deceuninck group

BUILDING A SUSTAINABLE HOME

Annual report 2020

BUILDING A SUSTAINABLE HOME

OUR MISSION
Consistent with our ‘building a sustainable home’ aspiration,
we pursue bringing superior value to our customers around the world.
As a highly reliable partner, we develop sustainable, multi-material window and door solutions to construct smart, safe, clean and livable spaces for the people of tomorrow, driven by a top-performing and passionate team.

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OUR COMPANY


deceuninck

Mr. Van Eeckhout and Mr. Klepfisch in front of Elegant Infinity and O-Wall.

Message from the Chairman & the CEO

Dear Customers, Partners, Shareholders and Colleagues worldwide,

The year 2020 will undoubtedly be remembered by all of us for the COVID-19 pandemic. The human tragedy has been significant, and our deepest sympathies go to everyone who suffered personal loss.

At the same time we would like to recognize the drive, commitment and flexibility of our customers, partners and colleagues around the world. It is thanks to you all that our company is weathering this storm well.

We are pleased to report that we resumed our profitable growth track with Adjusted EBITDA (€86.0m in 2020) and Net Earnings (€25.6m in 2020) reaching their highest levels of the last decade. This has been achieved thanks to structural market growth, new customer wins and the strategic repositioning of Europe which gradually starts to contribute to our results. The negative impact from COVID-19 on Adjusted EBITDA has been largely mitigated through the immediate implementation of various cost reduction initiatives and temporary lower raw materials in certain markets.

Net financial debt decreased significantly (€55.5m in 2020 vs €140.2m in 2019) resulting in a leverage of 0.6x Adj EBITDA. Much of this improvement is considered permanent and is driven by better performance, lower strategic capex, further optimization of working capital, the sale of unused assets and the sale of 7.41% of Ege Profil in Turkey. An estimated €15m to €20m of this reduction, reflecting exceptionally low working capital levels and timing differences, is considered temporary and will likely reverse in 2021.

Despite the pandemic, the execution of our '5 pillar' strategy (superior offering, sustainability, efficient and flexible cost base, resilient capital structure, team) remains well on track. Consistent with our 'Building a Sustainable Home' ambition, we made further progress in improving the sustainability of both our products as well as our production processes. Our innovative product range, like the award-winning Elegant platform which is being rolled out, combines design and efficiency with superior insulation and contributes therefore to both increasing comfort standards and global warming targets.

In parallel, we further invested in increasing our recycling capacity and renewable energy. Volumes of the European recycling facility increased and 1.1m old windows have been recycled throughout 2020, which corresponds to over 20% of our European PVC consumption. As a consequence, we estimate that it takes less than 6 months to compensate the CO_2 emission required to produce our profiles with the CO_2 you save when replacing old windows.

Other strategic projects like capacity expansions in the US, the commercial launch of the innovative Elegant platform, footprint optimization in Europe, expansion in emerging markets and the further digitalization of our company remain on track and will gradually contribute to performance.

We remain confident that our long-term strategy will deliver value for all our Stakeholders, and is 'Green Deal proof'. Our products and know-how perfectly meet the housing needs of a growing world population while maintaining a healthy balance with social, economic and environmental considerations. As we write this, we all are still confronted with the short-term uncertainty resulting from the COVID-19 pandemic, but we owe it to all of you to turn these challenges into opportunities.

We look forward to 2021.

Marcel Klepfisch
Chairman

Francis Van Eeckhout
CEO

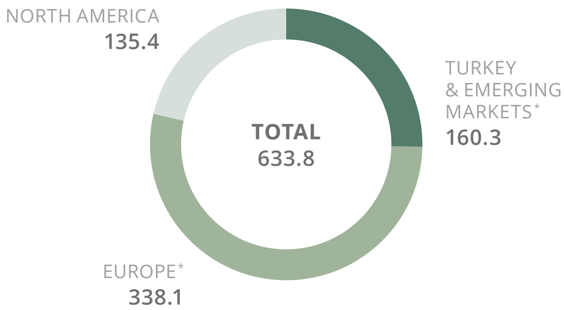
Key figures 2020

KEY FIGURES* (in € million)	2018	2019	2020	EVOLUTION 2019-2020
CONSOLIDATED INCOME STATEMENT				
Sales	674.2	633.8	**642.2**	1%
Adjusted EBITDA	72.4	60.6	**86.0**	42%
EBIT	43.9	11.2	**45.9**	310%
Net profit	15.6	(14.7)	**25.6**	(273%)
CONSOLIDATED BALANCE SHEET				
Equity	255.6	233.1	**246.3**	6%
Net debt	93.7	140.2	**55.5**	(60%)
Total assets	584.9	589.7	**599.4**	2%
Capital expenditure	62.1	35.5	**23.5**	(34%)
Working capital	92.3	94.5	**74.2**	(21%)
Capital employed	396.3	416.3	**347.4**	(17%)
RATIOS				
Net profit on sales	2.3%	(2.3%)	**4.0%**	
Adjusted EBITDA / Sales	10.7%	9.6%	**13.4%**	
Net debt / Adjusted EBITDA	1.29	2.31	**0.64**	
EBIT / Capital employed	11.1%	2.7%	**13.2%**	
HEADCOUNT				
Total Full Time Equivalents (FTE)	3,803	3,754	**3,660**	

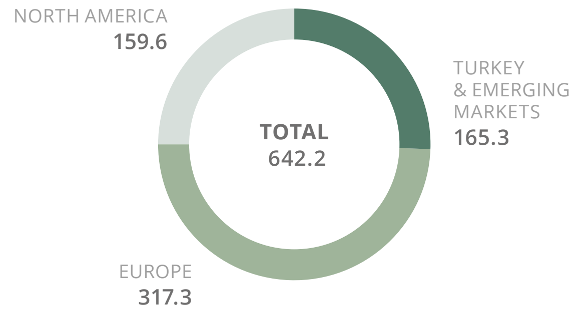
* Definitions: see glossary p. 197.

KEY FIGURES PER SHARE	2018	2019	2020
Number of shares as at 31 December	136,670,838	136,732,506	**136,795,123**
Market capitalisation as at 31 December (in € million)	263.8	280.3	**264.0**
Net profit / (loss) per share as at 31 December (in €)	0.11	(0.11)	**0.19**
Book value per share (in €)	1.87	1.70	**1.80**
Gross dividend per share (in €)	0.03	(-)	**0.05**
Share price at 31 December (in €)	1.93	2.05	**1.93**

SALES 2019 PER REGION (in € million)

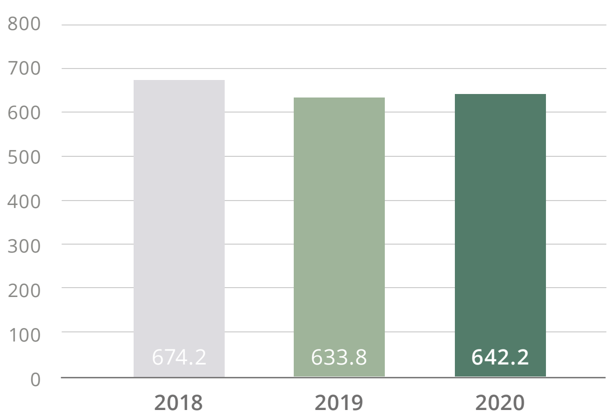


SALES 2020 PER REGION (in € million)

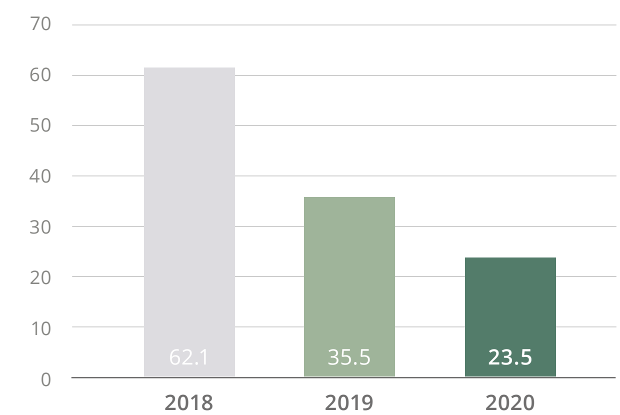


* From 01.01.2020, Romania is reported as part of Europe instead of part of the Emerging Markets. In order to have comparable data in the graph above, the 2019 sales in Romania have been reallocated from Turkey & EM to Europe.

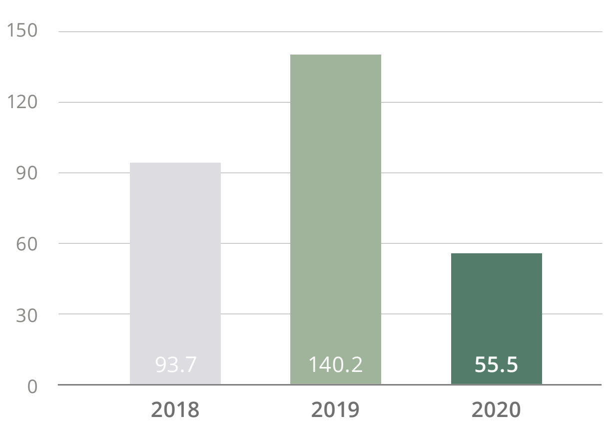
SALES (in € million)



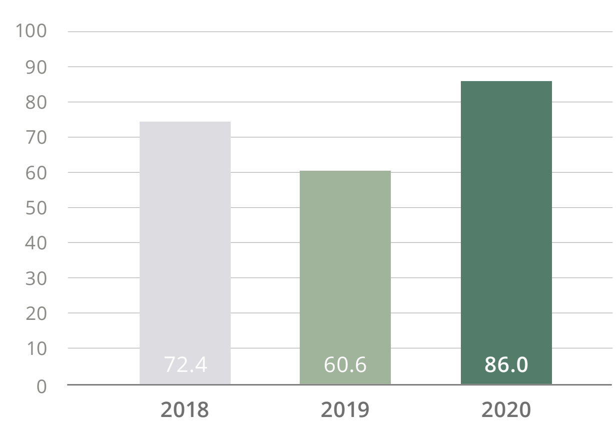
INVESTMENTS (in € million)



NET DEBT (in € million)



ADJUSTED EBITDA (in € million)



The Deceuninck Group Share

LISTED ON EURONEXT BRUSSELS (DECB)

€ 642.2 million

SALES 2020

€ 86 million

ADJUSTED EBITDA

3,660

FULL TIME EQUIVALENT

31

SUBSIDIARIES

OUR AMBITION

BUILDING A SUSTAINABLE HOME

OUR STRATEGY

PEOPLE, PLANET, PROSPERITY

OUR REPORTING FRAMEWORK

UN SUSTAINABLE DEVELOPMENT GOALS

+ 4,000

CUSTOMERS IN

+ 90

COUNTRIES ACROSS THE WORLD

15

PRODUCTION FACILITIES

3 operational regions

EUROPE
USA
TURKEY AND EMERGING MARKETS

RELIABILITY

INNOVATION

SUSTAINABILITY

Latest innovations

iCOR

ELEGANT

THERMOFIBRA

LOGIN

TITLE SPONSOR OF
DECEUNINCK – QUICK-STEP
WORLD TOUR CYCLING TEAM

Awards 2020

GERMAN INNOVATION AWARD 2020
GERMAN DESIGN AWARD 2021
FOR iCOR

UK NATIONAL FENESTRATION AWARD
2020 COLOUR SPECIALIST

Some of our sustainability achievements

22,000 tonnes OF POST-INDUSTRIAL AND POST-CONSUMER MATERIAL RECYCLED IN 2020

13.3% RECYCLED MATERIALS IN OUR PRODUCTS

VINYLPLUS PRODUCT LABEL ZENDOW (EU)

GREENCIRCLE CERTIFIED COMPANY
FOR RECYCLED CONTENT (US)

ISO14001 CERTIFIED IN PRODUCTION FACILITIES
BELGIUM, TURKEY AND UK

79.1% OF OUR EMPLOYEES HAVE COMPLETED THE CODE OF CONDUCT E-LEARNING

Milestones 2020

01

BELGIUM

Our European launch of Elegant, based on the revolutionary iCOR building block, kicks off in Belgium. At **Polyclose** Deceuninck presents its **new pvc and aluminium series** to the market. The smooth alignment between the series gives Deceuninck a new unique position in the market.

02

POLAND

28th Fenestration Convention 'Stolarka VIP'. During this event, **Deceuninck was among the laureates of the program for its pioneering concept of iCOR** – the first universal cross-section core for various window profiles – gaining the statue for the awarded solutions.

POLAND

BUDMA International Construction and Architecture Fair. At our stand, we presented our great solutions Elegant, Decalu and Twinson, which combine innovation and beautiful design.

WORLDWIDE

Due to the COVID-19 pandemic and a high number of infections in some facilities, our production is temporarely interrupted.
As of April 27 we resumed activities partially and gradually.

03

GERMANY

The introduction of our unique glass-fibre technology **ThermoFibra** and universal building block **iCOR** into the Elegant series.

05

GERMANY

Our innovative modular platform iCOR was elected as the **winner of the German Innovation Award**.

CZECH REPUBLIC

Deceuninck took part in '**Festival Architektury'**, a prestigious event for architects within Building Fair in Brno, to introduce its new Elegant profile system.

04

CORPORATE

Mr. Paul Thiers resigns from the Board. The Board of Directors thanks Mr. Paul Thiers for his commitment as Director and Chairman, and for his important contribution to the development of the company. On the recommendation of the Nomination and Remuneration Committee, the Board of Directors appointed **Mr. Marcel Klepfisch**, Vice Chairman, as new Chairman of the company and of the Nomination and Remuneration Committee.

RUSSIA

Launch of **DExtra, a new customer service online platform in Russia**, where we offer extra services to our partners, which was highly demanded during the lockdown and afterwards. We teach our customers on the following topics: product, sales, marketing and sales increasing technologies. We expect more trainings and customers on the platform in 2021.

07

CORPORATE

With the launch of our **new corporate identity** we also introduced — for the first time — our **crown-shaped logo**, as our company's name refers to 'the King' in Dutch. A king wears a crown, but our crown has a higher meaning. It has three dots referring to granulates (our raw materials) as wel as our three pillars Innovation, Sustainability and Reliability. It also depicts an extruded profile upfront (the diamond in the middle) and an extruded profile in the length (the bottom stripe).

NORTH AMERICA

Joren Knockaert is appointed the **new President & CEO of Deceuninck North America.** Retiring CEO Filip Geeraert is appointed as the Chairman of the Board for Deceuninck North America.

CORPORATE

Deceuninck – Quick-Step achieves great results: **Sam Bennett** wins the green jersey in the Tour de France, **Julian Alaphilippe** becomes the new world champion.

09

GERMAN DESIGN AWARD WINNER 2021

GERMANY

iCOR receives the **winning award** at the German Design Award 2021.

06

INDIA

Opening of a **new warehouse** in Delhi.

CHILE

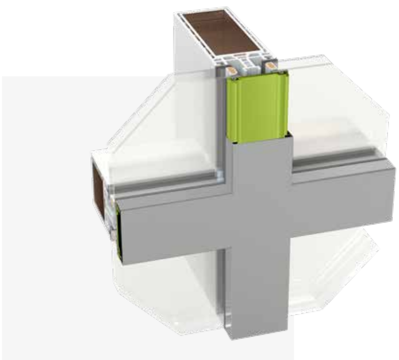
Moving to a **bigger warehouse** in Santiago.

08

GOLD 2020 STEVIE® WINNER INTERNATIONAL BUSINESS AWARDS

SPAIN

The ThermoFibra online campaign receives **the gold award at the Stevie International Business Awards.** 'The Power of ThermoFibra by Deceuninck' is elected as the winner in the category Best Video Sales - Industrial. It is the third year in a row that Deceuninck wins an award (2018: bronze, 2019: silver).



INNERGY AP
ARCHITECTURAL PRODUCTS

NORTH AMERICA

Deceuninck North America launches the **new high-performance 579 Series commercial window system and Innergy AP.** With custom-designed fiber-reinforced polymer pressure plates and components for curtain wall systems, Innergy AP products provide the strength of aluminum and the thermal performance of polyamide, setting a new performance standard for curtain wall system applications.

11

TURKEY

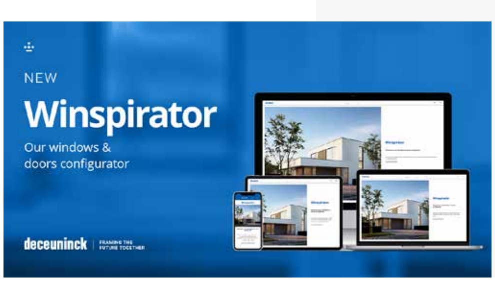
Login is a **new concept door system with pivot hinge hardware applications.** The system has the advantage of a higher sash weight, up to 250 kg. The section (frame-sash width) has a flat appearance on both sides. Glass, aluminum, wood or composite panels can be used on the interior and exterior. The sash profile has PVC eurogroove blocks to fit similar hardware.

2021

RUSSIA

15th anniversay of Deceuninck Russia (13/10). Quality and stability are the main features of Deceuninck in Russia.

10



CORPORATE

Go-live of Deceuninck's **online inspiration tool 'Winspirator'.** It allows the consumer to choose his house style, configure the matching window and door profiles, and send all information and preferences directly to the preferred dealer. The user-friendly 3D application is particularly clever designed and can be perfectly checked on your mobile.

12

NFA20
WINNER

UK

Deceuninck is crowned **Colour Specialist at the National Fenestration Awards.** Winning the Colour Specialist 2020 means a fantastic end to the year, particularly because the industry chose the NFA winners.

NORTH AMERICA

New extrusion lines come online at Monroe plant, resulting in 10% increased extrusion capacity for Deceuninck North America.

Operational & commercial footprint 2020

+ 4,000

CUSTOMERS IN

+ 90

COUNTRIES ACROSS THE WORLD

PRODUCTION, DISTRIBUTION & SALES			
		Hooglede-Gits	Deceuninck NV (HQ)
1	BE	Diksmuide	Deceuninck NV - Divisie Compound
		Hooglede-Gits	Decalu NV
2	CO	Turbaco	Deceuninck S.A.S.
3	HR	Strmec Samoborski	Deceuninck d.o.o.
4	FR	Roye	Deceuninck SAS
5	DE	Bogen	Deceuninck Germany GmbH
6	PL	Swarzędz	Deceuninck Poland Sp. z o.o.
7	RU	Protvino	Deceuninck RUS OOO
8	SP	Borox-Toledo	Deceuninck N.V. Sucursal en España
9	TR	Izmir	Ege Profil Tic.ve San.A.Ş
10	TR	Kartepe	Ege Profil Tic.ve San.A.Ş
11	UK	Calne	Deceuninck Ltd
12	USA	Monroe, Ohio	Deceuninck North America LLC
13	USA	Fernley, Nevada	Deceuninck North America LLC
14	BR	Cotia	Deceuninck Do Brasil
15	CL	Santiago	Deceuninck Importadora Limitada
16	IN	Chennai	Deceuninck Profiles India Private Limited
17	TH	Samutprakarn	Deceuninck (Thailand) C. Ltd.

DISTRIBUTION & SALES			
18	AU	Victoria	Deceuninck Pty.Ltd.
19	BA	Zivinice	Deceuninck d.o.o.
20	HR	Dugo Selo, Zagreb	Inoutic d.o.o.
21	MX	Puebla	Deceuninck Mexico SA de CV
22	RO	Chiajna town. judetul ILFOV	Deceuninck Romania SRL

SALES			
23	BG	Plovdiv	Deceuninck Bulgaria EOOD
24	CN	Licang, Qingdao, Shandong	Rep. Office Deceuninck NV China (Qingdao)
25	CZ	Brno	Deceuninck spol. s.r.o.
26	IN	New Delhi	Deceuninck Profiles India Private Limited
27	IN	Bengaluru	Deceuninck Profiles India Private Limited
28	IT	Pontedera	Deceuninck Italia s.r.l.
29	RU	Moscow	Deceuninck RUS OOO
30	RU	Berezovsky	Deceuninck RUS OOO
31	TR	Ankara	Ege Profil Tic.ve San.A.Ş
32	TR	Adana	Ege Profil Tic.ve San.A.Ş
33	TR	Istanbul	Ege Profil Tic.ve San.A.Ş


USA


USA


USA

Some of our recent references


SPAIN


SPAIN


GERMANY

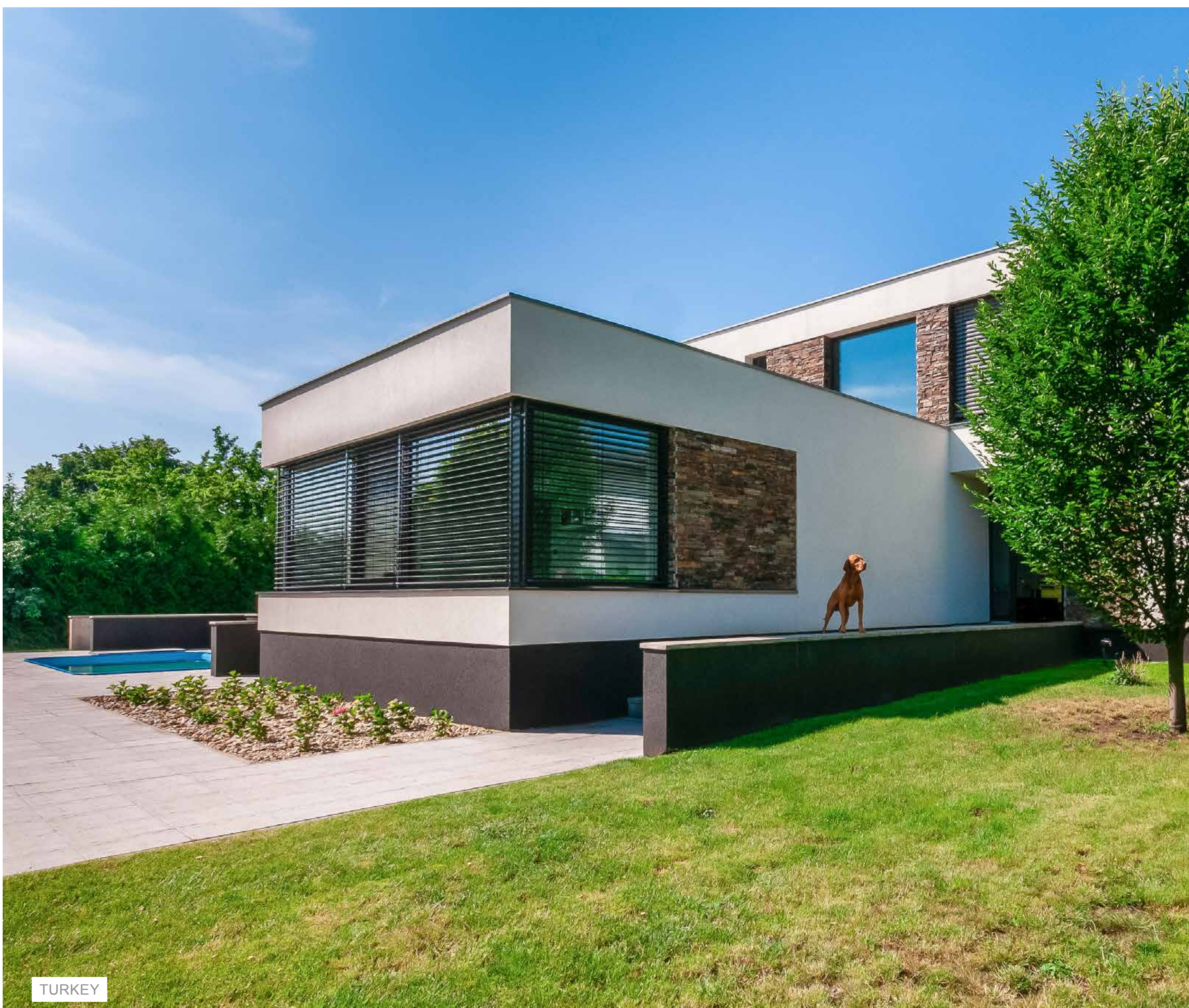

GERMANY

FRANCE

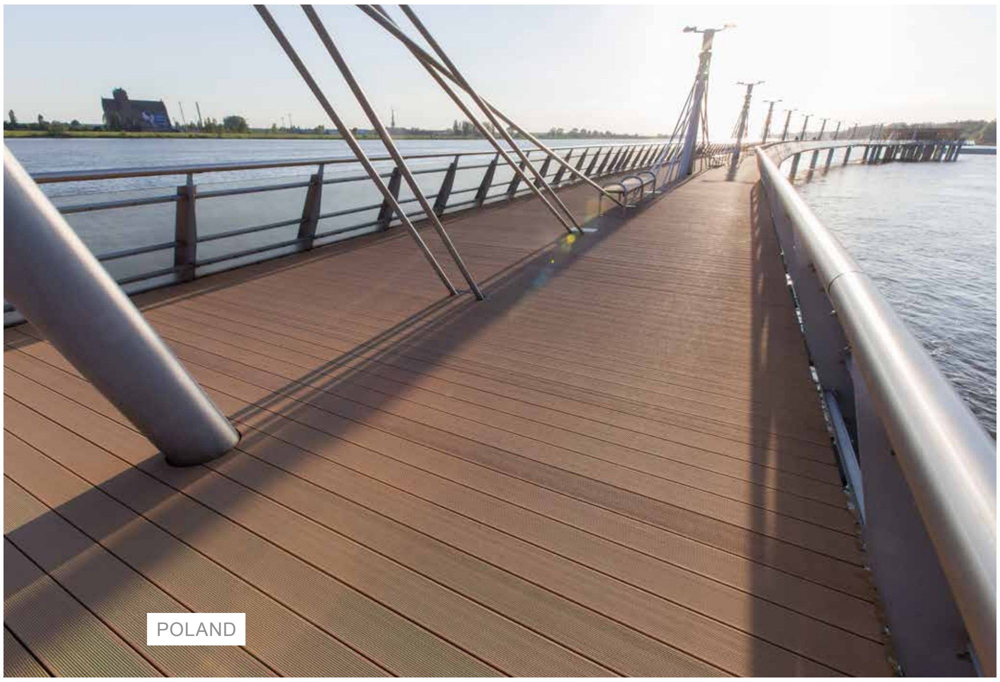
UNITED KINGDOM

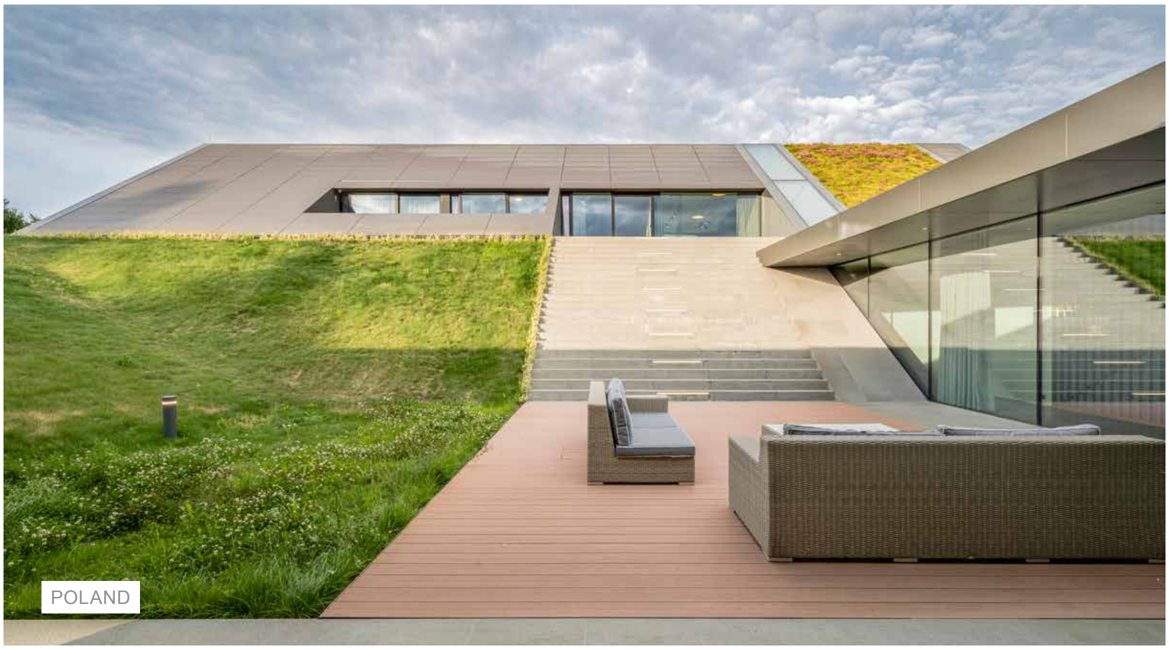
UNITED KINGDOM

TURKEY



TURKEY


POLAND


POLAND


crivit PRO
latexco
deceuninck
WINDOWS
QUICK-STEP
FLOORS
NAPOLEON

Cycling sponsorship

As of January 1 2019, Deceuninck Group is officially the main sponsor of the Deceuninck – Quick-Step World Tour cycling team. The past two years of sponsoring the world's biggest professional cycling team has meant a great leap forward for the visibility and awareness of the Deceuninck brand.

BOOST IN MEDIA EXPOSURE

Over the past two years, media has played a major role in achieving our purpose to raise more awareness for our brand. The Deceuninck logo displayed on the jerseys of every team member on television led to a lot of exposure worldwide. In 2020, the television billboard reached up to three times more viewers than expected. This was partly a result of the fact that, due to the coronavirus pandemic, the Belgian government and the Ronde Van Vlaanderen organization insisted on staying home and watching the race on television.

A winning team

When the cycling team of Patrick Lefevere was looking for a new partner at the end of 2018, Deceuninck Group firmly decided to step in and join the team as title sponsor. With this high-valued sponsorship in international cycling, one of the most popular sports in Europe, Deceuninck aims at a positive brand image and more brand awareness in its key markets. The sponsorship offers plenty of commercial opportunities for both Deceuninck and our customers, and should in the long-term stimulate the expansion of our dealer network.

4

GRAND TOUR STAGES WINS

5

NATIONAL CHAMPIONSHIPS

29

OTHER VICTORIES

CUSTOMER BONDING WORLDWIDE

Since becoming part of Deceuninck – Quick-Step, we endeavored to ensure the involvement of our customers. To make our sponsorship visible in the Benelux and French showrooms of Deceuninck Preferred Partners, we provided banners, advertisements and welcoming displays featuring team cyclists such as Philippe Gilbert and Julian Alaphilippe.

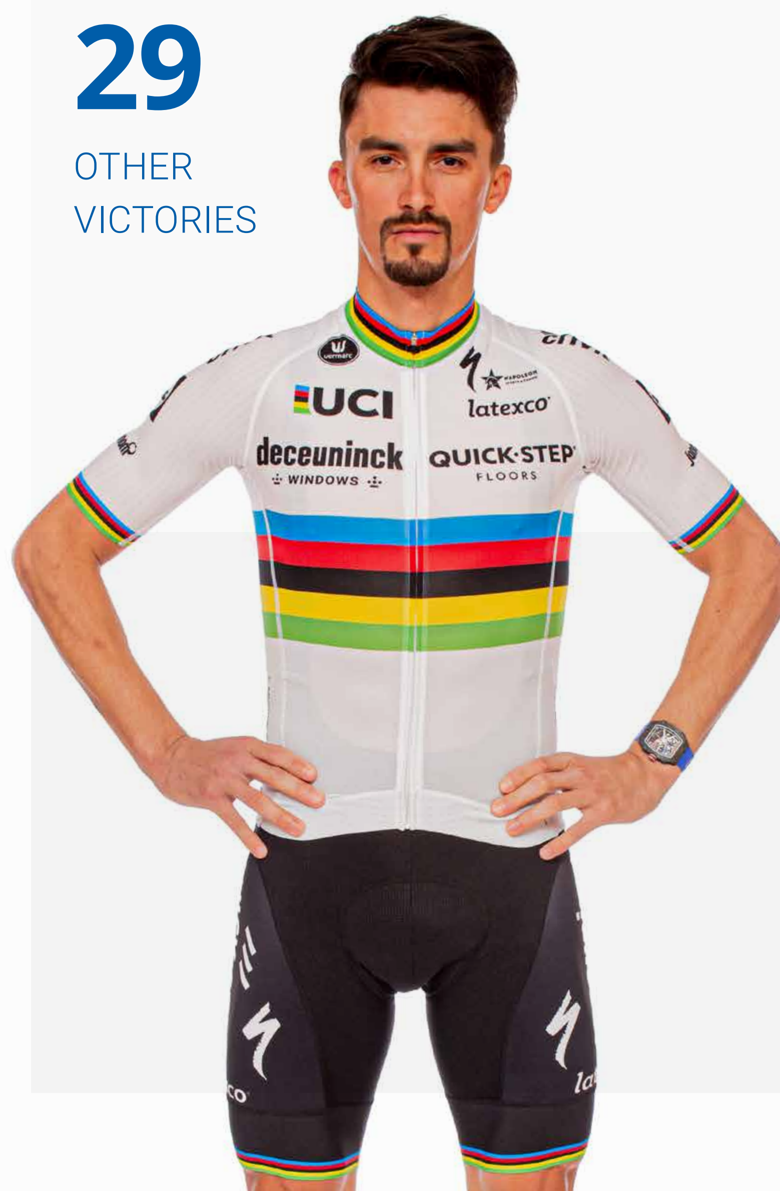
The cycling events also create the perfect occasion to meet up and connect with customers in a new and refreshing setting. Throughout the 2019 cycling season, more than 400 customers were invited to attend worldwide races such as the Tour de France and the Ronde Van Vlaanderen in our VIP shuttles. Furthermore, a selection of big clients had the opportunity to invite their own customers to the races. In 2020, the coronavirus limited these customer bonding activities drastically. We hope to further extend our VIP shuttle activities in 2021.

100

VIP SHUTTLES WORLDWIDE

400

CUSTOMERS INVITED



THE WOLFPACK

#THEWOLFPACK

SOCIAL MEDIA EXPOSURE

Social media is another important pillar to measure the impact of our cycling sponsorship. Content about Deceuninck Group and Deceuninck products is shared regularly on not only the official Deceuninck Group and Deceuninck – Quick-Step accounts, but also on the private social media accounts of the riders. Their numerous followers and broad reach result in a great number of impressions each time, boosting the awareness of Deceuninck as a company.

Based on a study by Blinkfire Analytics from January 1 until November 10 2020, the overall media valuation of Deceuninck – Quick-Step results in following figures. The great engagement around the cycling team is reflected by a total of 46,413 mentions on social channels and 226,255 hashtags used, with the team's nickname #TheWolfPack in the lead, a total of 14,422,691 intentional interactions (likes, comments, shares, retweets,...) and 709,755,850 estimated impressions (number of times a post could be seen in a user's social feed). No less than 5% of brand visibility through social channels was obtained by video content, indicating a modern marketing strategy.

BRANDED ENGAGEMENT

JAN 1, 2020 – NOV 10, 2020

13,598,374
PICTURES

686,764
VIDEOS

46,413
@ MENTIONS

226,255
HASHTAGS

14,422,691
TOTAL ENGAGEMENT

709,755,850
ESTIMATED IMPRESSIONS

ELEGANT CAMPAIGN SUCCESS

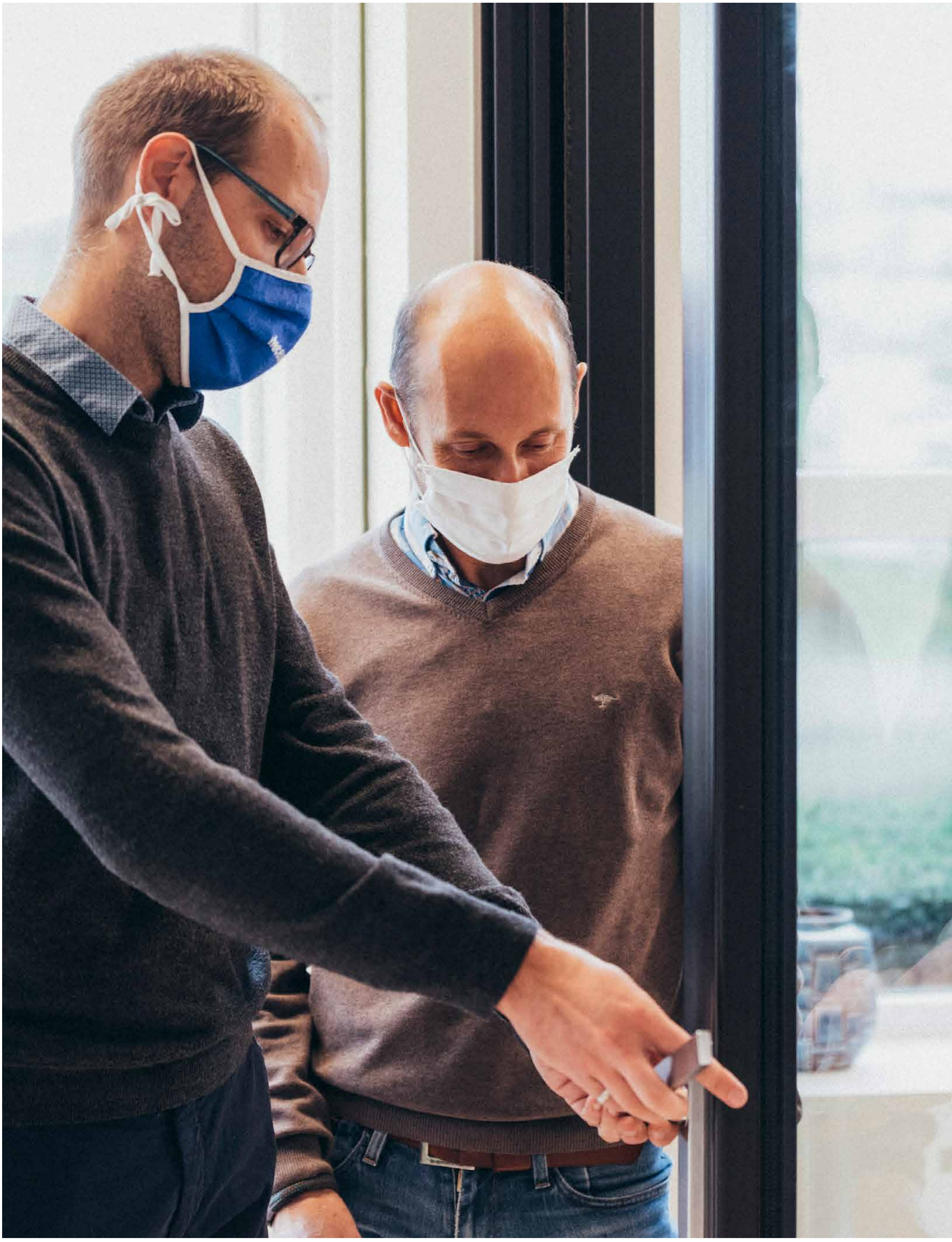
In October 2020, Deceuninck launched the Elegant campaign in Europe. The goal was to create awareness for Deceuninck's new ultimate window concept. In the days leading up to the Tour of Flanders on October 18, Deceuninck communicated about the new window series with a press release and press conference, as well as television and social media exposure. The Belgian media brought our Elegant story multiple times, even during the live broadcast of the Ronde Van Vlaanderen. The news was also picked up by the European press, resulting in over 100 mentions in the European media.

The generous media exposure led to a noticeable boost of traffic on our website elegant.deceuninck.com. On the day of the Ronde van Vlaanderen, the website received 60 times more visitors than on an average Saturday. Moreover, Google Trends shows that there was a significant raise in the search term 'Elegant' during the launch of the campaign and during the press conference, with the greatest peak on October 18. The interest in Deceuninck as a company also had a peak moment during the Ronde Van Vlaanderen. When looking at the whole of 2020, we notice that the Elegant campaign had a positive effect on the brand Deceuninck.

REPORT OF THE BOARD OF DIRECTORS

Our products & innovations

Through an extensive range of window and door profiles, home protection and building products, Deceuninck is a provider of window and door solutions in both PVC and aluminum. Discover our latest innovations in Europe, Turkey and North America.



Europe

WINDOWS & DOORS

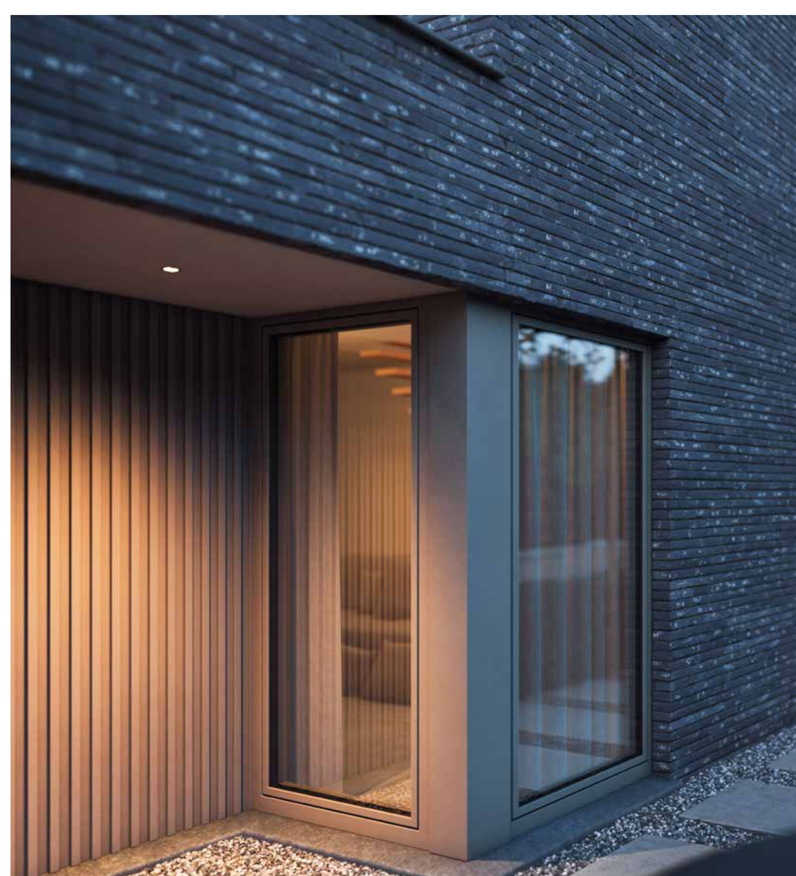
For years, Deceuninck has been dedicating the utmost attention to sustainability. In our day-to-day actions, but also in our products. We strive to help build a sustainable future, through the products we manufacture. The recuperation and recycling of used products and waste plays a major role in this process.

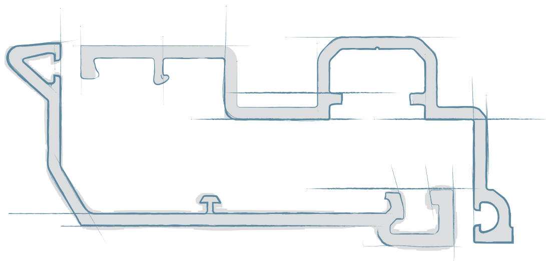
One of the steps Deceuninck has taken is the opening of a high-tech recycling plant in Diksmuide in 2018, in order to pursue a circular approach. This ambition to increase the use of recycled materials to a maximum, together with continuous efforts regarding a long lifespan of our products, results in a future-proof range of products.

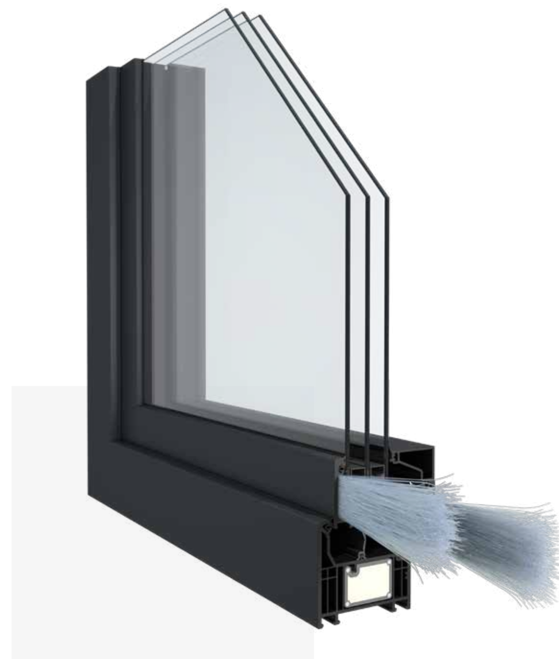
ELEGANT, THE ULTIMATE WINDOW CONCEPT

With Elegant, Deceuninck presents the ultimate window concept. The series amazes through its technicality and variation in frame depths and sash types. Elegant shows a unique design never seen on the market before. The profiles are made sleeker and more modern, resulting in a truly unique look.

Elegant's slim 7 mm rebate design and 100% recyclability has already been internationally awarded with a German Innovation Award, German Design Award and Red Dot Award.







ICOR, EUROPE'S FIRST UNIVERSAL PLATFORM

Elegant is the first of many window designs powered by Deceuninck's new universal platform iCOR. The modular principle behind iCOR is based on a standardized building block, which becomes visible when frame and sash are brought together.

This innovative approach allows for process standardization, resulting in a substantial complexity reduction of processing parameters and logistics. At the same time, iCOR offers complete interchangeability and thus provides more design options as one frame can now serve different sash designs.

To guarantee optimal results in terms of acoustics, water tightness and thermal insulation, iCOR was developed with central sealing. Apart from the sealing on the inside and outside of the profile, the central sealing constitutes a thermal division of the rebate area. It serves as an additional barrier against e.g. heat and cold.

ELEGANT THERMOFIBRA: DESIGN MEETS TECHNOLOGY

In 2012, Deceuninck introduced a composite window system with continuous glass fiber. The remarkable new technology of ThermoFibra now replaces the standard steel reinforcement in window and door profiles with structural glass fibers. This entails a significant improvement of insulation values as well as time savings for manufacturers: with ThermoFibra the steel reinforcement no longer needs to be processed and placed separately.

The Elegant series repeats this success formula with a ThermoFibra version of Elegant's Infinity sash. In combination with a Forthex-reinforced frame, Elegant ThermoFibra is the best performing steelless window and door solution available on the market.

GERMAN DESIGN AWARD SPECIAL 2019

reddot award 2019 winner

DESIGN X50 DESIGNREGIO KORTRIJK AWARD

NEW DECALU SERIES

In 2019, Deceuninck continued to refine its aluminum range, aiming to become a one-stop-shop for both PVC and aluminum. Based on the patented So Easy technology, the new Decalu series combines efficiency, usability and technical performance with endless design possibilities.

Adopting several benefits provided by PVC, this new aluminum series features rolled-in seals and integrated insulation strips which can be sawn in one movement. Decalu also copies the same fitting groove as Elegant, which simplifies production, stock and maintenance.

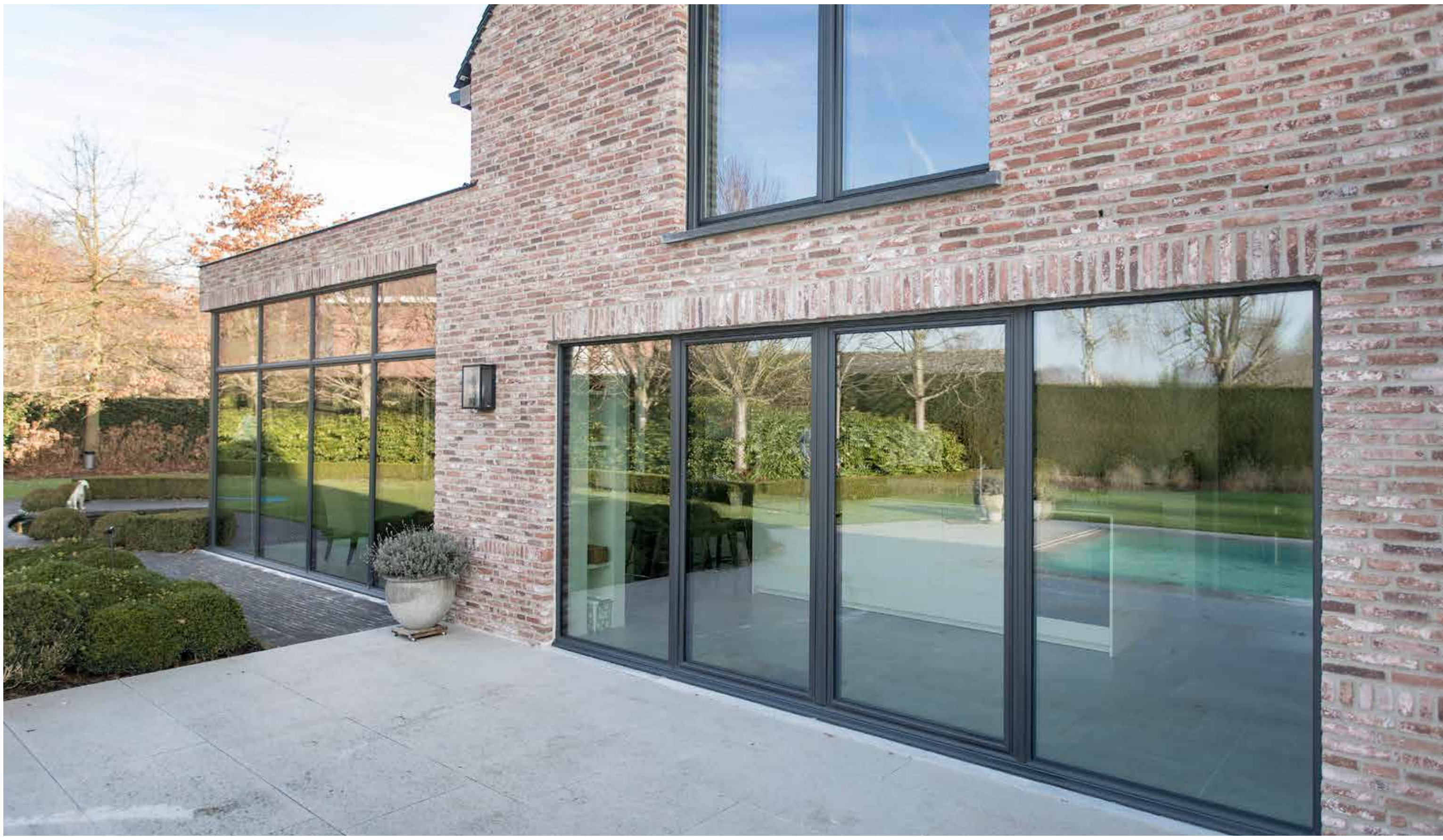
Synergy in look & feel with Elegant

In terms of design, the greatest advantage is the unique coordination of look and feel between Decalu and Elegant. Thanks to a shared rectangular glazing bead and minimalistic design, both series can seamlessly be integrated into one project. To guarantee the same colors for all joinery, Deceuninck developed 'Smart Colours'. According to this principle, the available color coatings for aluminum (Aluroc) and PVC (Decoroc) perfectly match with each other. An exceptional benefit for the project market, available in the Benelux, UK and Balkans today.

SLIDING PLATFORMS

MONORAIL ELEGANT

With Monorail Elegant, a new evolution in the Monorail system will be launched creating a perfect match with the design of the Elegant window & door series. Monorail Elegant has an excellent thermal insulation, is burglar-proof and guarantees a high level of comfort.



VENTILATION

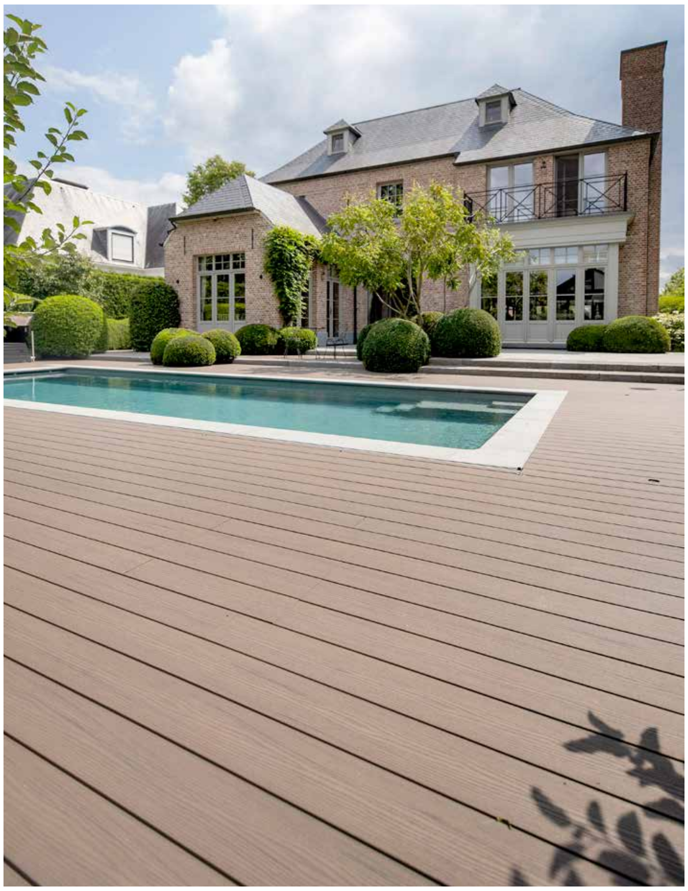
TUNALTOPNEO

With TunalTopNeo Elevation, Deceuninck developed a trickle vent that guarantees a water tightness up to 1.200 Pascals, which corresponds with a heavy storm. The unique design of the rain cover ensures a beautiful transition from window to architecture and therefore this trickle vent is frequently installed when the contractor explicitly asks for a design solution.

The TunalTopNeo Elevation is also available in acoustic version with a noise reduction up to 43 dB. The Tunal acoustic vent is provided with a special acoustic foam with an open-cell structure that optimizes the acoustic insulation and durability of buildings. They combine the desired design and the desired flow rate for ventilation vents with the desired noise requirement.

The TunalTopNeo range offers a high thermal insulation, this for the standard and acoustic version.

The Tunal trickle vents are available in Deceuninck Aluroc smart colours and 315 RAL colours.



BUILDING PRODUCTS

TWINSON CLICK

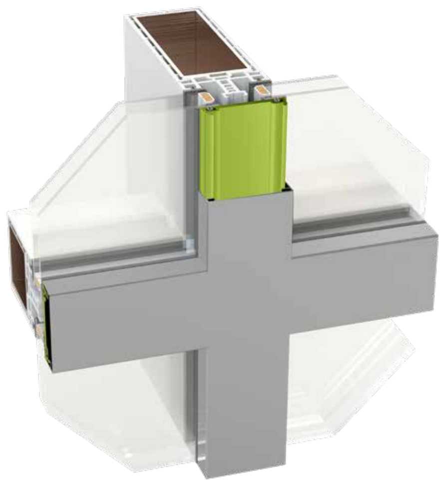
The non-slip, low-maintenance and PEFC-certified Twinson terrace is Deceuninck's number one outdoor flooring solution. In 2019, a unique, screwless substructure for this terrace was launched. Twinson Click combines many advantages in an ingeniously simple way, making it the ideal terrace solution for both the professional installer and the end user.

FOR ANY TYPE OF TERRACE

The groundbreaking click system is modularly composed of a number of elements that make it possible to install Twinson on any type of terrace, regardless of size and shape. With one click, the triangular Triax baseplate carries the substructure. Installers of a roof terrace can attach the additional rubber pad under the baseplate to protect the roof covering.

Unevenness or height differences can also easily be eliminated. Twinson Click consists of terrace supports and extensions that can be adjusted to any height from 45 to 225 mm. The profiles are made of lightweight aluminum, with four shortenable or cuttable equal sides that guarantee a long service life. With just three click accessories, the entire terrace structure can be assembled without any screws.

North America



INNERGY AP

Innergy AP replaces aluminum and polyamide components with a revolutionary fiber-reinforced polymer pressure plate solution that delivers both structural strength and improved thermal performance in a custom fit. The product is currently offered in pressure plates and Structural Thermal struts. A campaign has increased industry awareness of the features and benefits of the Innergy AP technology.

579 SERIES WINDOWS

The new 579 Series windows bring enhanced thermal performance to commercial window design and offer an excellent alternative to aluminum windows. The rich, contemporary design is available in a wide color palette, including bronze and black. With more than 100 accessory options, these versatile, impact-capable windows are ideal for remodeling, replacement, and new midrise construction projects. With simulated divided lites, old aluminum, pvc or wooden windows can be replaced with present-day performance.

326 SERIES WINDOW SYSTEM

The high-performing 326 Series window system is designed for light commercial and high-end residential applications. Available with integral nailing fin, retro flange or block frame, this integrated family consists of casement, awning, picture window, side load single hung, and single slider configurations. Multiple T-bar and astragal options allow flexibility to build multi-unit combinations. Designed for enhanced thermal performance and DP50 baseline, this series offers multiple reinforcement options, including Innergy Rigid Thermal Reinforcements, to meet a range of DP.

Turkey

DORADO 76

The Dorado 76 has been designed according to a slim rebate concept which provides a visual difference in windows. The 9.5 mm hinge rebate design on the inside is unique for the market and has been researched with several structural analyses. The Dorado 76 has six chambered profiles, a central seal and up to 52 mm glazing thickness, resulting in great thermal transmission values.

DIVA SERIES CONCEPT

The new Diva Series has been designed with new building blocks for aluminum windows. As a major improvement, the fabrication steps have been facilitated. Similar to the PVC profile systems, the aluminum profiles are supplied ready with inserted TPE gaskets. This will improve air and water tightness performances. The Diva Series concept offers new hardware products that are easy and quick to install.

MAGNUS PANORAMIC SLIDE

The Magnus door presents a panoramic view to the sliding range. Thanks to the minimal lines and clear design with expanded glazing area, Magnus allows more light to enter the space, making it the perfect fit for the current architectural innovative trends. The technical advantages include increasing the sash weight capacity of sliding rollers to allow for bigger door sizes, applications without threshold providing wheelchair access, as well as improved water discharge applications.

LOGIN DOOR SYSTEM

Login is a new concept door system with pivot hinge hardware applications. The system has the advantage of a higher sash weight, more specifically up to 250 kg. The section (frame-sash width) has a flat appearance on both sides. Glass, aluminum, wood or composite panels can be used on the interior and exterior. The sash profile has PVC eurogroove blocks to fit similar hardware.

Corporate Governance Statement

Deceuninck Group adheres to strict principles of integrity, corporate governance, well-balanced serving of interests, independence, transparency and responsible entrepreneurship.
The Group attaches the utmost importance to respecting the autonomy of the company and of its decision-making bodies, whilst taking the economic reality and the specific nature, size and structure of the Group into account.

New legal framework

2020 proved to be a milestone year for Belgian (listed) companies with the entry into force of all provisions of the new Belgian Code on Companies and Associations ('BCA') and the new Belgian Corporate Governance Code 2020 ('Code 2020') as of January 1 2020. As a result, the shareholders of Deceuninck NV adopted Deceuninck's new Articles of Association in accordance with the provisions of the BCA during the Annual and Extraordinary General Meeting of April 28 2020 and the Board of Directors approved the company's new Corporate Governance Charter on December 17 2020 (the 'Charter'). The Charter, which can be consulted at www.deceuninck.com, contains the main aspects of Deceuninck's corporate governance policy. It is based on and adheres to the principles of corporate governance and transparency as determined by the Code 2020, which has been adopted as reference code for Deceuninck's corporate governance as of January 1 2020.

The Board of Directors discussed the Code 2020 and decided not to adhere to the following principles:

PRINCIPLE	EXPLANATION
2.10 and 2.13	The board believes that having at any time a plan for succession of the CEO is difficult to achieve. 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.
7.6	The principle of remuneration of non-executive Board Members partly in shares will be evaluated again during 2021. The non-executive directors may receive subscription rights upon approval by the general meeting of shareholders.
7.9	The principle to set a minimum threshold of shares to be held by executives needs further investigation and will be evaluated again during 2021.
7.12	The principle on the recovery (claw-back) of variable remuneration will be evaluated again during 2021.
9.2	The Board decides not to apply this principle; instead, there will be exit interviews with directors leaving the board and board evaluation in general

This Corporate Governance Statement contains further information on the application of Deceuninck's corporate governance policy during 2020.

New governance structure

The Board of Directors of April 28 2020 adopted the one-tier board structure as the new governance structure of the company. This structure consists of the Board of Directors, 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 that the Board must make. The authority to make decisions rests with the Board of Directors as a whole.

The Board also established a Management Committee consisting of the CEO, the CFO and the General Counsel (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 regional CEOs and Group HR Director[1], they form the Executive Management of the company.

Finally, the Board of Directors granted a special power of attorney to the CEO in its Board meeting of June 18 2020, as published in the Annexes to the Belgian Official Gazette.

[1] As of April 2021, the Group HR function will cease to exist.

The Board of Directors and its Committees

COMPOSITION OF THE BOARD OF DIRECTORS

CURRENT COMPOSITION

The Board of Directors currently consists of seven Directors and one acting Director. One member is Executive Director ('CEO') and five members are Independent Directors in accordance with the Code 2020. Three Directors were appointed on the recommendation of important shareholders.

These are the functions and memberships of the Directors within the Board of Directors and its Committees per February 25 2021:

FUNCTION	NAME	MEMBERSHIP COMMITTEES	LATEST RENEWAL MANDATE	MANDATE EXPIRY
EXECUTIVE DIRECTOR				
CEO	Beneconsult BV represented by Francis Van Eeckhout		23/04/2019	AGM 2023
NON-EXECUTIVE DIRECTORS				
Chairman Independent Director	Marcel Klepfisch SAS represented by Marcel Klepfisch	- Remuneration and Nomination Committee (Chairman) - Audit Committee (member)	24/04/2018	AGM 2021
Vice Chairwoman Director	Venture Consult BV represented by Benedikte Boone	- Remuneration and Nomination Committee (member)	Coopted as of 01/01/2021	AGM 2021
Vice Chairman Independent Director	Homeport Investment Management BV represented by Wim Hendrix	- Audit Committee (Chairman)	24/04/2018	AGM 2022
Independent Director	Alchemy Partners BV represented by Anouk Lagae		25/04/2017	AGM 2021
Independent Director	Evedec. BV represented by Evelyn Deceuninck	- Remuneration and Nomination Committee (member)	28/04/2020	AGM 2023
Independent Director	Momentum BV represented by Chris Lebeer		Coopted on 18/06/2020	AGM 2021
Acting Director	Humblebee Partners BV represented by Bruno Humblet	- Audit Committee (joining the meetings as acting member)	To be appointed by AGM 2021	

CHANGES IN THE COMPOSITION OF THE BOARD OF DIRECTORS IN 2020

- Pentacon BV, represented by Paul Thiers, resigned as Chairman of the Board of Directors and as Independent Director as of April 29 2020.
- Marcel Klepfisch SAS was appointed Chairman of the Board of Directors and Chairman of the Remuneration and Nomination Committee by the Board of April 28 2020.
- Bene Invest BV, currently Venture Consult BV, and Homeport Investment Management BV were appointed respectively Vice Chairwoman and Vice Chairman.
- Mardec Invest BV, represented by Evelyn Deceuninck, resigned as director on February 18 2020 and Evedec. BV, represented by Evelyn Deceuninck, was coopted by the Board of Directors until the Annual General Meeting of 2023, which was approved by the Annual General Meeting of April 28 2020. Evedec. BV was qualified as Independent Director and appointed member of the Remuneration and Nomination Committee by the Board of Directors of October 20 2020.
- Momentum BV, represented by Chris Lebeer, was coopted by the Board of Directors of June 18 2020 as Independent Director, until the Annual General Meeting of 2021.
- Homeport Investment Management BV, represented by Wim Hendrix, was appointed Chairman of the Audit Committee by the Board of Directors of April 28 2020.
- Humblebee Partners BV, represented by Bruno Humblet, was appointed as acting director by the Board of Directors of October 20 2020. Until his formal appointment, he will also be invited to join the meetings of the Audit Committee as acting member.
- Bene Invest BV, represented by Benedikte Boone, resigned as per January 1 2021. The Board appointed in the meeting of December 17 2020 Venture Consult BV, represented by Benedikte Boone, as of January 1 2021.

PROPOSED CHANGES IN THE COMPOSITION OF THE BOARD OF DIRECTORS AND ITS COMMITTEES IN 2021

The Board of Directors will propose to the Annual General Meeting of 2021 to reappoint for a period of four years, meaning until the AGM in 2025:

- Marcel Klepfisch SAS, represented by Marcel Klepfisch,
- Alchemy Partners BV, represented by Anouk Lagae.

The Board of Directors will propose to the Annual General Meeting of 2021 to appoint Humblebee Partners BV, represented by Bruno Humblet, as Independent Director, for a period of four years, meaning until the AGM in 2025.

Bene Invest BV, represented by Benedikte Boone, resigned as per January 1 2021.

The Board appointed Venture Consult BV, represented by Benedikte Boone, as of January 1 2021.

The final appointment of Venture Consult BV as Director will be submitted for approval to the Annual General Meeting of April 27 2021, for a period of four years, meaning until the AGM in 2025.

OTHER

Deceuninck's honorary Directors are:

- † Pierre Alain Baron De Smedt[2]
- Arnold Deceuninck
- Willy Deceuninck

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

[2] On Saturday December 13, 2019, Pierre Alain Baron De Smedt, honorary chairman of Deceuninck NV, sadly passed away at the age of 75. Pierre Alain remains in our hearts.

RESUMES OF THE MEMBERS OF THE BOARD OF DIRECTORS

MARCEL KLEPFISCH SAS, REPRESENTED BY MARCEL KLEPFISCH (1951), CHAIRMAN AND 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

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)

BENECONSULT BV, REPRESENTED BY FRANCIS VAN EECKHOUT (1968), CEO

- Education: Master of Commercial Engineering (KUL 1990)
- Professional experience: 1994-2011: Managing Director of Van Eeckhout NV, VVM NV
- Current other mandates: Independent Board Member of Pollet Watergroup; Chairman of Cemminerals NV

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

EVEDEC. BV, REPRESENTED BY EVELYN DECEUNINCK (1979), INDEPENDENT DIRECTOR

- Education: Bachelor Physiotherapy (Ghent 2001), Osteopathy for horses (Roosendaal, NL), Certificate of Competence in International Passenger Transport; certificate of Public Coach Company (OBO)
- Professional experience: Managing Director of Deceuninck Auto's NV, a coach company operated by De Lijn (Belgium)
- Current other mandates: Managing Director of tyre service centre Bandeman

MOMENTUM BV, REPRESENTED BY CHRIS LEBEER (1955), INDEPENDENT DIRECTOR

- Education: Master of Civil Engineering (KUL 1978); Master of Applied Economics (KUL 1979); Master of Chemical Engineering/ MSc (Massachusetts Institute of Technology, USA 1982)
- Professional experience: McKinsey & Company; Bekaert Steel Cord., member of the Executive Committee; Delaware Computing, CEO/Board Member; Banksys, CEO/Board Member; ACV Heating Systems CEO/Chairman; Volution group, Board Member; Sprimoglass, Executive Chairman of the Board
- Current other mandates: Board Member of Qpinch, Board Member of Incofin Investment Management, member of the advisory board of Freshstream Ltd., Board Member of Destiny

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; Insead, France
- Professional experience: Unilever (Brussels), The Coca Cola Company (Brussels, London and Sydney), President Core Europe at Duvel Moortgat; currently CEO Accent
- Current other mandates: member of the Advisory Board of Make Sense

HUMBLEBEE PARTNERS BV, REPRESENTED BY BRUNO HUMBLET (1965), ACTING DIRECTOR

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

COMPOSITION OF THE COMMITTEES OF THE BOARD OF DIRECTORS

GENERAL

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

AUDIT COMMITTEE

The current Audit Committee consists of two members and one acting member, all of which are Non-Executive Directors. All members of the Audit Committee are considered independent as set out in the Code 2020:

- Homeport Investment Management BV, represented by Wim Hendrix, Chairman
- Marcel Klepfisch SAS, represented by Marcel Klepfisch
- Humblebee Partners BV, represented by Bruno Humblet (invited to join as acting member)

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.

REMUNERATION AND NOMINATION COMMITTEE

The current Remuneration and Nomination Committee consists of three members, all of which are Non-Executive Directors. Two members of the Remuneration and Nomination Committee are considered independent as set out in the Code 2020:

- Marcel Klepfisch SAS, represented by Marcel Klepfisch, Chairman
- Venture Consult BV, represented by Benedikte Boone
- Evedec. BV, represented by Evelyn Deceuninck

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

ACTIVITY REPORT OF THE BOARD AND COMMITTEE MEETINGS IN 2020

	BOARD OF DIRECTORS	AUDIT COMMITTEE	REMUNERATION AND NOMINATION COMMITTEE
TOTAL MEETINGS HELD IN 2020	9	6	5
Beneconsult BV represented by Francis Van Eeckhout	9	6 (invited)	5 (invited)
Pentacon BV represented by Paul Thiers (until 28/04/2020)	2	1	1
Marcel Klepfisch SAS represented by Marcel Klepfisch	9	6	5
Bene Invest BV (currently Venture Consult BV) represented by Benedikte Boone	9	-	5
Homeport Investment Management BV represented by Wim Hendrix	9	6	-
Evedec. BV represented by Evelyn Deceuninck	9	-	(as of 20/10/2020) 2
Alchemy Partners BV represented by Anouk Lagae	9	-	-
Momentum BV represented by Chris Lebeer	(as of 18/06/2020) 5	-	-

BOARD OF DIRECTORS

The Board of Directors convened nine times, mainly discussing the following topics:

- managing the COVID-19 pandemic: monitoring, taking the necessary measures, mitigating impact
- approval of budget 2021
- proposal of new governance structure and other changes following the entry into force of the BCA
- adoption of new Articles of Association and new Corporate Governance Code
- issuance of new Subscription Rights Plan 2020
- proposal of new members of the Board and new statutory auditor
- 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
- continuous monitoring of the liquidity and debt situation of the Group
- governance, risk and compliance
- remuneration and long-term incentives for the CEO and members of the Executive Management
- preparation of the Annual General Meeting and Extraordinary General Meeting

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, took decisions based on the recommendations of these Committees.

AUDIT COMMITTEE

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

- proposal of new statutory auditor
- providing advice with respect to the nomination of the internal auditor and making recommendations with regard to the selection, appointment and reappointment of the statutory 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
- controlling of the accounts and monitoring the budget

The CEO attended all meetings of the Audit Committee

REMUNERATION AND NOMINATION COMMITTEE

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

- review of the results of the 2019 bonus targets
- preparation of new warrant plan and proposal for the granting of subscription rights
- the appointment of a new member of the Executive Management and a new member of the DirCo
- 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 of Directors
- the revision of the structure and composition of the DirCo

The CEO attended all meetings of the Remuneration and Nomination Committee except when the appointment and remuneration of Bene Invest BV (currently 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 of Directors 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 of Directors, led by its Chairman, carries out an evaluation of its scope, composition, activities and interaction with the DirCo, preferably every three years.

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

On the basis of the results of the evaluation, the Chairman provides the Board of Directors 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 2021 due to COVID-19.

The Executive Management

CURRENT COMPOSITION

The Executive Management of Deceuninck consists of the DirCo and the regional CEOs and Group HR Director[3].

The DirCo consists of the following members:

BENECONSULT BV,
REPRESENTED BY
FRANCIS VAN EECKHOUT
-
CEO & CHAIRMAN
OF THE DIRCO

EMVECO BV
REPRESENTED BY
SERGE PICEU
-
CHIEF FINANCIAL OFFICER
(as of January 1 2021)

FIENES BV
REPRESENTED BY
WIM VAN ACKER
-
CHIEF FINANCIAL OFFICER
(until February 28 2021)

BAKOR BV
REPRESENTED BY
ANN BATAILLIE
-
GENERAL COUNSEL
& SECRETARY OF THE
BOARD OF DIRECTORS

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

3. As of April 2021, the Group HR function will cease to exist.

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

ERGUN CICEKCI
-
CEO TURKEY
& EMERGING MARKETS

JOREN KNOCKAERT
-
CEO USA
(as of 1 July 2020)

DÉVE CONSULTING BV
REPRESENTED BY
STIJN VERMEULEN
-
CEO EUROPE

BARBEL COMM.V.
REPRESENTED BY
MIEKE BUCKENS
-
HR DIRECTOR GROUP[4]

Filip Levrau, Director ICT Group, is invited to the meetings of the Executive Management

CHANGES IN THE COMPOSITION OF THE EXECUTIVE MANAGEMENT IN 2020

- Filip Geeraert, CEO USA, retired on July 1 2020. He was succeeded by Joren Knockaert as the new CEO USA. Filip was appointed as Chairman of the board of Deceuninck North America.
- Wim Van Acker (Fienes BV), CFO, decided to leave the company to give a new turn to his career. He is succeeded by Serge Piceu who started January 1 2021. Wim will remain on board until the publication of our 2020 results on February 25 2021, which ensures a smooth transition.

FILIP GEERAERT
-
CEO USA
(until July 1 2020)

[4] As of April 2021, the Group HR function will cease to exist.

Diversity policy

CRITERIA

Deceuninck aims for both diversity and complementarity in the composition of the Board of Directors 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 of Directors, taking into account the needs of Deceuninck, the appointment procedures and selection criteria of the Board of Directors. Board Members are appointed by the General Meeting of shareholders, 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 of Directors 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 of Directors and the DirCo. In accordance with the Law of July 28 2011, at least one-third of the Board's members must be of a different gender than the other members, by no later than January 1 2019. On February 25 2021, three women and five men (one of which as acting director) sat on the Board, while the DirCo consisted of one female and two male members.

- Age:
  The age of the Board Members ranges between 41 and 69 years. The youngest DirCo member is 45 years and the oldest member is 62 years of age.

- Educational/professional background:
  The members of the Board of Directors and the DirCo have various backgrounds, in (a.o.) economics, law, engineering, marketing, finance, IT, physiotherapy.

- Geographical provenance:
  Currently, one member of the Board of Directors has the Dutch nationality; the other members are Belgian citizens. The DirCo consists of Belgian citizens.

- (International) experience:
  Most members of the Board and all members of the DirCo 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.

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 Corporate Governance 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 of Directors, 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 Corporate Governance Charter.

Remuneration Report

NEW LEGAL REQUIREMENTS

By law of April 28 2020, new rules have been introduced in Belgian company law, implementing the EU Directive 2017/828 with regard to the encouragement of long-term shareholder engagement. The new rules require the company to have a separate remuneration policy, to be approved by the shareholders at the general meeting. The company's remuneration policy will be submitted to the shareholders for their approval at the general meeting of April 27 2021.

Where the new rules require the remuneration report to link up with the remuneration policy, such link will for this transition year be made to the policy existing at the time of the preparation of this report. Any information required in the remuneration report with respect to previous years shall be provided to the extent that this information was readily available.

PROCEDURE FOR DEVELOPING THE REMUNERATION POLICY AND FOR DETERMINING THE REMUNERATION GRANTED TO INDIVIDUAL DIRECTORS AND MEMBERS OF THE EXECUTIVE MANAGEMENT IN 2020

NON-EXECUTIVE DIRECTORS

The General Meeting of the company fixes the remuneration of Directors following the proposal of the Board of Directors which is based on the recommendations of the Remuneration and Nomination Committee.

In line with the overall remuneration strategy of the company, the Remuneration and Nomination Committee regularly establishes a benchmark for the remuneration of Non-Executive Directors with comparable Belgian listed companies. This is done in order to ensure that the remuneration is still appropriate, and in conformity with market practices, taking into account the size of the company, its financial situation, its position within the Belgian economic environment, and the responsibilities that the Directors bear.

MEMBERS OF THE EXECUTIVE MANAGEMENT

The remuneration of the members of the Executive Management, including the CEO, is determined by the Board of Directors based on the recommendations of the Remuneration and Nomination Committee. The aim of the general remuneration policy of the Group is to attract, retain and motivate competent and professional employees. For this reason, the amount of the remuneration is determined in proportion to the individual tasks and responsibilities. The Remuneration and Nomination Committee annually reviews and proposes to the Board of Directors the total compensation based on the strategic positioning of each of the functions versus the benchmark in the market and the expected market trends. Every two years, a thorough benchmark is conducted with comparable international companies of similar size and structure. The contribution made by members of the Executive Management to the development of the activities and the results of the Group constitutes an important part of the remuneration policy.

TOTAL REMUNERATION OF THE NON-EXECUTIVE DIRECTORS IN 2020 (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 remuneration remained unchanged in 2020.

in €	MIN/YEAR (FIX)	ALLOWANCE PER BOARD OF DIRECTORS	ALLOWANCE PER COMMITTEE	MAX/YEAR
Chairman	40,000	3,000	1,000	80,000
Vice Chairman	30,000	1,500	1,000	60,000
Director	20,000	1,500	1,000	40,000

The total remuneration (gross) paid to the non-executive members of the Board of Directors in the financial year 2020 (including the former Chairman) amounted to €296,833.

All Board Members waived the compensation for the Board meeting in April 2020 as contribution during the COVID-19 crisis. The new Chairman received an exceptional compensation of €15,000 for a special assignment (transition chairmanship).

In deviation of the Corporate Governance Code 2020, non-executive directors may receive subscription rights upon approval of the general meeting of shareholders. The Annual General Meeting of 2020 approved the granting of subscription rights under the Warrant Plan 2020 to the Non-Executive Directors as follows: 30,000 to the Chairman and 15,000 to each of the Non-Executive Directors. The price of the subscription rights under Warrant Plan 2020 amounts to €1.5. The subscription rights were to be accepted by February 16 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 2/3 and in 2026 3/3.

In 2020, no members of the Board exercised subscription rights.

In 2020, the company or any affiliated company of the Group did not grant 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 sits on the Board as executive director, Beneconsult BV, represented by Francis Van Eeckhout, did not receive a fixed remuneration nor any attendance fees.

in €	BOARD	AUDIT COMMITTEE	REMUNERATION AND NOMINATION COMMITTEE	FIXED REMUNERATION	EXCEPTIONAL ITEMS	VARIABLE REMUNERATION	TOTAL GROSS REMUNERATION AND PROPORTION FIXED/VARIABLE
Pentacon BV represented by Paul Thiers	3,000	1,000	1,000	13,333	N/A	N/A	**18,333** 100% fixed 0% variable
Marcel Klepfisch SAS represented by Marcel Klepfisch	24,000	6,000	5,000	40,000	15,000	N/A	**90,000** 100% fixed 0% variable
Homeport Investment Management BV represented by Wim Hendrix	12,000	6,000	-	30,000		N/A	**48,000** 100% fixed 0% variable
Bene Invest BV (currently Venture Consult BV) represented by Benedikte Boone	12,000	-	5,000	30,000		N/A	**47,000** 100% fixed 0% variable
Evedec. BV represented by Evelyn Deceuninck	12,000	-	2,000	20,000		N/A	**34,000** 100% fixed 0% variable
Alchemy Partners BV represented by Anouk Lagae	12,000	-	-	20,000		N/A	**32,000** 100% fixed 0% variable
Momentum BV represented by Chris Lebeer	7,500	-	-	20,000		N/A	**27,500** 100% fixed 0% variable
Beneconsult BV represented by Francis Van Eeckhout	-	-	-	-			**-**
TOTAL	**82,500**	**13,000**	**13,000**	**173,333**	**15,000**	**N/A**	**296,833**

TOTAL REMUNERATION OF THE MEMBERS OF THE DIRCO AND THE OTHER MEMBERS OF THE EXECUTIVE MANAGEMENT IN 2020 (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.

The performance of the company is based on the REBITDA and on the Adjusted Free Cash Flow of the past financial year. The Board of Directors reviews these criteria annually on the proposal of the Remuneration and Nomination Committee, and may revise them if necessary. For 2020, the evaluation criteria for the performance of the CEO and the other members of the DirCo were: REBITDA Group (65%) and Adjusted Free Cash Flow Group (35%), and for the other members of the Executive Management: REBITDA Group (15%), REBITDA Region (50%), Adjusted Free Cash Flow Group (10%) and Adjusted Free Cash Flow Region (25%). If the manner in which results were obtained is not in line with the core values (Candor, Top Performance and Entrepreneurship), or if the overall Group or Regional results are substantially deviating from the business plan, the Remuneration and Nomination Committee reserves the right to decide not to pay any bonus.

The short-term variable remuneration is in principle 35% of the fixed annual remuneration for the members of the Executive Management and 75% of the annual fixed remuneration of the CEO. This percentage may be exceeded as far as the company results are concerned, but should never exceed 45.5% (for the members of the Executive Management) or 97.5% (for the CEO). The variable remuneration related to the company objectives are only granted if 90% or more of the pre-established financial targets have been achieved.

The basis for the variable remuneration is the remuneration earned during the financial year. The payment takes place end of February of the following year.

The variable remuneration is not spread over time.
The Extraordinary General Meeting of the company of December 16 2011 decided that the company is not bound by the limitations of the rules of article 520ter paragraph 2 of the Belgian Companies Code concerning the spreading of the variable remuneration of the Directors, the CEO and members of the Executive Management, over time.

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. ten years. The stock options and warrants can only be exercised the third 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 of Directors 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.

Performance Share Plan

The members of the Executive Management participate in a Performance Share Plan. The members are granted Performance Share Rights, which can be converted into "matching" or Performance Shares of Deceuninck NV at the vesting date (i.e. the 3rd calendar year following the year of the grant), provided the beneficiaries invested in Deceuninck Shares before 30 June 2018, at the Investment Price (i.e. the average share price of the 30 trading days preceding 31 December 2017). For each invested Share, the Executive Management member will be entitled to one or more matching Deceuninck Shares pursuant to the fulfillment of the Performance Condition, defined as a cumulative annual average increase of the Total Shareholder Return as determined in the Plan, the realization of which determines the fraction or the multiple (if any) of Performance Shares a vested Performance Share Right effectively entitles to. In the course of 2020, 114,459 Performance Shares Rights forfeited following the departure of a member of the Executive Management.

MEMBERS OF THE DIRCO

In 2020, the CEO received a fixed remuneration of €453,906 and a variable remuneration of €511,875 (97.5%). The CFO received a fixed remuneration of €302,500 and a variable remuneration of €150,150 (45.5%). The General Counsel received a fixed remuneration of €246,189 and a variable remuneration of €122,199 (45.5%). The Remuneration and Nomination Committee evaluated the achievement of the 2020 objectives for the members of the DirCo and proposed to the Board of Directors to pay a short-term variable remuneration based on the 2020 performance criteria, as they have been met met (achievement of maximum threshold of 130%).

By way of contribution during the COVID-19 crisis, the DirCo members waived part of their fixed remuneration:

- CEO: €71,094
- CFO: one month's remuneration or €27,500
- General Counsel: one month's remuneration or €22,381

The variable remuneration was calculated on the basis of the total remuneration, in accordance with the remuneration policy.

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.

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 €1,116,717 and a variable remuneration of €490,535 (45.5%). The Remuneration and Nomination Committee evaluated the achievement of the 2020 objectives for the other members of the Executive Management and proposed to the Board of Directors to pay a short-term variable remuneration based on the 2020 performance criteria, as they have been met (achievement of maximum threshold between 126-130%).

By way of contribution during the COVID-19 crisis, the Belgian other members of the Executive Management each waived one month's remuneration. The variable remuneration was calculated on the basis of the total remuneration, in accordance with the remuneration policy.

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.

No company car is provided to the other members of the Executive Management who act through a management company. Exception was made for one member during a transition phase, which came to an end in 2020.

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 2020

STOCK OPTIONS

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

In 2020, no stock options were granted to the members of the Executive Management, no stock options were exercised, and 39,000 stock options lapsed (SOP05). No members of the Executive Management had SOP05 stock options.

SUBSCRIPTION RIGHTS

On 29 October 2020, the Board of Directors approved a new subscription rights plan ("Warrant Plan 2020") of 1,500,000 subscription rights. On 17 December 2020, 350,000 subscription rights of Warrant Plan 2020 were offered to the 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 €1.5. The subscription rights were to be 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 2/3 and in 2026 3/3

In 2020, no members of the Executive Management exercised subscription rights.

RIGHT OF RECOVERY

The stipulations of the agreements between the company and the CEO and the members of the Executive Management do not contain recovery clauses.

RETIREMENT PAYMENTS PAID IN 2020

Filip Geeraert, CEO USA, received a first part of his retirement payment in 2020, not exceeding 12 months' remuneration. Another part of his retirement payment will be paid out in 2021. As the total retirement payment will exceed 12 months' remuneration, approval shall be asked at the next general meeting of shareholders.

EVOLUTION OF REMUNERATION

in €	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 fixed and variable	2,521,475 (8 members)	259,500	44,958	670.9m	65.1m (REBITDA)
2017	460,080 fixed	2,046,940 (7 members)	263,500	47,102	687.2m	66.7m (REBITDA)
2018	923,185 fixed and variable	2,147,577 (7 members)	253,500	45,985	674.2m	72.4m (Adj.)
2019	525,000 fixed	598,570 (2 DirCo members)	267,000	47,090	633.8m	60.6m (Adj.)
2020	965,781 fixed and variable	2,428,289 (2 DirCo members and 4 other members)	296,833	48,417	642.2m	86m (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 30.68.

Internal control and risk management systems

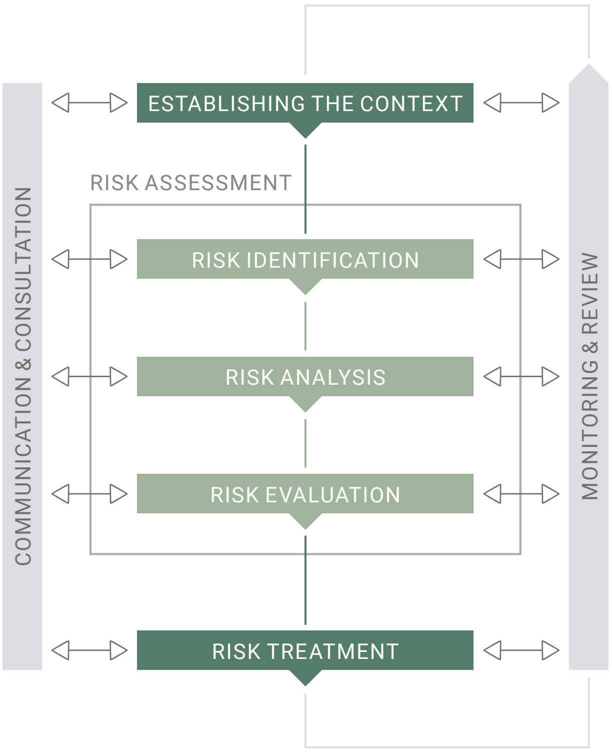
MAIN FEATURES

The most important features of the internal control and risk management systems, including the 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
- continuous analysis of historical financial results and regular update of 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
- discussion of 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
- constant monitoring of raw material prices and any changes in prices
- requesting confirmation from local management teams to ensure that they comply with the applicable laws and regulations and internal procedures of the company
- monitoring and regular discussion with the legal department regarding litigations that could be of material significance

RISK FRAMEWORK

The ISO 31000 standard has been selected as a framework for the risk management system. The following steps can be distinguished within this process:



ESTABLISHING THE CONTEXT

In order to detect the risks, it is important to have a clear understanding of the context in which Deceuninck 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 IDENTIFICATION

Risk identification is the first step within the risk assessment process. The risks that might have an impact on the achievement of targets are identified in various brainstorming sessions, and subsequently summarized in a 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 take into account 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 probability that they will occur and the impact they will have. The outcome of this is summarized in a Risk Matrix.

RISK TREATMENT

Risks can be treated in four possible ways:

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

The risk process is a continuous effort and the different phases continuously have to be reviewed and monitored. At Deceuninck Group this is organized as follows:

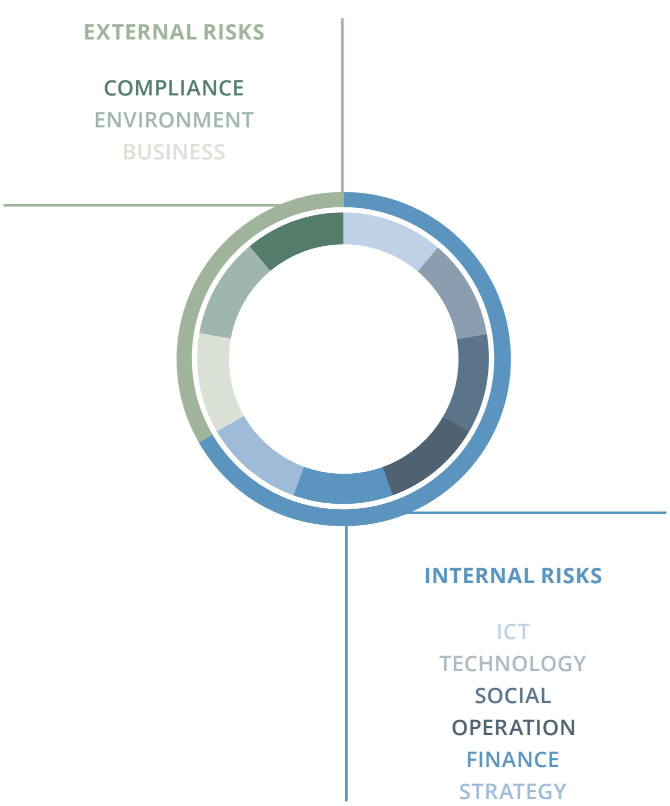
- Group Finance maintains the Risk Register and Risk Matrix for all risks which are relevant at Group level, as well as a list of actions which have been agreed to treat these Risks. Actions are assigned to cross regional teams and overseen by an Executive Team member.
- These are reviewed twice a year by the Executive Management, to ensure completeness of the Risk Register and to ensure that agreed actions are implemented.
- Twice 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.

RISK STRUCTURE

Deceuninck Group structures its risks along following dimensions:

RISKS SPECIFICALLY RELATED TO DECEUNINCK GROUP'S OPERATIONS AND INDUSTRY

- Risks relating to innovative processes, products and business models
- Risks related to the availability and price of raw materials
- Operational risks, including safety of our people and breakdown of critical infrastructure
- Risks of disruptions of our supply chain
- Risks related to our sales processes
- People related risks, including difficulties to recruit the right people and fraud
- ICT related risks
- Financial risks, including liquidity and exchange rate related risks
- Legal risks, including non compliance with rules and regulations and IP infringements



GENERIC RISKS AFFECTING OTHER INDUSTRIES AS WELL

- Economic risks, like for instance an immediate and material deterioration of the economic sentiment
- Political risks, like expropriation and political violence
- Natural disasters, like earthquake and flooding

MOST IMPORTANT RISKS

FINANCIAL RISKS

The exchange rate risks, interest risks, credit risks and liquidity risks are further discussed in this report under Note 25.

ECONOMIC RISKS

As most companies, Deceuninck 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.

Deceuninck 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.

Deceuninck 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. Deceuninck Group cannot guarantee that these measures will suffice in order to achieve this effect. Furthermore, the measures that were taken can be withdrawn or adjusted. The markets in which Deceuninck Group operates are subject to strong competition. We compete with other companies based on different factors, such as (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 Deceuninck Group's market can change their operational model in a matter that influences our activities.

In other words, Deceuninck Group's success depends on its capacity to maintain competitiveness as the market structure changes. Although Deceuninck 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 Deceuninck Group fluctuate according to the general economic climate. The decision whether or not to buy capital goods, which would enable Deceuninck 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.

AVAILABILITY AND PRICE OF RAW MATERIALS

Future profitability of Deceuninck 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 Deceuninck 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, and if market conditions allow it, experience shows that charging higher raw material prices to the market takes about 3 to 6 months' time, with large differences between sales territories.

OPERATIONAL RISKS

Deceuninck 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, 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.

PEOPLE RISKS

The success of Deceuninck 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. Deceuninck 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 Deceuninck Group's business or results of operations.

LEGAL RISKS

Deceuninck 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. So it is of the utmost importance that Deceuninck Group is able to continue to use its intellectual properties and to sufficiently protect all valuable intellectual properties 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 Deceuninck 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. Deceuninck Group cannot exclude the risk that certain trademark and patent registrations of Deceuninck Group will expire should we not succeed in extending such trademark and patent registrations. In certain geographical markets it might be more difficult for Deceuninck Group to obtain property rights.

Deceuninck Group's success will partially depend on its ability to exercise its activities without infringing on third parties' property rights, or without unlawfully appropriating those rights. Although there are currently no important claims against Deceuninck Group regarding the violation of intellectual property rights. Deceuninck Group cannot guarantee that it will not (unintentionally) infringe on third parties' patents from time to time. Deceuninck 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 Deceuninck Group indeed infringes or has infringed on 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, the management has implemented a process to continuously examine possible infringements of patents and intellectual property rights.

Deceuninck 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 Deceuninck 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.

Violations of applicable laws and regulations, as well as of Deceuninck Group's Code of Conduct, by employees of the Group can have a material adverse effect on the Group's business, results of operations or financial position. Within an international company, individual employee actions can lead to an infringement in the area of 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 Deceuninck 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 Deceuninck Group's Code of Conduct.

Deceuninck Group operates in markets with different strict and evolving environmental requirements. Compounding and storage of hazardous industrial products always involves an environmental risk. Although Deceuninck Group has taken all necessary measures to mitigate this risk and no significant problems have occurred in the past, environmental liability can not be excluded, especially as environmental legislation and regulations can provide for a system of strict liability by which Deceuninck Group becomes liable, regardless of whether Deceuninck 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 Deceuninck Group's business, results of operations or financial position.

Deceuninck Group may be liable to third parties for any agreement, guarantee, declaration, compensation or similar provision that is contained in agreements with which Deceuninck Group has disposed of production facilities.

External audit

In light of the Law of December 7 2016 on the organization of the profession and the public supervision of auditors, the Annual General Meeting of April 28 2020 approved the appointment of a new statutory auditor: PwC Bedrijfsrevisoren BV, with its registered office at Woluwedal 18, 1932 Sint-Stevens-Woluwe, with enterprise number 0429.501.944, represented by Lien Winne, 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 of Directors 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 twice in 2020.

On October 29 2020, the Board of Directors convened to approve a new subscription rights plan ("Warrant Plan 2020"). 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 of Directors, as he would be a beneficiary of the new Warrant Plan 2020. The executive director left the meeting and did not deliberate nor decide on the approval of the new Warrant Plan 2020. 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 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 2020", 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 BCA, 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 2020" aims to encourage certain employees of the company and its subsidiaries, who will be invited to participate. to this "Warrant Plan 2020", 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 are 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 2020" 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."

On 17th December 2020, the Board of Directors deliberated and approved upon proposal of the Remuneration and Nomination Committee an increase of the management fee for the CEO of 5%. 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 of Directors, as he would be a beneficiary of an increase of the management fee. The executive director and Benedikte Boone, representative of Bene Invest BV, both left the meeting and did not deliberate nor decide on the approval of a possible increase of the management fee. Upon proposal of the Remuneration and Nomination Committee, the Board approved the increase proposed by the Committee.

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. Francis Van Eeckhout, both aforementioned, being the executive director of the company, represented as foreseen, and the private company "BENE INVEST", with permanent representative Mrs. Benedikte Boone, announce that a conflict of interest of a proprietary nature may exist with regard to the decisions that the board of directors will take regarding the remuneration of some of the members of the Executive Management, 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 directors concerned to the statutory auditor of the company.
In accordance with Article 7:96 of the Companies and Associations Code, the directors 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 directors 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 is taken by the board of directors on the proposal of the Remuneration and Nomination Committee to increase the management fee of the CEO. As such, the proposed increase is in the interest of the company and the board of directors considers the increase justified. The proprietary consequences for the company arising from the fact to approve an increase of the management fee are minimal."

TRANSACTIONS WITH AFFILIATED COMPANIES

The conflict of interest settlement procedure of article 7:97 BCA was not applied in 2020.

Article 34 of the Belgian Royal Decree of 14 November 2007 concerning the obligations of issuers of financial instruments admitted to trading on a regulated market

CAPITAL STRUCTURE ON 31 DECEMBER 2020

The share capital was fully paid up and was represented by 136,795,123 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 2020, 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 of Directors are appointed by the General Meeting of Shareholders. Their initial term of office lasts maximum 4 years (based on the company's Corporate Governance Charter) but can be renewed. The Remuneration and Nomination Committee presents one or more candidates, considering the needs of the company and taking into account the nomination and selection criteria established by the Board of Directors. In the composition of the Board of Directors an appropriate balance is sought, based on (a.o.) gender, skills, experience and knowledge (see above "Diversity Policy").

During the review of the company's Corporate Governance Charter in 2020, the Board decided to raise the age limit for Directors from 70 to 75 years at the time of the (re)appointment. In principle, a Director's term 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 of Directors 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 of Directors 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 2020, no treasury shares were purchased.

At the Extraordinary General Meeting of 28 April 2020, it was decided to grant the Board of Directors 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 of Directors 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 of Directors 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 of Directors 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 of Directors, 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 of Directors 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 of Directors 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 it is transferred by right to an unavailable account named "issue premiums" which can only be used under the conditions required for a capital decrease. It can, however, always be added to the capital; this decision can be taken by the Board of Directors as stated above.

Furthermore, said extraordinary general meeting of the company authorized the Board of Directors, 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 2020, there were no capital increases within the authorized capital, other than one confirmatory capital increase within the framework of the authorized capital as a result of the exercise of subscription rights (on 2 October 2020).

Shareholder structure

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 N.V. (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

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 2020:

SHAREHOLDERS	NUMBER OF SHARES	PERCENTAGE
Gramo BV[1]	23,918,207	17.48
Holve NV[1]	16,067,809	11.75
H.P. Participaties Comm.V.	10,400,000	7.60
Sofina NV	9,461,513	6.92
Fidec NV[2]	7,089,632	5.18
Lazard Frères Gestion SAS	6,695,000	4.89
Allacha (partnership)[3]	5,379,317	3.93
Evalli (partnership)[4]	4,258,171	3.11
Treasury shares	69,769	0.05
Others	53,455,705	39.08
TOTAL	**136,795,123**	**100.00**

1 Holding controlled by Francis Van Eeckhout
2 Holding controlled by Frank Deceuninck
3 Civil company represented by its statutory manager Willy Deceuninck and partners Alain, Laurenz and Charlotte Deceuninck
4 Civil company represented by its statutory manager Arnold Deceuninck and partners Evelyn, Alexander and Lieselot Deceuninck

Sustainability Report

How we create value

RENOCYCLING® FOR A SUSTAINABLE FUTURE
★ CERTIFIED ★

The overview below provides examples of how we create value for our people, our society and our planet.

WE BUILD ON **RESOURCES** TO PROVIDE OUR **PRODUCTS AND SERVICES** IN ORDER TO CREATE **VALUE**

HUMAN
- Our people
- Our customers
- Our stakeholders

MATERIALS
- Raw materials
- Recycled materials

KNOW-HOW

FINANCIAL

LEGAL AND ETHICS

RESEARCH & PRODUCT DEVELOPMENT
- Window and door solutions
- Cladding and decking
- Multi-material: pvc, aluminum, wood composites

MANUFACTURING

LOGISTICS & SUPPLY

TECHNICAL SUPPORT

MARKETING

INVESTOR RELATIONS

FOR OUR PEOPLE	FOR OUR PLANET	FOR PROSPERITY
Job creation	Energy-efficient products and production process	Ethics and compliance
Talent acquisition and retention	Recycling of products	Company growth
Learning and development	Waste management	Financial sustainability
Community engagement	Renewable energy	Shareholder return

The (changing) world we operate in

GLOBAL TRENDS

Global trends impact our current and future operations and create opportunities for our business. Below, we identified some of the most important trends and their possible impact on and opportunities for our building a sustainable home aspiration, now and in the next decade.

TREND	IMPACT	INFLUENCE AND OPPORTUNITIES FOR OUR BUSINESS
CLIMATE CHANGE	Impact on availability and or prices of raw materials, potential water shortages, impact on production process, energy consumption and carbon tax	· Superior quality and long lifespan of the products · Energy savings thanks to the insulating and thermal characteristics of the products · Due to increased insulation, less energy is needed for heating or cooling · Natural ventilation is energy efficient compared to air conditioning · Energy saving and reduction of CO_2 impact by reuse of materials · Development of products tailor-made to extreme weather effects of climate change
DEMOGRAPHIC BALANCES	Overpopulation Building bans	· Impact of population growth and increasing demand for housing worldwide · Movable houses · The avoidance of exhaustible resources such as wood · Noise-isolating characteristics of the products is a surplus value with the eye on urbanization
INCREASING SHORTAGES OF RAW MATERIALS AND RESOURCES	Production Recycling	· Investments in reuse and collection of end-of-life products (circular economy)
DIVERSITY AND ETHICAL BEHAVIOR	Talent acquisition and retention	· Code of Conduct, Human Rights Policy · Gender equality
DIGITIZATION	Customer service and satisfaction Privacy legislation	· Technical innovation towards the use of domotics and apps for sales processes tailored to the customer

OUR STAKEHOLDERS

Achieving our aspiration of building a sustainable home cannot be done without taking into account the interests and expectations of our stakeholders. Deceuninck Group cares about their needs and wants to keep an open dialogue.

STAKEHOLDER	INTERESTS	COMMUNICATION CHANNELS	ACTIONS
EMPLOYEES	Health, safety and well-being Career development Employee rights and benefits	Annual performance review, Deceuninck Intranet, Deceuninck Group Community	· Safety training and awareness programs · Talent management · Benchmarks
CUSTOMERS	Quality and Service Technical support Information sharing	Customer service, Preferred Partnerships, customer training programs	· Develop and manufacture products that meet the highest quality standards · Dedicated technical support teams · Digital transformation · ISO certification
INVESTORS	Economic growth Risk management Information sharing	Investor road shows and general meetings Press releases Website www.deceuninck.com/investors	· Financial sustainability
SUPPLIERS	Fair trade Shared growth Human rights protection Sustainable materials and production	Daily contacts in the field, Deceuninck Group trainings	· Supplier audits · Partnerships
LOCAL COMMUNITY AND NEIGHBORS	Local recruitment Local environment protection Charity	Social and other media, local government consultation, ad hoc informative meetings	· Charity events
REGULATOR, AUTHORITIES, PUBLIC ORGANIZATION	Compliance Health and safety Indirect economic effects Climate change	Global networks, scientific groups, participation in working groups and consultative bodies	· Building a compliance culture with policies, trainings and awareness programs · Working towards the Green Deal

Our material sustainability topics

Deceuninck Group has a clear commitment to act with respect for people, society and environment. We expect everyone to handle in accordance with our business values: People, Planet, Quality, Service, Prosperity ("PPQSP").

People, Planet and Prosperity are therefore the three main pillars of our sustainability strategy.

For each pillar, and keeping in mind the global trends, the expectations of our stakeholders and the related risks, we identified a number of topics that are material for our current and future business and our stakeholders. They were defined in the 2018 materiality assessment and further refined in 2020. We also defined how our material topics contribute to the United Nations Sustainable Development Goals (SDGs), which form the basis of our sustainability ambitions.

MISSION		MATERIAL TOPICS	UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS
PEOPLE	We build a sustainable 'home' for our people and our customers. We build long lasting relationships and intimacy, based on our core values.	· Talent management · Health & safety · Human rights · Workforce diversity · Community engagement	3 Good health and well-being; 4 Quality education; 5 Gender equality; 8 Decent work and economic growth; 10 Reduced inequalities; 11 Sustainable cities and communities; 12 Responsible consumption and production; 17 Partnerships for the goals
PLANET	We help to build a home that is more energy-efficient to live in. 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.	· Energy-efficient products · Recycling of products · Collection of products · Environmental management · Energy consumption in production	7 Affordable and clean energy; 9 Industry, innovation and infrastructure; 12 Responsible consumption and production; 13 Climate action
PROSPERITY	We have a voice in the market, resulting in substantial market share within the top 3 market players. We offer Top Performance in Quality and Service through trusted Customer partnerships.	· Health & safety of the end-user · Ethics and compliance · Data protection	3 Good health and well-being; 5 Gender equality; 8 Decent work and economic growth; 12 Responsible consumption and production; 16 Peace, justice and strong institutions

Although sustainability has been embedded in our strategy for more than a decade now, we are aware that there is room for improvement in our sustainability reporting.

Building a sustainable home is a continuous journey. That is why we commit ourselves to review the existing or determine new sustainability KPI's and targets in 2021 for the longer term.

In this section, we will report on the results of 2020 still based on the KPI's and targets set in 2019.

People

OUR EMPLOYEES

AMBITION

The success of Deceuninck Group largely depends 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. Deceuninck Group is active in a competitive labor market. Failing to attract or retain skilled persons could have a material adverse effect on Deceuninck Group's business or results of operations.

Moreover, we want our people to thrive, to feel well, healthy and safe while working at Deceuninck Group and we must ensure respect for every employee's human rights. Any issues in those fields could lead to claims and loss of reputation.

Therefore,, 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 is open to everyone and embraces the diversity of our people.

RESULTS 2020

MATERIAL TOPICS	KPI	TARGET	RESULT 2020
TALENT MANAGEMENT	Performance review appraisal	To have an automated PR process	• The automated PR process is in place
HEALTH & SAFETY	Number of workplace accidents (resulting in lost days or requiring medical attention)	Reducing to zero	• In 2020, there were 71 work accidents (resulting in at least 1 day of absence) at Group level, and 1260 absence days
WORKFORCE DIVERSITY	Representation of age groups, nationalities and genders	To improve representations in all of those categories	• In 2020, 562 out of 3944 employees were female, compared to 541 female employees on a total of 3858 in 2019
ETHICAL BEHAVIOUR	Code of Conduct e-learning	To further roll out the e-learning throughout the whole Group	• 65% of new joiners completed the e-learning course • 79% of all white collar employees completed the e-learning course

TALENT MANAGEMENT

Our people are the driver of our activities. We believe that great people deliver great results. Therefore, we aim at creating a culture of excellence by establishing a tangible link between learning, performance and compensation, succession planning and knowledge transfer, by arranging for and providing training that broadly supports strategic organizational objectives and by fostering a culture of continuous improvement that values organizational learning.

New joiners, young leaders, technicians, sales people... everyone should receive tailor-made trainings throughout his or her career at Deceuninck Group. Also in terms of personal development, we encourage internal and international mobility.

In 2020, the automated Performance Review process was implemented in the Group.

HEALTH & SAFETY

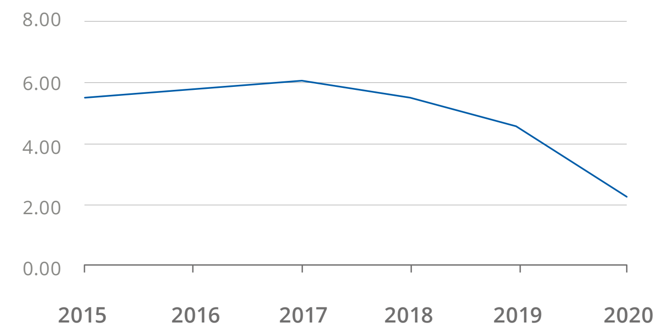
Building a sustainable home can only be done with healthy people in a healthy and safe working environment. At Deceuninck Group, we are all responsible for taking the necessary precautions to protect ourselves and our fellow employees from an accident, injury or unsafe situation. Each of us must promptly report unsafe or unhealthy situations and take steps to correct them immediately. We believe that investing in prevention, training, creating awareness and making available the necessary monitoring and reporting tools will help us get closer to achieving our health and safety goals every day.

One of the most important goals is to reduce the amount of work accidents (resulting in lost time or requiring medical attention) to zero. The tables below clearly show a positive evolution due to investment in prevention, training, and the implementation of safety plans.

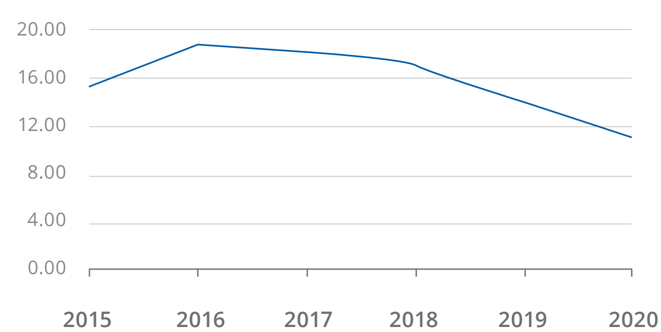
	2018	2019	2020
Number of accidents	115	90	71
Number of absent days	2,170	2,044	1,260
Fatalities	0	0	0
Frequency rate	17.1	14.2	11.3
Severity rate	0.32	0.32	0.20

In 2020, the EHS departments of the Group mainly dealt 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 number of preventive measures, our employees were able to continue to work safely, both from their homes as from their workplace.

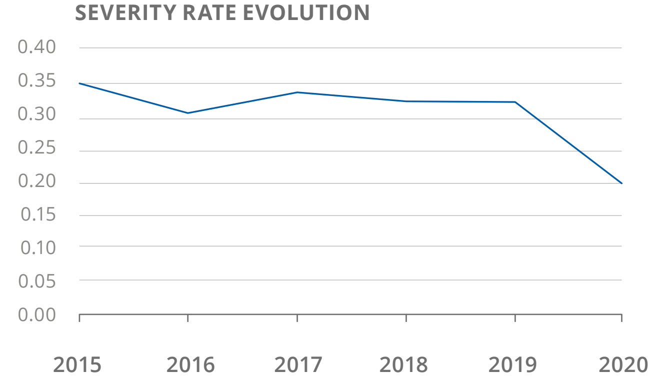
COMBINED FR/SR EVOLUTION



FREQUENCY RATE EVOLUTION



SEVERITY RATE EVOLUTION



“The combination of a family-like atmosphere, respect for each other and the will of everyone to fully dedicate themselves every day makes working at Deceuninck so satisfying.“

Thomas Verfaille • Project & Improvement Manager

“A job as maintenance supervisor for Deceuninck is very varied and challenging. The maintenance service faces new challenges every day.“

Marvin Muylle • Maintenance supervisor

As a recently graduated electromechanical engineer with a specialisation in production management, I started my adventure at Deceuninck in 2018. From the very first day, I have been given the opportunity to take our production activities to a higher standard together with colleagues. With that in mind, we have made numerous adjustments to our site in Gits in terms of procedures, organisation and equipment. I am therefore extremely proud of the results that we have already achieved as a team.

This year, I had the opportunity to lead a young and dynamic team of engineers as “Project & Improvement Manager”. We refer to ourselves as “the project team of Gits”. As part of the engineering department, we support the various production departments together with the maintenance team. Where maintenance focuses on making existing installations as reliable as possible, we offer project-based support ranging from the installation of new production lines to the development of Lean Six Sigma process optimizations. We strive to maximise productivity in Gits every day.

At Deceuninck, we are given the freedom to achieve results in our own way. We can always rely on the organisation to continue in developing our strengths. The growth potential within our company provides me with the opportunity to have greater impact, allowing us to make a difference in the future.

In 2010, after my school career, I started as a technician in Deceuninck’s maintenance service department. This job has offered me the opportunity to enhance and expand my mechanical and electrical knowledge, as well as develop my personal skills by means of internal and external training.

After 3 years, the company gave me the chance to become team manager of a small group of technicians within the maintenance department. This experience provided me with the opportunity to expand my knowledge on people management and I found that this position suits me very well. It is a great challenge to work towards a common goal with a team and working with a team gives me energy. Subsequently, I was offered the opportunity to take on responsibility for a larger team, which I accepted with open arms.

Today, as maintenance supervisor, I have the overall responsibility for the high-quality and respectful delivery of maintenance work within well-defined deadlines.

In addition, it is my responsibility to reduce the downtime in production caused by failures or maintenance. To this end, investments are made in time and resources to take the maintenance service to a higher level. We can see this progress in our ratio of time spent on maintenance and faults. In short, I am very satisfied with the opportunities the company offers me.

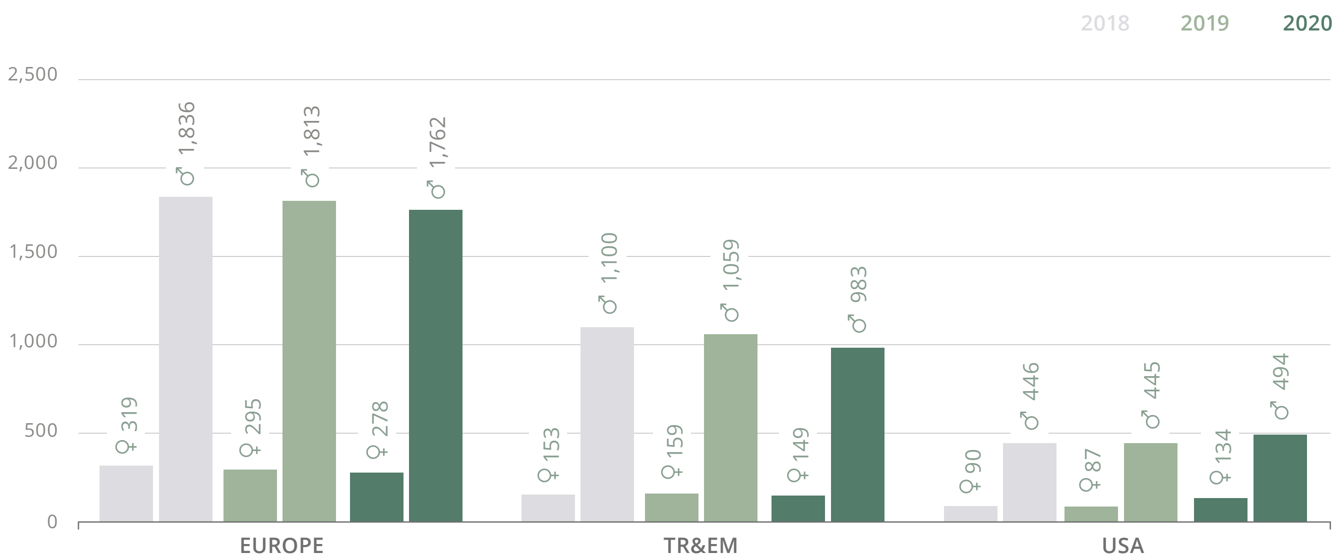
DIVERSITY

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

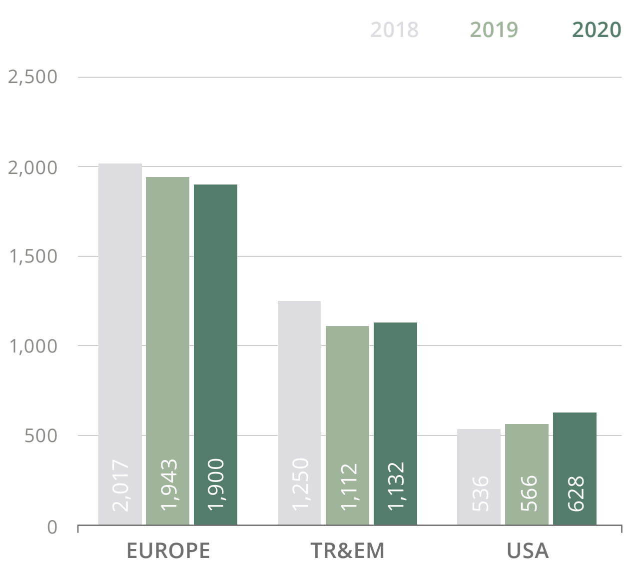
Our ambition in 2020 was to increase diversity in terms of age (meaning having employees represented in all age categories), in terms of nationality and in terms of gender.

The Deceuninck Group population amounts to 3,660 FTE and is spread among 23 countries around the world.

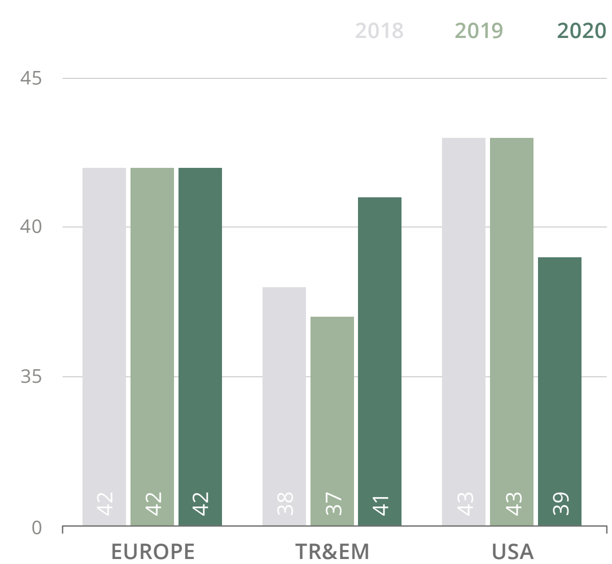
GENDER DISTRIBUTION PER REGION



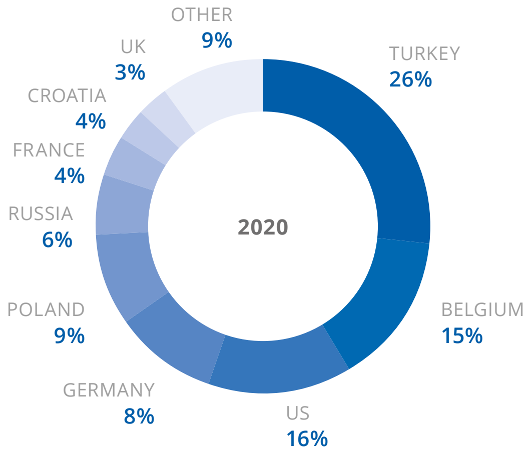
TOTAL FTE PER REGION



AVERAGE AGE PER REGION



NATIONALITY PER REGION



"It is great to feel that we are a part of the Deceuninck family, working in this awesome dynamic environment."

Didem Kale • R & D Manager-Deceuninck TR

I have been working at Deceuninck for 23 years now. My first role was in the Quality department as a Quality Engineer. We set up the Product Development department very soon after merging with Deceuninck Group in 2001.
In 2017, our Product Development organisation acquired a "R&D Center", a title given by the Turkish Ministry of Industry. We operate our R&D projects and continue product development activities in the R&D Center with great pride.

At Deceuninck, our global presence provides us with the opportunity to follow the latest technology and innovations up close. This enables us to develop products for different geographical areas and climate conditions for different customer and market expectations.
We develop solutions for various window types and country-specific wall & installation applications, always complying with different standards in profile and window performance tests. For example, in the last 15 years we have learned so much from emerging markets in countries such as India, Brazil and Chile, they really are quite different from European expectations.

We also adopt a holistic approach by considering every step from the profile extrusion to window fabrıcatıon. Most importantly, it must be an energy-saving window, we prioritise the issues encountered by the window manufacturers so that they can work simply, quickly and with minimal complexity.
As a result, we are pleased to be collaborating with our dealers to produce the best windows possible and always with so much pride.

We like to participate in all kinds of technological work that provides experience for myself and my team, we work closely with universities to attain this additional level of knowledge, often looking at an issue from an academic perspective so that we can apply it within the industry.

ETHICAL BEHAVIOUR

Deceuninck Group believes in sustainable business development and considers respect for human rights as an integral component of responsible business behavior.

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, color, 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.

The rules and guidelines are set out in our Human Rights Policy and our Code of Conduct for Employees, which highlight the policies and procedures which are essential for the operation of our business. To make sure that all of our employees have the same understanding of the Code of Conduct principles, an e-learning program was launched for white collars in 2017. The aim of the e-learning program is to explain the main principles and rules of Deceuninck Group's Code of Conduct. The training is a perfect way to determine whether the employees are sufficiently familiar with the main principles of integrity as envisaged at our company.

In 2020, the e-learning program was still active. New joiners automatically get to complete the e-learning training as part of the onboarding process and frequent reminders are sent to those who have not completed the course yet. Due to some technical issues, the e-learning program has not yet been rolled out to our blue collar workers.

	2020
% of white collars who have completed the Code of Conduct e-learning course	79.14
% of new joiners who have completed the Code of Conduct e-learning course	65

OUR SOCIETY

AMBITION

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. 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 grow towards independency, opens opportunities on the labour market, and is a key to breaking the vicious circle of poverty.

HEALTH

C3 COMPASSION FOR COMMUNITY AND CAUSES

The C3 Compassion for Community and Causes initiative has been extended in 2020. Sponsorship of an Alzheimer's Association fund raising golf event, local youth baseball, high school football and Wreaths Across America...
all initiatives that encourage the employy involvement in our local communities.

Canes Baseball

Alzheimer's Association

OPENING THE FUTURE

A research project on complex neurological diseases. By donating €25,000 we support these scientists with the necessary equipment, we enable them to gather information that improves prevention.

KU LEUVEN

KOM OP TEGEN KANKER

Deceuninck employees organized an online auction of original Deceuninck-Quickstep items. €7,500 was donated to 'Kom Op Tegen Kanker', an organization that focusses on cancer research and support.

COMBATTING THE COVID-19 CRISIS

60,000 facemasks were packed and sent from our HQ to EU customers.

Donation of FFP2 face masks to the hospital, the volunteer fire department and two retirement homes in Bogen (Germany).

EDUCATION

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. Yearly contribution of €10,000.

KOUTERKIDS

Donation of €4,100.
A non-profit organization that gives support to children living in foster care, due to an alarming parenting situation. Children of whom their physical integrity, moral affection, intellectual or social development opportunities are at risk. Young people are assisted in their studies and guided to make their first steps into our community.

FIREFIGHTERS TOGETHER AGAINST LEUKEMIA

Every year, the Deceuninck Poland team is looking for charity initiatives to support. The idea of the 'Christmas Gifts from Firefighters for Children' is to donate presents to children fighting cancer, so that they forget about the reality of hospital for a while. Its initiator was the Volunteer Fire Department, Specialist Rescue Group 'Firefighters Together Against Leukemia'. The Deceuninck Poland team rose to the occasion, and the children from oncology departments received beautiful gifts.

FUTURE READY WORKFORCE INITIATIVE

Deceuninck North America continued its efforts in 2020 as a founding member of the Future Ready Workforce Initiative of the Chamber of Commerce (Middletown, Monroe, Trenton) in identifying key skills and behaviors the business community believes necessary for high school graduates to be successful employment candidates. During 2020 two (2) local school boards (including our home community of Monroe, Ohio) adopted the Future Ready Skills inventory for inclusion in their respective grades K-12 curriculum.

Donation of 1,000 medical masks to the Protvino's town hospital (where the Deceuninck plant is situated) for medical staff.

Planet

AMBITION

We understand that we have an impact on the global climate and the environment in which we operate. Our planet gives us food, fresh air, clean water, etc., but the strain on natural resources is beginning to show. The world continues to experience increasing concentrations of greenhouse gases, extreme weather conditions and rising sea levels. Landfills are overflowing with waste and the increasing level of plastics in our oceans is affecting marine life. As climate change will affect our business as a whole, we believe we have a responsibility to minimize the environmental impact of our operations. To date, our focus has primarily been on designing and developing innovative products with even higher insulation levels, in order to reduce energy loss and minimize carbon footprint. In the future, we will further study the possible impact on our sourcing, supply chains and production process and take climate change into account in our risk management system.

Besides that, we operate in markets with different strict and evolving environmental requirements. Compounding and storage of hazardous industrial materials always 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 Deceuninck Group's business, results of operations or financial position.

We strive for a healthy world through a closed-loop approach on the one hand and creating sustainable products and productions processes on the other. We close the loop by carefully dictating:

- how we source recycled materials,
- how we produce our products,
- how we ship and deliver them, and
- how they are recycled at the end of their long lifetimes.

In addition, our design teams constantly look for building products with improved energy performance at an even lower weight. Energy efficiency, renewable energy and recycling are the key aspects of our activities in the areas of climate protection and circular economy.

RESULTS 2020

MATERIAL TOPICS	KPI	TARGET	RESULT 2020
RECYCLING OF PRODUCTS	Number of tonnes of post-industrial and post-consumer material recycled	25,000	22,000
	Use of recycled materials in our products	15% of total compound usage coming from recycled materials	13.3%
WASTE MANAGEMENT		Zero-waste generation	40.50 Kg/Ton
SUSTAINABLE PRODUCTS AND PRODUCTION PROCESS		• Renewing the VinylPlus product label in 2020 • Renewing ISO certifications with no remarks on environment	• Deceuninck continued to have its VinylPlus product label • Production sites in Belgium (Gits and Diksmuide), Turkey (Izmir & Kartepe) and the United Kingdom (Calne) remain ISO 14001 certified.

We believe this report is more than looking back at the results of 2020. It is used as a solid starting point to further refine, strengthen and actualize our environmental existing strategy in order to minimize our impact on the planet. With this in mind, we are constantly striving to upgrade our existent KPI's and add more relevant KPI's to have an exhaustive reflection of our environmental footprint. We report on all KPI's defined last year but some may change in 2021 based on progressive insights.

WASTE = RESOURCE (THE STORY CONTINUES)

RECYCLING

OUR INVESTMENT IN THE CIRCULAR ECONOMY

We strive to embed the circular economy as the heartbeat of all our operations. This means our PVC products are designed to be 100% recyclable, are being recycled at superior efficacy and quality, and are being re-used in the production of new profiles. Moreover, it also means we have an effective waste management policy in which we minimize waste volumes and seek to close the loop for the remaining waste fractions coming from our production processes.

Our commitment to be a circular player is shown by the investment in the state-of-the art recycling plant in Diksmuide. With our recycling capacity of 45.000 tons every year, we become one of the largest u-PVC recyclers of Western-Europe. In 2020 we kept investing to reduce downtimes and improve the output. Recycling post-industrial materials from our own production facilities and customers is what we have been doing since 2012 but this only met part of this ambition. Creating a circular economy goes further and aims to close the loop for all material fractions:

- used or 'post-consumer' uPVC profiles coming from demolition or renovation works
- by-products of windows such as TPE's, metals, glass, etc.

The high-tech fully automated line enabled a better sorting of the materials and as such to process old PVC profiles at superior efficiency and quality. The latter are key requirements to be able to use the recycled materials from post-consumer materials 1 on 1 in the production of new profiles.

Deceuninck's recycling activities are EuCertPlast certified and contribute to the Recovinyl objectives to recycle 800,000 tons of PVC in Europe in 2020, of which +/- 50% window profiles and related products. Deceuninck accounts for 5% of the targeted volume.

In line with the new Vinyl Plus 2030 program Deceuninck strives to increase further the recycling volumes and to contribute even more to the new targets aligned with the Circular Plastic Alliance (CPA) commitment of 900,000 tons of PVC in Europe by 2025 and 1,000,000 tons by 2030, this by increasing even more the post-consumer PVC share.

AVAILABILITY POST-CONSUMER PVC

PVC is a valuable and sustainable material that can be recycled up to ten times without losing its mechanical characteristics. Installed for around 35 years, it has a potential lifecycle of up to 350 years.

We expect the inflow of PVC to increase significantly over the coming years. The green deal initiatives for energy efficiency in homes continues to result in more renovation projects and will add up to an increase in PVC materials becoming available from construction. Preventing this uPVC from going to landfill or incineration is thus the way forward.

COLLECTION OF POST-CONSUMER PVC

We continue our strategy of cooperating with various partners such as waste management companies, container parks, demolition companies, window fabricators, etc. that enable an efficient and sustainable organization of the logistic flows. We mainly source within the 500 km range, for sources out of this range we ensure optimized transport by grinding the materials prior to being transported. We are continuously looking to set up strategic partnerships to ensure the inflow of the future

All Deceuninck facilitities grind their scrap materials as much as possible locally on their production site. This way we avoid transport to Diksmuide or other local recyclers. This regrind material is being used immediately in the production process.

RECYCLING EFFORT IN 2020

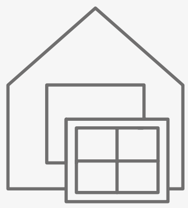
Overall, Deceuninck Group recycled 22,000 tonnes of post-industrial and post-consumer rigid PVC waste in 2020, preventing approximately 1.1 million windows from landfill, which is the equivalent of about two times the number of windows in a city like Bruges. Unfortunalty, this is below our ambition of 25,000 tonnes we set in the beginning of the year. Unexpected technical difficulties took longer than expected to resolve leading to missing our target. Nevertheless, we are confident we will reach 30,000 tonnes in 2021 as the ramp-up phase of our recycling plant is finalized and the inflow of new material is secured. Including the scrap regrind on local production sites, our total recycling volume increases to 40,000 tonnes, which is a rise of 33% compared to last year. This is mainly driven by the increased focus of recycling all production waste locally with a zero-waste mentality.

ECOLOGICAL IMPACT OF OUR RECYCLING ACTIVITIES

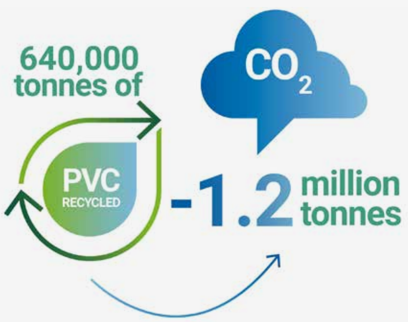
In 2021, we will keep investing in our recycling activities to be upgraded towards a capacity of 45,000 tonnes per year – which is still our target – leading to significant reduction on our ecological impact.


deceuninck

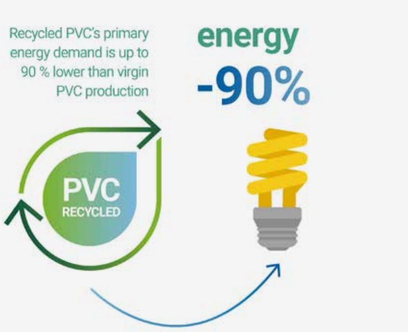
OUR CAPACITY OF 45,000 TONNES OF RECYCLED MATERIAL REPRESENTS:



Preventing 2.3 million windows from going to landfill or incineration every year



Reduced CO_2 emissions worth 90,000 back and forth flights Paris - New York



The energy consumption of recycling PVC is 90% lower than the energy needed to produce virgin PVC

PVC can be recycled up to 10 times without losing its mechanical characteristics, with a lifespan of 35 years, the potential lifecycle of PVC materials reaches up to 350 years

USE OF RECYCLED MATERIALS IN OUR PRODUCTS

A circular economy is an alternative to a traditional linear economy of 'make, use, dispose' in which the lifecycle of a material is extended for as long as possible, with recovery, regeneration and recycling at the end of each service cycle. At Deceuninck, we aim for a circular economy by also investing in the production facilities in order to use the recyclate in the core of our profiles. This investment will be continued in the coming years.

The recycling activities of Deceuninck are strategically located in Diksmuide where our compounding activities are located. In our R&D department, all material formulations are developed & quality is continuously carefully checked. The more than 30 years of experience is now applied on the recycling materials to upcycle them fully to virgin material quality level.

This way we can ensure the quality of our end-product is guaranteed. All recycled materials comply with all standard European certifications.

In the design process of our new window systems, the use of recycled materials became a top priority for our R&D teams. In 2020 recycled materials represented 13.3% of the total compound need for our Group, which we want to increase to 15% in 2021. Our plant in Poland leads the pack with more than 24%. We will continue to invest in co-extrusion lines and evaluate management performance on this indicator.

WASTE MANAGEMENT

Reducing our waste is not only good for the environment but also for business, as fewer raw materials are required to produce. In order to reach our long-term ambition – zero waste to landfill from our operations – we evaluate every waste stream and research in order of priority whether:

- We can reduce / eliminate the waste stream
- We can re-use it as raw material in our own production
- We process it with a third party in most environmental neutral way

In 2020, several projects are initiated in order to turn waste streams into a re-usable raw material. By doing so, we will prevent 1,200 tons of waste being incinerated in 2021.

Deceuninck also engaged in the voluntary initiative Operation Clean Sweep where we pledge to prevent resin pellet, flake and powder loss.

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 material flows.

Deceuninck committed in 2020 with other industrial partners and University of Gent in the 'PoCoWaste' project to further reduce the waste of the recycling process and based on a detailed characterisation, upcycle and reuse significant volumes as new raw material for pvc applications.

In a continuous effort to reduce our waste and obtain our long-term zero-waste ambition, we want to reduce our relative waste generation by 1.7% compared to 2020. This is measured by offsetting all waste generation sent to third parties (recyclers / landfill / incineration) with our total extrusion volume. During 2021, we want to refine this and focus on waste that goes to incineration and landfill.

SUSTAINABLE PRODUCTS AND PRODUCTION PROCESSES

SUSTAINABLE PRODUCTS

FROM SOURCING TO DESIGN

To manufacture PVC (polyvinylchloride) two main feedstocks are needed, chlorine and ethylene. The ethylene is mainly derived from non-renewable fossil fuels, either crude oil or natural gas (and also shale gas). PVC uses less than 1% of fossil fuels consumed worldwide. 40% of fossil fuels is used for heating buildings. Deceuninck Group's vision is to use this 1% to significantly reduce the 40% for heating or cooling buildings.

Plastic building products are lightweight, require low maintenance and provide superior insulation. Plastic products save energy and reduce CO_2 emissions. In order to preserve natural resources we are continuously developing PVC and composite products that drastically help reduce the energy that escapes from buildings through windows and walls. PVC and PVC composite products are the most economical solution for insulation.

National building codes are gradually introducing stricter insulation and ventilations targets In order to meet European Insulation legislation (EPBD - Energy Performance of Buildings Directive). The EPBD Is the main legislative Instrument at EU level to achieve energy performance In buildings. The directive requires member states to set performance standards for buildings; apply energy performance certificates (EPCs) to buildings; and ensure that from the end of the decade only nearly zero energy buildings (NZEBs) are built.

Therefore, at Deceuninck, sustainability is deeply embedded in our design process. We make sure the ecological footprint of our products is as low as possible. We design products with improved insulation values, but also products that are fully recyclable at the end of their lifetime so we can close the loop in our circular economy.

Deceuninck takes up a leading role in the industry-shared project of SCIP (Substances of Concern In Products) which aims to increase the knowledge of hazardous chemicals in articles and products throughout their whole lifecycle, including at the waste stage. If articles contain SVHCs on ECHA's Candidate List in a concentration above 0.1 % weight by weight, a notification in the SCIP database must be done. It also aims to reduce hazardous substances in waste and contributes to a better circular economy.

The information in the SCIP database helps waste operators improve waste management practices and promotes the use of waste as a resource. Consumers benefit from increased knowledge about hazardous chemicals in products. This will help them make better informed choices when buying products and promote their 'right to ask.

SUSTAINABLE PRODUCT DESIGN IN 2020

Via the exclusive and temporary jersey of the 'Elegant – Quick-step' cycling team, Deceuninck launched via the cycling sponsorship in October 2020 its new window and door series, Elegant, to the end consumer in Europe.

The Elegant range, based on the uniquely developed iCOR principle, is the perfect result of the continuous developing of various products fully in line with our mission to build a sustainable home taking into account our core values: innovation, ecology, design.

iCOR is the world's first developed principle which enables the combination and exchange of different window and door profile designs and technologies. iCOR offers Deceuninck customers an unprecedented interchangeability of the most diverse profile combinations, while significantly reducing the complexity of warehousing and production. With the new platform, Deceuninck is also introducing the use of a central gasket for maximum thermal and acoustic performance.

With Elegant, Deceuninck developed a complete and flexible product platform which allows for customers around Europe to choose, combine and create the best solution for their market with less complexity. Adding the unique and patented ThermoFibra technology combined with Forthex to this platform, Deceuninck guarantees that the best working steel less window and door solution in the PVC industry is also available in the new design of Elegant. As ThermoFibra and Forthex make steel reinforcements redundant, it is possible to manufacture large windows with a significantly lower weight, a better U-value and a faster processing time. With the minimalistic designs of Elegant also visually benefits from this technology. In addition, the material is entirely recyclable as the glass fibre is separated from the PVC in our own recycling plant in Diksmuide (Belgium).

SUSTAINABLE PRODUCT LABELS

EUROPE

In 2020, Deceuninck continued to have its VinylPlus product label. The label is the very first 'quality mark' for PVC building and construction profiles that certifies company's policies, processes, products and performance for fulfilling following stringent sustainability criteria:

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

The label is a result of our longstanding focus and commitment on responsible entrepreneurship which is embedded in all aspects of our business. It gives evidence that our products and processes are applying to the highest quality, performance and sustainability standards.

The VinylPlus product label was put into place by VinylPlus (www.vinylplus.eu), 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.

As the actual Vinyl Plus label ended end 2020 on the Zendow range for the Belgium factory, Deceuninck has the ambition to renew and extend the label in 2021 for the new Elegant range and this Europe wide.

VinylPlus is the voluntary commitment of the PVC industry in Europe. Among its most significant achievements was the establishment of an infrastructure for the annual collection and recycling of PVC. The VinylPlus commitment includes an ambitious set of sustainable development targets.

As a founding member of EPPA (www.eppa-profiles.org), through its contribution to the Vinyl Foundation. Deceuninck Group endorses since many years the VinylPlus voluntary commitments.

NORTH AMERICA

In 2020, Deceuninck North America was certified for the eighth year in a row for the recycled content in extruded window lineals. We are proud to be the only North American PVC window lineal supplier that is a GreenCircle Certified company for Recycled Content.

Our designation as a GreenCircle Certified company for Recycled Content offers third-party assurance that Deceuninck engineers fenestration components with a focus on environmental impact. Deceuninck products feature lifecycle engineering form recyclability at the end of use. Raw materials extracted from recycled products are used in manufacturing new products.

Companies that are GreenCircle Certified have demonstrated that they conform to the materials and resources criteria for recycled content for building products as specified in the US. Green Building Counsil (USGBC) Leadership in Energy and Environmental Design (LEED) Green Building Rating Systems and in the National Association of Home Builders (NAHB) National Green Building Standard Program.

For further information on the Green Circle Certification: www.greencirclecertified.com.

SUSTAINABLE PRODUCTION PROCESS

CERTIFICATIONS

Also in 2020, our production sites in Belgium (Gits and Diksmuide), Turkey (Izmir & Kartepe) and the United Kingdom (Calne) were ISO 14001 certified.

ISO 14001 certification takes into account a number of prevention principles to limit or prevent the impact for people, the environment and the neighbourhood. The Plan-Do-Check-Act approach of ISO 14001 results in continuous improvements of the environment performance based on procedures and instructions. All five production sites concluded their ISO 14000 environmental audit successfully in 2016. The Belgian production sites in Gits and Diksmuide are already certified up to the latest standard ISO14001/2015.

Our production facility in Bogen is ISO 50001 certified. The energy management system ISO 50001 specifies the requirements for establishing, implementing, maintaining and improving an energy management system, whose purpose is to enable an organization to follow a systematic approach in achieving continual improvement of energy performance, including energy efficiency, energy security and energy use. The standard aims to help organizations continually reduce their energy use, and therefore their energy costs and their greenhouse gas emissions.

A systematic energy management system is based on detection of all energy flows in the company and the evaluation of the state of energy efficiency, especially important for the energy-consuming equipment such as: extrusion systems, injection moulding machines, laminating machines, compound mixing, heating, cooling, water and compressed air supply. ISO 50001 certification helps the production site in Bogen to critically review and improve all processes to reduce energy consumption per processed kg.

OTHER INVESTMENTS

All worldwide production sites further focused on scrap reduction as well as reduced energy & water consumption.

In our Belgian factories, further investments, such as the installation of two high-efficient chillers and relighting of the main warehouse, were done to reduce energy consumption and improve energy efficiency, all actions as part of the 'EBO' energy engagement.

At the recycling plant in Diksmuide, further investments in water treatment installations were done to reuse the process water back in the recycling process.

INCREASED USE OF RENEWABLE ENERGY SOURCES

In an effort to make the world a "greener" place, our CEO called for the implementation of innovative "Green Technologies" projects on all Deceuninck production sites worldwide. One of the commitments is that each region has been instructed to invest in renewable energy and in "green" projects.

The implementation of different projects as the Belgian solar power project of SolarDec CV and the trigeneration and photovoltaic power system in Menemen plant (Turkey), resulted in 28,793 MWh of sustainable energy in 2020. This is an increase of 11% versus 2019 and makes that the total sustainable energy in 2020 represents 18% of the total energy consumption.

KPI'S AND TARGETS 2021

The table below summarizes the environmental targets we have set for 2021. As we are shifting more and more towards quantitative targets, last year's qualitative targets are absorbed by one of the below indicators.

The measurement of CO_2 emission driven by logistics, company cars and plane travel is a first step towards a carbon neutrality strategy. Our ambition is to further calculate our carbon footprint in 2021, but for now, we have already set ourselves a target to reduce this by 4.6% already in 2021 vs 2019.

TARGETS	KPI	UNIT OF MEASURE	TARGET 2021	TARGET 2020	RESULT 2020
WASTE = RESOURCE (THE STORY CONTINUES)	Recycled volume in recycling plant**	Ton	30,000	25,000	22,000
	Share of recycled materials	%	15	15	13.3
	Waste generation*	Kg / Ton	39.82	/	40.50
SUSTAINABLE PRODUCTS & PRODUCTION PROCESSES	Energy Efficiency in production*	Kwh Non Renewable / Ton	533	/	538
	Water efficiency in production*	m³ / Ton	0.893	/	0.904
TOWARDS A CARBON NEUTRAL WORLD	CO_2 emission driven by logistics, company cars and plane travel***	Kg / Ton	(4.6%)	/	TBC

* The indicators are always calculated relative to the total extrusion production.
** Total post-industrial and post-consumer recycling volume recycled in our Diksmuide plant. Excluding scrap regrinded at local production sites.
*** We did not have a target in 2020. The emission calculation will be further developed during 2021.

Prosperity

AMBITION

We want to be a reliable partner to both our customers and our suppliers. Our daily driver is to provide innovative, sustainable and safe building products, while playing an active role in the communities we operate in, upholding the highest ethical business standards and expecting the same from our business partners.

Our production and distribution activities are subject to possible liability risks related to our products (product liability) 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 2020

MATERIAL TOPICS	KPI	TARGET	RESULT 2020
HEALTH AND SAFETY OF THE END-USER	Number of reported incidents of non-compliance concerning the health and safety impacts of our products	zero	zero
ETHICS AND COMPLIANCE	Number of suppliers who signed the Supplier Code of Conduct	-	• Today, 18 of our most important suppliers have signed our Supplier Code of Conduct
	Number of employees who have completed the Code of Conduct e-learning	-	• 65% of new joiners completed the e-learning course • 79.14% of all white collar employees completed the e-learning course
DATA PROTECTION	Number of reported security breaches (breach of privacy or loss of data)	zero	zero

HEALTH AND SAFETY OF THE END-USER

We provide innovative and sustainable building products but we must also ensure our products are safe. Products must be designed, produced and serviced to Deceuninck Group standards and should comply with applicable regulations and contractual obligations.

Our pvc cladding products are subject to CE marking. 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 the following 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 (durability). The safety and performance of our pvc cladding products are officially stated in a Declaration of Performance, published on the website of Deceuninck and made directly available to the customers.

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, a.o. based on Initial Type Testing reports provided by Deceuninck.

Even without compulsory CE marking, Deceuninck safeguards the safety and performance of its products by carrying out voluntary quality tests and achieving technical approvals. Those technical approvals are based on national quality standards, such as ATG (Belgium), KOMO (The Netherlands), NF-CSTB (France), RAL (Germany), etc.

In 2020, no incidents of non-compliance concerning the health and safety impacts of our products were reported.

ETHICS AND COMPLIANCE

As an international Group, our relationship with our suppliers is extremely important for the ongoing success of the business. We identified the risk of human rights violations and bribery and corruption primarily in the supply chain.

We expect our suppliers to comply with the same ethical standards as we do, in particular (but not limited to) with regard to non-discrimination, anti-bribery & anti-corruption and human rights, in particular in high-risk countries. That is fundamental to our long-term future and company reputation. Deceuninck Group is also committed to identify, prevent, or mitigate adverse human rights impacts resulting from or caused by its business activities. The rules and guidelines are set out in our Human Rights Policy and our Supplier Code of Conduct, which highlight the policies and procedures which are essential for the operation of our business.

Today, Deceuninck Group aims at creating and raising more awareness in the supply chain. New suppliers get to sign the Supplier Code of Conduct as part of their new supply agreement with Deceuninck. Existing suppliers are screened and, in a first phase, the most important suppliers are asked to sign the Supplier Code of Conduct or at least to provide proof of their own internal ethical standards and policies. Today, 18 of our most important suppliers have signed our Supplier Code of Conduct and 5 have confirmed to follow their Ethical Code in business relationships. In the long term, it is our goal to determine our suppliers' risk profile by auditing and assessing them in key areas including environmental concerns, health and safety, legal compliance, the use of hazardous materials, workforce well-being and financial stability, as well as compliance with recognized international standards on human rights.

In 2020, a number of measures were taken to reinforce internal control measures in order to combat fraud and corruption. First, the existing Authorized Signatories List ("ASL") was revisited. Following the approval of the revisited ASL, it was rolled out in Europe, US and Russia, to the regional management teams. Second, the Travel and Expense procedure was automated to allow increased ease of approval and monitoring of expenses with the implementation of a mobile app. Last but not least, 79.14% of our employees already completed the e-learning on our Code of Conduct, which also includes topics as anti-bribery and anti-corruption.

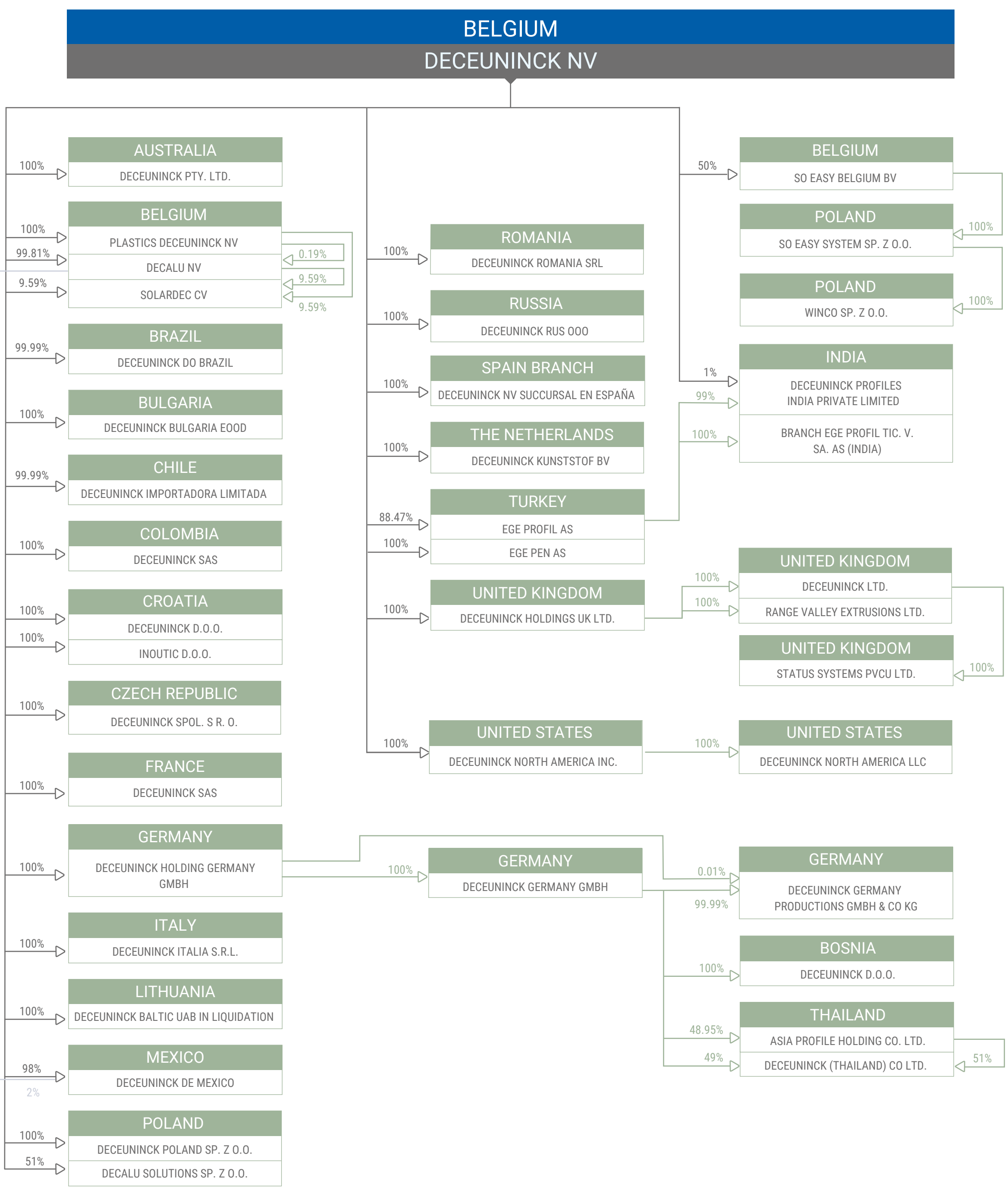
DATA PROTECTION

Being in a production environment, Deceuninck Group's main activity is not the processing of personal data. However, having more than 3,660 FTE worldwide and focusing more on B2C, Deceuninck Group is committed to do the utmost to protect those 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, Deceuninck 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 2020, no security breaches (breach of privacy or loss of data) were reported to Group Legal.

Legal structure



The Deceuninck Group Share

Deceuninck Group (ticker DECB, ISIN BE0003789063) has been listed on Euronext Brussels since 1985. Being listed provides the Group with alternative forms of financing, enhances visibility and ensures compliance and transparency.

NUMBER AND TYPES OF SHARES

The company capital amounts to €53,950,006.26 and is represented by 136,795,123 shares. There are 113,159,194 dematerialized shares and 23,635,929 registered shares. Deceuninck Group holds 69,769 treasury shares as at 31 December 2020.

QUOTATION ON THE STOCK EXCHANGE

Deceuninck Group shares are listed under the code DECB and are traded on the Continuous segment of Euronext Brussels. DECB is part of the BELSMALL index.

ICB sectorial classification: 2353 Building materials & fixtures.

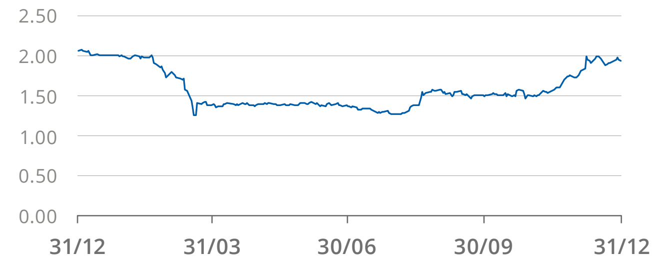
EVOLUTION OF THE DECEUNINCK GROUP SHARE PRICE

The closing price of the Deceuninck Group share decreased from €2.05 on 31 December 2019 to €1.93 on 31 December 2020.
The Volume Weighted Average Price (VWAP) for 2020 was €1.59.
The lowest closing price was €1.25 on 18 and 19 March 2020 and the highest closing price was €2.07 on 2 January 2020.
The average number of shares traded per day in 2020 was 66,743 versus 40,069 in 2019.

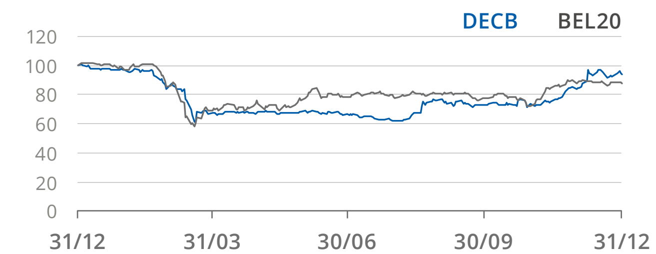
DIVIDENDS

At the Annual General Meeting scheduled on 27 April 2021, the Board of Directors will propose to pay a dividend of €0.05 per share for the financial year 2020.

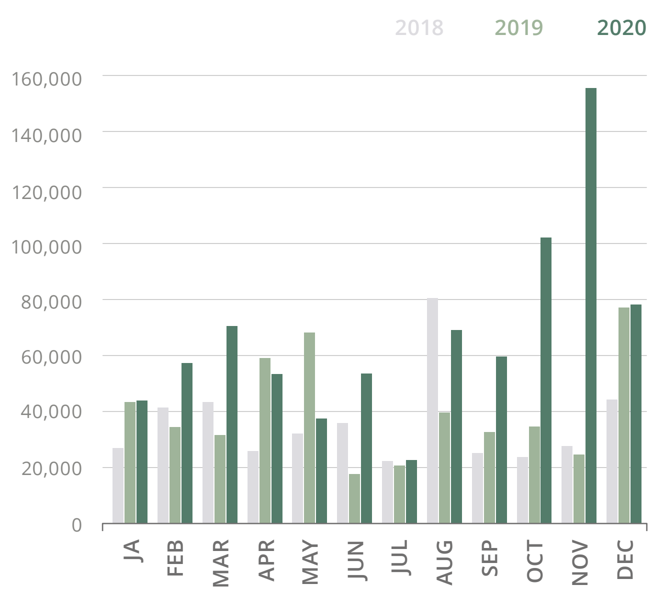
DECEUNINCK GROUP SHARE PRICE 2020



DECEUNINCK GROUP VS. BEL ALL-SHARE 2020



DAILY AVERAGE SHARES TRADED



INSTITUTIONAL INVESTORS AND FINANCIAL ANALYSTS

Deceuninck Group has 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. Exceptional updates on the impact of Covid-19 on our business have been released shortly after the first and third quarter. Based on preliminary and unaudited FY 2020 results, on 15 January 2021 Deceuninck released a concise press release on its full year 2020 results. A comprehensive press release on the FY 2020 results was released on 25 February 2021.

Institutional investors at home and abroad were informed by Deceuninck Group during several audio and video conferences.

Sell side financial analysts covering Deceuninck Group: Kris Kippers (Degroof Petercam), Maxime Stranart (ING) and Wim Hoste (KBC Securities).

INVESTOR RELATIONS CONTACT

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On the Investors page of the Deceuninck Group corporate website (http://www.deceuninck.com/investors) you can register to receive financial news and financial press releases per e-mail.

FINANCIAL CALENDAR 2021

25
FEB. 2021
FULL YEAR 2020 RESULTS

27
APR. 2021
GENERAL ASSEMBLY

17
AUG. 2021
HALF YEAR 2021 RESULTS

FINANCIAL STATEMENTS

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 of Directors on 23 February 2021.

2020 Results

SALES

Consolidated sales increased by 1.3% to €642.2m, compared to €633.8m in FY 2019.

TURKEY & EMERGING MARKETS

Sales in Turkey & Emerging Markets increased by 3.1% to €165.3m (FY 2019: €160.3m) as the gradual recovery of the Turkish domestic market and the expansion in Emerging Markets have been offset by the impact of Covid-19. Especially India and Chile have been negatively affected by long lasting lockdowns. The devaluation of the Turkish Lira has been largely compensated by price increases.

NORTH AMERICA

In North America sales increased by 17.9% to €159.6m (FY 2019 €135.4m) thanks to market growth and new strategic customer wins. Although demand was much more erratic and unpredictable, the overall impact of Covid-19 on total 2020 volumes remained limited.

EUROPE

Sales in Europe decreased by 6.2% to €317.3m (FY 2019: €338.1m), which is mainly explained by the reduction in volumes due to lockdown countermeasures taken by governments across Europe to mitigate the spreading of Covid-19. The rollout of the new Elegant platform started and is on track.

RESULTS

ADJUSTED EBITDA

Adj. EBITDA amounts to €86.0m or 13.4% on sales, which is significantly better than in 2019 (€60.6m) and back on track with the profitable growth path realized over the last 5 years. This improvement is mainly driven by higher volumes, improved efficiency gradually reflecting the payback on investments made in previous years and the strategic repositioning in Europe which gradually starts to contribute. The negative impact from Covid-19 has been largely mitigated through the immediate implementation of various cost reduction initiatives.

DEPRECIATIONS AND IMPAIRMENTS

Depreciations remained broadly stable at €39.6m (FY 2019: €40.5m).

ADJUSTED EBITDA ITEMS

Adjusted EBITDA items (difference between EBITDA and Adj. EBITDA) amount to €-0.5m (2019: €-9.0m) and mainly include restructuring and integration costs which have been largely offset by gains on the sale of unused assets.

FINANCIAL RESULT

The Financial result improved to €-15.3m (2019: €-22.5m) thanks to lower TRY interest rates and further deleveraging, mainly during the second part of the year.

INCOME TAX EXPENSES

Income tax expenses increased to €4.9m (2019: €3.5m) reflecting improved profitability in 2020 while the tax expenses in 2019 mainly consisted of one-off tax charges.

NET RESULT

As a consequence of the above the Net Result increased to €25.6m (FY 2019: loss of €14.7m).

CASH FLOW AND BALANCE SHEET

2020 Cash flow was strong and as a result net financial debt decreased significantly to €55.5m (vs €140.2m in 2019) resulting in a leverage of 0.6x (vs 2.3x in 2019). Much of this improvement is considered permanent and is driven by better performance, normalization of capex, further optimization of working capital, the sale of unused assets and the sale of 7.41% of Ege Profil in Turkey. An estimated €15-20m of this reduction, reflecting exceptionally low working capital levels and timing differences, is considered temporary and will probably reverse in 2021.

HEADCOUNT

On 31 December 2020 Deceuninck employed worldwide 3,660 full time equivalents (FTEs) (including temporary workers and external staff) (31 December 2019: 3,754).

RISK MANAGEMENT

For an analysis of the Group risk management, see Note 25 of the consolidated financial statements.

Non-financial information

The non-financial information of the Group is described on pages 11 to 107.

Research & Development (R&D)

The research and development activities of the Group are described in the report of the board of directors on pages 35 to 43.

Events after the balance sheet date

Please refer to Note 27 of the consolidated financial statements.

Other circumstances

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


deceuninck

Deceuninck Group: key figures

KEY FIGURES** (in € million)	2018	2019	2020	EVOLUTION 2019-2020
CONSOLIDATED INCOME STATEMENT				
Sales	674.2	633.8	**642.2**	1%
Adjusted EBITDA	72.4	60.6	**86.0**	42%
EBIT	43.9	11.2	**45.9**	310%
Net profit	15.6	(14.7)	**25.6**	(274%)
CONSOLIDATED BALANCE SHEET				
Equity	255.6	233.1	**246.3**	6%
Net debt	93.7	140.2	**55.5**	(60%)
Total Assets*	584.9	589.7	**599.4**	2%
Capital expenditure	62.1	35.5	**23.5**	(34%)
Working capital	92.3	94.5	**74.2**	(21%)
Capital employed	396.3	416.3	**347.4**	(17%)

* Restated for 2019 (see Note 1)

RATIOS	2018	2019	2020	
Net profit on sales	2.3%	(2.3%)	**4.0%**	
Adjusted EBITDA / Sales	10.7%	9.6%	**13.4%**	
Net debt / Adjusted EBITDA	1.29	2.31	**0.64**	
EBIT / Capital employed	11.1%	2.7%	**13.2%**	
HEADCOUNT				
Total Full Time Equivalents (FTE)	3,803	3,754	**3,660**	

** Definitions: see glossary p. 197.

Consolidated financial statements and notes

Deceuninck consolidated income statement

FOR THE 12 MONTH PERIOD ENDED 31 DECEMBER (in € thousand)	NOTES	2019	2020
Sales	2	**633,810**	**642,189**
Cost of goods sold	3	(451,889)	(438,639)
Gross profit		**181,921**	**203,550**
Marketing, sales and distribution expenses	3	(110,141)	(110,182)
Research and development expenses	3	(7,493)	(6,908)
Administrative and general expenses	3	(45,460)	(42,063)
Other net operating result	3	(6,543)	4,508
Share of the result of a joint venture	8	(1,099)	(3,018)
Operating profit (EBIT)	3	**11,185**	**45,887**
Costs related to the derecognition of accounts receivable	3	(6,050)	(3,887)
Interest income / (expense)	3	(7,371)	(5,889)
Foreign exchange gains / (losses)	3	(7,947)	(4,515)
Other financial income / (expense)	3	(1,098)	(1,092)
Profit / (loss) before taxes (EBT)		**(11,282)**	**30,505**
Income taxes	4	(3,457)	(4,927)
NET PROFIT / (LOSS)		**(14,739)**	**25,578**

THE NET PROFIT / (LOSS) IS ATTRIBUTABLE TO (in € thousand)	2019	2020
Shareholders of the parent company	(14,951)	24,242
Non-controlling interests	213	1,336

EARNINGS PER SHARE DISTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY (in €)	2019	2020
Basic earnings per share	(0.11)	0.18
Diluted earnings per share	(0.11)	0.17

Deceuninck consolidated statement of comprehensive income

FOR THE 12 MONTH PERIOD ENDED 31 DECEMBER (in € thousand)	2019	2020
Net profit / (loss)	**(14,739)**	**25,578**
Currency translation adjustments	(1,414)	(27,937)
Net other comprehensive income / (loss) potentially to be reclassified to profit or loss in subsequent periods	**(1,414)**	**(27,937)**
Changes due to remeasurements of post employment benefit obligations	(4,222)	248
Income tax impact	869	(16)
Net other comprehensive income / (loss) not to be reclassified to profit or loss in subsequent periods	**(3,353)**	**232**
Other comprehensive income (+) / loss (-) for the period after tax impact	**(4,767)**	**(27,705)**
TOTAL COMPREHENSIVE INCOME (+) / LOSS (-) FOR THE PERIOD	**(19,505)**	**(2,127)**

THE TOTAL COMPREHENSIVE INCOME (+) / LOSS (-) OF THE PERIOD IS ATTRIBUTABLE TO (in € thousand)	2019	2020
Shareholders of the parent company	(19,451)	(1,821)
Non-controlling interests	(55)	(307)

Deceuninck consolidated balance sheet

(in € thousand)	NOTES	2019	2020
ASSETS			
Intangible fixed assets	6	3,682	2,252
Goodwill	7	10,628	10,601
Tangible fixed assets	9, 20	299,152	254,274
Financial fixed assets		15	9
Investment in a joint venture	8	2,924	-
Deferred tax assets	4	4,502	5,174
Long-term receivables	10	907	829
Non-current assets		**321,810**	**273,139**
Inventories	11	109,074	112,907
Trade receivables	12	78,097	69,301
Other receivables*	12	26,371	37,159
Cash and cash equivalents	13	52,799	105,623
Non-current assets held for sale	14	1,580	1,244
Current assets		**267,920**	**326,235**
TOTAL ASSETS		**589,730**	**599,373**

* Other receivables have been restated for 2019 due to an incorrect application of accounting policies.
This led to an increase of €14,355,735 as a result of the gross presentation of the advance checks received.

(in € thousand)	NOTES	2019	2020
EQUITY AND LIABILITIES			
Issued capital	15	53,925	53,950
Share premiums	15	88,261	88,310
Retained earnings		200,427	228,334
Remeasurements of post employment benefit obligations		(7,640)	(7,409)
Treasury shares	15	(75)	(75)
Treasury shares held in subsidiaries		(454)	-
Currency translation adjustments	15	(103,783)	(123,764)
Equity excluding non-controlling interest		**230,661**	**239,348**
Non-controlling interest		2,443	6,937
Equity including non-controlling interest		**233,105**	**246,284**
Interest-bearing loans including lease liabilities	18	140,546	137,022
Other long-term liabilities		80	676
Employee benefit obligations	16	22,589	22,305
Long-term provisions	17	4,693	3,485
Deferred tax liabilities	4	672	1,788
Non-current liabilities		**168,581**	**165,275**
Interest-bearing loans including lease liabilities	18	52,405	24,069
Trade payables	19	92,656	107,963
Tax liabilities		3,678	8,275
Employee related liabilities**		11,967	14,422
Employee benefit obligations	16	1,259	1,158
Short-term provisions	17	7,022	3,212
Other liabilities*	19	19,058	28,715
Current liabilities		**188,044**	**187,815**
TOTAL EQUITY AND LIABILITIES		**589,730**	**599,373**

* Other liabilities have been restated for 2019 due to an incorrect application of accounting policies. This led to an increase of €14,355,735 as a result of the gross presentation of the advance checks received.

** Employee related liabilities are short-term liabilities and consist mainly of salaries, bonuses and holiday payments.

Deceuninck consolidated statement of changes in equity

(in € thousand)	ISSUED CAPITAL	SHARE PREMIUMS	RETAINED EARNINGS	CHANGES IN REMEASUREMENTS OF POST EMPLOYMENT BENEFIT OBLIGATIONS
AS PER 31 DECEMBER 2018	**53,901**	**88,193**	**218,591**	**(4,288)**
Net profit			(14,951)	
Other comprehensive income (+) / loss (-)				(3,353)
TOTAL COMPREHENSIVE INCOME (+) / LOSS (-)	**-**	**-**	**(14,951)**	**(3,353)**
Capital increase	24	68		
Own shares movements				
Share based payments			913	
Dividends paid			(4,125)	
Transfer				
AS PER 31 DECEMBER 2019	**53,925**	**88,261**	**200,427**	**(7,640)**

(in € thousand)	ISSUED CAPITAL	SHARE PREMIUMS	RETAINED EARNINGS	CHANGES IN REMEASUREMENTS OF POST EMPLOYMENT BENEFIT OBLIGATIONS
AS PER 31 DECEMBER 2019	**53,925**	**88,261**	**200,427**	**(7,640)**
Net income (loss) for the current period			24,242	
Other comprehensive income (+) / loss (-)				232
TOTAL COMPREHENSIVE INCOME (+) / LOSS (-)	**-**	**-**	**24,242**	**232**
Capital increase	25	49		
Own shares movements				
Transactions with non-controlling interests*			2,953	
Share based payments			712	
Dividends paid				
Transfer				
AS PER 31 DECEMBER 2020	**53,950**	**88,310**	**228,334**	**(7,409)**

* 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 %.

	TREASURY SHARES	TREASURY SHARES HELD IN SUBSIDIARIES	CURRENCY TRANSLATION ADJUSTMENTS	TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY	NON-CONTROLLING INTEREST	TOTAL
	(75)	**(669)**	**(102,637)**	**253,018**	**2,613**	**255,631**
				(14,951)	213	(14,739)
			(1,147)	(4,499)	(267)	(4,767)
	-	-	**(1,147)**	**(19,451)**	**(55)**	**(19,505)**
				92	132	224
		215		215	9	224
				913		913
				(4,125)	(257)	(4,383)
				-		-
	(75)	**(454)**	**(103,783)**	**230,661**	**2,443**	**233,104**

	TREASURY SHARES	TREASURY SHARES HELD IN SUBSIDIARIES	CURRENCY TRANSLATION ADJUSTMENTS	TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY	NON-CONTROLLING INTEREST	TOTAL
	(75)	**(454)**	**(103,783)**	**230,661**	**2,443**	**233,104**
				24,242	1,336	25,578
			(26,294)	(26,063)	(1,643)	(27,705)
	-	-	**(26,294)**	**(1,821)**	**(307)**	**(2,128)**
				74	-	74
		454		454	157	611
			6,333	9,286	4,626	13,912
				712		712
				-		-
			(19)	(19)	19	-
	(75)	-	**(123,764)**	**239,348**	**6,937**	**246,284**

Deceuninck consolidated statement of cash flows

FOR THE 12 MONTH PERIOD ENDED 31 DECEMBER (in € thousand)	NOTES	2019	2020
Profit (+) / loss (-)		(14,739)	25,578
Depreciations & impairments	6, 7, 9, 14	40,460	39,604
Net financial charges	3	22,532	15,299
Income taxes	4	3,394	4,927
Inventory write-off (+ = cost / - = inc)	11	(656)	2,866
Trade AR write-off (+ = cost / - = inc)	12	(496)	4,438
Movements in provisions (+ = cost / - = inc)		6,317	(4,046)
Gain / loss on disposal of (in)tang. FA (+ = cost / - = inc)	3	(150)	(2,850)
Fair value adjustments of investment in a joint venture (equity method)	8	1,446	3,018
GROSS OPERATING CASH FLOW		**58,108**	**88,835**
Decr / (incr) in inventories		8,882	(17,131)
Decr / (incr) in trade AR		10,703	(6,219)
Incr / (decr) in trade AP		(16,140)	27,174
Decr / (incr) in other operating assets/liabilities		(683)	4,662
Income taxes paid (-) / received (+)	4	(2,728)	(2,697)
CASH FLOW FROM OPERATING ACTIVITIES		**58,143**	**94,624**
Purchases of (in)tangible FA (-)	6, 9, 14	(35,544)	(23,543)
Investment in financial FA (-)		(2,480)	(1)
Proceeds from sale of (in)tangible FA (+)		534	15,680
Proceeds from sale of financial FA (+)		103	15,390
CASH FLOW FROM INVESTMENT ACTIVITIES		**(37,387)**	**7,526**
(Acquisition) / sale of treasury shares (in subsidiaries)		432	-
Dividends paid (-)		(4,252)	(143)
Interest received (+)*		4,487	2,585
Interest paid (-)		(12,849)	(8,200)
Net financial result, excl interest		(21,942)	(4,684)
New long-term debts		9,217	13,091
Repayment of long-term debts		(13,384)	(14,362)
New short-term debts		21,233	15,285
Repayment of short-term debts		(12,717)	(39,757)
CASH FLOW FROM FINANCING ACTIVITIES		**(29,777)**	**(36,185)**
Net increase / (decrease) in cash and cash equivalents		**(9,021)**	**65,965**
Cash and cash equivalents as per beginning of period	13	**65,831**	**52,799**
Impact of exchange rate fluctuations		(4,030)	(13,033)
Transfers		18	(108)
Cash and cash equivalents as per end of period	13	**52,799**	**105,623**

* 2019 cash flow has been restated to reflect the amended classification of Interest received as Cash Flow from Financing Activities instead of Cash Flow from Operating Activities.

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 of Directors on 23 February 2021. 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 27 April 2021.

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 2020. 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, however, the Group has restated its consolidated balance sheet that was reported as of 31 December 2019 due to an incorrect application of accounting policies. This is due to gross presentation of the advance checks received for a total amount of €14,355,735 which resulted into an adjustment in the 'Other receivables' (Note 12) and 'Other payables' (Note 19) for 2019. Detailed information on the applied accounting policies for the advance checks is included in Accounting policies - Financial instruments - Other receivables.

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 2020 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 directors 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.

In November 2018 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:

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 2019	CLOSING RATE 2020	AVERAGE RATE 2019	AVERAGE RATE 2020
AUD	1.5995	**1.5896**	1.6105	**1.6541**
BAM	1.9558	**1.9558**	1.9558	**1.9558**
BGN	1.9558	**1.9558**	1.9558	**1.9558**
BRL	4.5157	**6.3735**	4.4108	**5.8130**
CLP	832.3622	**870.6251**	785.1399	**901.9301**
COP	3,681.8851	**4,212.2999**	3,670.2860	**4,198.5935**
CZK	25.4080	**26.2420**	25.6692	**26.4372**
GBP	0.8508	**0.8990**	0.8769	**0.8887**
HRK	7.4395	**7.5519**	7.4182	**7.5382**
INR	80.1873	**89.6604**	78.8305	**84.4331**
LTL	3.4528	**3.4528**	3.4528	**3.4528**
MXN	21.2202	**24.4160**	21.5561	**24.3608**
PLN	4.2568	**4.5597**	4.2974	**4.4413**
RON	4.7830	**4.8683**	4.7454	**4.8378**
RSD	117.5931	**117.5779**	117.8280	**117.5726**
RUB	69.3404	**90.6824**	72.4280	**81.9347**
SEK	10.4468	**10.0343**	10.5844	**10.4838**
THB	33.4150	**36.7270**	34.7377	**35.6641**
TRY	6.6506	**9.0079**	6.3511	**7.9133**
UAH	26.4220	**34.7396**	28.6534	**31.0166**
USD	1.1234	**1.2271**	1.1195	**1.1396**

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. The useful life of patents recognized in North America is estimated at 15 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 m) 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 recognised 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 recognised 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. Taking 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.

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

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognizes the loss within 'Share of the result of a joint venture' in the consolidated income statement.

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

LEASING

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

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

i) Right-of-use assets
The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, 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 recognised 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 recognised as expense on a straight-line basis over the lease term.

iv) 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. The largest contract is related to a warehouse in Turkey. For this building, the contract does include an option to extend the lease. However, as there is no reasonable certainty that this option will be exercised, the lease liability covers the lease term as defined in the current lease contract.

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 recognised 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 following changes in the net defined benefit obligation in the financial statement lines in the consolidated income statement based on the function and activities of the related personnel. If the related personnel is no longer active within the Group, the cost is recognized in the section 'Other' under 'Other operating costs":

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
- Net interest expense or income

Where applicable, the current service cost and interests costs are taken into account 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 potential shares 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 2020.

NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The amendments and interpretations as follows apply for the first time in 2020, 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.

- Definition of Material – amendments to IAS 1 and IAS 8
- Definition of a Business – amendments to IFRS 3
- Revised Conceptual Framework for Financial Reporting
- Interest Rate Benchmark Reform – amendments to IFRS 9, IAS 39 and IFRS 7

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.

STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

- Amendments to IAS 1, Classification of liabilities as current or non-current, effective 1 January 2022
- Amendments to IAS 16, Property, Plant and equipment: proceeds before intended use, effective 1 January 2022
- Amendments to IAS 37, Onerous contracts: cost of fulfilling a contract, effective 1 January 2022
- Amendments to IFRS 3, Reference to the conceptional framework, effective 1 January 2022
- Annual improvement to IFRS standards, effective January 2022
- IFRS 17 Insurance Contracts, effective 1 January 2023 -
- Amendment to IFRS 16, Leases Covid 19-Related Rent Concessions, effective 1 June 2020
- Amendments to IFRS 4 Insurance Contracts, deferral of IFRS 9, effective 1 January 2021

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, Lithuania, Poland, Romania, Russia, Spain and the United Kingdom;
2. North America: Canada and United States;
3. Turkey & Emerging Markets: Australia, Brazil, Chile, Colombia, India, Mexico, Thailand and Turkey.

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

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

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

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

Segment information provided to the CODM includes the results, assets and liabilities that can be attributed directly to those segments, as stated on pages 138 and 139.

NORTH AMERICA

Canada and United States.

EUROPE

Benelux, Bosnia, Bulgaria, Croatia, Czech Republic, France, Germany, Italy, Lithuania, 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	EUROPE**		NORTH AMERICA	
(in € thousand)	2019	2020	2019	2020
External sales	337,539	317,267	135,422	159,641
Intersegment sales	1,417	750	472	627
Total sales*	338,956	318,017	135,895	160,267
EBITDA	11,813	33,130	14,720	20,258
Adjusted EBITDA	**20,810**	**33,177**	**14,720**	**20,764**
Adjustments from EBITDA to Adjusted EBITDA	-	-	-	-
Financial result	-	-	-	-
Income taxes	-	-	-	-
Depreciations and impairments	22,812	22,613	9,584	10,093
Capital expenditures (Capex)	(22,653)	(10,725)	(7,768)	(9,828)

* Out of which €70.5 relating to Belgium.
** From 01.01.2020, Romania is reported as part of Europe instead of part of the Emerging Markets. In order to have comparable data in the table above, 2019 sales in Romania have been reallocated from Turkey & Emerging markets to Europe. The impact on the other KPIs is considered as insignificant.

The difference between the adjusted EBITDA and EBITDA of €553K includes the following non-recurring income and expenses as recognized in other operating result:

- Surplus value on realized sale of land (€ +3.3 m) in Belgium;
- Result realized on disposal of a sales entity (€ -0.8 m) in Europe;
- Costs related to the one-off product platform integration (€ -1.2 m) and an exceptional impairment of intangibles (€ -1.3 m) in Europe;
- One-off restructuring costs in North America and Europe (€ -0.4 m)

Reconciliation of total segment assets and total Group assets:

	CONSOLIDATED	
(in € thousand)	31 DEC 2019	31 DEC 2020
Europe*	300,066	269,964
North America	103,098	95,986
Turkey & Emerging Markets**	155,775	151,045
Intersegment assets	**558,938**	**516,995**
Cash and cash equivalents	52,799	105,623
Intersegment eliminations	(22,007)	(23,245)
TOTAL GROUP ASSETS	**589,730**	**599,373**

* Out of which €176.7 relating to Belgium.
** Restated for 2019 (see Note 1)

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

FOR THE 12 MONTH PERIOD ENDED 31 DECEMBER 2019	EUROPE		NORTH AMERICA	
	(in € thousand)	(%)	(in € thousand)	(%)
Window & Doors	271,719	80.5%	135,422	100.0%
Outdoor Living	37,129	11.0%	-	0.0%
Home Protection	28,691	8.5%	-	0.0%
TOTAL	**337,539**	**100.0%**	**135,422**	**100.0%**

FOR THE 12 MONTH PERIOD ENDED 31 DECEMBER 2020	EUROPE		NORTH AMERICA	
	(in € thousand)	(%)	(in € thousand)	(%)
Window & Doors	252,783	79.7%	159,640	100.0%
Outdoor Living	38,250	12.1%	-	0.0%
Home Protection	26,234	8.3%	-	0.0%
TOTAL	**317,267**	**100.0%**	**159,640**	**100.0%**

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

TURKEY & EMERGING MARKETS **		INTERSEGMENT ELIMINATIONS		CONSOLIDATED	
2019	2020	2019	2020	2019	2020
160,386	165,252	-	-	633,347	642,159
2,952	8,313	(4,379)	(9,659)	463	29
163,338	173,565	(4,379)	(9,660)	633,810	642,189
25,942	32,515	(830)	(411)	51,645	85,491
25,942	**32,515**	**(830)**	**(411)**	**60,642**	**86,045**
-	-	-	-	(8,997)	(553)
-	-	-	-	(22,532)	(15,299)
-	-	-	-	(3,457)	(4,927)
8,659	7,635	(595)	(737)	40,460	39,604
(6,274)	(3,562)	1,152	572	(35,544)	(23,543)

Reconciliation of total segment liabilities and total Group liabilities:

	CONSOLIDATED	
(in € thousand)	31 DEC 2019	31 DEC 2020
Europe	109,050	97,984
North America	19,855	34,371
Turkey & Emerging Markets*	88,998	96,778
Intersegment liabilities	**217,903**	**229,133**
Equity including non-controlling interest	233,105	246,278
Long-term interest-bearing loans	140,546	137,022
Other long term liabilities	80	676
Current portion of interest-bearing borrowings	19,297	12,711
Intersegment eliminations	(21,201)	(26,446)
TOTAL GROUP LIABILITIES	589,730	599,373

* Restated for 2019 (see Note 1)

TURKEY & EMERGING MARKETS		CONSOLIDATED	
(in € thousand)	(%)	(in € thousand)	(%)
152,848	95.3%	560,765	88.6%
160	0.1%	36,481	5.8%
7,378	4.6%	36,101	5.7%
160,386	**100.0%**	**633,347**	**100.0%**

TURKEY & EMERGING MARKETS		CONSOLIDATED	
(in € thousand)	(%)	(in € thousand)	(%)
157,499	95.3%	570,218	88.8%
97	0.1%	37,950	5.9%
7,656	4.6%	33,990	5.3%
165,252	**100.0%**	**642,159**	**100.0%**

3. REVENUES AND EXPENSES

INCOME STATEMENT BY NATURE (in € thousand)	2019	2020
Sales	**633,810**	**642,189**
Material costs	(308,974)	(301,261)
Operating costs	(113,105)	(113,382)
Personnel costs	(153,111)	(144,012)
Depreciations & impairments	(39,792)	(39,136)
Other net operating result	(6,543)	4,508
Share of the result of a joint venture	(1,099)	(3,018)
Operating profit (EBIT)	**11,185**	**45,887**
Cost related to the derecognition of accounts receivable	(6,050)	(3,887)
Interest income / (expense)	(7,371)	(5,889)
Foreign exchange gains / (losses)	(7,947)	(4,515)
Other financial income / (expense)	(1,098)	(1,092)
Profit / (loss) before taxes (EBT)	**(11,282)**	**30,505**
Income taxes	(3,457)	(4,927)
NET PROFIT / (LOSS)	**(14,739)**	**25,578**

For a high level analysis of revenue and costs we refer to the “2020 results” on page 112.

OPERATING COSTS (in € thousand)	2019	2020
Transport	(31,730)	(32,762)
Maintenance	(18,333)	(17,022)
Services	(19,775)	(19,120)
Energy	(15,478)	(14,987)
Rent	(2,421)	(1,890)
Communication	(11,105)	(9,174)
Local taxes and fines	(4,043)	(3,796)
Travel	(5,078)	(2,146)
Marketing and sales support	(2,972)	(1,092)
Insurance	(2,643)	(2,521)
Loss on the realization of trade debtors	(234)	(1,227)
(Increase) / decrease of allowances on doubtful debtors & inventory	1,152	(7,304)
Other	(446)	(342)
TOTAL	**(113,105)**	**(113,382)**

The operating costs remained broadly stable compared to 2019, as decreases in communication, travelling costs and marketing and sales support have been offset by increases in allowances for doubtful debtors and inventories.

PAYROLL COSTS AND OTHER SOCIAL BENEFITS (in € thousand)	2019	2020
Wages and salaries	(115,309)	(109,127)
Social security contributions	(26,504)	(25,025)
Contributions to defined contribution plans	(6,365)	(5,772)
Other	(4,932)	(4,088)
TOTAL	**(153,111)**	**(144,012)**

The decrease in payroll costs and other social benefits is mainly driven by Covid 19 related government support measures such as temporary unemployment and decrease in FTE's.

HEADCOUNT (TOTAL FULL TIME EQUIVALENTS (FTE) BY CATEGORY)	2019	2020
Blue collars	2,642	2,654
White collars	1,112	1,006
TOTAL	**3,754**	**3,660**

The decrease in total headcount is mainly driven by a decrease in white collar workers.

OTHER OPERATING INCOME (in € thousand)	2019	2020
Grants received	1,315	2,066
Decrease of provisions	-	357
Gains on disposal of tangible fixed assets	228	3,675
Other	3,145	2,612
TOTAL	**4,687**	**8,709**

The other operating income increased mainly due to an increase in grants received and the realized gain on the sale of land lot in Hooglede-Gits, Belgium (€ 3,427 thousand).

OTHER OPERATING COSTS (in € thousand)	2019	2020
Increase of provisions	(6,384)	-
Integration costs	(2,004)	(1,825)
Impairments	(667)	(468)
Loss on disposal of tangible fixed assets	(78)	(191)
Result realized on disposal of a sales entity	-	(867)
Other	(2,097)	(850)
TOTAL	**(11,230)**	**(4,201)**

The decrease in other operating costs compared to 2019 is primarily due to decrease in provisions and integration costs.

IINTEREST INCOME / (EXPENSE) (in € thousand)	2019	2020
Interest income	4,487	2,605
Interest expense	(11,858)	(8,493)
TOTAL	**(7,371)**	**(5,889)**

Interest income and interest expenses both have decreased due to lower interest rates in Turkey. Furthermore, the deleveraging in Turkey contributed to lower interest expenses.

FOREIGN EXCHANGE GAINS / (LOSSES) (in € thousand)	2019	2020
Realized foreign exchange gains	612	2,002
Realized foreign exchange losses	(13,426)	(1,879)
Unrealized foreign exchange gains	5,541	619
Unrealized foreign exchange losses	(674)	(5,257)
TOTAL	**(7,947)**	**(4,515)**

Foreign exchange losses includes losses due to changes in exchange rates and the cost to hedge against foreign exchange risks. The lower foreign exchange losses in 2020 compared to 2019 are mainly the result of lower interest rates in Turkey making hedging in Turkey less expensive. In addition, lower foreign currency exposures have also contributed to lower hedging costs.

COST RELATED TO THE DERECOGNITION OF ACCOUNTS RECEIVABLE (in € thousand)	2019	2020
Cost related to the derecognition of accounts receivable	(6,050)	(3,887)

The main reason for the decrease is the substantially lower interest rates in Turkey, which had a favorable impact on the cost related to the derecognition of accounts receivable.

OTHER FINANCIAL GAINS / (LOSSES) (in € thousand)	2019	2020
Other financial income	160	141
Bank costs	(716)	(807)
Other financial costs	(542)	(427)
TOTAL	**(1,098)**	**(1,092)**

Other financial result is in line with prior year.

4. INCOME TAXES

The breakdown of the income tax charge for 2019 and 2020 is presented as follows:

INCOME TAXES RECOGNIZED IN THE INCOME STATEMENT (in € thousand)	2019	2020
Current income taxes	**(961)**	**(4,919)**
Relating to current year	(215)	(5,154)
Relating to previous years	(16)	237
Other	(730)	(1)
Deferred income taxes	**(2,496)**	**(7)**
Relating to temporary differences - current year	(1,494)	399
Relating to temporary differences - adjustment previous years	608	(114)
Recognition of deferred income tax asset on tax losses of current year	635	68
Utilization of deferred income tax asset on tax losses of previous years	(777)	(3,119)
Recognition of deferred income tax asset on tax losses of previous years	1,536	-
Impairment (-)/reversal of impairment (+) of deferred income tax asset on tax losses of previous years	(4,080)	2,842
Recognition of deferred tax assets on tax incentives	1,555	1,971
Utilization of deferred tax assets on tax incentives	(624)	(2,106)
Other	145	53
Income taxes recognized in the income statement	**(3,457)**	**(4,927)**

The following table provides a reconciliation between the Earning before tax and the income taxes as per 31 December 2019 and 2020:

RECONCILIATION BETWEEN EARNINGS BEFORE TAX (EBT) - IFRS AND INCOME TAXES (in € thousand)	2019	2020
Earnings before tax - IFRS	(11,282)	30,505
Statutory tax rate of the parent company	29.58%	25.00%
Income taxes calculated at the statutory tax rate of the parent company	**3,337**	**(7,626)**
Tax effect of:		
Difference between local tax rate and statutory tax rate of the parent company*	(371)	632
Non-deductible items	(830)	(1,065)
Government grants and other exempted income	1,555	364
Use of tax losses carried forward for which no deferred income tax asset has been recognized	581	11
Current income taxes relating to previous years	(16)	59
Deferred taxes on temporary differences relating to previous years - adjustments	1,407	(98)
Non-recognition of deferred income taxes on current years losses and deductable temporary differences	(5,516)	(1,429)
(De)recognition of deferred income tax assets on tax losses of previous years	(3,923)	2,697
(De)recognition of deferred income tax assets on tax incentives	1,477	1,971
Other	(1,157)	(443)
INCOME TAXES RECOGNIZED IN THE INCOME STATEMENT	**(3,457)**	**(4,927)**
Effective rate rate		16.15%

* 'Difference between local tax rate and statutory tax rate of the parent company' has been restated for 2019 for -€517 thousand as a result of correction of an error in the presentation.

The following table gives an overview of the deferred income taxes as per 31 December 2019 and 2020:

DEFERRED TAX MOVEMENT SCHEDULE* (in € thousand)	2019	CHARGED / CREDITED TO PL	CHARGED / CREDITED TO EQUITY	TRANSFERS	TRANSLATION ADJUSTMENTS TOTAL	2020
Deferred income tax assets by type of temporary difference:						
Tax losses carried forward & tax incentives	18,062	(345)	(30)	268	(520)	17,435
Tangible fixed assets	368	61	-	(189)	(42)	198
Financial fixed assets	-	-	-	-	-	-
Provisions	4,782	38	(35)	(56)	(183)	4,545
Inventories	1,285	415	-	(215)	(420)	1,065
Interest-bearing borrowings	6	5	-	-	-	10
Other assets	1,788	3,128	-	(390)	(473)	4,052
Deferred income tax assets	**26,289**	**3,302**	**(65)**	**(583)**	**(1,638)**	27,305
Deferred income tax liabilities by type of temporary difference:						
Tax losses carried forward & tax incentives	-	-	-	-	-	-
Tangible fixed assets	21,947	2,312	-	83	(1,149)	23,192
Financial fixed assets	-	-	-	-	-	-
Provisions	-	12	-	-	-	12
Inventories	29	994	-	(238)	(87)	698
Interest-bearing borrowings	1	(1)	-	-	-	-
Other liabilities	484	(8)	-	(427)	(31)	18
Deferred income tax liabilities	**22,460**	**3,309**	**-**	**(583)**	**(1,267)**	**23,920**
Net deferred income taxes	**3,829**	**(7)**	**(65)**	**-**	**(371)**	**3,386**

* The 2019 balances of have been restated in order to present the gross balances of the deferred tax assets and liabilities by type of temporary differences, whereas previously this was after net presentation by legal entity.
Furthermore, as a result of the detailed review of the gross balances the following restatements were made to the 2019 balances (all impacts are based on netted balance): Tax losses carried forward & tax incentives -956,893 EUR, Tangible fixed assets +1,556,420 EUR, Financial fixed assets +353,648 EUR, Inventories +131,321 EUR and other assets -1,084,497 EUR.

In 2020, 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 €17,435 thousand at the end of 2020 (end 2019: €18,062 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 2020, the Group did not recognize deferred income tax assets on a total amount of tax credits of €90,218 thousand (2019: €108,153 thousand) in Belgium, Germany, France, the United Kingdom, Poland and Russia, in current and previous financial years.

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 €0.18.

(in € thousand)	2019	2020
Earnings attributable to ordinary shareholders	(14,951)	24,242
Weighted average number of ordinary shares (in thousands)	136,706	136,748
BASIC EARNINGS PER SHARE (in €)	**(0.11)**	**0.18**

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 potential shares 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 €0.17 per share.

(in € thousand)	2019	2020
Earnings attributable to ordinary shareholders	**(14,951)**	**24,242**
Weighted average number of ordinary shares (in thousands)	136,706	136,748
Dilution effect of non-exercised warrants (in thousands)		6,194
Weighted average number of shares after dilution (in thousands)	**136,706**	**142,942**
DILUTED EARNINGS PER SHARE (in €)	**(0.11)**	**0.17**

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 2020, 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 these kind of assets there is no foreseeable end of the cash-generating period. The net carrying value of these assets is €1,008 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 2020.

2019 (in € thousand)	DEVELOPMENT	LICENSES, IT AND SIMILAR RIGHTS	CUSTOMER VALUE	TRADE NAMES	TOTAL
COST					
At the beginning of previous year	**1,380**	**17,011**	**1,426**	**4,829**	**24,646**
Additions	-	726	-	-	**726**
Disposals	(128)	-	-	-	**(128)**
Transfers	-	235	-	-	**235**
Translation adjustments	5	(2)	(37)	(138)	**(172)**
At the end of previous year	**1,258**	**17,970**	**1,389**	**4,690**	**25,307**
DEPRECIATIONS AND IMPAIRMENTS					
At the beginning of previous year	**(1,271)**	**(13,581)**	**(1,188)**	**(3,106)**	**(19,146)**
Additions to depreciations	(32)	(2,352)	(19)	(179)	**(2,581)**
Additions to impairments	-	-	-	-	**-**
Disposals	85	-	-	-	**85**
Transfers	-	-	-	-	**-**
Translation adjustments	(5)	(2)	25	-	**17**
At the end of previous year	**(1,222)**	**(15,936)**	**(1,182)**	**(3,285)**	**(21,625)**
INTANGIBLE FIXED ASSETS					
Cost	1,258	17,970	1,389	4,690	**25,307**
Accumulated depreciations and impairments	(1,222)	(15,936)	(1,182)	(3,285)	**(21,625)**
NET CARRYING VALUE	**35**	**2,034**	**207**	**1,406**	**3,682**

2020 (in € thousand)	DEVELOPMENT	LICENSES, IT AND SIMILAR RIGHTS	CUSTOMER VALUE	TRADE NAMES	TOTAL
COST					
At the beginning of current 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 current year	**1,235**	**18,407**	**1,296**	**4,003**	**24,940**
DEPRECIATIONS AND IMPAIRMENTS					
At the beginning of current 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 current 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**

7. GOODWILL

(in € thousand)	2019	2020
COST		
At the beginning of	**62,063**	**63,423**
Additions	-	-
Disposals	-	-
Transfers	-	-
Translation adjustments	1,361	(3,409)
At the end of	**63,423**	**60,014**
IMPAIRMENTS		
At the beginning of	**(51,424)**	**(52,795)**
Additions	-	-
Disposals	-	-
Transfers	-	-
Translation adjustments	(1,371)	3,382
At the end of	**(52,795)**	**(49,413)**
GOODWILL		
Cost	63,423	60,014
Accumulated impairments	(52,795)	(49,413)
NET CARRYING VALUE	**10,628**	**10,601**

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)	2019	2020
Turkey	9,381	9,354
Belgium	1,247	1,247
NET CARRYING VALUE	**10,628**	**10,601**

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 its carrying amount. An impairment loss is recognized whenever the recoverable amount is lower than the net book value. The Group has performed impairment testing at 30 June 2020 as the impact of reduced economic activity and lower revenues due to Covid-19 were assessed as an indicator of impairment. This goodwill impairment assessment revealed no impairment issues.

Furthermore, the Group carried out the annual impairment test at 31 December 2020, 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 discount rate is based on the risk free rate of the currency region zone where the activities are deployed and current market assessment of the risks specific to the Deceuninck Group. The discount rate was estimated based on the weighted average cost of capital (WACC) and is 18.2% for 2020 (2019: 14.5 %).

ASSUMPTIONS FOR 2021-2024

For EBITDA of 2021, management has worked out a target based on detailed plans and actions. For the period 2022-2024 the EBITDA estimate is based on longer term plans, taking into account 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 an available headroom of €94,567 thousand under the base case assumptions. There is no need for a detailed sensitivity analysis as no reasonably 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 discount rate is based on the risk free rate of the currency region zone where the activities are deployed and current market assessment of the risks specific to the Deceuninck Group. The discount rate was estimated based on the weighted average cost of capital (WACC) and is 6.0% for 2020 (2019: 5.6%).

ASSUMPTIONS FOR 2021-2024

For EBITDA of 2021, management has worked out a target based on detailed plans and actions. For the period 2022-2024 the EBITDA estimate is based on longer term plans, taking into account reasonable growth levels in line with country specific evolutions of the building industry. For subsequent years a terminal growth rate of 2% is assumed. For subsequent years a terminal growth rate of 2% is assumed.

SENSITIVITY ANALYSIS

One scenario with reasonable growth expectations has been worked out with an available headroom of €75,345 thousand under the base case assumptions. There is no need for a detailed sensitivity analysis as no reasonably 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

In November 2018, 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 aluminum 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)	2019	2020
Sales	**14,929**	**9,311**
Cost of goods sold	(12,328)	(7,593)
Gross profit	**2,601**	**1,717**
Marketing, sales and distribution expenses	(2,548)	(2,657)
Administrative and general expenses	(1,767)	(2,879)
Other net operating result	(85)	(1,920)
Operating profit / (loss) after impairment on goodwill	**(1,800)**	**(5,738)**
Financial charges	(593)	(2,056)
Financial income	196	216
Profit / (loss) before taxes (EBT)	**(2,198)**	**(7,578)**
Income taxes	-	549
Net profit / (loss)	**(2,198)**	**(7,029)**
GROUP'S SHARE OF PROFIT / (LOSS) FOR THE YEAR	**(1,099)**	**(3,514)**

Group's carrying amount of the investment per 31 December 2019	**2,924**
Group's share of profit / (loss) for the year	(3,514)
Currency translation adjustments	95
Non recognized Group's share of (profit) / loss for the year*	495
Group's carrying amount of the investment per 31 December 2020	**-**

* The Group has taken into account the relevant considerations that there are no contractual or constructive obligations covering for unlimited losses. As a consequence, 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)	2019	2020
ASSETS		
Intangible fixed assets	4,479	1,474
Tangible fixed assets	7,084	6,104
Non-current assets	**11,563**	**7,581**
Inventories	4,285	2,042
Trade receivables	1,179	1,038
Other receivables	621	1,030
Cash and cash equivalents	521	381
Current assets	**6,607**	**4,491**
TOTAL ASSETS	**18,170**	**12,072**
EQUITY AND LIABILITIES		
Equity	**(579)**	**(7,420)**
Interest-bearing loans	10,965	12,552
Deferred tax liabilities	614	84
Non-current liabilities	**11,580**	**12,636**
Trade payables	4,040	1,501
Other liabilities	3,130	5,355
Current liabilities	**7,170**	**6,856**
TOTAL EQUITY AND LIABILITIES	**18,170**	**12,072**

Equity	**(579)**	**(7,420)**
Goodwill	2,924	-
Goodwill after purchase price allocation	*3,214*	*3,214*
Allocated losses	*(290)*	*(3,214)*
Non recognized losses	-	(496)
GROUP'S CARRYING AMOUNT OF THE INVESTMENT	**2,924**	**-**

The Group performed a limited purchase price allocation exercise in 2018 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.

The Group considered the impact of COVID-19 and the measures taken to control the impact as an indicator that for impairment.

The underlying intangible assets in So Easy have been tested for impairment and resulted in a write-off on the customer base of € 2.6 m recognized per 30 June 2020.

9. TANGIBLE FIXED ASSETS

2019 (in € thousand)	LAND AND BUILDINGS	MACHINERY AND EQUIPMENT	FURNITURE AND VEHICLES	LEASED FIXED ASSETS
COST				
At the beginning of previous year	**177,813**	**466,599**	**18,485**	**890**
Additions	2,732	17,207	950	
IFRS 16: recognition right of use assets				(890)
Disposals	(227)	(2,318)	(1,108)	
Transfers	6,976	17,687	24	
Translation adjustments	(726)	827	16	
At the end of previous year	**186,567**	**500,001**	**18,367**	**-**
DEPRECIATIONS AND IMPAIRMENTS				
At the beginning of previous year	**(70,591)**	**(336,575)**	**(12,989)**	**(202)**
Additions to depreciations	(4,392)	(24,352)	(1,058)	
IFRS 16: recognition right of use assets				202
Additions to impairments	(112)	(518)	(9)	
Disposals	149	2,224	1,098	
Transfers	(5)	(40)	(4)	
Translation adjustments	(520)	(1,044)	6	
At the end of previous year	**(75,472)**	**(360,306)**	**(12,957)**	**-**
TANGIBLE FIXED ASSETS				
Cost	186,567	500,001	18,367	-
Accumulated depreciations and impairments	(75,472)	(360,306)	(12,957)	-
NET CARRYING VALUE	**111,096**	**139,695**	**5,411**	**-**

2020 (in € thousand)	LAND AND BUILDINGS	MACHINERY AND EQUIPMENT	FURNITURE AND VEHICLES
COST			
At the beginning of current year	**186,567**	**500,001**	**18,367**
Additions	622	10,835	432
Disposals	(14,359)	(3,276)	(350)
Transfers	13,335	9,370	258
Translation adjustments	(12,580)	(26,717)	(778)
At the end of current year	**173,585**	**490,213**	**17,928**
DEPRECIATIONS AND IMPAIRMENTS			
At the beginning of current year	**(75,472)**	**(360,306)**	**(12,957)**
Additions to depreciations	(4,372)	(24,852)	(1,105)
Additions to impairments	(219)	(170)	(1)
Disposals	1,815	3,235	354
Transfers	10	6	17
Translation adjustments	2,747	16,122	557
At the end of current year	**(75,490)**	**(365,964)**	**(13,134)**
TANGIBLE FIXED ASSETS			
Cost	173,585	490,213	17,928
Accumulated depreciations and impairments	(75,490)	(365,964)	(13,134)
NET CARRYING VALUE	**98,094**	**124,248**	**4,794**

OTHER TANGIBLE FIXED ASSETS	ASSETS UNDER CONSTRUCTION	TOTAL
138	25,308	689,233
-	13,048	33,937
		(890)
-	-	(3,652)
-	(22,777)	1,910
-	(365)	(248)
138	15,215	720,289
(58)	-	(420,415)
(11)	-	(29,813)
		202
-	-	(640)
-	-	3,471
-	-	(49)
-	-	(1,558)
(70)	-	(448,804)
138	15,215	720,289
(70)	-	(448,804)
69	15,215	271,485

OTHER TANGIBLE FIXED ASSETS	ASSETS UNDER CONSTRUCTION	TOTAL
138	15,215	720,289
-	11,746	23,634
-	-	(17,986)
-	(14,284)	8,679
-	(1,632)	(41,706)
138	11,046	692,910
(70)	-	(448,804)
(11)	-	(30,339)
-	-	(390)
-	-	5,404
-	-	34
-	-	19,426
(81)	-	(454,670)
138	11,046	692,910
(81)	-	(454,670)
57	11,046	238,240

The transfers from assets under construction in 2019 mainly related to capital expenditures performed for increases in warehouse capacity and investments in tools and machinery. In 2020, the transfers from assets under construction mainly relate to finalized investments in machinery, tools and infrastructure works for buildings.

The Group has €4.1 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)	2019	2020
Land and buildings	2,397	807
Machines and equipment	11,949	8,694
Other	869	1,545
TOTAL	**15,215**	**11,046**

In 2020 the Group has recognized impairments on tangible fixed assets for €0.4 million (2019: €0.6 million). These impairments mainly relate to Europe segment 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 relate to the execution of the purchase option of a leased warehouse in the United States.

(in € thousand)	2019	2020
Intangible fixed assets	235	197
Tangible fixed assets	1,861	8,713
Assets held for sale	(2,096)	7
Right-of-use assets	-	(8,917)
TOTAL	**-**	**-**

10. LONG-TERM RECEIVABLES

(in € thousand)	2019	2020
Trade receivables	356	326
Other receivables	551	503
TOTAL	**907**	**829**

The maturity of such trade receivables ranges from 1 to 3 years.

11. INVENTORIES

(in € thousand)	2019	2020
Raw materials and consumables	33,320	32,603
Finished products*	66,102	67,098
Trade goods*	9,652	12,666
TOTAL	**109,073**	**112,907**

* Finished products and trade goods of 2019 have been restated as a result of an improvement in the monitoring of the actual classification with respectively +€12,110 thousand and - €12,110 thousand to accurately reflect 2019 ending balances.

During 2020 a net amount of €2,866 thousand was recorded as an increase in the allowance related to the write-down on inventory (in 2019: €656 thousand decrease). These costs are included in Marketing, sales and distribution expenses. The cost of inventories recognized as cost of goods sold during 2020 amounted to €438.6 million (2019: €451.8 million). No inventories were pledged as security for liabilities (2019: idem).

12. TRADE RECEIVABLES AND OTHER RECEIVABLES

(in € thousand)	2019	2020
Gross trade receivables	89,814	84,149
Impairments allowance	(11,716)	(14,848)
TRADE RECEIVABLES	**78,097**	**69,301**
VAT and other taxes	5,272	5,289
Derivative financial instruments	1,009	520
Prepaid charges	2,511	3,400
Short-term warranties	172	269
Advance checks received*	14,356	23,246
Other	3,051	4,435
OTHER RECEIVABLES	**26,371**	**37,159**

* Restated for 2019 (see Note 1)

Net trade receivables decreased €8.8 million due to improvements in payment terms, partly compensated by higher Q4 sales and lower factoring levels. Total factoring amounted to €30.8 million at 31 December 2020 (2019: €35.7 million).

Days sales outstanding (DSO) decreased year-on-year from 44 days in 2019 to 38 days in 2020.

The factoring and related cost for 2020 amounts to €3,887 thousand (2019: €6,050 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 section 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 2020	84,149	62,968	7,771	759	1,877	1,354	9,421
Impairments allowance per 31 December 2020	(14,848)	(2,685)	(1,863)	(91)	(1,366)	(1,044)	(7,799)
NET CARRYING VALUE PER 31 DECEMBER 2020	**69,301**	**60,283**	**5,908**	**668**	**511**	**310**	**1,621**
NET CARRYING VALUE PER 31 DECEMBER 2019	**78,097**	**58,879**	**10,905**	**2,207**	**1,725**	**573**	**3,808**

The impact of COVID-19 on the expected credit loss model (ECL) has also been assessed. 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 5 and 20 % for the Europe, North America and Turkey region. For Emerging markets, the loss rates range between 25 to 50 %, taking into account 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 €4.6 m compared to the calculation based on the expected credit loss rates as applied in the original ECL model.

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 + €284 thousand / - €284 thousand.

[1] Allianz Research 26 March 2020: Covid-19 Crisis in Europe to put 13,000 corporates at risk / Allianz Research 19 June 2020: Construction companies in Europe: Size does matter / Allianz Research March 2020: COVID 19: Quarantined Economics – Global Economic Outlook / COFACE for trade – Q2 2020: Country risk assessment map

As per 31 December 2020 an amount of €14,848 thousand (2019: €11,716 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)	2019	2020
At the beginning of	**(12,640)**	**(11,716)**
Additions*	(1,141)	(6,214)
Reversals*	1,590	558
Utilizations	48	683
Transfers	(11)	-
Translation adjustments	437	1,841
At the end of	**(11,716)**	**(14,848)**

* Additions and reversals of impairment allowance of 2019 have been restated as a result of an improvement in the monitoring of the actual classification of the movements with respectively -€2,401 thousand and + €2,401 thousand to accurately reflect 2019 movements in the impairment allowance.

13. CASH AND CASH EQUIVALENTS

(in € thousand)	2019	2020
Cash and current bank accounts	22,286	66,813
Short-term deposits	30,513	38,810
TOTAL	**52,799**	**105,623**

Cash and cash equivalents have increased significantly as a result of improved gross operating cash flow in combination with the further optimization of working capital, sale of unused assets and the sale of 7.41 % of the Ege Profil Ticaret ve Sanayi AS shares.

The cash and cash equivalents balances are mainly concentrated in Belgium, Turkey and the United States.

14. NON-CURRENT ASSETS HELD FOR SALE

FIXED ASSETS HELD FOR SALE (in € thousand)	2019	2020
Cost	1,672	1,336
Accumulated depreciations and impairments	(92)	(92)
NET CARRYING VALUE	**1,580**	**1,244**

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 2021.

Following the reclassification to 'held-for-sale', assets held for sale are no longer depreciated.

15. ISSUED CAPITAL AND RESERVES

ISSUED CAPITAL

ISSUED CAPITAL	2019	2020
Amount (in € thousand)	53,925	53,950
Number of shares (without nominal value)	136,732,506	136,795,123

As per 31 December 2020, issued capital is set at €53,950 thousand and is composed of 136,795 thousand shares without a nominal value.

SHARE PREMIUMS

SHARE PREMIUMS	2019	2020
Amount (in € thousand)	88,261	88,310

TREASURY SHARES

TREASURY SHARES	2019	2020
Amount (in € thousand)	(75)	(84)
Number of shares (without nominal value)	66,769	69,769

On 31 December 2020, the Group held 69,769 treasury shares to fulfil its commitments with respect to stock option plans.

CURRENCY TRANSLATION ADJUSTMENTS

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 € (123,764) thousand at 31 December 2020.

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

CURRENCY TRANSLATION ADJUSTMENTS (in € thousand)	2019	2020
USD	(8,050)	(15,410)
TRY	(82,788)	(89,727)
RUB	(9,032)	(11,166)
PLN	(2,174)	(4,284)
GBP	(2,317)	(3,123)
CZK	369	(3)
Other	210	(51)
TOTAL	**(103,783)**	**(123,764)**

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 2019	**15,461**	**5,251**	**2,821**	**316**	**23,848**
Pension cost recognized in income statement	229	869	750	158	2,007
Remeasurements recognized in OCI	944	(783)*	(504)	53	(289)
Benefits paid directly	(527)	(610)	(122)	-	(1,259)
Transfers	-	-	-	(4)	(4)
Translation adjustments	-	-	(754)	(86)	(839)
AS PER 31 DECEMBER 2020	**16,107**	**4,726**	**2,192**	**438**	**23,463**
Non-current	15,582	4,093	2,192	438	22,305
Current	525	633	-	-	1,158

* As of 2020, the early retirement provision in Belgium covers the employees for which there exists a plan and for expected employees to retire by an early retirement scheme the next coming four years based on the collective labor agreement, whereas in 2019 the early retirement provision included a larger population. The remeasurement of the pension provision is included in Remeasurements recognized in OCI for a total effect of -€778 thousand.

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	2019	2020
Discount rate	0.75%	0.50%
Increase in compensations - white collar	2.45%	2.35%
Increase in compensations - blue collar	2.20%	2.35%
Increase in social security	1.70%	2.35%
Increase in pensions	N/A	N/A
Inflation	1.70%	0.60%

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	2019	2020
Discount rate	0.90%	0.40%
Increase in compensations - white collar	3.00%	3.00%
Increase in compensations - blue collar	3.00%	3.00%
Increase in social security	3.00%	3.00%
Increase in pensions	1.50%	1.50%
Inflation	1.50%	1.50%

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	2019	2020
Discount rate	15.34%	13.60%
Increase in compensations - white collar	12.15%	9.50%
Increase in compensations - blue collar	12.15%	9.50%
Increase in social security	12.15%	9.50%
Increase 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 (in € thousand)	2019				2020			
	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	116	517	839	**1,472**	92	482	779	**1,353**
Interest cost	246	224	205	**675**	137	268	90	**495**
RECOGNIZED IN INCOME STATEMENT	**362**	**741**	**1,044**	**2,147**	**229**	**750**	**869**	**1,848**

The current service cost and interest costs are 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 is no longer active within the Group, the cost is recognized in the section 'Other' under 'Other operating costs'. Where applicable, the current service cost and interests costs are taken into account for the inventory valuation.

AMOUNTS RECOGNIZED IN THE CONSOLIDATED BALANCE SHEET (in € thousand)	2019				2020			
	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	15,460	2,821	13,217	**31,498**	16,107	2,192	11,806	**30,104**
Fair value of plan assets			(7,967)	**(7,967)**			(7,079)	**(7,079)**
NET LIABILITY (ASSET)	**15,460**	**2,821**	**5,250**	**23,531**	**16,107**	**2,192**	**4,727**	**23,025**

CHANGE IN PENSION BENEFIT OBLIGATIONS (in € thousand)	2019				2020			
	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	**13,948**	**2,096**	**11,186**	**27,230**	**15,460**	**2,821**	**13,217**	**31,498**
Current service cost	116	517	839	**1,472**	92	482	838	**1,412**
Interest cost	246	224	205	**675**	137	268	90	**495**
Plan participants contributions	-	-	186	**186**	-	-	191	**191**
Actuarial (gain) / loss	1,680	922	1,503	**4,105**	944	(504)	(691)	**(251)**
- Arising from changes in financial assumptions	1,717	-	1,737		1,329	(240)	(277)	
- Experience adjustments	(37)	-	(235)		(385)	(264)	(414)	
Benefits paid directly	(530)	(697)	(702)	**(1,929)**	(527)	(122)	(1,840)	**(2,489)**
Exchange rate differences	-	(240)	-	**(240)**	-	(754)	-	**(754)**
At the end of	**15,460**	**2,821**	**13,217**	**31,498**	**16,107**	**2,192**	**11,806**	**30,104**

CHANGE IN FAIR VALUE OF PLAN ASSETS (in € thousand)	2019				2020			
	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	**-**	**-**	**7,754**	**7,754**	**-**	**-**	**7,967**	**7,967**
Interest income on plan assets	-	-	140	**140**	-	-	59	**59**
Actuarial (gain) / loss	-	-	(173)	**(173)**	-	-	92	**92**
- Return on plan asset	-	-	(173)		-	-	92	
Employer contributions	-	-	689	**689**	-	-	610	**610**
Plan participants contributions	-	-	186	**186**	-	-	191	**191**
Benefits paid directly	-	-	(629)	**(629)**	-	-	(1,840)	**(1,840)**
At the end of	**-**	**-**	**7,967**	**7,967**	**-**	**-**	**7,079**	**7,079**

OTHER (in € thousand)	2020 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	N/A	N/A	569
MATURITY PROFILE			
Duration jubilee benefits	10 / 11	N/A	6.2
Duration prepensions	1 / 1	N/A	4.77
Duration DC pension plans	17.0 / 25.0	N/A	16.3
Duration other long term benefits	N/A	10.1	N/A
EXPECTED PAYMENTS FROM THE DEFINED BENEFIT PLAN WITHIN			
CashFlow Year 1	532	135	3
CashFlow Year 2	526	51	178
CashFlow Year 3	533	99	3
CashFlow Year 4	524	42	46
CashFlow Year 5	517	65	146
CashFlow Year 6-10	2,689	295	2,666

Sensitivity analysis shows the following impacts:

AS PER 31 DECEMBER 2020	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)	**584**	**(553)**	**40**	**(39)**	**326**	**(314)**
Change in pension increase rate	(0,50%)	0,50%	NA	NA	NA	NA
Impact on present value of defined benefit obligation (in € thousand)	**(1,030)**	**1,101**				
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)	**(682)**	**712**	**12**	**(13)**	**39**	**(40)**

17. PROVISIONS

(in € thousand)	RESTRUCTURING	WARRANTIES	CLAIMS	OTHER	TOTAL
AS PER 31 DECEMBER 2019	**6,993**	**1,005**	**1,257**	**2,460**	**11,715**
Additions	748	612	294	414	**2,068**
Utilizations	(3,565)	-	(113)	(249)	**(3,928)**
Reversals	(884)	(502)	(674)	(821)	**(2,880)**
Transfers	-	-	-	-	-
Translation adjustments	-	(85)	(5)	(188)	**(279)**
AS PER 31 DECEMBER 2020	**3,292**	**1,030**	**759**	**1,616**	**6,697**
Non-current	154	983	731	1,617	**3,485**
Current	3,138	47	28	-	**3,212**

Restructuring provisions are recognized when conditions of IAS 37 are fulfilled, and represent in 2019 and 2020 the restructuring provision for the strategic repositioning of Europe region.

Provisions are recognized for indemnities related to warranties on products sold during the past 10 years, on the basis of experience with repairs and returns. The Group expects that most of the provisions intended to cover warranty obligations will be utilized within a period of two to three years.

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 LOANS INCLUDING LEASE LIABILITIES

The following tables provide an overview of the interest-bearing debts of the Group at year end:

LONG-TERM INTEREST-BEARING LOANS (in € thousand)	2019	2020
Loans from financial institutions	17,622	25,357
Leasing	23,059	11,751
Retail Bond 3.75% - 08 Dec 2022	99,866	99,913
Long-term interest-bearing loans	**140,546**	**137,022**

Long-term interest-bearing loans mainly consist of the €100 million retail bond issued by Deceuninck NV in December 2015 with maturity date 8 December 2022. A second component of the long-term interest-bearing loans is a 7-year amortizing term loan for an initial amount of €25 million entered into in 2015 with the European Bank for Reconstruction and Development (EBRD) to finance the construction of the factory in Menemen (TR). A third component is a 5-year amortizing loan of initially $12 million entered into in 2020 to refinance the operational leasing set up in 2015 to finance the construction of the factory in Fernley, NV (US). The remainder of the long-term loans consists of working capital loans received from commercial banks in Turkey.

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 short-term parts of the long-term amortizing loans mentioned above and of working capital loans under bilateral loan agreements with commercial banks in Turkey. The short-term loans also contain a loan of €5 million guaranteed by the French government ("Prêt garanti par l'Etat") as part of the French government's covid-19 support measures.

SHORT-TERM INTEREST-BEARING LOANS (in € thousand)	2019	2020
Short-term interest-bearing loans	52,405	24,069
Total	**52,405**	**24,069**

				NON-CASH CHANGES				
INTEREST-BEARING LOANS (in € thousand)	2018	IFRS16 INITIAL RECOGNITION	CASH FLOWS	CAPITALISED INTEREST	FOREIGN EXCHANGE REVALUATION IN (PROFIT) OR LOSS	IFRS 16 NEW LEASES	FOREIGN EXCHANGE TRANSLATION	2019
Loans from financial institutions	59,242	-	11,099	(243)	150	-	(5,965)	64,283
Leasing	448	32,109	(6,819)	-	712	2,650	(299)	28,802
Retail Bond 3.75% - 08 Dec 2022	99,820	-	-	46	-	-	-	99,866
Interest-bearing loans	**159,509**	**32,109**	**4,280**	**(196)**	**862**	**2,650**	**(6,263)**	**192,951**

			NON-CASH CHANGES					
INTEREST-BEARING LOANS (in € thousand)	2019	CASH FLOWS	CAPITALISED INTEREST	FOREIGN EXCHANGE REVALUATION IN (PROFIT) OR LOSS	IFRS 16 NEW LEASES	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 loans	**192,951**	**(25,760)**	**160**	**4,344**	**7,044**	**-**	**(17,649)**	**161,090**

The transfers in 2020 from 'Leasing' liabilities to 'Loans from financial institutions' concerns the refinancing of the lease of a warehouse in the US after execution of the lease purchase option.

As of 31 December 2020 the €60 million committed credit facility entered into in 2019 with a group of selected banks was completely undrawn.

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 2020 and at all preceding testing dates throughout 2020, Deceuninck Group has met all its covenants.

The following table provides a summary of the outstanding loans by currency, the average interest rates and maturity profile as per 31 December 2020:

TERMS AND MATURITY PROFILE (in € thousand)	WEIGHTED AVERAGE INTEREST %	DUE WITHIN 1 YEAR	DUE BETWEEN 1 AND 5 YEARS	DUE AFTER 5 YEARS	TOTAL
Financial liabilities (excl leasing liabilities)		52,890	125,407	1,020	**179,317**
Leasing liabilities		6,983	24,133	1,386	**32,502**
2019		**59,874**	**149,539**	**2,406**	**211,819**
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**
Of which					
EUR	3.58%	11,641	111,423	49	**123,113**
TRY	9.77%	7,040	10,636	-	**17,676**
USD	4.43%	4,640	12,890	-	**17,531**
Other foreign currencies	6.83%	1,338	2,504	167	**4,009**

19. TRADE PAYABLES AND OTHER LIABILITIES

(in € thousand)	2019	2020
TRADE DEBTS	**92,656**	**107,963**
Derivative financial instruments	564	980
Guarantees from customers	904	887
Accrued interest	1,006	990
Accrued charges	841	736
Deferred income	450	494
Advance checks received*	14,356	23,246
Other	938	1,400
OTHER LIABILITIES	**19,058**	**28,734**

* Restated for 2019 (see Note 1)

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, foreign currency translation differences and advance payments received.

The advance checks mainly consist of advance checks as referred to in Note 1 and Note 12.

20. LEASING

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

(in € thousand)	BUILDINGS	CARS	MACHINES & EQUIPMENT	OTHER	TOTAL
As at 1 January 2019	**25,117**	**2,941**	**4,739**	**1**	**32,797**
Additions	143	1,758	808	-	**2,709**
Disposals	(217)	(4)	(35)	-	**(255)**
Depreciation	(4,049)	(1,620)	(1,748)	(1)	**(7,418)**
Translation adjustments	27	(30)	(162)	-	**(166)**
AS AT 31 DECEMBER 2019	**21,021**	**3,044**	**3,601**	**1**	**27,667**

(in € thousand)	BUILDINGS	CARS	MACHINES & EQUIPMENT	OTHER	TOTAL
As at 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 adustments	(1,987)	(142)	(326)	-	**(2,455)**
AS AT 31 DECEMBER 2020	**8,821**	**2,694**	**4,519**	**-**	**16,034**

The €8.9 m transfer is mainly related to the execution of the purchase option of a leased warehouse in the United States.

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)	2019	2020
At the beginning of the period	**32,557**	**28,802**
Additions	2,709	7,343
Disposals	(255)	(377)
Accreation of interests	1,883	1,477
Payments	(8,702)	(8,476)
Transfers	-	(9,061)
Translation adjustments	611	(1,874)
At the end of the period	**28,802**	**17,835**
Current	5,744	6,083
Non-current	23,059	11,751

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

The following are the amounts recognised in profit or loss:

(in € thousand)	2019	2020
Depreciation expense of right-of-use-assets	(7,418)	(7,226)
Interest expense on lease liabilities	(1,883)	(1,477)
Expenses relating to short-term leases and low-value assets	(2,421)	(1,890)
Total amount recognized in profit or loss	**(11,722)**	**(10,593)**

The Group had total cash outflows for leases of €10.2 million in 2020 (€11.1 million in 2019). The Group also had non-cash additions to right-of-use assets and lease liabilities of €7.3 million in 2020 (€2.7 million in 2019).

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 €720 thousand on the results of 2020 (2019: €913 thousand) as recognized in 'Other payroll expenses' in disclosure 3. Revenue and costs and is split up as below:

- Warrant plans:
  €654 thousand in 2020 (€695 thousand in 2019)
- Performance share plan:
  €56 thousand in 2020 (€217 thousand in 2019)
- Stock option plans:
  No impact in 2020 (no impact in 2019)

Stock option, 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 2020 is 31,750. 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 (€)	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	32,750	29,650	-	5,000	120,400
Expired	22,625	39,000	-	33,250	1,898	-	129,273
Outstanding 31/12/2020	**-**	**-**	**31,750**	**-**	**-**	**-**	**31,750**
Excercisable 31/12/2020	-	-	31,750	-	-	-	31,750
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 2019	2004	2005	2007	2008	2009	2010	TOTAL	WEIGHTED AVERAGE EXERCISE PRICE
Outstanding 2018	**23,625**	**40,500**	**34,250**	**-**	**1,898**	**-**	**100,273**	**19.89**
Accepted	-	-	-	-	-	-	-	N/A
Exercised	-	-	-	-	-	-	-	N/A
Forfeited	(1,000)	(1,500)	(2,500)	-	-	-	(5,000)	19.15
Expired	(22,625)	-	-	-	(1,898)	-	(24,523)	21.05
Outstanding 2019	**-**	**39,000**	**31,750**	**-**	**-**	**-**	**70,750**	**19.55**

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**

WARRANT PLANS

The balance of the outstanding warrants at the end of December 2020 is 6,660,316. One warrant entitles the holder to buy one Deceuninck NV share at a fixed exercise price. Within the scope of the warrant plans, 62,617 warrants were exercised in the course of 2020. 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
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
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
Number of beneficiaries at grant date	16	37	42	49	1	59	9	66
Exercise price (in €)	**1.46**	**1.70**	**0.73**	**1.17**	**1.18**	**1.71**	**1.76**	**1.79**
Share price on acceptance date (in €)	**1.31**	**1.88**	**1.22**	**1.35**	**1.35**	**2.19**	**2.19**	**1.88**
Granted	285,000	607,500	490,000	485,000	350,000	332,500	570,000	910,000
Accepted	240,000	562,500	487,500	482,500	350,000	332,500	570,000	892,500
Exercised	150,000	404,999	344,999	314,996	350,000	119,987	189,997	84,357
Forfeited	75,000	122,501	135,001	141,669	-	120,006	73,334	190,838
Expired	15,000	35,000	-	-	-	-	-	-
Outstanding 31/12/2020	-	-	7,500	25,835	-	92,507	306,669	617,305
Exercisable 31/12/2020	-	-	-	25,835	-	92,507	306,669	617,305
Exercise periods	2013-2019	2014-2019	2015-2021	2016-2021	2016-2021	2017-2023	2017-2023	2018-2023

ASSUMPTIONS

Volatility	40%	40%	40%	40%	40%	45%	45%	45%
Risk-free interest	3.51%	3.51%	2.49%	0.99%	0.99%	0.99%	0.99%	(0.03%)
Dividend as from 2020 (in €)	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03
Early exercised - Minimum gain	25%	25%	25%	25%	25%	25%	25%	25%
Early exercised - Probability to exercise	50%	50%	50%	50%	50%	50%	50%	50%

WARRANTS MOVEMENTS 2019	PLAN 2010	PLAN 2010	PLAN 2011	PLAN 2011	PLAN 2011	PLAN 2013	PLAN 2013	PLAN 2013
Outstanding 2018	**15,000**	**35,000**	**22,500**	**60,004**	**51,783**	**127,509**	**306,669**	**677,306**
Accepted	-	-	-	-	-	-	-	-
Exercised	-	-	7,500	14,167	-	21,668	-	18,333
Forfeited	-	-	7,500	5,000	-	5,000	-	8,334
Expired	15,000	35,000	-	-	-	-	-	-
OUTSTANDING 2019	**-**	**-**	**7,500**	**40,837**	**51,783**	**100,841**	**306,669**	**650,639**

WARRANTS MOVEMENTS 2020	PLAN 2010	PLAN 2010	PLAN 2011	PLAN 2011	PLAN 2011	PLAN 2013	PLAN 2013	PLAN 2013
Outstanding 2019	**-**	**-**	**7,500**	**40,837**	**51,783**	**100,841**	**306,669**	**650,639**
Accepted	-	-	-	-	-	-	-	-
Exercised	-	-	-	10,834	51,783	-	-	-
Forfeited	-	-	-	4,168	-	8,334	-	33,334
Expired	-	-	-	-	-	-	-	-
OUTSTANDING 2020	**-**	**-**	**7,500**	**25,835**	**-**	**92,507**	**306,669**	**617,305**

PLAN 2015	PLAN 2015	PLAN 2015	PLAN 2017	PLAN 2018	PLAN 2018	PLAN 2018	PLAN 2018	PLAN 2020	TOTAL
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	
15/02/2016	21/02/2017	21/02/2017	19/02/2018	19/02/2019	19/02/2019	1/02/2020	1/02/2020	16/02/2021	
78	8	66	55	57	57	43	14	59	
2.40	**2.40**	**2.23**	**3.06**	**1.82**	**1.97**	**1.82**	**1.97**	**1.50**	
2.08	**2.22**	**2.22**	**2.88**	**2.18**	**2.18**	**1.98**	**1.98**	**2.39**	
630,000	710,000	524,000	1,334,000	700,000	755,000	546,500	828,500	1,183,000	11,241,000
607,500	710,000	524,000	1,233,500	577,000	755,000	546,500	798,500	648,500	10,318,000
-	-	-	-	-	-	-	-	-	1,959,335
222,500	30,000	190,000	182,000	32,000	60,000	-	73,500	-	1,648,349
-	-	-	-	-	-	-	-	-	50,000
385,000	680,000	334,000	1,051,500	545,000	695,000	546,500	725,000	648,500	6,660,316
256,667	226,667	111,333	-	-	-	-	-	-	1,636,983
2019-2025	2020-2024	2020-2024	2021-2027	2022-2028	2022-2028	2023-2028	2023-2028	2024-2030	
45.00%	40.00%	40.00%	30.00%	30.00%	30.00%	24.80%	24.80%	27.70%	
(0.28%)	(0.32%)	(0.32%)	0.13%	(0.12%)	(0.12%)	0.02%	0.02%	(0.24%)	
0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	
25%	25%	25%	25%	25%	25%	25%	25%	25%	
50%	50%	50%	50%	50%	50%	50%	50%	50%	

PLAN 2015	PLAN 2015	PLAN 2015	PLAN 2017	PLAN 2018	PLAN 2018	PLAN 2018	PLAN 2018	PLAN 2020	TOTAL	WEIGHTED AVERAGE EXERCISE PRICE
445,000	**710,000**	**400,000**	**1,176,500**	**-**	**-**	**-**	**-**	**-**	**4,027,271**	**2.35**
-	-	-	-	577,000	755,000	-	-	-	1,332,000	1.90
-	-	-	-	-	-	-	-	-	61,668	1.49
15,000	-	27,000	41,000	32,000	-	-	-	-	140,834	2.23
-	-	-	-	-	-	-	-	-	50,000	1.63
430,000	**710,000**	**373,000**	**1,135,500**	**545,000**	**755,000**	**-**	**-**	**-**	**5,106,769**	**2.25**

PLAN 2015	PLAN 2015	PLAN 2015	PLAN 2017	PLAN 2018	PLAN 2018	PLAN 2018	PLAN 2018	PLAN 2020	TOTAL	WEIGHTED AVERAGE EXERCISE PRICE
430,000	**710,000**	**373,000**	**1,135,500**	**545,000**	**755,000**	**-**	**-**	**-**	**5,106,769**	**2.25**
-	-	-	-	-	-	546,500	798,500	648,500	1,993,500	1.77
-	-	-	-	-	-	-	-	-	62,617	1.18
45,000	30,000	39,000	84,000	-	60,000	-	73,500	-	377,336	2.29
-	-	-	-	-	-	-	-	-	-	N/A
385,000	**680,000**	**334,000**	**1,051,500**	**545,000**	**695,000**	**546,500**	**725,000**	**648,500**	**6,660,316**	**2.12**

PERFORMANCE SHARE PLAN

The balance of the outstanding Performance Share Rights granted to the members of the Executive Management ("Beneficiaries") is 327,232. One Performance Share Right can be converted into "matching" or Performance Shares of Deceuninck NV at the vesting date (i.e. the 3rd calendar year following the year of the grant), provided the Beneficiaries invested in Deceuninck NV Shares before 30 June 2018, at the Investment Price (i.e. the average share price of the 30 trading days preceding 31 December 2017). For each invested Share, the Beneficiary will be entitled to one or more matching Deceuninck NV Shares pursuant to the fulfilment of the Performance Condition, defined as a cumulative annual average increase of the Total Shareholder Return as determined in the Plan, the realization of which determines the fraction or the multiple (if any) of Performance Shares a vested Performance Share Right effectively entitles to.

Performance share plan	Plan 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	32,703
Expired	-
Outstanding 31/12/2020	441,691
Exercisable 31/12/2020	-
Exercise period	2021
Assumptions	
Volatility	25%
Risk-free interest	(0.30%)

Performance share plan movements	2019
Outstanding 2018	474,394
Accepted	-
Exercised	-
Forfeited	(32,703)
Expired	-
Outstanding 2019	441,691
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%)

22. RELATED PARTIES

During 2020, the Group made purchases of €57,836 (€122,774 in 2019) and no sales (€80,188 in 2019), 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 2020, the Group made purchases of €16,660 (€362,568 in 2019) and sales of €639,353 (€918,732 in 2019), 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 €2,755,514 (€1,139,664 in 2019) and an outstanding payable position of €14,830 (€3,393 in 2019) 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 of Directors in 2020 amounted to €296,833 (€267,000 in 2019). 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 2020, the CEO received a total remuneration (fixed + variable) in the amount of €965,781 (in 2019 a fixed remuneration of €525,000). The other members of the DirCo (management committee consisting of the CEO, the CFO and the General Counsel) excluding CEO received total remunerations (fixed + variable) of €821,038 (in 2019 total fixed remuneration of €598,570). The other members of the Executive Management received total remunerations (fixed + variable) of €1,607,251.

The split of the remuneration is further disclosed in the section "Corporate Governance Statement" on page 45-63.

The evaluation criteria for the performance of the CEO and the other members of the DirCo were: REBITDA Group (65%) and Adjusted Free Cash Flow Group (35%), and for the other members of the Executive Management: REBITDA Group (15%), REBITDA Region (50%), Adjusted Free Cash Flow Group (10%) and Adjusted Free Cash Flow Region (25%).

Options and/or subscription rights on the shares of the company are granted to members of the Executive Management. Pursuant to a warrant plan issued in 2020 350,000 warrants were granted to the CEO and 60,000 warrants were granted to each of the 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 2020 the following charges of the external auditor were included in the Group's income statement:

Audit related services	**€485,900**
Other services	**€26,722**

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 section 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 main currencies 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 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 on the profit and loss accounts 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 2020:

PURCHASE OR SALE	CURRENCY	AMOUNT	MATURITY DATE	MTM 2020
Forward sales	BRL	(12,453,000)	Q1 2021	47,143
	CLP	(4,513,918,000)	Q1 2021	(431,805)
	HRK	(43,200,000)	Q1 2021	3,550
	INR	(225,378,000)	Q1 2021	18,717
	PLN	(15,000,000)	Q1 2021	85,016
	RUB	(343,740,000)	Q1 2021	34,813
	TRY	(7,920,000)	Q1 2021	(60,886)
	USD	(1,000,000)	Q1 2021	10,554
Forward purchases	CLP	5,907,497,000	Q1 2021	283,001
	EUR	1,000,000	Q1 2021	(33,514)
	USD	5,500,000	Q1 2021	(296,581)
	USD	3,000,000	Q2 2021	(137,501)

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 2020*

CURRENCY	AMOUNT (in € thousand)	CLOSING RATE 31/12/2020	POSSIBLE VOLATILITY OF THE EXCHANGE RATE**	RATE USED FOR THE SENSITIVITY ANALYSIS		EFFECT ON REVALUATION (in € thousand)	
GBP	94	0.8990	4.54%	0.9398	0.8582	(5)	5
PLN	(6,457)	4.5597	3.06%	4.6993	4.4201	42	(45)
CZK	25,403	26.2420	3.72%	27.2171	25.2669	(35)	37
TRY	7,170	9.1131	7.23%	9.7716	8.4546	(53)	61
RUB	12,712	91.4671	9.76%	100.3975	82.5367	(12)	15
Total						(63)	74

* Balance sheet exposure after financial hedging (net-exposures).
** 3 month volatility.

If the euro would have weakened/strengthened during 2020 in line with the above mentioned possible rates, the profit of the financial year would have been about €74 thousand higher / €63 thousand lower.

INTEREST RATE RISK

Most of the financial debt outstanding on 31 December 2020 is at a fixed interest rate. Only a small part (€9.3 million) is at a variable interest rate (USD Libor + margin). An increase of the interest rates by 1.00% would therefore have a short-term impact on our financial results of about €93 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, set based on financial information and on business knowledge, can deviate from the insured limits. Commercial limits have also been lowered to further reduce the credit risk and to match the amounts covered by credit insurance. Where needed and possible pledges were taken on customer's 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 2020 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 Deceuninck Group holds sufficient cash, cash equivalents and committed credit facilities for the funding of its operating activities and there are no factors that cast doubts on whether going concern assumption is appropriate.

Liquidity problems could arise at Restricted Group level if an event of default would occur under 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 and the Group has significantly decreased the Net debt position during 2020.

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	NET CARRYING VALUE		FAIR VALUE	
(in € thousand)	2019	2020	2019	2020
FINANCIAL ASSETS				
Cash and cash equivalents	52,799	105,623	52,799	105,623
Long-term trade receivables	356	326	356	326
Trade receivables	78,097	69,301	78,097	69,301
Financial fixed assets	2,939	10	2,939	10
Derivative financial instruments	1,009	520	1,009	520
FINANCIAL LIABILITIES				
Loans with a variable interest rate*	16,871	9,290	16,871	9,276
Loans with a fixed interest rate*	147,278	133,966	153,371	135,466
Financial leasing liabilities	28,802	17,835	28,802	17,835
Derivative financial instruments	564	980	564	980

* 2019 financials for Net carrying value & fair value for the lines 'Loans with a variable interest rate' & 'Loans with a fixed interest rate' have been restated with respectively +€ 16,871 thousand and -€ 16,871 thousand as a result of a correction of an error in the presentation.

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 2020, 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 2019 the Group had the following financial instruments.

DERIVATIVE FINANCIAL INSTRUMENTS - HIERARCHICAL CLASSIFICATION OF FAIR VALUE (in € thousand)	2019	LEVEL 1	LEVEL 2	LEVEL 3
FX forward contracts	1,009		1,009	
Assets at fair value	**1,009**	0	**1,009**	0
FX forward contracts	564		564	
Liabilities at fair value	**564**	0	**564**	0

As per 31 December 2020 the Group has 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**	0	**520**	0
FX forward contracts	980		980	
Liabilities at fair value	**980**	0	**980**	0

26. OFF-BALANCE SHEET COMMITMENTS

The Group has the following off-balance sheet commitments as per 31 December 2020:

- Capital expenditure commitments for €4.1 million;
- Purchase commitments for raw material for an equivalent of €158.5 million for the period 2021 to 2025 to secure sourcing in the coming years;
- Export commitments for an equivalent of €24.5 million;
- Purchase commitments resulting from derivative forward agreements: see detailed information as included in note 25 Risk management.

27. EVENTS AFTER THE BALANCE SHEET DATE

No significant events have occurred after the balance sheet date.

28. LIST OF SUBSIDIARIES

All financial periods close on 31 December 2020, apart from Deceuninck Profiles India Private Limited, as disclosed in Note 1.
Fully consolidated subsidiaries:

NAME OF THE COMPANY	REGISTERED OFFICE	OWNERSHIP PERCENTAGE	
		2019	2020
AUSTRALIA			
Deceuninck Pty. Ltd.	71 Premier Drive Campbellfield VIC 3061 Victoria	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**
Decalu 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	Rue Amador Buenoua Amador Bueno 171 - sala 22 - centro 11013 - 151 Santo-Estado de São Paulo	100.00	**100.00**
BULGARIA			
Deceuninck Bulgaria EOOD	41 Sankt Peterburg Blvd 4000 Plovdiv	100.00	**100.00**
CHILE			
Deceuninck Importadora Limitada	Volcán Lascar number 801. 9031078 Pudahuel. 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**
Deceuninck Holding Germany GmbH	Bayerwaldstrasse 18 94327 Bogen	100.00	**100.00**

NAME OF THE COMPANY	REGISTERED OFFICE	OWNERSHIP PERCENTAGE	
		2019	2020
INDIA			
Ege Profil Tic, ve San. A.S. (branch)	Mannur Village No 523 B Block Mannur Village – Sriperumbudur Taluk 631203 Chennai	95.88	**88.47**
Deceuninck Profiles India Private Limited	Building 09. Casa Grande Distripark Satharai Village. Thiruvallur Taluk Thiruvallur Thiruvallur TN 631203	95.88	**88.47**
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	Lateral Autopista México Puabla km 115 N°851 Bodega 1M Parque Industrial CP. 72680 Ocotlan. Coronango. 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” Chiajna Jud.Ilfov	100.00	**100.00**
RUSSIA			
Deceuninck Rus OOO	Profsoyusnaya str. 65 117342 Moscow	100.00	**100.00**
SERBIA			
Inoutic / Deceuninck d.o.o.	Kruzni put bb 11309 Beograd – Lestane	100.00	**0.00**
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 B.V.	Prins Bernhardplein 200 1097 JB Amsterdam	100.00	**100.00**

NAME OF THE COMPANY	REGISTERED OFFICE	OWNERSHIP PERCENTAGE	
		2019	2020
TURKEY			
Ege Profil Ticaret ve Sanayi AS	Atatürk Plastik OSB Mahallesi. 5. Cadde No: 4 Menemen/İZMİR 35660 IZMIR	95.88	**88.47**
Ege Pen AS	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	
		2019	2020
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	**50.00**

Deceuninck Ltd., Status Systems PVCU Ltd., Range Valley Extrusions Ltd. and Deceuninck Holdings (UK) Ltd. are exempt from the requirement for a local statutory audit, based on section 479A of UK Company Law. The Group guarantees the debts of these companies as at 31 December 2020.


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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 2020 annual financial statements of Deceuninck NV.

Income Statement

The income statement for 2020 is presented below:

INCOME STATEMENT (in € thousand)	2019	2020
Operating revenues	183,724	196,056
Operating costs	(201,253)	(184,204)
Operating profit	**(17,529)**	**11,852**
Financial income	12,732	45,498
Financial costs	(14,846)	(58,216)
Profit (+) / loss (-) for the financial year before taxes	**(19,643)**	**(866)**
Income tax	(619)	(678)
Profit (+) / loss (-) for the financial year	**(20,262)**	**(1,544)**
Profit (+) / loss (-) for the financial year available for appropriation	**(20,262)**	**(1,544)**

The operating revenues have increased due to an increase in sales and the sale of the plot of land in Belgium. The operating costs decreased due to a favourable evolution of the raw material prices and lower payroll expenses. This is mainly driven by the COVID 19 pandemic which resulted into lower plant production levels and the use of temporary unemployment government measures in Q2 and Q3.

The financial income mainly consists of intercompany dividends and interests and surplus value on sale of shares while the financial costs are related to interests, foreign exchange results and impairments on participations.

Balance sheet

BALANCE SHEET (in € thousand)	2019	2020
Intangible fixed assets	4,309	3,146
Tangible fixed assets	46,420	31,907
Financial fixed assets	267,668	272,240
Non-current assets	**318,397**	**307,293**
Inventories	24,845	27,505
Trade receivables	27,444	36,400
Other receivables	41,252	23,392
Cash and cash equivalents	1,522	25,229
Other current assets	6,370	4,846
Current assets	**101,433**	**117,372**
TOTAL ASSETS	**419,830**	**424,665**
Issued capital	53,925	53,950
Share premiums	92,542	92,591
Reserves	15,466	15,466
Retained earnings	64,141	55,760
Equity	**226,074**	**217,767**
Provisions and deferred taxes	**1,652**	**866**
Long-term debts	100,000	100,000
Short-term debts	90,746	104,521
Other liabilities	1,358	1,511
Liabilities	**192,104**	**206,032**
TOTAL EQUITY AND LIABILITIES	**419,830**	**424,665**

The most important fluctuations are:

- Tangible fixed assets decrease due to the sale of a plot of land and depreciations on investments;
- Increase in Trade receivables due to an increase in intercompany receivables;
- Decrease in Other receivables due to a reclassification of a short-term intercompany receivable to a long-term receivable;
- Increase in the cash position due to strongly positive cashflow of the year and due the sale of plot of land and sale of shares;
- Increase in the Short-term debts due to an increase in intercompany payables.

RESULT APPROPRIATION

The board of directors of Deceuninck NV will propose to the General Assembly to distribute a gross dividend of 0.05 euro per share.

APPROPRIATION OF THE RESULTS OF DECEUNINCK NV (in € thousand)	2019	2020
Profit / (loss) from the fiscal year for appropriation	(20,262)	(1,544)
Profit carried forward from previous year	84,403	64,141
Profit to be appropriated	**64,141**	**62,597**
Dividend	-	6,836
Profit to be carried forward	64,141	55,760
TOTAL	**64,141**	**62,596**

External auditor's report

Statutory auditor's report to the general shareholders' meeting of the company Deceuninck NV on the consolidated accounts for the year ended 31 December 2020

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 financial statements for the year ended 31 December 2022. We have performed the statutory audit of the consolidated accounts of Deceuninck NV for 1 year.

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 2020, 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 '000 599,373 and a net profit attributable to the shareholders of the parent company of EUR '000 24,242.

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 2020, 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 THE 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 (ISAs) as approved by the IAASB which are applicable to the year- end and which are not yet approved at the national level. Our responsibilities under those standards are further described in the "Statutory auditor's responsibilities for the audit of the consolidated accounts" section of our report. We have fulfilled our ethical responsibilities in accordance with the ethical requirements that are relevant to our audit of the consolidated accounts in Belgium, including the requirements related to independence.

We have obtained from the board of directors and company officials the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated accounts of the current period. 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 14,848 as on 31 December 2020. 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 84,149) and related allowance, the increased credit risk resulting from the COVID-19 pandemic, and because the calculation of the allowance involves management's judgment 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 2020, 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 2020;
- 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 FINANCIAL STATEMENTS

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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism 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 accounts. 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 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 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 report is consistent with the consolidated accounts for the year under audit, and it is prepared in accordance with article 3:32 of the Companies' and Associations' Code.

In the context of our audit of the consolidated financial statements, we are also responsible for considering, in particular based on the knowledge acquired resulting from the audit, whether the directors' report 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 seventeen United Nations' Sustainable Development Goals. 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 seventeen United Nations' Sustainable Development Goals as disclosed in 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.

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.

Gent, 24 February 2021

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

Lien Winne
Réviseur d'Entreprises / Bedrijfsrevisor

Declaration regarding the information given in this annual report

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 November 14 2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market.

Marcel Klepfisch SAS
represented by
Marcel Klepfisch
Chairman

Beneconsult BV
represented by
Francis Van Eeckhout
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Glossary

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

	2019	2020
Operating profit	11,185	45,887
Depreciations & impairments	(40,460)	(39,604)
EBITDA	**51,645**	**85,491**

2	**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.	

	2019	2020
EBITDA	51,645	85,491
Integration & restructuring expenses	8,997	1,825
Result realized on disposal of a sales entity	(-)	866
Gains on asset disposals	(-)	(3,427)
Impairment of intangible fixed assets arising from goodwill allocation	(-)	1,289
Adjusted EBITDA	**60,642**	**86,045**

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

	2019	2020
EBITDA	51,645	85,491
Depreciations & impairments	(40,460)	(39,604)
EBIT	**11,185**	**45,887**

4	**EBT**	EBT is defined as Earnings before taxes.
5	**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.
6	**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 potential shares leading to dilution.

7 **Net debt**

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

	2019	2020
Interest-bearing loans - non-current	140,546	137,022
Interest-bearing loans - current	52,405	24,069
Cash and cash equivalents	(52,799)	(105,623)
Net debt	**140,152**	**55,468**

8 **Working capital**

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

	2019	2020
Trade receivables	78,097	69,301
Inventory	109,073	112,907
Trade payables	(92,656)	(107,963)
Working Capital	**94,514**	**74,245**

9 **Capital employed (CE)**

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

	2019	2020
Working Capital	94,514	74,245
Non-current assets	321,809	273,139
Capital Employed (CE)	**416,323**	**347,384**

10 **Subsidiaries**

Companies in which the Group owns a participation in excess of 50% or companies over which the Group has control.

11 **MTM**

Mark-to-Market.

12 **Headcount (FTE)**

Total Full Time Equivalents including temporary and external staff.

13 **Restricted Group**

The Restricted Group consists of all entities of the Group excluding Turkish subsidiaries and their subsidiaries.

14 **Leverage**

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

	2019	2020
Net debt	140,152	55,468
Adjusted EBITDA	60,642	86,045
Leverage	**2.3**	**0.6**

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

Responsible editor
Serge Piceu
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