo were: REBITDA Group (60%), Adjusted Free Cash Flow Group (35%) and non-financial criteria (5%). For the other members of the Executive Management: REBITDA Group (15%), REBITDA Region (45%), Adjusted Free Cash Flow Group (10%), Adjusted Free Cash Flow Region (25%) and non-financial criteria (5%).

Options and/or subscription rights on the shares of the company are granted to members of the Executive Management. On 29 June 2021, the Board approved a new subscription rights plan ("Warrant Plan 2021") of 3,000,000 subscription rights. On 16 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, CEO Turkey and CEO USA. These warrant plans are not related to the performance of the Group.

23. Services provided by the external auditor

During 2021 the following charges of the external auditor were included in the Group's income statement:

Audit related services	€ 531,770
Other services	€ 35,700

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 2021:

PURCHASE OR SALE	Currency	Amount	Maturity Date	MTM 2021
Forward sales	BRL	16,099,878	Q1 2022	(4,585)
	CLP	6,214,699,628	Q1 2022	(26,878)
	HRK	53,629,384	Q1 2022	(4,217)
	INR	432,915,525	Q1 2022	(91,905)
	PLN	54,000,000	Q1 2022	(74,630)
	MXN	28,024,750	Q1 2022	(45,215)
	RUB	851,384,000	Q1 2022	316,380
	TRY	320,640,300	Q1 2022	2,522,674
	USD	3,414,000	Q1 2022	(80,820)
Forward purchases	CZK	335,000,000	Q1 2022	281,417
	GBP	138,000	Q1 2022	3,333
	TRY	75,950,000	Q1 2022	(167,446)

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 2021*

Currency	Amount (in € thousand)	Closing rate 31/12/2021	Possible volatility of the exchange rate **	Rate used for the sensitivity analysis		Effect on revaluation (in € thousand)	
USD	430	1.1326	2.65%	1.1626	1.1026	(10)	10
GBP	28	0.8403	2.63%	0.8624	0.8182	(1)	1
PLN	1,183	4.5969	2.68%	4.7201	4.4737	(7)	7
CZK	9,429	24.8580	1.99%	25.3527	24.3633	(7)	8
TRY	17,998	15.0867	21.04%	18.2609	11.9125	(207)	318
RUB	8,668	84.0696	5.07%	88.3318	79.8072	(5)	6
Total						**(237)**	**349**

* Balance sheet exposure after financial hedging (net-exposures)

** 3 month volatility

If the euro would have weakened/strengthened during 2021 in line with the above-mentioned possible rates, the profit of the financial year would have been about € 349 thousand higher / € 237 thousand lower.

Interest rate risk

Most of the financial debt outstanding on 31 December 2021 is at a fixed interest rate. Only a small part (€ 2.9 million) is at a variable interest rate (Euribor + margin). An increase of the interest rates by 1.00% would therefore have a short-term impact on our financial results of about € 29 thousand. The impact of higher interest rates could however gradually increase when loans have to be refinanced upon their maturity.

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.).

In view of the increased uncertainty caused by the COVID-19 pandemic the Group has applied a very strict credit management throughout 2021 in order to limit the potential losses due to customer defaults. 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. Throughout the year, the Group also helped customers by informing them about available government support measures for which they might qualify.

Liquidity risk and risks linked

The 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.

Although there is no indication of this, liquidity problems could arise if the €100 million retail bond could not be

refinanced on or before its maturity date. The company is currently evaluating different refinancing alternatives, but no decision has been made yet.

Liquidity problems could arise at Restricted Group level if an event of default would occur under the syndicated loan agreement or the retail bond which is not remedied within the foreseen remedy period. In that case, the outstanding amounts under the syndicated loan agreement and the retail bond might become immediately due and payable, which would jeopardize the liquidity situation of the Group.

For the Turkish subsidiary Ege Profil, liquidity problems could arise if loans becoming due could not be refinanced through local Turkish banks. However, thanks to the excellent reputation and solid financials of Ege Profil, Turkish banks are still eager to grant loans to it.

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.

Simulations have been made throughout the year and during budgeting process to assess the impact of COVID-19 on the liquidity position of the Group. These do not indicate any liquidity issues. In addition, all covenants have been met with sufficient headroom.

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	
	2020	2021	2020	2021
Financial assets				
Cash and cash equivalents	105,623	72,885	105,623	72,885
Long-term trade receivables	326	-	326	-
Trade receivables	69,301	90,756	69,301	90,756
Financial fixed assets	10	9	10	9
Derivative financial instruments	520	3,278	520	3,278
Financial liabilities				
Loans with a variable interest rate	9,290	2,706	9,276	2,706
Loans with a fixed interest rate	133,966	120,590	135,466	122,795
Financial leasing liabilities	17,835	11,472	17,835	11,472
Derivative financial instruments	980	650	980	650

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 2021, 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 2020 the Group had the following financial instruments.

DERIVATIVE FINANCIAL INSTRUMENTS - HIERARCHICAL CLASSIFICATION OF FAIR VALUE (IN € THOUSAND)	2020	Level 1	Level 2	Level 3
FX forward contracts	520	-	520	-
Assets at fair value	**520**	**-**	**520**	**-**
FX forward contracts	980	-	980	-
Liabilities at fair value	**980**	**-**	**980**	**-**

As per 31 December 2021 the Group has the following financial instruments.

DERIVATIVE FINANCIAL INSTRUMENTS - HIERARCHICAL CLASSIFICATION OF FAIR VALUE (IN € THOUSAND)	2021	Level 1	Level 2	Level 3
FX forward contracts	3,278	-	3,278	-
Assets at fair value	**3,278**	**-**	**3,278**	**-**
FX forward contracts	650	-	650	-
Liabilities at fair value	**650**	**-**	**650**	**-**

26. Off-balance sheet commitments

The Group has the following off-balance sheet commitments as per 31 December 2021:
- Capital expenditure commitments for € 9.6 million;
- Purchase commitments for raw material for an equivalent of € 250.2 million for the period 2021 to 2025 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

No significant events have occurred after the balance sheet date.

28. List of subsidiaries

All financial periods close on 31 December 2021, apart from Deceuninck Profiles India Private Limited, as disclosed in Note 1.
Fully consolidated subsidiaries:

NAME OF THE COMPANY	REGISTERED OFFICE	Ownership percentage	
		2020	2021
AUSTRALIA			
Deceuninck Pty. Ltd.	Warehouse B 88-106 Kyabram Street VIC 3048 Coolaroo	100.00	100.00
BELGIUM			
Solardec CV	Bruggesteenweg 360 8830 Hooglede-Gits	28.77	28.77
Plastics Deceuninck NV	Bruggesteenweg 360 8830 Hooglede-Gits	100.00	100.00
Tunal NV	Bruggesteenweg 360 8830 Hooglede-Gits	100.00	100.00
BOSNIA AND HERZEGOVINA			
Deceuninck d.o.o	Prvi mart bb 75270 Zivinice	100.00	100.00
BRAZIL			
Deceuninck do Brazil	Rua da Barra 242 Parque Rincão CEP 06705 420 Cotia – São Paulo	100.00	100.00
BULGARIA			
Deceuninck Bulgaria EOOD	41 Sankt Peterburg Blvd 4000 Plovdiv	100.00	100.00
CHILE			
Deceuninck Importadora Limitada	El Otoño 472 Lampa 9390306 Santiago	99.99	99.99
CROATIA			
Inoutic d.o.o.	Industrijska ulica 3 10370 Dugo Selo (Zagreb)	100.00	100.00
Deceuninck d.o.o.	Kipišće 13 10434 Strmec Samoborski	100.00	100.00
CZECH REPUBLIC			
Deceuninck Spol. s r.o	Tuřanka 1519/115a 627 00 Brno-Slatina	100.00	100.00
COLOMBIA			
Deceuninck S.A.S.	Zona France Parque Central - Variante Turbaco Cll 1 Cra 2-5 DUP 1 Bdg 15 Turbaco - Colombia	100.00	100.00
FRANCE			
Deceuninck S.A.S.	Zone Industrielle – Impasse des Bleuets 80700 Roye	100.00	100.00
GERMANY			
Deceuninck Germany GmbH	Bayerwaldstrasse 18 94327 Bogen	100.00	100.00
Deceuninck Germany Produktions GmbH & Co KG	Bayerwaldstrasse 18 94327 Bogen	100.00	100.00

NAME OF THE COMPANY	REGISTERED OFFICE	Ownership percentage	
		2020	2021
Deceuninck Holding Germany GmbH	Bayerwaldstrasse 18 94327 Bogen	100.00	100.00
INDIA			
Ege Profil Tic, ve San. A.S. (branch)	Mannur Village No 523 B Block Mannur Village – Sriperumbudur Taluk 631203 Chennai	88.47	88.32
Deceuninck Profiles India Private Limited	Building 09. Casa Grande Distripark Satharai Village. Thiruvallur Taluk Thiruvallur Thiruvallur TN 631203	88.47	88.44
ITALY			
Deceuninck Italia S.r.l.	Via Padre Eugenio Barsanti. 1 56025 Pontedera (PI)	100.00	100.00
LITHUANIA			
Deceuninck Baltic UAB (in liquidation)	Saltoniskiu str. 29/3 08105 Vilnius	100.00	100.00
MEXICO			
Deceuninck de Mexico	Huajuapan No. 809 Int 2 C. Coronango 72680 Puebla	100.00	100.00
POLAND			
Deceuninck Poland Sp. z o.o.	Jasin. Ul Poznanska 34 62-020 Swarzedz	100.00	100.00
ROMANIA			
Deceuninck Romania SRL	Sos. De Centura nr. 13A Complex Key Logistics Center 077040 Chiajna town Jud.Ilfov	100.00	100.00
RUSSIA			
Deceuninck Rus OOO	Butlerova str., 17, room 5106 117342 Moscow	100.00	100.00
THAILAND			
Deceuninck (Thailand) Co. Ltd.	2/3 Bangna Towers A 17fl RM 1704B Bangna-Trad. Km 6.5 Bangkaew. Bangplee Samutprakarn 10540	74.00	74.00
Asia Profile Holding Co. Ltd.	2/3 Bangna Towers A 17fl RM 1704B Bangna-Trad. Km 6.5 Bangkaew. Bangplee Samutprakarn 10540	48.95	48.95
THE NETHERLANDS			
Deceuninck Kunststof BV	Basisweg 10 1043AP Amsterdam	100.00	100.00
TURKEY			
Ege Profil Ticaret ve Sanayi A.Ş	Atatürk Plastik OSB Mahallesi. 5. Cadde No: 4 Menemen/İZMİR 35660 IZMIR	88.47	88.32

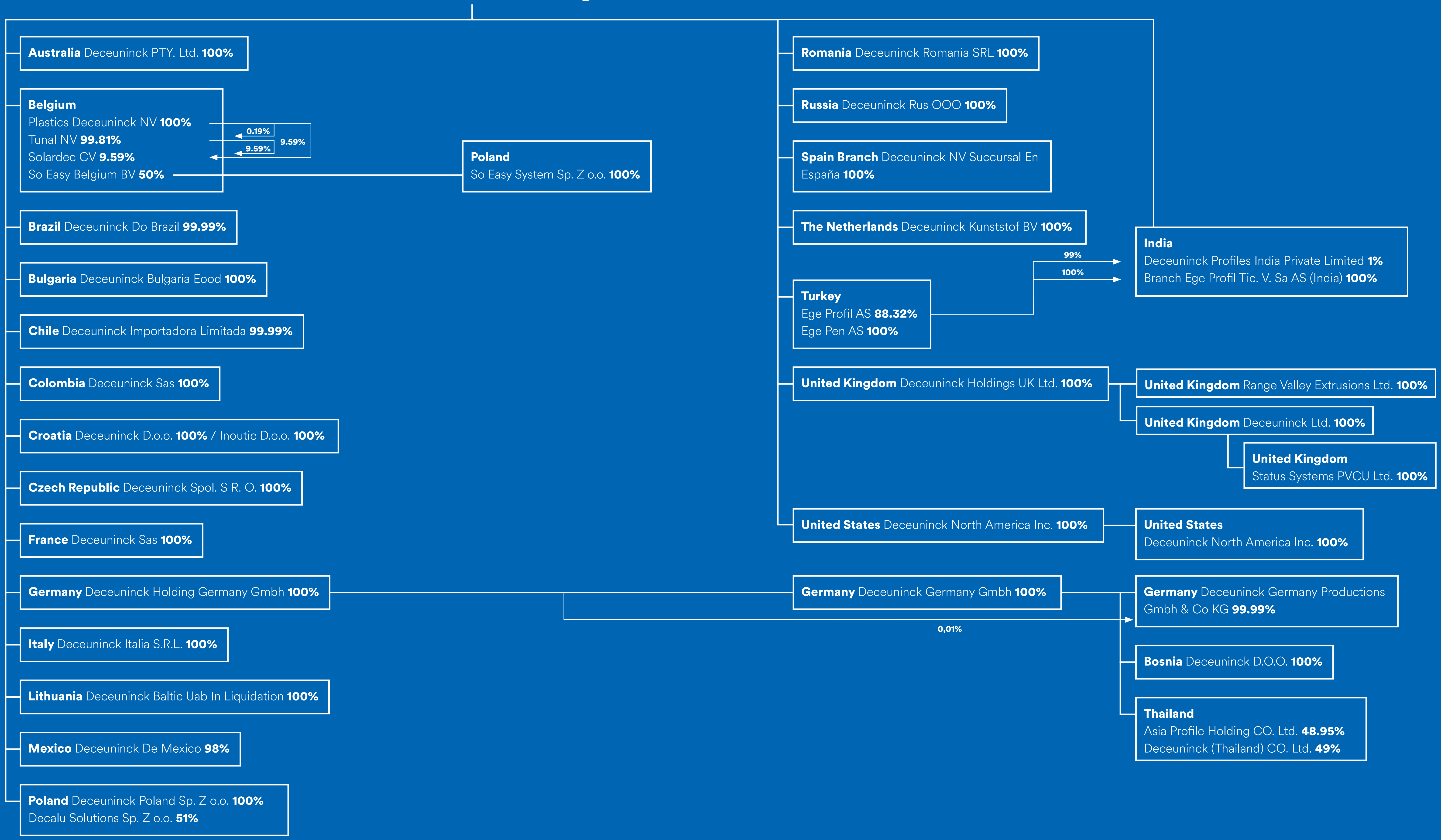
NAME OF THE COMPANY	REGISTERED OFFICE	Ownership percentage	
		2020	2021
Ege Pen A.Ş	Atatürk Plastik OSB Mahallesi. 5. Cadde No: 4 Menemen/İZMİR 35660 IZMIR	99.99	100.00
UNITED KINGDOM			
Deceuninck Ltd.	2 Temple Back East Temple Quay Bristol BS1 6EG	100.00	100.00
Status Systems PVCU Ltd.	2 Temple Back East Temple Quay Bristol BS1 6EG	100.00	100.00
Range Valley Extrusions Ltd.	2 Temple Back East Temple Quay Bristol BS1 6EG	100.00	100.00
Deceuninck Holdings (UK) Ltd.	2 Temple Back East Temple Quay Bristol BS1 6EG	100.00	100.00
UNITED STATES			
Deceuninck North America Inc.	351 North Garver Road Monroe. 45050 Ohio	100.00	100.00
Deceuninck North America. LLC	351 North Garver Road Monroe. 45050 Ohio	100.00	100.00

Equity investees, refer to Note 8:

NAME OF THE COMPANY	REGISTERED OFFICE	Ownership percentage	
		2020	2021
BELGIUM			
So Easy Belgium BV	Stokkelaar 13 9160 Lokeren	50.00	50.00
POLAND			
So Easy System Sp. Z.o.o.	ul. Dunska 4 05-152 Czosnow	50.00	50.00
Decalu Solutions Sp. z.o.o.	ul. Dunska 4 05-152 Czosnow	51.00	51.00
Winco Sp. z.o.o.*	ul. Dunska 4 05-152 Czosnow	50.00	

* Winco Sp. Z.o.o. merged into So Easy System Sp. Z.o.o.

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 2021 annual financial statements of Deceuninck NV.

Income statement

The income statement for 2021 is presented below:

INCOME STATEMENT (IN € THOUSAND)	2020	2021
Operating revenues	196,056	267,800
Operating costs	(184,204)	(260,148)
Operating Profit	**11,852**	**7,652**
Financial income	45,498	9,838
Financial costs	(58,216)	(10,326)
Profit (+) / Loss (-) For The Financial Year Before Taxes	**(866)**	**7,164**
Income taxes	(678)	(259)
Profit (+) / Loss (-) For The Financial Year	**(1,544)**	**6,905**
Profit (+) / Loss (-) For The Financial Year Available For Appropriation	**(1,544)**	**6,905**

The operating revenues have increased due to an increase in sales volumes. Higher raw materials prices led consequently to higher selling prices and thus also supported operating revenues. The operating costs increased due to an unfavorable evolution of the raw material prices, higher energy prices and higher payroll expenses. Where payroll expenses were impacted in 2020 by the COVID-19 pandemic (which resulted into lower plant production levels and the use of temporary unemployment government measures), activities in 2021 were much less interrupted because of the pandemic.

The financial income mainly consists of intercompany dividends and interests while the financial costs are related to interests and foreign exchange results.

Income statement

BALANCE SHEET (IN € THOUSAND)	2020	2021
Intangible fixed assets	3,146	2,292
Tangible fixed assets	31,907	31,438
Financial fixed assets	199,289	210,471
Other receivables	72,951	53,884
Non-current assets	**307,293**	**298,085**
Inventories	27,505	38,258
Trade receivables	36,400	48,598
Other receivables	23,392	29,333
Cash and cash equivalents	25,229	8,194
Other current assets	4,846	3,788
Current assets	**117,372**	**128,171**
TOTAL ASSETS	**424,665**	**426,256**
Issued capital	53,950	54,441
Share premiums	92,591	94,494
Reserves	15,466	15,520
Retained earnings	55,760	54,333
Equity	**217,767**	**218,788**
Provisions and deferred taxes	**866**	**777**
Long-term debts	100,000	-
Short-term debts	104,521	205,597
Other liabilities	1,511	1,094
Liabilities	**206,032**	**206,691**
TOTAL EQUITY AND LIABILITIES	**424,665**	**426,256**

The most important fluctuations are:

- The intangible and tangible fixed assets remain stable because the new investments represent almost the same value as the 2021 depreciation totals;
- The increase in financial fixed assets mainly results from a capital increase (contribution in kind of a long-term loan) in the Polish subsidiary.
- The decrease in non-current other receivables is due to the contribution in kind mentioned above and a transfer of an intercompany receivable to current other receivables.
- Increase in inventories due to general price increases and to respond to increased demand;
- Increase in trade receivables linked to increased revenue;
- The increase in current other receivables is mainly due to transfer of intercompany receivable from non-current other receivables;
- Decrease in cash and cash equivalents due to increased working capital;
- Move of the retail bond facility with expiry date December 2022 from long-term debts to short-term debts;
- Increase in trade payables due to increased operating costs.

Result appropriation
The Board of Deceuninck NV will propose to the General Assembly to distribute a gross dividend of 0.06 euro per share.

APPROPRIATION OF THE RESULTS OF DECEUNINCK NV (IN € THOUSAND)	2020	2021
Profit / (loss) from the fiscal year for appropriatoin	(1,544)	6,905
Profit carried forward from previous year	64,141	55,760
Profit to be appropriated	**62,597**	**62,665**
Dividend	6,836	8,278
Profit to be carried forward	55,760	54,387
TOTAL	**62,596**	**62,665**

2.6.4 External auditor’s report

Statutory auditor's report to the general shareholders’ meeting on the consolidated accounts for the year ended 31 December 2021

23 February 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 2 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 2021, 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 accounts, including a summary of significant accounting policies and other explanatory information, and which is characterised by a consolidated balance sheet total of EUR ‘000 675,089 and a net profit attributable to the shareholders of the parent company of EUR ‘000 33,990.

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 2021, 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 judgement, were of most significance in our audit of the consolidated accounts of the current period. These matters were addressed in the context of our audit of the consolidated accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Expected Credit Loss (ECL) for trade receivables - Note 12

Description of key audit matter

The allowance for expected credit losses on trade receivables amounts to EUR '000 9,991 as on 31 December 2021. The Group has applied the simplified approach in IFRS 9 'Financial Instruments' to measure ECL for trade receivables, which allows for lifetime expected credit losses to be recognised at initial recognition of the receivables. The Group determines the expected credit losses on trade receivables by using a provision matrix that is based on 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, and 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.

The allowance for trade receivables is important to our audit due to the magnitude of the gross trade receivables amount (EUR '000 100,747) and related allowance, the increased credit risk resulting from the COVID-19 pandemic, and because the calculation of the allowance involves management's judgement in assessing the recoverability of the trade receivables of the Group based on the elements described above.

How our audit addressed the key audit matter

We have, amongst others, performed following procedures:

- Evaluating the appropriateness of the accounting policies and obtaining an understanding of the process relating to the allowance for credit losses of trade receivables;
- Evaluating the reasonableness of the key judgments and estimates relating to the calculation of probability of default and forward-looking factors made in the expected credit loss model;
- Evaluating the completeness, accuracy and relevance of data used in the expected credit loss model and checking the mathematical accuracy of the calculations;
- Testing on a sample basis whether individual trade receivables were classified appropriately in the accounts receivable ageing balance and in the reports presenting credit insured trade receivables;
- Testing for a statistical sample of trade receivable balances on 31 December 2021, their existence and valuation through external confirmation procedures, subsequent cash collections, or reconciliation with delivery notes proving delivery to the customer effectively took place in 2021;
- Assessing the adequacy of the disclosures in Note 12 (Impairment allowance on trade receivables) and Note 25 (Credit risk) of the consolidated accounts.

We found management's judgments in respect of the ECL model to be within an acceptable range of reasonable estimates.

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 determines is necessary to enable the preparation of consolidated accounts that are free from material misstatement, whether due to fraud or error.

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

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

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

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 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 comply 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 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, 23 February 2022

The statutory auditor
PwC Reviseurs d'Entreprises SRL / PwC Bedrijfsrevisoren BV
Represented by

Lien Winne
Réviseur d'Entreprises / Bedrijfsrevisor

Statutory auditor's report to the general shareholders' meeting, in accordance with article 4 of the transparency directive, regarding the compliance of the consolidated financial statements in the form of an electronic file of Deceuninck nv as at 31 December 2021 with the ESEF requirements and taxonomy under the delegated regulation (EU) 2018/815.

Mission

In accordance with Article 4 of the Transparency Directive, the statutory auditors' mission is to report on the compliance of the form and the XBRL marking language of the digital consolidated financial statements in the form of an electronic file (hereinafter "digital consolidated financial statements") in accordance with the ESEF requirements and taxonomy (more specifically the provisions in force as laid down in the ESEF Regulatory Technical Standard, "ESEF RTS") applicable to the digital consolidated financial statements as at 31 December 2021.

The Board of Directors responsibility

The board of directors is responsible for the preparation of the digital consolidated financial statements in accordance with the ESEF requirements and taxonomy (i.e. the provisions in force as set out in the ESEF Regulatory Technical Standards (ESEF Regulatory Technical Standard, "ESEF RTS") applicable to the digital consolidated financial statements as at 31 December 2021).

This responsibility includes the selection and application of the most appropriate methods to prepare the digital consolidated financial statements. In addition, the responsibility of the board of directors includes designing, implementing and maintaining systems and processes relevant to the preparation of the digital consolidated financial statements that are free from material misstatement resulting from of fraud or errors. The board of directors should verify that the digital consolidated financial statements are consistent with the user-readable consolidated financial statements.

Statutory Auditor's responsibility

Our responsibility is to express a conclusion as to whether the marking language XBRL of the digital consolidated financial statements of Deceuninck NV per 31 December 2021 complies in all material respects with the ESEF technical regulatory standards based on the work we perform.

We conducted our work in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) "Assurance Engagements other than Audits or Reviews of Historical Financial Information". This standard requires that we comply with ethical requirements and that we plan and perform the engagement to obtain reasonable assurance about whether nothing has come to our attention that causes us to believe that the digital consolidated financial statements are, in all materiality, in that respect would not have been prepared in accordance with the ESEF technical regulatory standards applied by the Company.

The selection of the procedures performed depends on our judgment and assessment of the risk of material misstatement in the digital consolidated financial statements and in the statements of the board of directors. The entirety of the work performed by us consisted of, among other things, the following procedures:

- Verify if the digital consolidated financial statements are prepared in accordance with article 3 of the Transparency Directive;
- Obtain an understanding of the processes of the Company's practice in the XBRL marking language of its digital consolidated financial statements and of the controls relevant to the certification, 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 controls to provide reasonable assurance about whether the XBRL marking language of the digital consolidated financial statements complies in all material respects with the ESEF regulatory technical standards;
- Obtaining sufficient appropriate audit evidence about the effective operation of controls relevant to the XBRL marking language of the digital consolidated financial statements of Deceuninck NV per 31 December 2021;
- Reconciliation of the marked data with the audited consolidated financial statements of Deceuninck NV per 31 December 2021;
- Assessing the completeness of the marking language of the digital consolidated financial statements prepared by the Company;
- Assessing the appropriateness of the Company's use of the iXBRL elements of the ESEF taxonomy and assessing the creation of the extension taxonomy.

Our independence and quality control

We have complied with the independence requirements and other ethical requirements of the legislation and regulations in force in Belgium that apply in the context of our assignment. These are founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our audit firm applies International Standard on Quality Control (ISQC) n°1 and maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Our Conclusion

Based on the procedures performed, we conclude that the XBRL marking language of the digital consolidated financial statements of Deceuninck NV per 31 December 2021 complies in all material respects with the ESEF requirements and taxonomy (more specifically the provisions in force as laid down in the ESEF regulatory technical standards ("ESEF RTS") applicable to the digital consolidated financial statements as at 31 December 2021.

We do not express an audit opinion, a review conclusion or any other assurance conclusion on the consolidated financial statements themselves in this report. Our audit opinion on the Group's consolidated financial statements is set out in the statutory auditor's report dated 23 February 2022.

Other matter

The consolidated financial statements of Deceuninck NV (the "Company") and its subsidiaries (jointly "the Group") have been prepared by the board of directors of the Company on 23 February 2022 and has been subject to a statutory audit. Our statutory auditor's report (signed on 23 February 2022) includes an unqualified opinion on the true and fair view of the Group's equity and consolidated financial position as of 31 December 2021, as well as its consolidated results and its consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Ghent, 24 March 2022

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 NV (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 € 54,441,352.14 euro is represented by 138,040,929 shares. There are 88,839,385 dematerialised shares and 49,201,544 registered shares. The Group holds 69,769 treasury shares as at 31 December 2021.

Quotation on the stock exchange

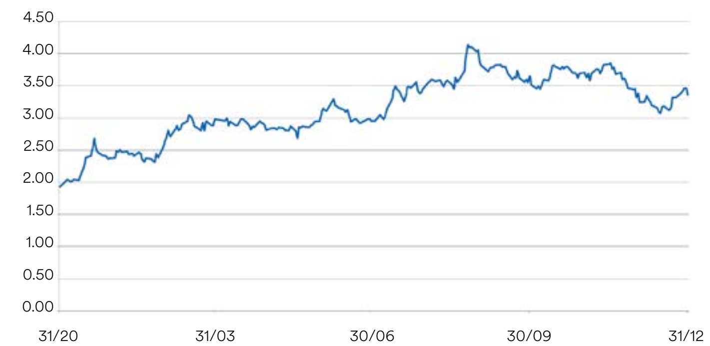
Deceuninck NV shares are listed under the code DECB and are traded on the Continuous segment of Euronext Brussels. DECB is part of the BEL Mid® index.
ICB sectorial classification: 2353 Building materials & fixtures.

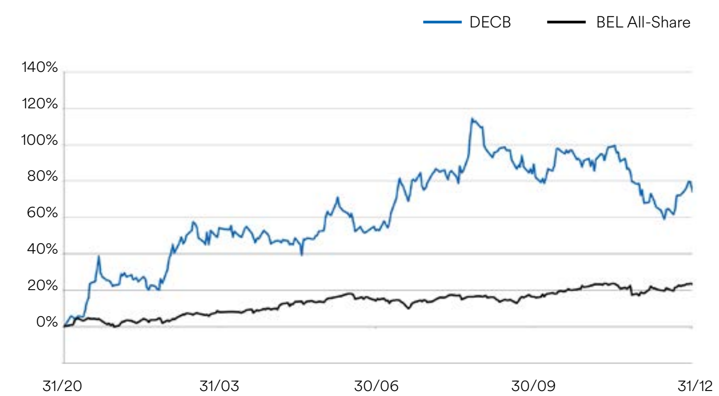
Evolution of the Deceuninck Group share price

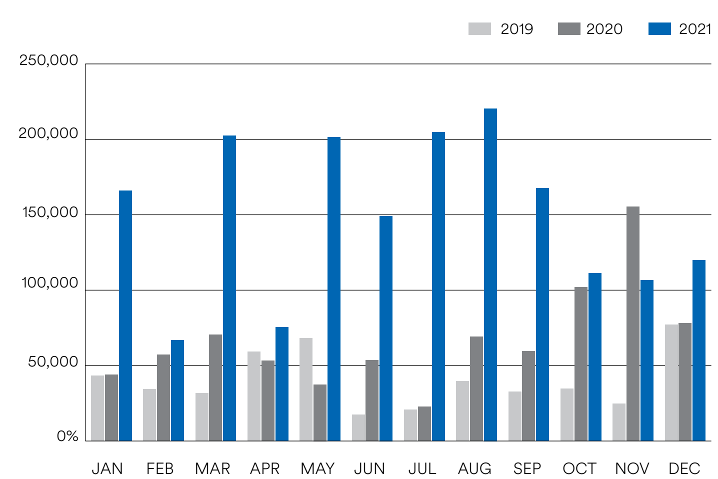
The closing price of the Deceuninck Group share increased from € 1.93 on 31 December 2020 to € 3.36 on 31 December 2021. The Volume Weighted Average Price (VWAP) for 2021 was € 3.20. The lowest closing price was € 2.01 on 6 January 2021 and the highest closing price was € 4.14 on 25 August 2021. The average number of shares traded per day in 2021 was 150,379 versus 66,743 in 2020.

Dividends

At the Annual General Meeting scheduled on 26 April 2022, the Board will propose to pay a dividend of € 0.06 per share for the financial year 2021.







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) and on the website of the FSMA. A comprehensive press release on the FY 2021 results is released on 24 February 2022.

Institutional investors at home and abroad were informed by the Group during several virtual conferences.

Sell side financial analysts covering the Group: Kris Kippers (Degroof Petercam), Maxime Stranart (ING), Alexander Craeymeersch (Kepler Cheuvreux) and Wim Hoste (KBC Securities).

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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 2022

24
February 2022
↓
FY 2021 Results

26
April 2022
↓
General Meeting

17
August 2022
↓
H1 2022 Results

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Glossary

EBITDA

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

	2020	2021
Operating profit	45,887	54,278
Depreciations & impairments	(39,604)	(38,553)
EBITDA	**85,491**	**92,832**

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.

	2020	2021
EBITDA	85,491	92,832
Integration & restructuring expenses	1,825	4,907
Result realized on disposal of a sales entity	866	-
Gains on assets disposals	(3,427)	-
Impairment of intangible fixed assets arising from goodwill allocation	1,289	-
Adjusted EBITDA	**86,045**	**97,739**

EBIT

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

	2020	2021
EBITDA	85,491	92,832
Depreciations & impairments	(39,604)	(38,553)
EBIT	**45,887**	**54,278**

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.

	2020	2021
Interest-bearing loans – non-current	137,022	13,002
Interest-bearing loans - current	24,069	121,765
Cash and cash equivalents	(105,623)	(72,885)
Net debt	**55,468**	**61,882**

Working capital

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

	2020	2021
Trade receivables	69,301	90,756
Inventories	112,907	169,589
Trade payables	(107,963)	(176,009)
Working capital	**74,245**	**84,336**

Capital employed (CE)

The sum of non-current assets and working capital.

	2020	2021
Working capital	74,245	84,336
Non-current assets	273,139	270,555
Capital employed (CE)	**347,384**	**354,890**

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.

	2020	2021
Net debt	55,468	61,882
LTM Adjusted EBITDA	86,045	97,739
Leverage	**0.6**	**0.6**

GRI Index

GENERAL DISCLOSURES 2021

Topic	Disclosure		Reference
1. The organization and its reporting practices	2-1	Organizational details	Legal and organizational structure
	2-2	Entities includes in the organizations' sustainability reporting	Reporting framework and scope
	2-3	Reporting period, frequency, contact point	01/01/2021-31/12/2021. Annual. Publication date: 24 February 2022, 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 How we create value
	2-7	Employees	People; Methodology: FTE
	2-8	Workers who are not employees	People (temporary employees)
3. Governance	2-9	Governance structure and composition	The Board and its Committees - Composition of the Board - 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 Diversity Policy - Criteria
	2-11	Chair of the highest governance body	The Board and its Committees - 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 betweenrelated parties + Transactions between the Company and its Directors, not covered by the legal provisions governing conflicts of interest

GENERAL DISCLOSURES 2021

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 - 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
4. Strategy, policies and practices	2-22	Statement on sustainable development strategy	Message from the Chairman and the CEO
	2-23	Policy commitments	Code of Conduct (signed by employees): Community - Business ethics Supplier Code of Conduct (signed by suppliers): 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	Our sustainability 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	1. Water withdrawal by source	Planet - Results and Targets - Water Management
	GRI 305	1. Direct (Scope 1) GHG emissions	Planet - Results and Targets - Carbon Management
		2. Energy indirect (Scope 2) GHG emissions	
		3. Other indirect (Scope 3) GHG emissions	
		4. Reduction of GHG emissions	
	GRI 306	1. Waste generated	Planet - Results and Targets - Waste Management
		2. Waste diverted from disposal	
		3. Waste directed to disposal	
Social	GRI 405	1. Diversity of governance bodies and employees	Corporate Governance Statement - Diversity Policy People - Results and argets - Diversity
	GRI 416	1. Assessment of the customer health and safety impacts of product and service categories	Community - Results and Targets - Health and Safety of the End-user
		2. Incidents of non-compliance concerning the health and safety impacts of products and services	
	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

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This annual report is available in Dutch and English.
Dit jaarrapport is verkrijgbaar in het Nederlands en het Engels.

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