



Every window matters

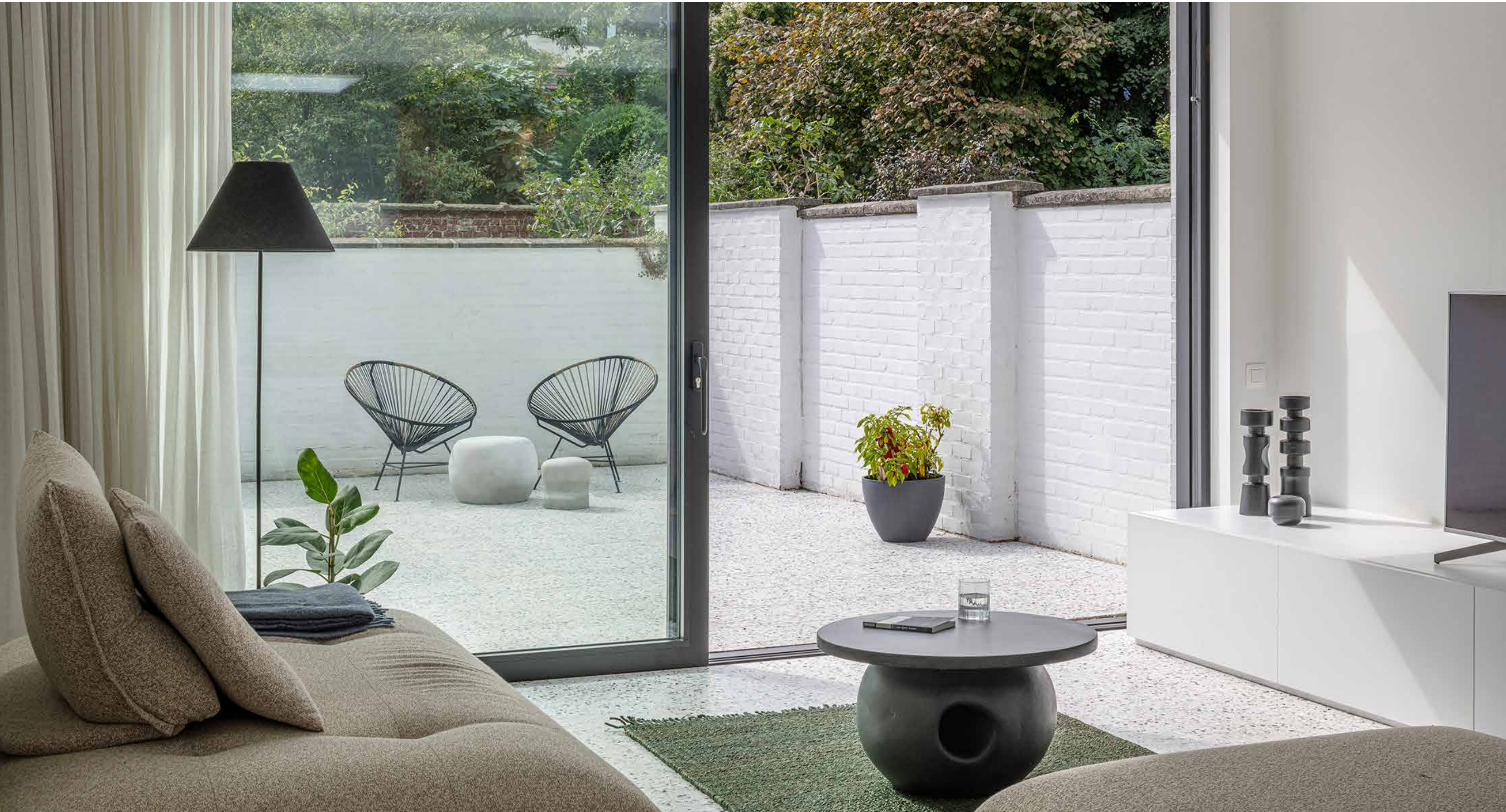


Discover how every window matters

For us, it's crystal clear. But perhaps not yet for you?

Watch our video and discover the positive impact our windows have on the world, our communities and our homes.

[Watch the video](#)





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*This annual report in pdf format is a supplementary document.
The official ESEF (European Single Electronic Format) version prevails.*





1. 2023 at a glance



-
- 1.1** Message from the Executive Chairman
 - 1.2** Key Figures 2023
 - 1.3** Milestones 2023



1.1 Message from the Executive Chairman

**Dear Shareholder,
Dear Customer,
Dear Employee
Dear Business Partner,**

We are proud to announce that 2023 is the fourth consecutive year of Adj. EBITDA growth, improving by 15.3% (as compared to 2022) and resulting in a new record of €117.9m. While volumes were under pressure, our turnover decreased by 11.1% as compared to 2022. This results in a 13.6% Adj. EBITDA margin, which is a significant improvement as compared to 2022 (10.5%).

Our global footprint has again allowed us to balance the performance and dynamics of our business in a challenging environment.

In Europe, market demand unfortunately remained soft. Consumer confidence is impacted by higher interest rates and inflation. The slowdown was more present in Central and Eastern Europe, while Southern Europe continued to show more resilience. We also announced our intention to restructure our German operations. We are certain this is a key step in optimizing our European footprint and profitability.

In Turkey, the business performance was very strong, combined with a solid product mix and an increase in domestic market share. Due to the continued high inflation, negative real interest rates stimulate customers to keep investing in their homes and to keep starting up new projects. Our robust and well-known brands are structurally able to capture the consumer's interest.

In North America, sales volumes continued to be affected by higher mortgage rates, creating a shift in activity from new build to the renovation market.

Our personnel rotation normalized and our operational efficiency improved, which puts us in a good place once volumes pick up again.

Within Emerging Markets, our go-to-market model has been adjusted in several countries. We are certain this will support further profitable growth and cash generation.

We would like to thank Mr. Bruno Humblet for the strong operational performance of the past two years and wish him all the best in his next projects. The search for a new CEO is ongoing.

In 2024, we assume market conditions to remain challenging, specifically in Europe and North America. That is why we will maintain a strong focus on operational performance, the execution of strategic projects and delivering strong profitability. We will continue investments in our high-tech recycling facility in Diksmuide and in the increased use of recycled material in our products through the installation of co-extrusion lines.

Across our global markets, renovation and new housing remain essential to tackle the issues of today's world. Deceuninck is ideally positioned to respond to these opportunities with the right products and solutions, directly contributing to residential energy savings. Providing homes across the globe with stunning windows and doors with best-in-class insulation values, are made from recycled material and are recyclable themselves: this is our commitment and this is why every window matters.

Francis Van Eeckhout – Executive Chairman, CEO a.i.



Francis Van Eeckhout

1.2 Key Figures 2023

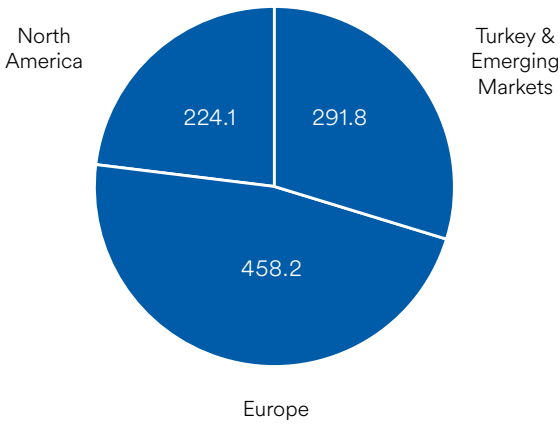
KEY FIGURES* (IN € MILLION)	2021	2022	2023	EVOLUTION 2022-2023
Consolidated Income Statement (in € million)				
Sales	838.1	974.1	866.1	-11%
Adjusted EBITDA	97.7	102.3	117.9	15%
EBIT	54.3	47.2	51.9	10%
Net Profit	37.2	7.6	13.6	79%
Consolidated statement of financial position (in € million)				
Equity	258.9	319.6	315.0	-1%
Net Debt	61.9	88.3	70.6	-20%
Total Assets	675.1	709.6	682.5	-4%
Capital Expenditure	43.6	48.4	56.1	16%
Working Capital	84.3	115.6	81.6	-29%
Capital Employed	354.9	440.4	439.0	0%
Ratios				
Net Profit On Sales	4.4%	0.8%	1.6%	-
Adjusted EBITDA / Sales	11.7%	10.5%	13.6%	-
Net Debt / Adjusted EBITDA	0.63	0.86	0.60	-
EBIT / Capital Employed	15.3%	10.7%	11.8%	-
Headcount				
Total Full Time Equivalents (FTE)	3,709	3,939	3,986	-

* Definitions: See glossary

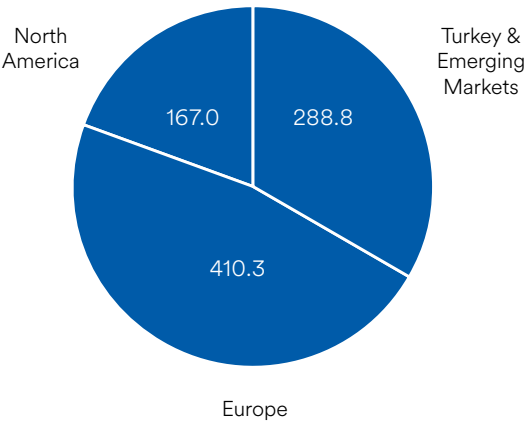
KEY FIGURES PER SHARE	2021	2022	2023
Number of shares as at 31 December	138,040,929	138,202,261	138,545,260
Market capitalisation as at 31 December (in € million)	463.8	338.6	315.2
Net profit per share as at 31 December (in €)	0.27	0.06	0.10
Book value per share (in €)	1.83	2.22	2.27
Gross dividend per share (in €)	0.06	0.07	0.08
Share price at 31 December (in €)	3.36	2.45	2.28



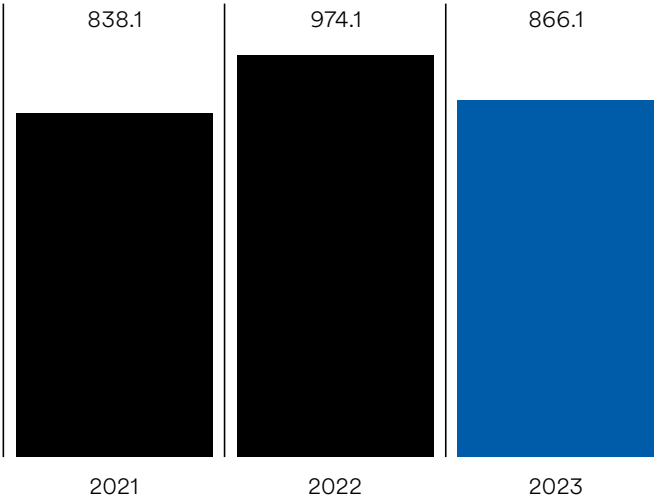
SALES 2022 PER REGION (IN € MILLION)



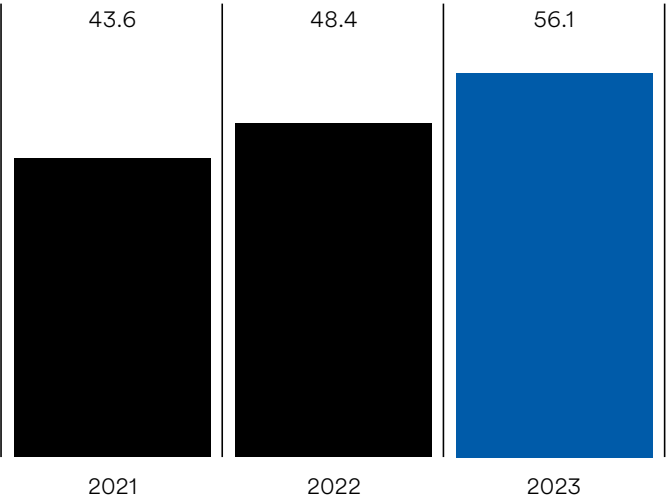
SALES 2023 PER REGION (IN € MILLION)



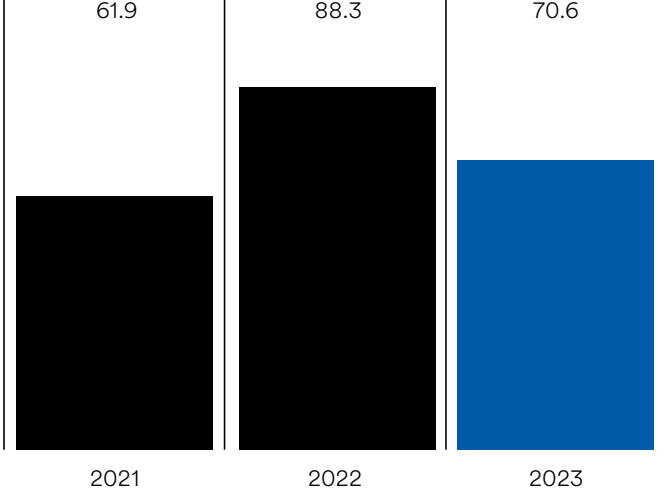
SALES (IN € MILLION)



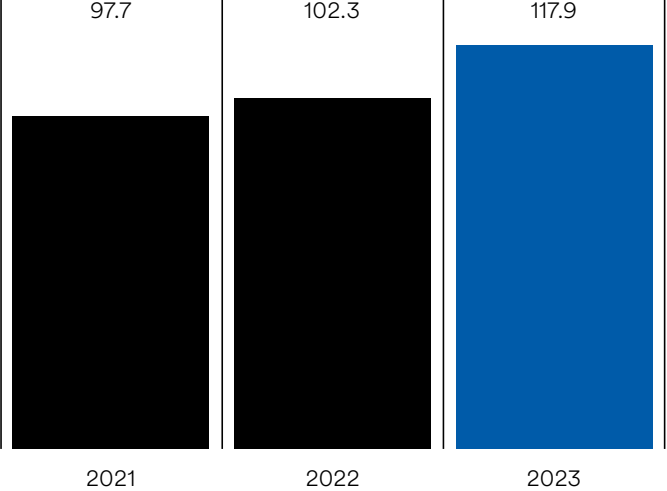
INVESTMENTS (IN € MILLION)



NET DEBT (IN € MILLION)



ADJUSTED EBITDA (IN € MILLION)





Innovation



Sustainability



Reliability

**Through innovative designs
and production processes
we deliver the most sustainable window,
door and building solutions
for today's and tomorrow's customers**

Some of our Sustainability Achievements

19,800 tonnes recycled in our recycling factory

18% recycled material in our products

37,000 tCO₂e emissions avoided through the use of own **PVC recyclate**

Validated Science Based Targets

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

82% Supplier Code of Conduct spend coverage rate

Latest Innovations

Elegant Thermofibra / Eclipse

Our reporting framework

Global Reporting Initiative (GRI)

1.3 Milestones 2023



January

Ergün Çiçekci becomes Executive Chairman of Ege Profil, and is succeeded by Alp Günvaran as new MD Turkey and APAC

01

04

April

International Safety Day in all Deceuninck plants worldwide with focus on “Safety on Wheels”



May

Opening of the brand new production plant in Donja Bistra (Deceuninck Croatia), uniting all business processes, from warehouse and production, to management and administration, in one location



Celebration of 30 years Deceuninck Poland



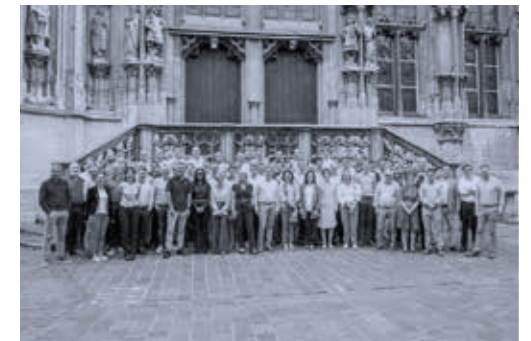
05


06

June

Second “Deceuninck Ahead” strategy meeting in Ghent, Belgium with the members of Management Team Group

Deceuninck North America Earns GreenCircle Recertification for Closed-Loop Window Extrusions, Recycled Content





September

Deceuninck’s ambitious climate targets are validated by the Science Based Targets initiative (SBTi).

09


10


October

Etem Gökmen is appointed CTO; Dries Moors becomes MD Europe and Joren Knockaert is appointed MD North and Latin America

Launch of the “Every Window Matters” marketing campaign

Deceuninck North America introduces ECLIPSE at GlassBuild America





November

Deceuninck Turkey exhibits at the Eurasia Window Fair in Istanbul, Turkey

11



#TeamDeceuninck

These past two decades have been marked by thrilling challenges, triumphs, and cherished memories. Witnessing the company's evolution firsthand, I've seen its growth, resilience, and continual adaptation to market shifts. Yet, beyond achievements, it's the interpersonal connections that enrich this journey. I take pride in my contribution to this remarkable success story.

**Christelle Eckert, Responsible Marketing & Communication,
Deceuninck France**



2. Report of the Board of Directors



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



2.1 Who we are How the Story began

1937

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

1960s

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

1970s

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

1980s

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

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

1990s

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

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

2000s

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

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

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

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

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

2010-today

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

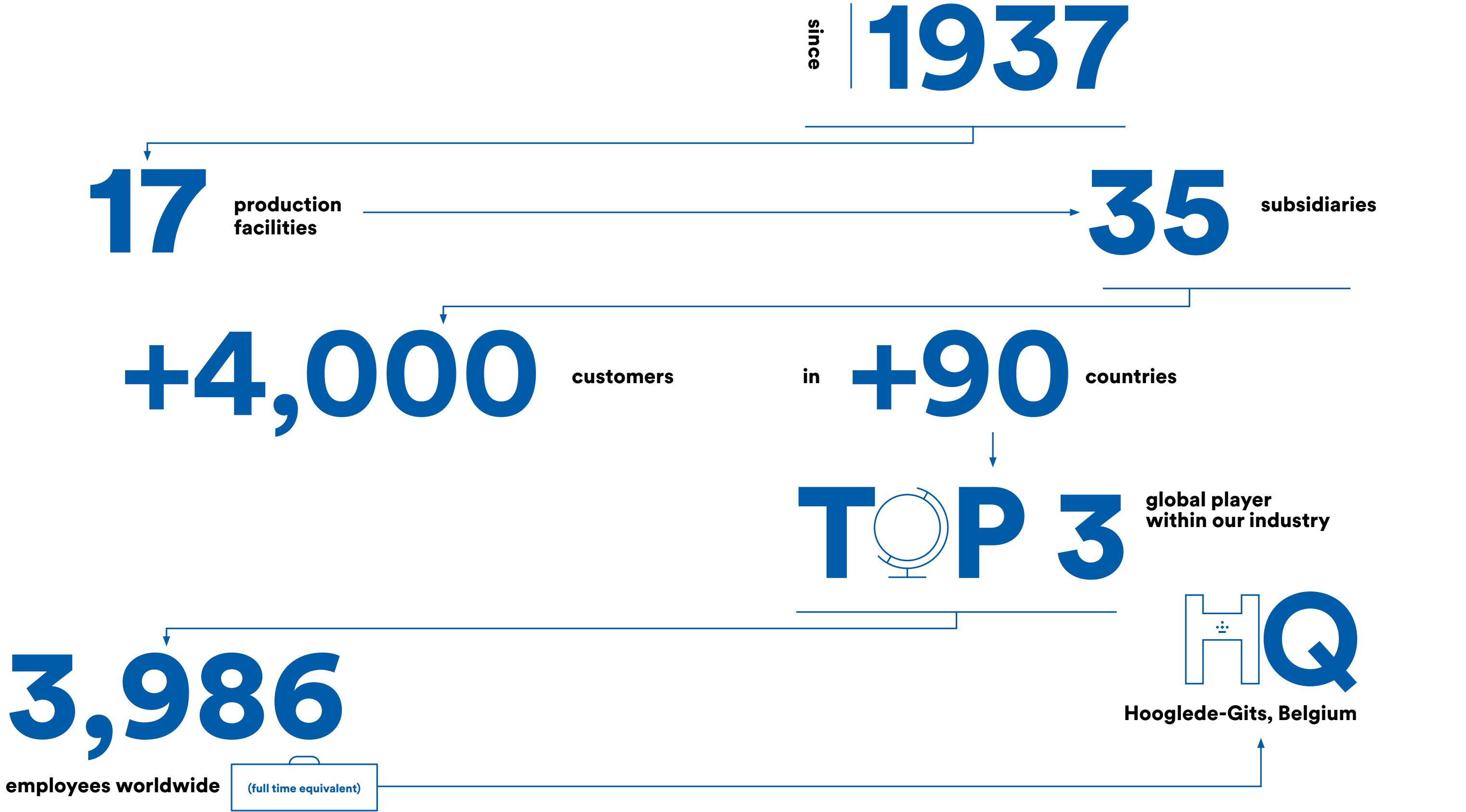
Early 2011, the new vision "Building a Sustainable Home" was launched, based on the pillars Innovation – Ecology – Design and linked to the Group's core values. On the site of its existing compounding plant in Diksmuide, Deceuninck further invested in a state-of-the-art recycling plant, for the processing of the increasing flow of first-generation windows.

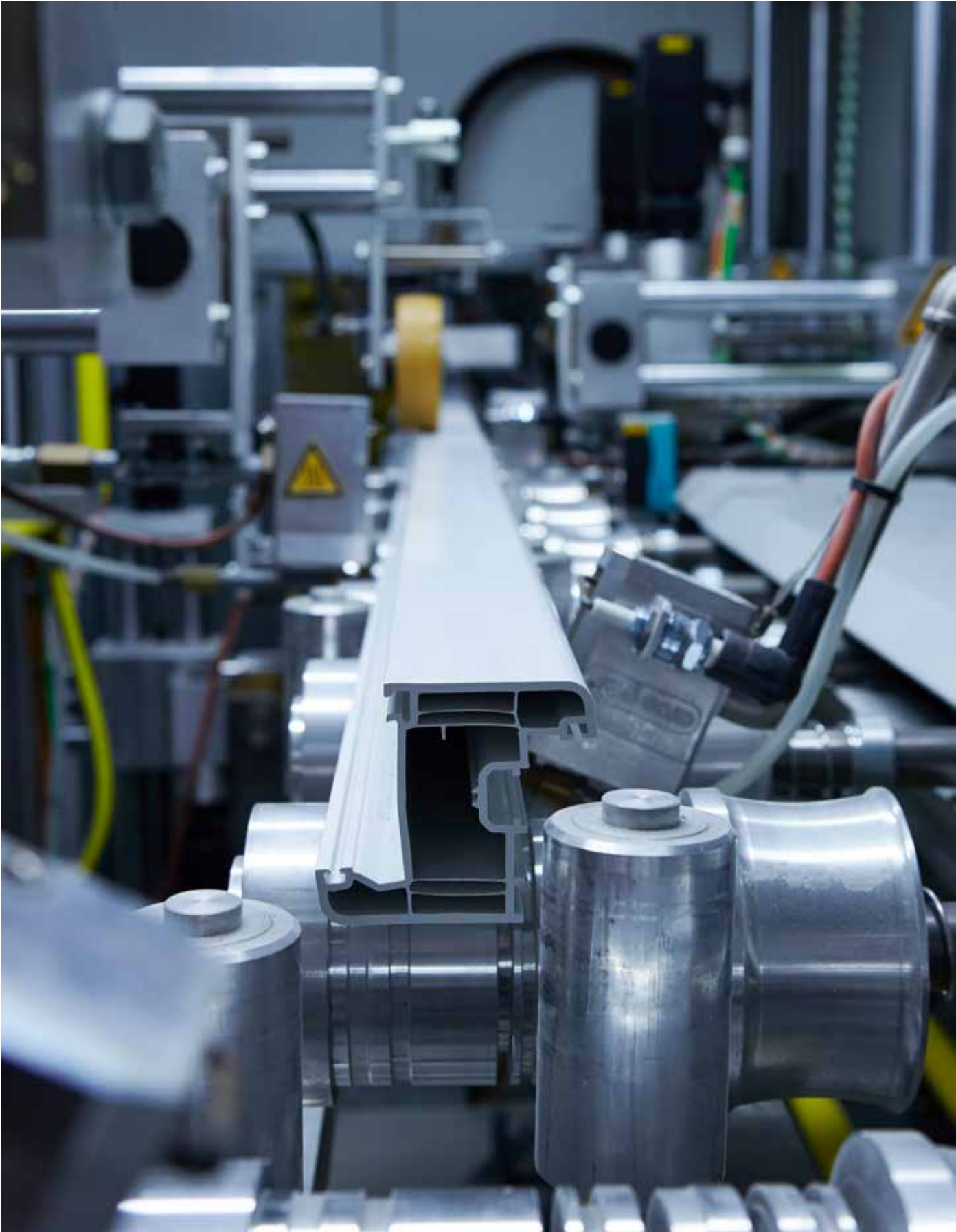
In 2017, Deceuninck expanded its product range with aluminum, next to the IQ Aluminum line that already existed in Turkey.

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

The world has seen highly turbulent times these recent years. War, soaring energy prices and unseen levels of inflation combined with the aftermath of the COVID-19 pandemic caused global supply chain issues and challenging labor markets. In 2023, Deceuninck announced its firm intention to close the production and logistics facilities of its German subsidiary, driven by the need to optimize its European production and logistic footprint in order to achieve sustainable growth, improve business performance and assure a reliable supply and service.

Deceuninck in Numbers





Activities

Designer, Manufacturer, Recycler

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

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

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

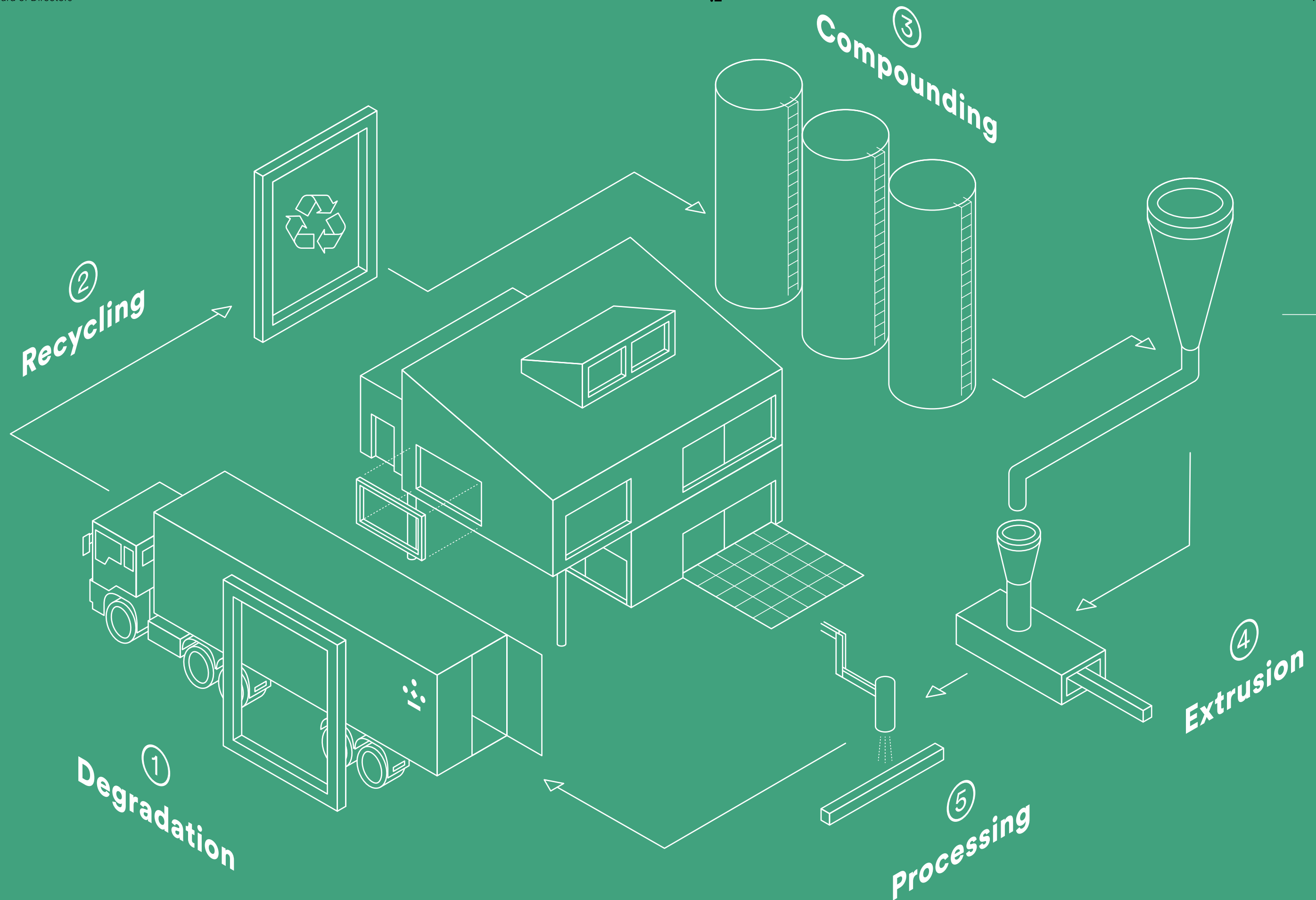
The basic technology used by the Group is extrusion of PVC. Deceuninck's integrated production process includes compounding, tooling, extrusion of seals and profiles, printing, adhesion of decorative foil and recycling.

What is extrusion?

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

Our commitment to the circular economy

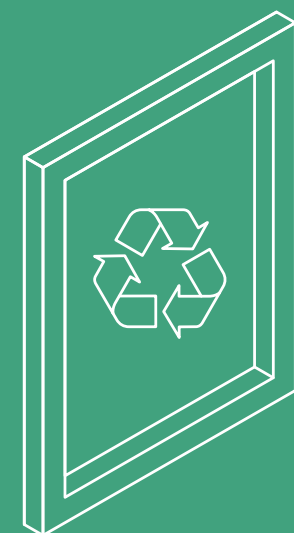
The Group's commitment to close the loop is clear by the investments that are made in the state-of-the art recycling plant in Diksmuide (Belgium), making Deceuninck Group one of the largest u-PVC recyclers of Western-Europe.



1

Degradation

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



2

Recycling

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

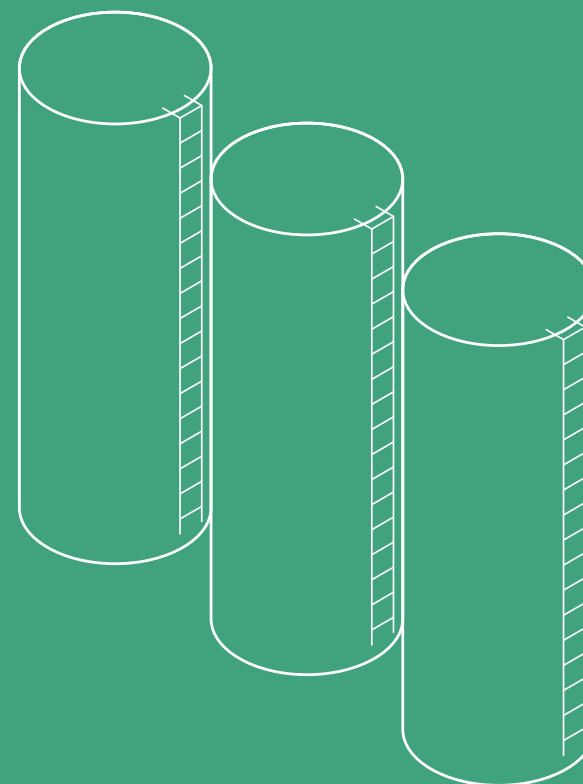
- Pre-sorting: the material is crushed and mainly metal and mineral fractions are removed
- Grinding and washing: the material is pulverized and washed to separate the remaining dirt from the PVC
- Re-sorting: we mainly remove rubbers, wood and the last metals present and sort the flow by colour
- Granulation: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

3

Compounding

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

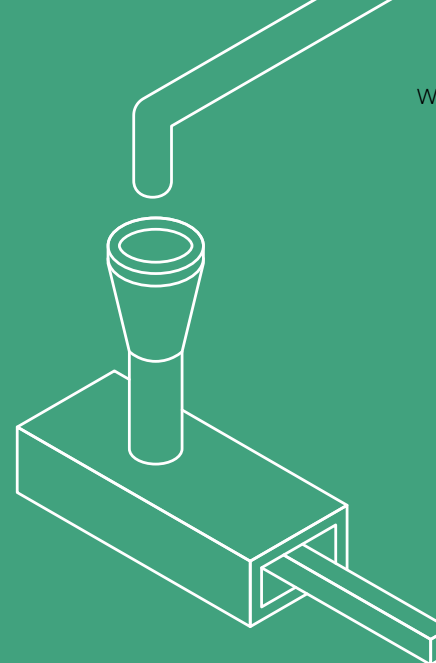
The PVC powders are transported to the stock silos and to the 'finished product' silos after sieving. They are then transported to the various sites of the group.



4

Extrusion

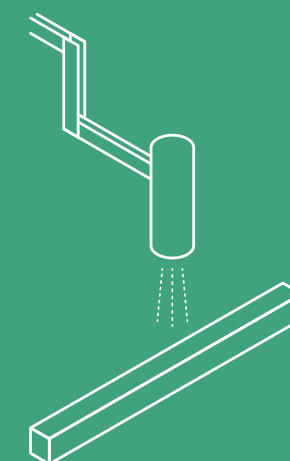
The PVC compound is heated in the extruder and pushed through a mold that determines the shape. The profile is kept in the right shape in calibers, cooled by cooling water and cut to length. In addition to classic extrusion lines, we have co-extrusion to combine recycled material with new raw material,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



5

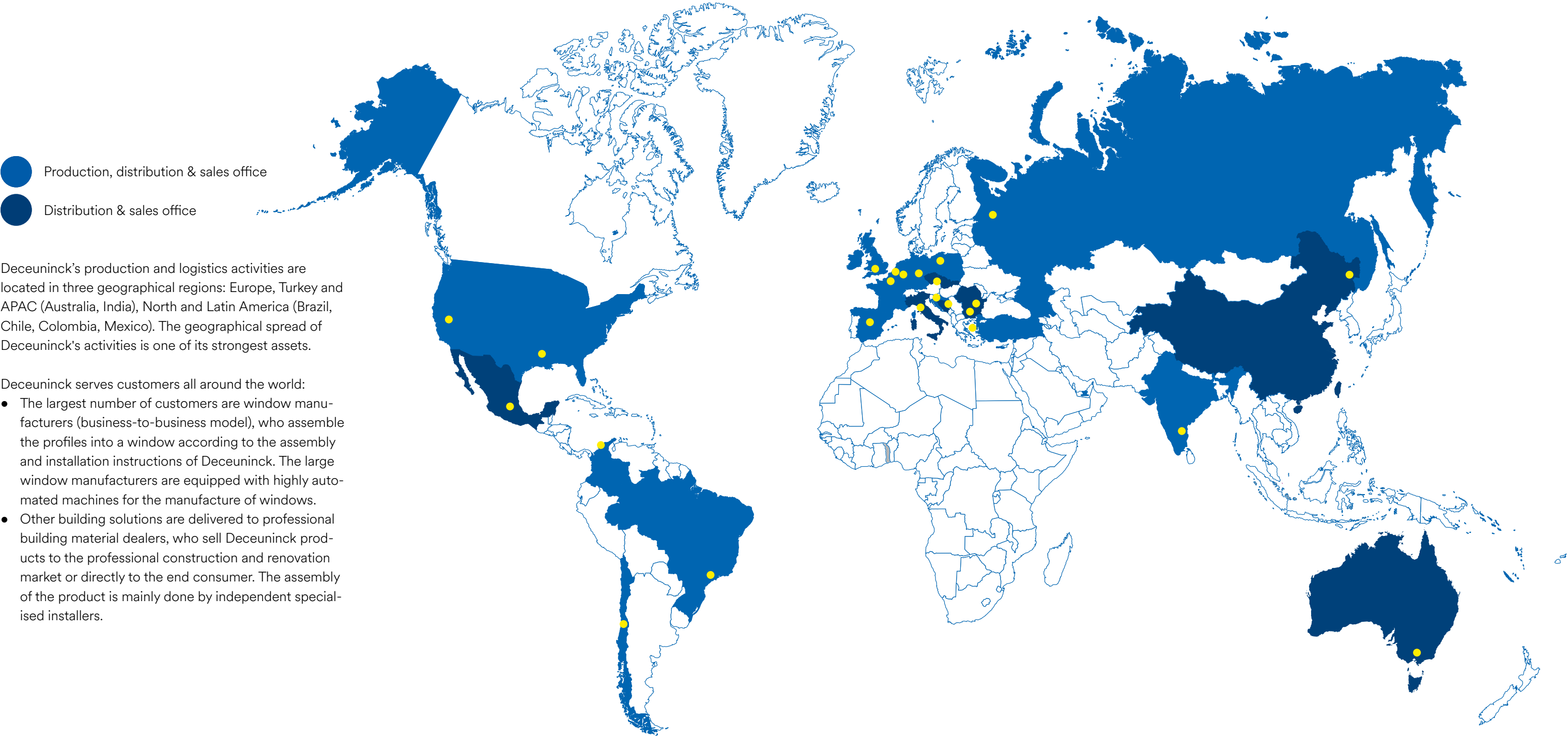
Processing

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



Geographical Spread

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



Deceuninck's production and logistics activities are located in three geographical regions: Europe, Turkey and APAC (Australia, India), North and Latin America (Brazil, Chile, Colombia, Mexico). The geographical spread of Deceuninck's activities is one of its strongest assets.

Deceuninck serves customers all around the world:

- The largest number of customers are window manufacturers (business-to-business model), who assemble the profiles into a window according to the assembly and installation instructions of Deceuninck. The large window manufacturers are equipped with highly automated machines for the manufacture of windows.
- Other building solutions are delivered to professional building material dealers, who sell Deceuninck products to the professional construction and renovation market or directly to the end consumer. The assembly of the product is mainly done by independent specialised installers.

Leadership (as of 1 March 2024)



Francis Van Eeckhout
CEO a.i.



Serge Piceu
CFO



Ann Bataillie
General Counsel,
Company Secretary



Etem Gökmen
CTO



Dries Moors
MD Europe



Alp Günvaran
MD Turkey and APAC
CEO Ege Profil



Joren Knockaert
MD North and Latin America



Filip Levrau
CIO



Carlin Deseyne
CHRO



Bart Peeters
CMCO

A man with a beard and glasses, wearing a light blue button-down shirt and dark trousers, stands with his hands in his pockets against a background of horizontal wooden slats. A white dashed line frames the text on the left side of the image.

#TeamDeceuninck

What I have enjoyed over three decades of working at Deceuninck is contributing to our growth and success alongside a dedicated and enthusiastic team. Along the way, it is the relationships within the Deceuninck team that have contributed to my personal growth and development as well. For this, I can only say "Thank-You"! It is truly a joy to be a partner on the journey.

**Jonathan Hauberg, Director Product & Research Development,
Deceuninck North America**

2.2 Purpose and Values

Our Purpose

Building

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

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

We build our culture, teams and competencies.

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

Building a Sustainable Home

Sustainable

We create innovative products that contribute to sustainable living.

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

We produce sustainably.

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

Home

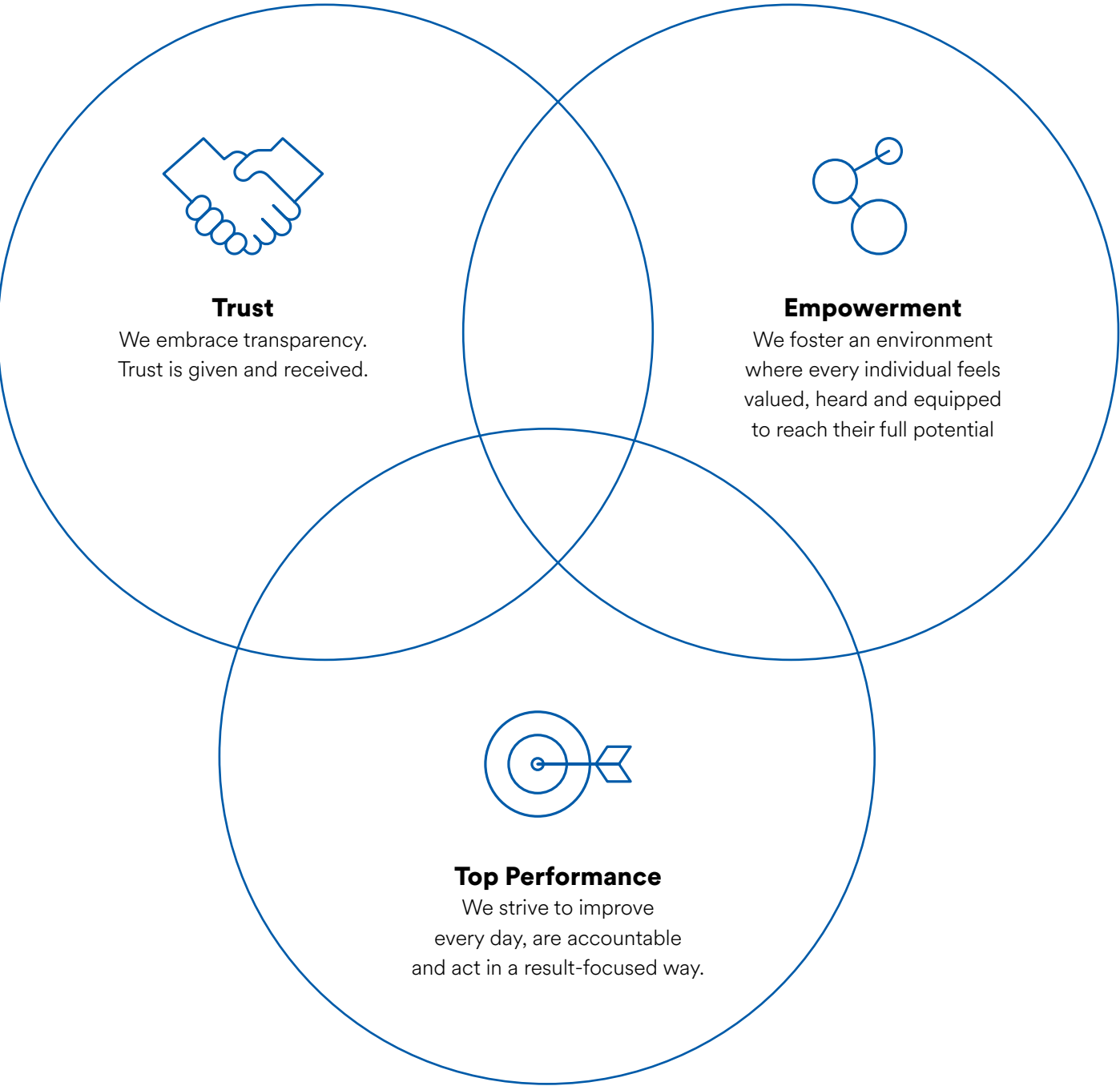
We design high-end products for a comfortable and desirable home.

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

We see Deceuninck as a home for our global teams.



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

Our Values





How we Create Value

We build on Resources

	Human	
	Our people	3,986 FTE
	Our customers	+4,000
	Our suppliers	
	Materials	
	Raw materials	19,800 tonnes of PVC processed
	Recycled materials	18% recycled materials in our products
	Know-How	0.8% sales spent on R&D
	Financial	€ 13.6 m net profit
	Legal and Ethics	657 suppliers signed our Supplier Code of Conduct, covering 82% of the spend

to provide our sustainable Products and Services

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

in order to create Value

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

2.3 Products and Innovations

Multi-material Window, Door and Building Solutions



Windows and door systems

Our PVC and aluminum windows and doors are defined by their superior thermal and acoustic performance combined with the lowest possible material consumption. Energy-efficient and with a stylish design, they are the perfect finishing touch for any facade. Our innovative

ThermoFibra and Innergy AP technology provide extra performance in terms of stability, strength and insulation. With our sliding doors we bring the world outside into your home.



Cladding and decking

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



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

On the Leading Edge of Innovation



Deceuninck North America officially unveiled ECLIPSE – a black color-through PVC extrusion for windows and doors – at GlassBuild America 2023. The latest innovation from one of the US leading PVC window and door system suppliers, ECLIPSE is designed to meet growing customer demand for dark colored window and door profiles.

Engineered to break new ground in terms of performance and aesthetics, ECLIPSE will offer enhanced fabrication processing by eliminating the need to touch-up fusion-welded frame and sash corners in comparison to laminated, capstock, or painted PVC profiles. The material science used for ECLIPSE incorporates Deceuninck’s SunShield technology to minimize fading and features engineered pigment technology that limits heat absorption.



Product Designs for a Sustainable Future



Elegant

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

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

Phoenix

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

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

2.4 Risk and Governance

Internal Control and Risk Management System

Risk framework

Deceuninck Group’s core values are Trust, Top Performance and Empowerment. Taking calculated risks is an integral part of operational management. The purpose of risk management is to identify and to manage the risks.

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

- Establishing the context

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

- Risk assessment

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

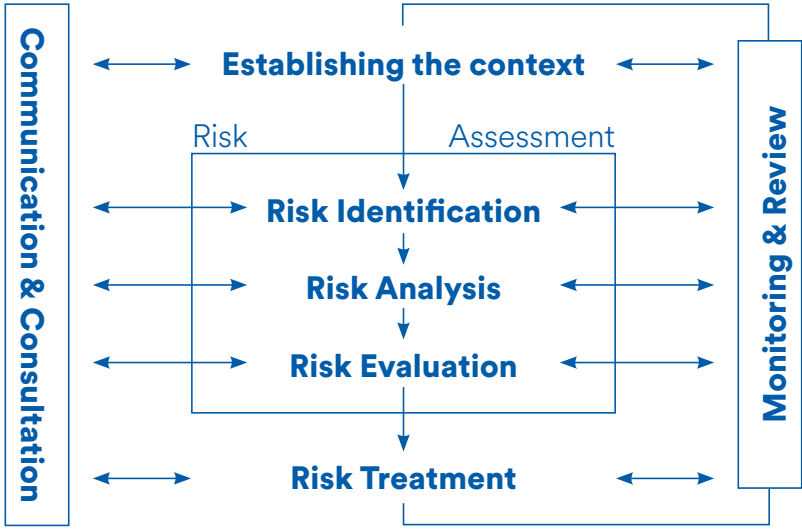
the possibility that the risk will occur and what the possible impact will be on achieving the objectives. For this, we consider the impact on the core objectives i.e. people, planet, quality, service and cost.

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

- Risk treatment

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

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



Risks can be treated in four possible ways:

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

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

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

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

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

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

Risk structure

Two dimensions

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

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

Risk rating

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





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

More detailed explanation of the risk categories

- Economic climate

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

The markets in which 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 the Group’s market can change their operational model in a matter that influences our activities. In other words, the

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

- Operations

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

* local-for-local

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

- Sourcing

Future profitability of the Group is partly determined by changes regarding the purchase prices of raw materials (especially PVC resins and additives), components, capital goods, salaries and other corporate services, as well as by sales prices the Group can charge for its products and services. For most of these components there are no hedging possibilities. If the increase of raw material prices is substantial and long-lasting, 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.

- People

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





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

● Finance

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

● IT

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

● Legal

IP. The Group relies on a combination of trademarks, trade names, trade secrets, patents and knowhow to define and protect its intellectual property rights of its products and operational processes. It is of the utmost importance that the Group is able to continue to use its intellectual property and to sufficiently protect all valuable intellectual property by acting against violations of its intellectual property rights, by maintaining trade secrets and by using the available legal means such as trademarks, patents and design registrations. Although

there are no important disputes, the company cannot exclude judicial procedures in order to protect its rights. In case the above-mentioned methods cannot sufficiently protect the Group’s intellectual property rights in its most important markets or in case the protection is no longer valid, third parties (competitors included) could commercialize its innovations or products or use its knowhow, which could affect our activities and/or operating results. We cannot guarantee that all trademarks and patents that are applied for will be approved in the future, nor can we exclude the risk that certain of our trademark and patent registrations will expire should we not succeed in extending such trademark and patent registrations. In certain geographical markets, it might be more difficult for the Group to obtain property rights.

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

The Group might be obliged to spend a lot of time and efforts or might incur judicial costs should the company have to deal with legal claims on intellectual property rights, irrespective of their justifiability. If the Group indeed infringes or has infringed patents or other intellectual property rights of third parties, it can be

subject to substantial insurance claims that could impact the Group’s cash flow, activities, financial situation or operating results. The Group might also be required to put a halt to the development, use or sales of the product or process concerned. It might also need to obtain a license in order to be able to use the disputed rights, which is not available at commercially reasonable conditions or not available at all.

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

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

Compliance. Violations of applicable laws and regulations, as well as of the Group’s Code of Conduct, by employees of the Group can have a material adverse effect on the Group’s business, results of operations

or financial position. Within an international company, individual employee actions can lead to non-compliance. This can have a negative impact on the image of the company, on the activities and on the value of the share. Despite internal training and the Group’s Code of Conduct (dealing with a.o. human rights, anti-bribery, anti-corruption), the Group cannot avoid that some employees would commit individual breaches of applicable laws and regulations or Deceuninck Group’s Code of Conduct.

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



Dune House Poland with Twinson terrace 9369 Majestic Massive Pro 270 © Pawel Ulatowski

Corporate Governance Statement

Setting the Scene

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

In its Corporate Governance Charter (together with the appendices referred to as the "Charter", available on the company website), the Company sets out the main aspects of its governance policy, such as its governance structure, the terms of reference of the Board and its

Committees, the General Meeting, conflict of interest regime and measures to prevent market abuse. The internal regulations are included as an appendix to the Charter. The Charter should be read in conjunction with the provisions applicable to the Company and on which it is based, in particular (i) its Articles of Association, (ii) the Belgian Code on Companies and Associations (the “BCA”), and (iii) the Code. The application of Deceuninck’s corporate governance policy in 2023 is further set out in this Corporate Governance Statement.

Deceuninck deviates from the Code as follows:

Principle	Explain
Principle 2.10	<p>The Board believes that having ready at any time a specific plan for succession of the CEO is difficult to achieve, given the complexity of the business and the industry.</p> <p>In particular, it would not be practically feasible to have at all times a “designated replacement” ready to step in at all times. The Board believes in a dynamic, overall planning approach that is mainly centered around:</p> <ul style="list-style-type: none">• continued expansion of management team capabilities;• strengthening the necessary connections to align growth plans with executive team roles;• a well-researched executive skills matrix and a live map of talent; and• clear and orderly procedures for selecting and approving a successor.



Principle 2.13	<p>The Board believes that having ready at any time a fixed list of candidates for succession of the Board members is difficult to achieve, given the fact that such list should have candidates available with a variety of competences to be able to comply with the requirements of diversity within the Board. To achieve the purpose of principle 2.13, the Board entrusted the Remuneration and Nomination Committee with the duty to ensure that the Company has a sound plan for the succession of Board members and executive management (cf. as described in more detail in Annex B to the Charter). In doing so, the Remuneration and Nomination Committee is responsible for balancing the required diversity requirements and competencies within the Board over the long term in accordance with the Company’s strategy. Such less rigid succession planning approach allows the Company to promptly adapt to changing circumstances and varying occupancy demands from time to time.</p>
Principle 3.12	<p>As of 1 March 2024, Francis Van Eeckhout, representing Beneconsult BV, will temporarily take up the role of CEO (a.i.), until a new CEO is appointed. As Mr. Van Eeckhout is Executive Chairman, this means the Company will temporarily deviate from the principle that the roles of Chairman of the Board and CEO cannot be combined.</p> <p>The Company believes this temporary measure is in the interest of the Company. In the meantime, the search for a new CEO is ongoing.</p> <p>During this interim period, Mr. Van Eeckhout also steps down temporarily as Chairman of the Remuneration and Nomination Committee. The position will temporarily be held by Mr. Marcel Klepfisch, representing Marcel Klepfisch SAS.</p>
Principle 7.6	<p>Upon the advice of the Remuneration and Nomination Committee, it was decided not to implement the principle of remunerating the non-executive Board members partly in shares, because of its complexity.</p> <p>Also in deviation from the Code, the non-executive Board members may receive subscription rights upon approval by the General Meeting. This enables the Company to attract reputable non-executive Board members. Moreover, the Company believes that the granting of subscription rights meets the objective of aligning the financial interests of non-executive directors with those of shareholders in a long-term perspective. To solidify the aforementioned objective of aligned long-term value creation, the exercise of these subscription rights is subject to important limitations and time restrictions. Lastly, the subscription rights plans are not deemed to affect in any aspect the independence of Board members.</p>
Principle 9.2	<p>The Board decides to organize the evaluation of the Board members slightly different from the method prescribed in principle 9.2, yet in line with the intent and purpose thereof. In deviation from principle 9.2, the Remuneration and Nomination Committee is not explicitly tasked to evaluate at the end of each director's term of office, the individual director's meeting attendance, his involvement in discussions and decisions and his contribution, in accordance with a fixed procedure. Instead, high qualitative directors’ performance is secured and continuously monitored as follows:</p> <ul style="list-style-type: none">• anonymous individual directors’ performance evaluations are regularly conducted, the results of which are included in Board’s assessment of the Committees’ functioning;• qualitative exit interviews are conducted with Directors leaving the Board;• Annex A to the Charter sets forth detailed provisions for the periodic assessment of the Board’s functioning. <p>The main features of the thorough evaluation process of the Board, its Committees and the Directors are further clarified on page 69 of this annual report.</p>



Governance Structure



Deceuninck’s one-tier governance structure consists of the Board, which is authorized to perform all acts that are necessary or useful for the realization of the object of the Company, except for those the General Meeting is authorized to perform by law. At least once every five years, the Board will evaluate whether the chosen governance structure is still suitable, and if not, it will propose a new governance structure to the General Meeting.

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

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 MDs, the CHRO, the CMCO, CTO and the CIO, they are the Executive Management of the Company.

Finally, the Board granted a special power of attorney to the CEO.

The Board and its Committees

Composition of the Board

As of 1 March 2024, the Board consists of seven Directors. Five members are Independent Directors in accordance with the Code. Two Directors were appointed on the recommendation of important shareholders. Bruno Humblet, representing Humblebee Partners BV, resigns from the Board as from 29 February 2024.

	Function	Name	Membership committees	Latest renewal mandate	Mandate expiry
Non-Executive Directors	Executive Chairman CEO a.i.	Francis Van Eeckhout, representing Beneconsult BV	Audit Committee (member) Remuneration and Nomination Committee (member)	AGM 2023	AGM 2027
	Independent Director	Marcel Klepfisch, representing Marcel Klepfisch SAS	Remuneration and Nomination Committee (Chairman) Audit Committee (member)	AGM 2021	AGM 2025
	Vice Chairwoman	Benedikte Boone, representing Venture Consult BV	Remuneration and Nomination Committee (member)	AGM 2021	AGM 2025
	Vice Chairman	Wim Hendrix, representing Homeport Investment Management BV	Audit Committee (Chairman)	AGM 2022	AGM 2026
	Independent Director	Anouk Lagae, representing Alchemy Partners BV	Remuneration and Nomination Committee (member)	AGM 2021	AGM 2025
	Independent Director	Paul Van Oyen, representing PVO Advisory BV	Remuneration and Nomination Committee (member)	AGM 2023	AGM 2026
	Independent Director	Laure Baert		EGM 23.12.22	AGM 2026

Changes in the composition of the Board and its Committees in 2023

At the Annual General Meeting of 2023, Francis Van Eeckhout, representing Beneconsult BV, was reappointed as Director until the AGM of 2027. At the same meeting, Paul Van Oyen, representing PVO Advisory BV, was appointed as Independent Director until the AGM of 2026.

Other

Deceuninck’s honorary Directors are †Pierre Alain Baron De Smedt, Arnold Deceuninck and Willy Deceuninck. The Company Secretary is Ann Bataillie, representing Bakor BV, General Counsel and Compliance Officer.



Resumes of the Members of the Board



Francis Van Eeckhout (1968), representing Beneconsult BV, Executive Chairman and CEO a.i.

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



Marcel Klepfisch (1951), representing Marcel Klepfisch SAS, Independent Director

- Education: Master of Commercial Engineering (University of Antwerp)
- Professional experience: Chief Restructuring Officer at Deceuninck NV (2009), former member of the board of directors of Nybron Flooring International Switzerland, Chief Executive Officer at Ilford Imaging, member of the executive committee at Vickers Plc, Chief Financial Officer of BTR Power Drives, Chairman of the board of directors of Pack2Pack, Chairman of the board of Volution in the UK, Management Advisory Board of Tower Brook in London and Chairman of GSE Group in France



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

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



Wim Hendrix (1967), representing Homeport Investment Management BV, 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)
- Current mandates: Chairman of the Board at XIX-Invest NV; Board Member at Capricorn Sustainable Chemistry Fund
- Professional experience: CEO of Homeport Family Services CommV. Previous functions at Corelio NV, Begos BV, Siemens NV and Gamma België NV



Anouk Lagae (1975), representing Alchemy Partners BV, Independent Director

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



Paul Van Oyen (1961), representing PVO Advisory BV, Independent Director

- Education: Master Geology/Mineralogy (KUL 1982), Business Administration (KUL 1990), Strategic R&D Management (INSEAD 1998), Strategy and Execution (London Business School 2015)
- Current mandates: Chairman of the board of directors of What's Cooking? NV
- Professional experience: CEO and Managing Director of Etex Group



Laure Baert (1992), Independent Director

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



Composition of the Committees

General

The Board has set up specialized Committees with an advisory role to deal with specific matters and to support and advise the Board. The ultimate decision-making responsibility lies with the Board.

Audit Committee

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

- Wim Hendrix, representing Homeport Investment Management BV (Chairman)

- Marcel Klepfisch, representing Marcel Klepfisch SAS
- Francis Van Eeckhout, representing Beneconsult BV

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

The CEO and the CFO are invited to the meetings of the Audit Committee.

Remuneration and Nomination Committee

The current Remuneration and Nomination Committee consists of five members, all of which are Non-Executive Directors. Three members of the Remuneration and Nomination Committee are considered independent

as set out in the Code:

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

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

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

Activity Report of the Board and Committee meetings in 2023

Board

- The Board convened six times, mainly discussing the following topics:
- issuance of new Warrant Plan 2023
 - remuneration and long-term incentives for the CEO and members of the Executive Management
 - proposal of resignation and (re-)appointment of members of the Board and the Executive Management
 - leadership Latin America
 - monitoring the organizational structure of the Group and the management succession planning
 - preparation of the statutory and consolidated financial statements and annual report
 - approval of sustainability report
 - preparation of the Annual General Meeting
 - restructuring projects in Thailand, India, Mexico and Germany
 - monitoring innovation projects and the technology strategy
 - monitoring and deciding on investment and divestment opportunities
 - long-term strategy
 - monitoring of the business plans of the regions
 - monitoring of the debt and liquidity position of the Group
 - financial reporting
 - governance, risk and compliance
 - oversight, governance and risk assessment of litigations



	Board	Audit Committee	Remuneration and Nomination Committee
Total meetings held in 2023	6	7	2
Francis Van Eeckhout, representing Beneconsult BV	6	7	2
Marcel Klepfisch, representing Marcel Klepfisch SAS	6	7	2
Benedikte Boone, representing Venture Consult BV	6	-	2
Wim Hendrix, representing Homeport Investment Management BV	6	7	-
Anouk Lagae, representing Alchemy Partners BV	6	-	2
Paul Van Oyen, representing PVO Advisory BV	6	-	2
Laure Baert	6	-	-
Bruno Humblet, representing HumbleBee Partners BV	6	-	-

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

Audit Committee

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

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

Remuneration and Nomination Committee

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

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

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

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

The evaluation process has four objectives:

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

On the basis of the results of the evaluation, the Chairman provides the Board with a recommendations report 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.

In October 2023, the Board evaluated their performance. The evaluations were conducted through a questionnaire and were facilitated by the Company Secretary. The results of the 2023 performance evaluation were reported to the Board meeting of 15 December 2023. The overall result showed a high level of satisfaction on the Board’s overall performance and commitment to the existing governance. The three main topics that came out of the evaluation were: 1) composition of the Board, 2) organization of the Board, and 3) focus on strategy.

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The Executive Management

Composition (as of 1 March 2024)

The Executive Management consists of the members of the Executive Team Group, the Executive Team Regions and the members of the Executive Team Extended. As stated above, the Board established a management committee consisting of the CEO, the CFO and the General Counsel (referred to as the DirCo). The members of the DirCo were delegated the day-to-day management of the Company in accordance with article 7:121 BCA.

Changes in the composition of the Executive Management in 2023

- Luc Vankemmelbeke, representing Value Coaching BV, stepped down as MD Europe as of 1 October 2023. He was succeeded by Dries Moors, representing DrM Consulting BV, who had been CTO until then. Dries Moors, representing DrM Consulting BV, was also a daily manager and was part of the DirCo during 2023.
- Etem Gökmen was appointed CTO as of 1 October 2023
- Also starting from 1 October 2023, Joren Knockaert, former MD North America, was appointed as MD North and Latin America

	Name	Function
Executive Team Group	Francis Van Eeckhout representing Beneconsult BV	CEO a.i. (<i>DirCo daily manager</i>)
	Serge Piceu, representing of Emveco BV	CFO (<i>DirCo daily manager</i>)
	Ann Bataillie, representative of Bakor BV	General Counsel Company Secretary (<i>DirCo daily manager</i>)
Executive Team Regions	Dries Moors, representing DrM Consulting BV	MD Europe
	Alp Günvaran	MD Turkey and APAC CEO Ege Profil
	Joren Knockaert	MD North and Latin America
Executive Team Extended	Carlin Deseyne, representing Activ BV	CHRO
	Etem Gökmen	CTO (started 1 October 2023)
	Filip Levrau	CIO
	Bart Peeters, representing Flotland BV	CMCO



Diversity Policy



Criteria

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

Implementation

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

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

Results

- **Gender:** Deceuninck complies with the rules on gender diversity in the composition of the Board. In accordance with the Law of 28 July 2011, at least one-third of the Board’s members must be of a different gender than the other members. On 31 December 2023, three women and five men sat on the Board, while the Executive Management consisted of two women and eight men.
- **Age:** The age of the Board members ranges between 31 and 72 years of age. The youngest Executive Management member is 41 years and the oldest member is 65 years of age.

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

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

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

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

Policy for the Prevention of Market Abuse

In accordance with legal provisions, the Company established its policy regulating transactions and the disclosure of such transactions in shares of Deceuninck or in derivatives or other financial instruments linked to them, carried out by persons discharging managerial responsibilities, certain key employees and other persons who have access to inside information (the “Dealing Code”).

The principles of Deceuninck’s Dealing Code are annexed to the Charter, available on the Company website.

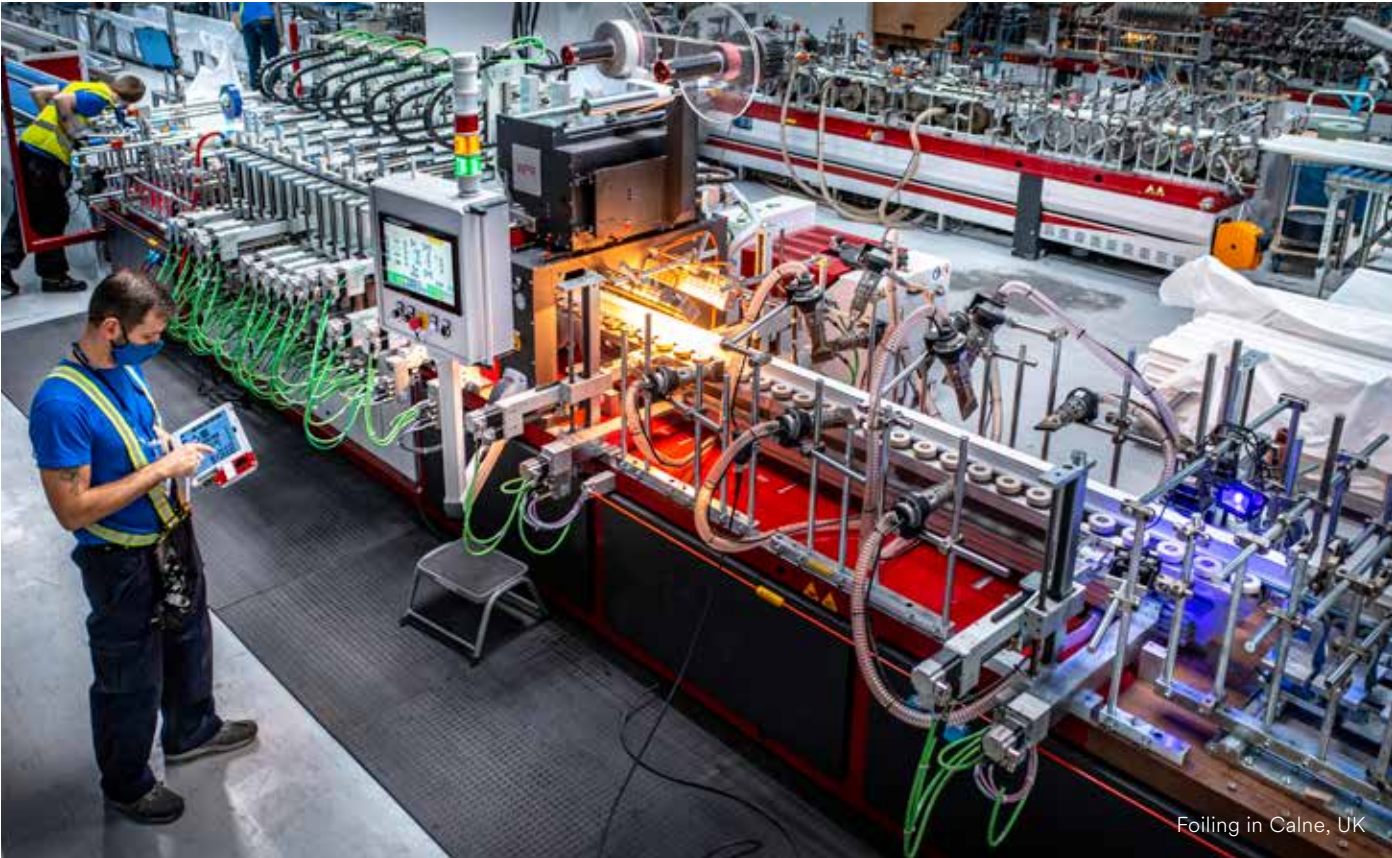
Remuneration Report

Remuneration policy

The Company’s remuneration policy for 2023 was approved by the shareholders at the Annual General Meeting of 25 April 2023. It is published on the Company’s website.

An amended remuneration policy for 2024 will be proposed to the shareholders for approval at the General Meeting of 23 April 2024.





Total remuneration of the Non-Executive Directors in 2023

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 2023.

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

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

The total remuneration (gross) paid to the non-executive members of the Board in the financial year 2023 amounted to € 290,000. The Executive Chairman received a remuneration of € 200,000 for the special assignments in aluminum and recycling.

In deviation of the Code, Non-Executive Directors may receive subscription rights upon approval of the General Meeting. The General Meeting of 25 April 2023 approved the granting of subscription rights to the Non-Executive Directors as follows: 30,000 to the Chairman and 15,000 to each of the Non-Executive Directors (with the exception of HumbleBee Partners BV). The Warrant Plan 2023 was issued on 20 December 2023. The price of the subscription rights under Warrant Plan 2023 amounts to € 2.29. The subscription rights were to be accepted by 18 February 2024. The exercise period runs from 2027 until 2033. In 2027, 1/3 of the subscription rights will vest, in 2028, another 1/3 and in 2029, another 1/3. Each year,

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

In 2023, the members of the Board did not exercise subscription rights.

In 2023, nor the Company nor any affiliated company of the Group granted any loans to any of the Directors, nor are there any outstanding repayments owed by the Directors to the Company or any affiliated company of the Group.

Bruno Humblet, representing HumbleBee Partners BV, did not receive a fixed remuneration nor any attendance fees.



	Board	Audit Committee	Remuneration and Nomination Committee	Fixed remuneration	Total gross remuneration and proportion fixed/ variable
Francis Van Eeckhout, representing Beneconsult BV	€ 18,000.00	€ 7,000.00	€ 2,000.00	€ 40,000.00	€ 67,000.00 <i>0% variable</i>
Marcel Klepfisch, representing Marcel Klepfisch SAS	€ 9,000.00	€ 7,000.00	€ 2,000.00	€ 20,000.00	€ 38,000.00 <i>0% variable</i>
Wim Hendrix, representing Homeport Investment Management BV	€ 9,000.00	€ 14,000.00	-	€ 30,000.00	€ 53,000.00 <i>0% variable</i>
Benedikte Boone, representing Venture Consult BV	€ 9,000.00	-	€ 2,000.00	€ 30,000.00	€ 41,000.00 <i>0% variable</i>
Anouk Lagae, representing Alchemy Partners BV	€ 9,000.00	-	€ 2,000.00	€ 20,000.00	€ 31,000.00 <i>0% variable</i>
Paul Van Oyen, representing PVO Advisory BV	€ 9,000.00	-	€ 2,000.00	€ 20,000.00	€ 31,000.00 <i>0% variable</i>
Laure Baert	€ 9,000.00	-	-	€ 20,000.00	€ 29,000.00 <i>0% variable</i>
Bruno Humblet, representing HumbleBee Partners BV	-	-	-	-	- <i>0% variable</i>
Total	€ 72,000.00	€ 28,000.00	€ 10,000.00	€ 180,000.00	€ 290,000.00

Total remuneration of the members of the Executive Team Group and the members of the Executive Team Regions in 2023 (including former members)

Main principles

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

- Fixed remuneration

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

- Short-term variable remuneration

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

For 2023, the evaluation criteria for the CEO and the other members of the Executive Team Group were as follows: REBITDA Group (40%), Adjusted Free Cash

Flow Group (40%) and non-financial criteria (20%). For the members of the Executive Team Regions: REBITDA Group (20%), REBITDA Region (20%), Adjusted Free Cash Flow Group (20%), Adjusted Free Cash Flow Region (20%) and non-financial criteria (20%).

The financial targets are translated into a pay-out curve which ensures that only an acceptable range of performance is rewarded. An accelerated bonus schedule has been put in place as of 2023. Bonus pay-out starts when 85% of the target is achieved. If 130% of the REBITDA target is reached, bonus pay-out will be 200%. The same acceleration mechanism applies for the Adjusted Free Cash Flow target: bonus pay-out starts at 85% and goes up to 200%.

The target bonus was set at 75% of base salary for the CEO and 40% for the other members of the Executive Team Group and Executive Team Regions.

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

There is no spread over time of the variable remuneration. The extraordinary General Meeting of December 16, 2011 decided that the Company is not bound by the restrictions regarding the spread over time of the variable remuneration of the Directors, the CEO and the other management members.





- Long term variable incentive

Subscription rights

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

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

are of the same type and have the same rights as the existing ordinary Deceuninck shares.

Performance Share Plan

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

fraction or the multiple (if any) of Performance Shares a vested Performance Share Right effectively entitles to.

Members of the Executive Team Group

For 2023, the CEO received a fixed remuneration of € 485,000 and a variable remuneration of € 505,248.75 (104%). The CFO received a fixed remuneration of € 315,000 and a variable remuneration of € 175,014.00 (56%). The General Counsel received a fixed remuneration of € 300,000 and a variable remuneration of € 166.680,00 (56%). The former CTO (currently MD Europe) received a fixed remuneration of € 310,000 and a variable remuneration of € 172.236,00 (56%) while he was member of the DirCo in 2023.

The remuneration package awarded to the members of the Executive Team Group does not include a long-term cash bonus. The fixed remuneration is an aggregate amount, part of which can be contributed for pension plans or for insurance, at the sole discretion of the





members of the Executive Team Group. The Remuneration and Nomination Committee evaluated the achievement of the 2023 objectives for the members of the Executive Team Group and proposed to the Board to pay the short-term variable remuneration based on the 2023 performance criteria, as they have been met.

No company car is provided to the members of the Executive Team Group, as they are acting through a management company.

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

Members of the Executive Team Regions

The members of the Executive Team Regions together received a fixed remuneration of € 975,250 and a variable remuneration of € 397,771.84. The fixed remuneration includes the remuneration of the former MD Europe who was in his role from 1 January 2023 until 30 September 2023.

The fixed and variable remuneration of the current MD Europe is disclosed under "Executive Team Group" on the

previous page, as he was member of the DirCo until 31 December 2023.

The remuneration package awarded to the members of the Executive Team Regions does not include a long-term cash bonus. The fixed remuneration is an aggregate amount, part of which can be contributed for pension plans or for insurance, at the sole discretion of the members of the Executive Team Regions. The Remuneration and Nomination Committee evaluated the achievement of the 2023 objectives for the members of the Executive Team Regions and proposed to the Board to pay the short-term variable remuneration based on the 2023 performance criteria that have been met.

A company car is provided to the MD North and Latin America and the MD Turkey and APAC.

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

Shares, stock options and other rights to acquire Deceuninck shares that were granted, exercised or that have lapsed during 2023

Stock options

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

There are currently no active stock options plans.

Subscription rights

On 23 December 2022, the Extraordinary General Meeting approved a subscription rights plan (“Warrant Plan 2022”) of 3,000,000 subscription rights. On 23 December 2022, 250,000 subscription rights of Warrant Plan 2022 were offered to the CEO and 60,000 subscription rights were offered to each of the CFO, General Counsel, CTO, MD Europe, and the MD North America, and 30,000 subscription rights were offered to the former MD Turkey. The price of the subscription rights amounts to € 2.38.

The subscription rights were all accepted by 20 February

2023. The exercise period runs from 2026 until 2032. In 2026, 1/3 of the subscription rights will vest, in 2027 another 1/3 and in 2028 another 1/3. Each year, there will be two exercise windows: from the day after the Annual General Meeting in April until 30 June and from the day after the publication of the half-year results in August until 30 September.

On 20 December 2023, a new subscription rights plan (“Warrant Plan 2023”) of 3,000,000 subscription rights was issued. On 20 December 2023, 250,000 subscription rights of Warrant Plan 2023 were offered to the CEO and 60,000 subscription rights were offered to each of the CFO, General Counsel, MD Europe, MD North and Latin America and MD Turkey and APAC. The price of the subscription rights amounts to € 2.29. The subscription rights were to be accepted by 18 February 2024. The exercise period runs from 2027 until 2033. In 2027, 1/3 of the subscription rights will vest, in 2028 another 1/3 and in 2029 another 1/3. Each year, there will be two exercise windows: from the day after the Annual General Meeting in April until 30 June and from the day after the publication of the half-year results in August until 30 September.

During 2023, Ann Bataillie, representing Bakor BV, exercised 60,000 subscription rights at an exercise price of 1.97 EUR.

Right of recovery

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

Severance payments paid in 2023

No severance payments were paid in 2023.

Evolution of remuneration:

Year	Total annual CEO remuneration	Total annual Executive Management remuneration (excl. CEO)	Total annual Non-Executive Director Remuneration	Average staff remuneration (FTE)	Sales	EBITDA
2018	€ 923,185	€ 2,147,577 (7 members)	€ 253,500	€ 45,985	€ 674.2m	€ 72.4m (Adj.)
2019	€ 525,000	€ 598,570 (2 DirCo members)	€ 267,000	€ 47,090	€ 633.8m	€ 60.6m (Adj.)
2020	€ 965,781	€ 821,038 (2 DirCo members)	€ 296,833	€ 48,417	€ 642.2m	€ 86m (Adj.)
2021	€ 799,134	€ 666,954 (2 DirCo members)	€ 422,153	€ 49,027	€ 838.1m	€ 97.7m (Adj.)
2022	€ 511,087.50	€ 2,118,532.45 (Ex. T. Group and Ex. T. Regions)	€ 524,000	€ 54,481	€ 974.1m	€ 102.3m (Adj.)
2023	€ 990,249	€ 2,811,952 (Ex. T. Group and Ex. T. Regions)	€ 490,000	€ 57,815	€ 866.1m	€ 117.9m (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 28.21.



Twinson decking, Citadelle de Namur, Belgium

External Audit

PwC Bedrijfsrevisoren BV, with its registered office at Culliganlaan 5, 1831 Diegem, with enterprise number 0429.501.944, represented by Lien Winne, was reappointed as the Company’s statutory auditor in 2023 for a period of three years, until the closing of the Annual General Meeting of 2026.

Transactions between Related Parties

General

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

Directors’ conflicts of interest

The conflict of interest settlement procedure of article 7:96 of the BCA was applied once in 2023.

On 20 December 2023, the Board convened to approve a new subscription rights plan (“Warrant Plan 2023”). Before the meeting, Humblebee Partners BV, represented by Bruno Humblet, informed the Board of his potential patrimonial interest as an executive director conflicting with the agenda of the Board, as he would be a beneficiary of the new Warrant Plan 2023. The executive Director did not deliberate nor decide on the approval of the new Warrant Plan 2023. 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 “HUMBLEBEE PARTNERS BV”, with permanent representative Mr. HUMBLET Bruno, 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 2023”, as it is also a beneficiary thereof. The board



of directors has taken note of this conflict of interest and of the fact that this was also reported by the director concerned to the statutory auditor of the company. In accordance with Article 7:96 of the 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 2023” aims to encourage certain employees of the Company and its subsidiaries, who will be invited to participate. to this “Warrant Plan 2023”, to contribute to the growth of the Deceuninck Group and to promote their loyalty towards the Deceuninck Group. It is important for the Company to issue a new subscription rights plan. After all, the Company believes that the work, initiative and entrepreneurial spirit of each of the beneficiaries of the Warrant Plan makes an important contribution to the development of the Company's activities and results. It therefore wishes to give the beneficiaries the opportunity to acquire (additional) shares of the Company at a predetermined subscription price, so that they can participate financially in the added value and growth of the Company. After all, the experience of the past years has shown that stock options, subscription rights and participation in the shareholding of the employees are an important element of motivation and commitment towards the company. After all, the aim of such a plan is to promote the long-term commitment and motivation of staff members, so that their commitment contributes to the realization of growth and, if necessary, of restructuring. The Company intends to continue to grant subscription rights to shares annually. The offering

of these new subscription rights will not constitute a waiver on the part of the beneficiaries of previous options and / or subscription rights on shares accepted by them. As such, the proposed issue is in the interests of the Company and the board of directors considers the cancellation of the preferential subscription right of the existing shareholders to be justified. The proprietary consequences are the following: The proprietary consequences for the company arising from the fact to grant subscription rights to the executive director are minimal, taking into account on the one hand the total number of securities to which this transaction relates and on the other hand the fact that the exercise price of the subscription rights is based on the current market price of the shares.
The board of directors declares that no conflict of interest exists for the other directors of the Company, being the non-executive directors of the Company, as the “Warrant Plan 2023” provides that the possible grant of the subscription rights created on their behalf will be the result of a decision to be taken by the general meeting of the Company.”

Transactions with affiliated companies

The conflict of interest settlement procedure of article 7:97 of the BCA was not applied in 2023.



Article 34 of the Belgian Royal Decree of 14 November 2007

Capital structure on 31 December 2023

The share capital (€ 54,640,260.29) was represented by 138,545,260 shares without nominal value.

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

The Company offers subscription rights on shares of the Company. 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 2023, these rights were

suspended for 90.603 shares (0.07% of the shares in circulation at that time).

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

None.

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

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

The age limit for Directors is 75 years at the time of the (re)appointment. In principle, a Director’s mandate ends after the Annual General Meeting, at which moment his or her mandate can be considered ended. The amendment of Deceuninck’s Articles of Association is to be executed in accordance with legal provisions of the BCA.

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

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

Furthermore, the Board is authorized to sell these shares without being bound to above-mentioned price and time limitations. This authorization is valid for a period of five years starting on 15 May 2020 and can be renewed in accordance with article 7:215 of the BCA.

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

During the financial year 2023, a share buy-back

programme was initiated, with the purpose of satisfying obligations arising from share purchase and warrant plants allocated to the management and employees of the Group. The share buy-back programme ran from May 24th to June 12th but was closed earlier on June 7th, 2023. In total, 100,000 treasury shares were purchased. The buy-back programme was implemented in accordance with the “safe harbour” procedure provided by the Regulation (EU) No 596/2014 of 16 April 2014 on market abuse (Market Abuse Regulation) and the Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016 supplementing the Market Abuse Regulation.

Authorised capital

The Board is authorized, for a period of five years starting from 15 May 2020, to increase the Company’s issued capital on one or several occasions to a maximum amount of € 53,925,310.12. This capital increase can take place in conformity with the conditions determined by the Board by a cash contribution, a contribution in kind, an incorporation of the reserves or share premiums, with or without the issuance of new shares, as well as by issuing debt securities that can be converted to shares on one or several occasions, debt securities with subscription rights or subscription rights that whether or not are linked to other stocks. However, the capital increase as decided by the Board cannot be reimbursed by shares without indication of nominal value issued below accountable par value of the old shares.

The Extraordinary General Meeting of 23 December 2022 authorized the Board, for a period of 3 years, under the conditions and within the limitations of

article 7:202 of the BCA, to use the authorised capital in case of notification by the Financial Services and Markets Authority (FSMA) of a public takeover bid on the Company’s shares. The Board determines the data and conditions of the instructed capital increases in application of the foregoing, including the possible payment of issue premiums.

If the foregoing occurs (including for the issuance of convertible debt securities or subscription rights), the Board determines, in accordance with articles 7:191 and following of the BCA, the term and other conditions concerning the exercise of the shareholder’s preferential rights as assigned by the law.

Furthermore, it can, in accordance with articles 7:191 and following of the BCA, in the Company’s interest and under the conditions determined by law, limit or cancel the shareholder’s preferential rights in favour of one or more selected persons, no matter whether or not these people are part of the Company’s or its subsidiaries’ staff. If an issue premium is paid as a consequence of a capital increase, it is transferred by right to an unavailable account named “issue premiums” which can only be used under the conditions required for the capital decrease. It can, however, always be added to the instructed capital; this decision can be taken by the Board as stated above. Furthermore, said extraordinary general meeting of the Company authorized the Board, considering the coordination of the Articles of Association, as soon as the authorized capital or a part of it is converted into instructed capital, to amend the relevant article of the Articles of Association.

In 2023, 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 4 July 2023).

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

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

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

None.



Warehouse, Calne, UK



Shareholder Structure

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

The involved parties need to submit a notification to the 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 2023:

Shareholders	Number of shares	Percentage
Gramo BV ¹	11,038,733	7.96
Holve NV ¹	29,877,926	21.57
H.P. Participaties Comm.V.	10,523,777	7.60
Frank Deceuninck	7,092,237	5.12
Treasury shares	90,603	0.07
Others	79,921,984	57.69
Total	138,545,260	100.00

¹ Holding controlled by Francis Van Eeckhout



#TeamDeceuninck

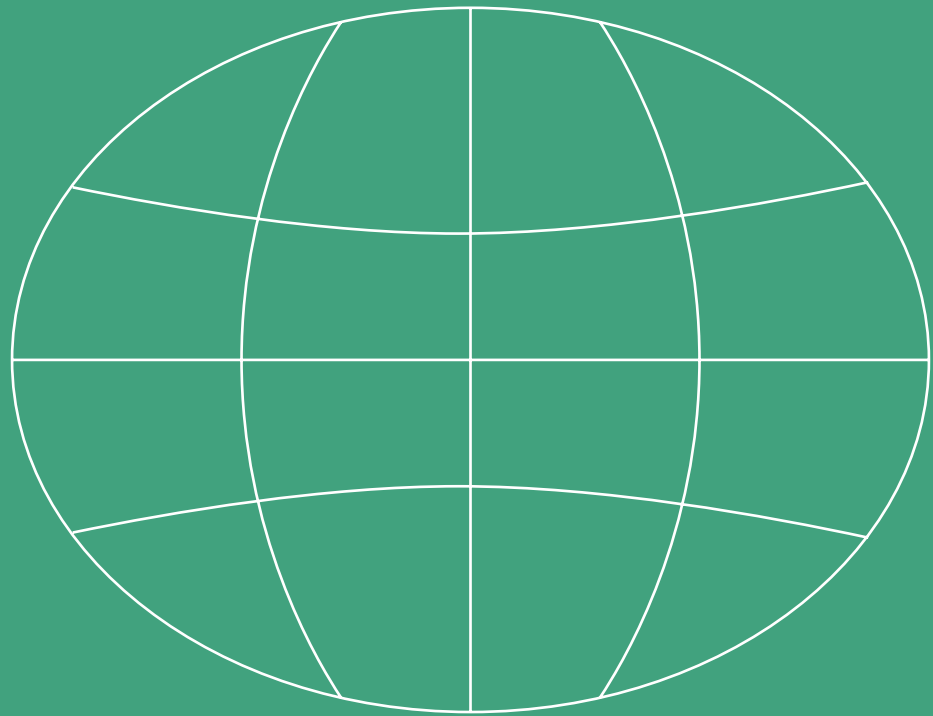
I have a special passion for Deceuninck, I identify with the brand from the beginning. I believe this is thanks to the team, which never denied support, and also to the great development potential that can be achieved. I believe in the future of the Company and in my future as part of this team.

**Joana Marquardt, Operation Administration Manager,
Deceuninck Brazil**



2.5 Sustainability Report

The World We Operate in



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

Climate Change

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

On the climate adaptation side, climate change will increasingly impact the type of housing in vulnerable regions and, due to increasing physical effects of climate change, will do so even more in the future.

Impact on Our Business

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

Because we recycle PVC we save potential carbon emissions by avoiding to source virgin raw material.

Carbon reduction targets in alignment with the Science-Based Targets initiative (SBTi).



Inflation and Energy Disruption

Record levels of inflation affect businesses in many ways, especially when it comes to cash flow. It impacts the spending power of businesses and consumers, which in turn reduces the demand for goods throughout the economy.

Impact on Our Business

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

Rising energy costs are an enabler to invest in own production of renewable energy and energy efficiency.

Environmental, Health and Safety Impacts of Products

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

Impact on Our Business

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

Calculation of environmental performance of products during their lifetime.

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

Talent Attraction and Retention

Companies face competition to attract and retain a skilled workforce. Answering the pressure on the labor market, it is not only important to attract more people, but also to attract and retain a more diverse range of talents.

The need for on the job training increases in the fast-moving working environment.

Impact on Our Business

HR focus on employee engagement and feedback, wellbeing and on-the-job training.

A diverse workforce as an essential part of our DNA.

Demography and Urbanisation

Global population growth leads to an increasing demand for housing. At the same time, regulation evolves, leading to a.o. building bans on greenfield sites which favorably impacts renovation of existing housing or noise-isolating characteristics of housing becoming more important in an urbanization context.

Impact on Our Business

Need for renovation is expected to positively impact sales in the coming years.

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

Recycling

Plastics are increasingly being recycled. This trend has the potential to transform industries such as the construction and packaging industry and to reduce the amount of plastic waste in landfills. In the recycling industry the development of new technologies and processes that allow for more efficient and effective recycling can be expected.

Impact on Our Business

Investments in increased collection and recycling of pre-consumer and post-consumer material.





Combination of PVC and Aluminum



Our Stakeholders

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

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



Our Sustainability Strategy

Materiality Analysis

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

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

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



Chemical Standard and the Global Reporting Initiative (GRI).

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

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



Deceuninck Reconnect

	Environment	Social	Governance
Our Mission	We help to build an energy efficient home. We create long lasting, low maintenance building products with top insulating properties. Our products are created with the lowest ecological footprint and can be fully recycled end-of-life. We invest in lowering the ecological footprint of our operations.	We build a sustainable 'home' for our people, based on our core values. We create the conditions for a good working environment and an inclusive workplace. We train our people to have the necessary skills and competencies to be successful in their role and contribution to the company objectives. We uphold the highest health and safety product standards.	We deliver added value to our customers and end-consumers through our solutions and services. We offer top performance in quality and service through trusted customer partnerships. Our employees and suppliers respect ethical working standards.
Our Priorities	Recycling Use of recycled material Product insulation Greenhouse gas emissions Energy efficiency & renewable energy Waste generation Water consumption	Human capital Talent management Health, safety & wellbeing Diversity & Inclusion Health & safety impacts of products	Anti-corruption & bribery Business ethics in the supply chain Data protection Community engagement
Related UN SDGs	     	  	 
Chapter	Planet (p.112)	People (p.104)	Community (p.132)





Governance

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

- The Board oversees and approves the sustainability commitments. Environmental, social and community related risks and opportunities are an integral part of the risk management process and are reviewed by the Audit Committee.
- The Executive Management determines the strategy, approves the targets and monitors the execution.
- The CTO holds executive responsibility over the sustainability related performance.
- The sustainability manager reports to the CTO and coordinates the integration of sustainability into the organisation; identifying bottlenecks, drawing up action plans and providing input for the sustainability strategy together with different departments and the regional Environment, Health and Safety (EHS) leaders.
- Sustainability progress is an important topic on the agenda of every meeting of the Executive Management and Board of Directors.

Reporting Framework and Scope

The report is drafted with reference to the GRI Standards.

The environmental and health & safety information in this chapter is provided for our main markets (Europe, Turkey, North America) and Colombia. The HR information is provided for the whole Group. Numbers for the reference years 2022 and 2021 are provided when comparative data is available.

Building a sustainable home is a continuous journey. We started the internal preparations to report in alignment with the CSRD in 2023. In 2024, we are conducting stakeholder interactions in the context of the 'double materiality' exercise. We will update the targets, KPI's, data governance to prepare for a CSRD aligned reporting of 2024.



External Ratings

The Group is rated by several independent organizations on its sustainability performance. The Group participates to the CDP climate change questionnaire and received a C score based on 2022 data disclosures (on a scale from A to D). The S&P Corporate Sustainability Assessment measures performance on and management of a range of ESG risks and opportunities. The Group received a score of 37% based on 2022 data disclosures. This is an increase of 9% compared to last year's score. The industry average is 25%.

People

Ambition

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

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

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

Empowerment: We foster an environment where every individual feels valued, heard and equipped to reach their full potential.

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

Results and Targets

Employment

	2023	2022	2021
Number of employees	3,986	3,938	3,709
New employee hires	461	1,037	1,577
Employee turnover rate	17.7%	20.2%	39.7%
Temporary employees	145	448	173

Talent Management

	2023	2022	2021
Percentage of white-collar employees who received a formal, automated performance review	87%	84%	70%

Our goal is to create a culture of excellence by establishing a tangible link between learning, performance and compensation, succession planning and knowledge transfer, by providing training that supports strategic organizational objectives and by fostering a culture of continuous improvement that values organizational learning.

New joiners and long-time employees, technicians and sales people... everyone should receive tailor-made trainings throughout his or her career at Deceuninck.

We believe that a continuous learning culture makes a real difference and it is the way forward to align learning initiatives in the interest of the realization of our business strategy.



When it comes to learning and development, we always keep moving forward at Deceuninck. We learn through in-class group training (physical or online) with an internal or external trainer. We learn on-the-job through colleagues. We grow and develop by getting feedback and mentoring or through engaging conversations through informal social events.

To stay in the lead as a company, we want to scale up learning and development within our organization. ` We remain in the lead by evolving together towards a continuous learning culture. A place where knowledge flows through our company like oxygen, across departments and regions. A place where employees take control of their own training and take ownership of their own learning process, thus positively influencing our strategic business objectives.

Our training offer is driven by Deceuninck's strategic long-term plan. We develop the specific knowledge, skills and competencies that enable every employee to perform in their current job and in function of further growth. We develop the specific knowledge, skills and competences that ensure that each employee, at his or her level, has the opportunity to contribute to the realization of the company objectives.

New in 2023 is the implementation of an online learning platform. This will offer a wide range of online training courses, ranging from communication, IT, finance, people management, time management, language to personal development, for both beginners and experts.

Furthermore, the training offer is clustered in the following eight main themes:

Building a Sustainable Home

With the Best Team

Trust Top Performance Empowerment



1. Customer orientation
Communication and presentation skills, negotiation skills,...



2. Leadership / People and Change Management
Deceuninck leadership program, mentoring, HR Basics, stakeholder management,...



3. Business acumen
Know your Deceuninck market and customers, Code of Conduct, product offering, presentation of the group,...



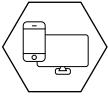
4. (Self)Management
Productivity training, time and attention management,...



5. Health & Wellbeing
Sessions on resilience, ergonomy, training for confidential counsellors,...



6. Safety
Safety training: BA 4, first aid, forklift truck, small extinguishers,...



7. IT
Security awareness training, Word, Excel, Power BI,...



8. Functional Skills
Specific knowledge on-the-job: copywriting, financial training, language courses, minitab, foreman extrusion,...





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

In terms of personal development, we encourage internal and international mobility, enabling employees to move to other countries to pursue their ambitions within the Group.

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

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

Together

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

Ahead

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

Dialogue

- Open conversation and feedback

During the past year, our focus has been on connecting employees by improving internal communication, incorporating the value of ‘Trust’ in the corporate culture and creating social events where colleagues can get to know each other better. This has led to a positive evolution in the turnover figures.

The value ‘Entrepreneurship’ evolved into ‘Empowerment’. We want to mobilize the whole organization bottom-up. The purpose is to push the level of delegation deeper in the organization in combination with defining clear expectations on output with the necessary freedom on how to get there.

Employee Engagement

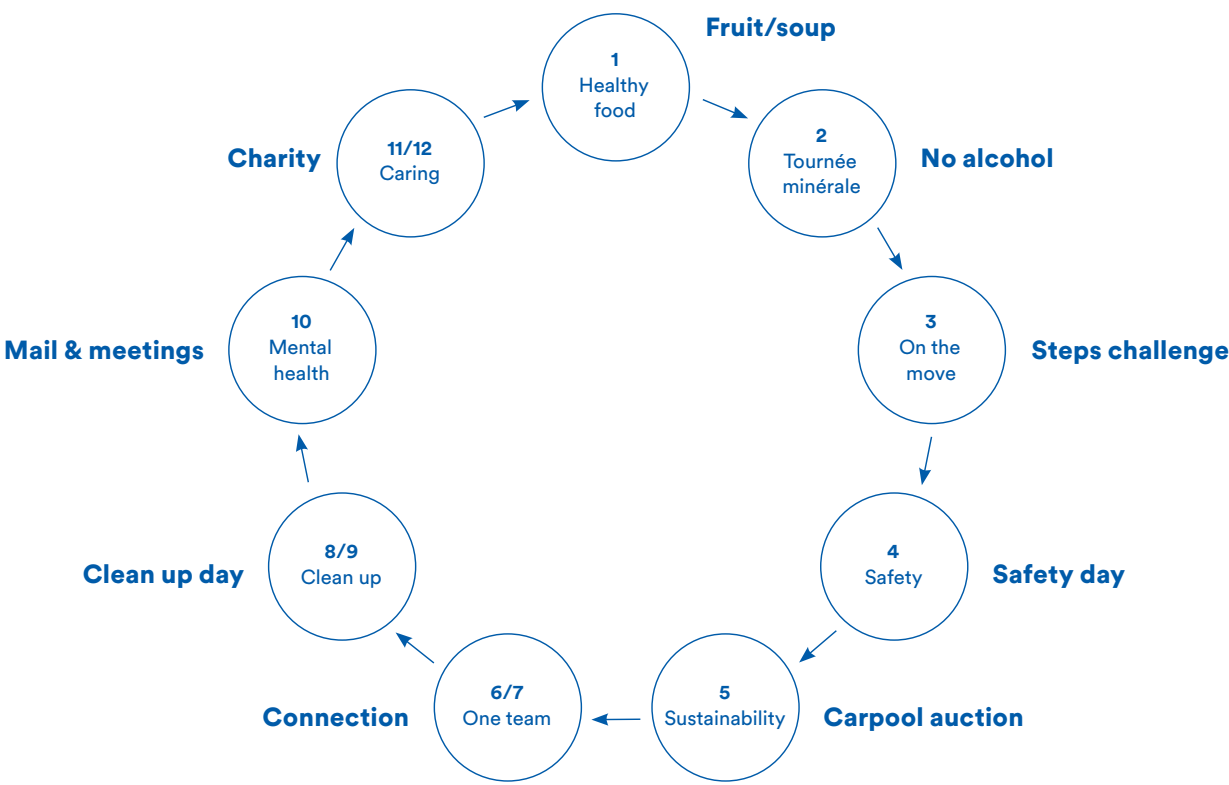
It is a strategic priority of the Group to keep employees engaged and connected to our company and each other. A strong employee engagement is an enabler to a good working culture, reduction of turnover, increase of productivity and better relations with stakeholders. An employee survey is a means to measure and monitor employee satisfaction and take targeted action where needed. In 2023, we increased the number of employee surveys.

- Employee surveys were presented to employees in all the European countries in which Deceuninck is active the last years. In 2023 based on the outcomes action plans were developed around the priorities: Communication, Wellbeing, Development, Community & Organizational structure and division of roles. Furthermore, we prepared and planned to conduct new surveys in 2024 in Belgium, Poland, Spain & UK.

- In Turkey, an Employee Opinions survey was set up at the end of 2022, with a particularly high participation rate of 90%. We implemented detailed action plans, throughout the organization.
- Personnel surveys are set up in Deceuninck North America on a regular basis: a baseline Annual Employee Satisfaction Survey, an update survey, a Culture Improvement Survey, as well as bi-weekly small in person-sessions on specific themes on themes such as Teamwork and Positive Work Environment. The feedback has led to improvement actions such as the Culture Improvement Teams of blue and white collar employees to generate solutions on our focus areas.




Monthly Wellbeing Themes



Engagement includes information exchange and negotiations with labor unions. We recognize the right of any employee to join or to refrain from joining a labor union.

When employees or their close family members encounter exceptional, serious economic and/or health difficulties, we see how we can support them by providing the necessary assistance.

Diversity 			
	2023	2022	2021
Percentage of employees per gender			
Women	17%	15%	14%
Men	83%	85%	86%
Percentage of employees per age group			
Under 30 years old	18%	22%	22%
30-50 years old	56%	58%	58%
Over 50 years old	26%	20%	20%

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

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

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

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

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



Health & Safety			
	2023	2022	2021
Work-related injuries with lost time			
Number:	74	86	110
Rate*:	10.8	13.1	17.4
Number of lost days	1,605	1,616	1,808
Number of workrelated incidents with contractors	11	-	-
Number of fatalities	0	0	0

*Calculated based on 1,000,000 hours worked

Building a sustainable home can only be done in a healthy and safe working environment. By investing in prevention, training, providing safe working tools and monitoring and reporting, we get closer to achieving our aspirational goal of zero accidents. Our ambition is clear: provide safe working environment to all employees, contractors and visitors that work at or visit a site of the Group.

Our EHS management system includes a clear governance structure on group, regional and site level, coordinated by regional EHS managers and with management involvement to review preventive and corrective actions and define targets. Our Turkish plant applies the ISO 45001 Occupational Health and safety management system and in our US plants the Federal & State Occupational Safety & Health Administration Standards are applied. Approximately 30% of our workers is covered by a management system based on legal requirements or a recognised standard and audited by an external party.

Risk assessment is a central element of our EHS management system. Potential risks are assessed periodically, after an incident or near-miss and change of procedure, material or machine. The risk assessment reports contain the identified risks,, lost days, causes and corrective and preventive actions. Risks are mainly linked with contact with moving parts of machines, loading and unloading, tripping/slipping and work at height. In line with company policy, employees report unsafe situations and take steps to correct them immediately.



Incidents and near-misses are reported to the local EHS responsible. Contractors follow the same incident management and reporting procedures.

Several actions have been taken in 2023 to eliminate the hazards and minimize risks linked to the incidents that happened, for example: training and internal alignment of Personal Protective Equipment policies, implementation of blue lights on all material handling equipment, installation of physical barriers on rotating machine parts, repairs of machinery and infrastructure, training to operators and temporary workers.

We continued our efforts to embed a safety culture. A High Potential (HIPO) reporting system was installed to improve recording and reporting. “10 Golden Rules” – behavioural based safety rules to increase safety awareness - were communicated throughout the Group, on all levels of the organization. In all plants a Global Safety Day was organized in April 2023.

our 10 GOLDEN rules

- 

Unsafe conditions: stop work and inform your supervisor.
- 

Accident or near miss: inform your supervisor immediately.
- 

Only use machines or equipment when you are trained and authorized to.
- 

Only enter warehouse areas when you are authorized to.
- 

Use the marked walkways and keep them clean.
- 

Keep distance from material handling equipment.
- 

Don't walk under loads.
- 

Use your Personal Protective Equipment correctly.
- 

Keep your machines and working areas tidy.
- 

Be alert to fire and never smoke outside of designated smoking areas.



Planet



Sight tower in Widuchowa, Poland

Ambition

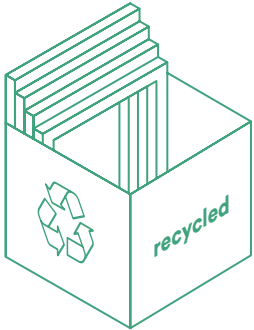
We understand that we have an impact on the environment in which we operate. Our planet gives us food, fresh air, clean water, etc., but the strain on natural resources has a negative impact. The world continues to experience increasing concentrations of greenhouse gases and related extreme weather, rising sea levels. As we affect climate change through our operations and products and climate change might affect our business continuity, we have a responsibility to minimize the environmental impact of our operations. This includes a focus on circular economy, as minimizing waste extraction is key to mitigate and adapt to climate change. Historically, our focus has been on recycling as well as designing and developing innovative products with high

insulation vales, to reduce energy loss and minimize carbon footprint in the use-phase. Since 2022, we combine this focus with a carbon reduction strategy in our production processes, our energy consumption and the sourcing of raw materials. We carefully manage material sourcing, product design, production, logistics and recycling end-of-life. We operate in markets with differing strict and evolving environmental requirements. Compounding, extrusion and foiling, storage of hazardous waste and recycling involve environmental risks. Failure to comply with existing and future environmental legislations may result in penalties, which could have a material adverse effect on costs, financial results and operational continuity.

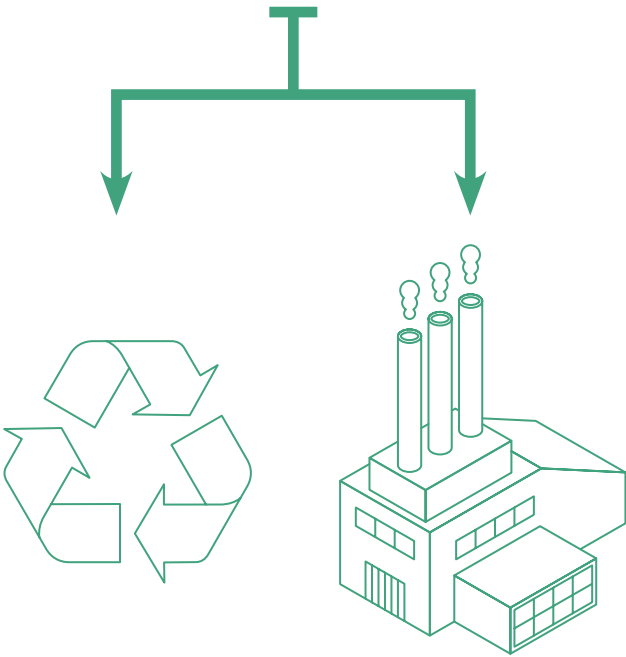
Results and Targets

Our Recycling Activities			
	2023	2022	2021
Input volume material recycled in our recycling plant (tonnes)	24,437	24,107	23,500
Weight of PVC material recycled (tonnes)	19,766	19,804	17,400

Our vision on circular economy: pvc products



100% recyclable



recycling in a closed loop system at superior efficiency

manufacturing long-lasting, low-maintenance products with less virgin material

Our sector leadership in circular economy is clear by the investment in the state-of-the art recycling plant with advanced recycling technologies in Diksmuide (Belgium). Centrally located in Europe, we supply recycled PVC to our extrusion plants. During the recycling process, contaminations are removed, grinded and sorted by colour. Our strategy of in-house recycling provides the Group with a maximum guarantee regarding the long-term supply of good quality recycled PVC.

Recycling post-industrial waste of our own production facilities and customers is what we have been doing since 2012. Our facilities grind and re-use their waste materials as much as possible locally. Only contaminated PVC is not recycled locally. As such, we avoid transport to Diksmuide or other local recyclers re-use.

A circular economy goes further and closes the loop of PVC waste. By collecting waste of demolition and renovation works, the Group has a firm ambition to further increase the recycling volumes in the coming years towards the maximum capacity of the recycling plant: 40,000 tonnes. The investment plan, finalized in 2023, included the preparation of three additional granulation lines and an extra warehouse in 2023.

At the end of 2023, the Group finalized its five-year investment plan for its recycling plant in Belgium. The investment plan supports the gradual increase of the recycling capacity from 8,000 tonnes annually in 2017 to 40,000 tonnes annually in 2024. Deceuninck invested a total of €25 million to futureproof its in-house recycling strategy.

We already collected post-consumer waste in a partnership with recycling hubs in Belgium and flexible solutions for window installers. In 2023, we expanded

this service for Belgian clients via the GoBag solution: a user-friendly big bag service to unburden installers and collect more post-consumer material. We also launched collection projects of client cut-off materials from customers in Turkey and North America.

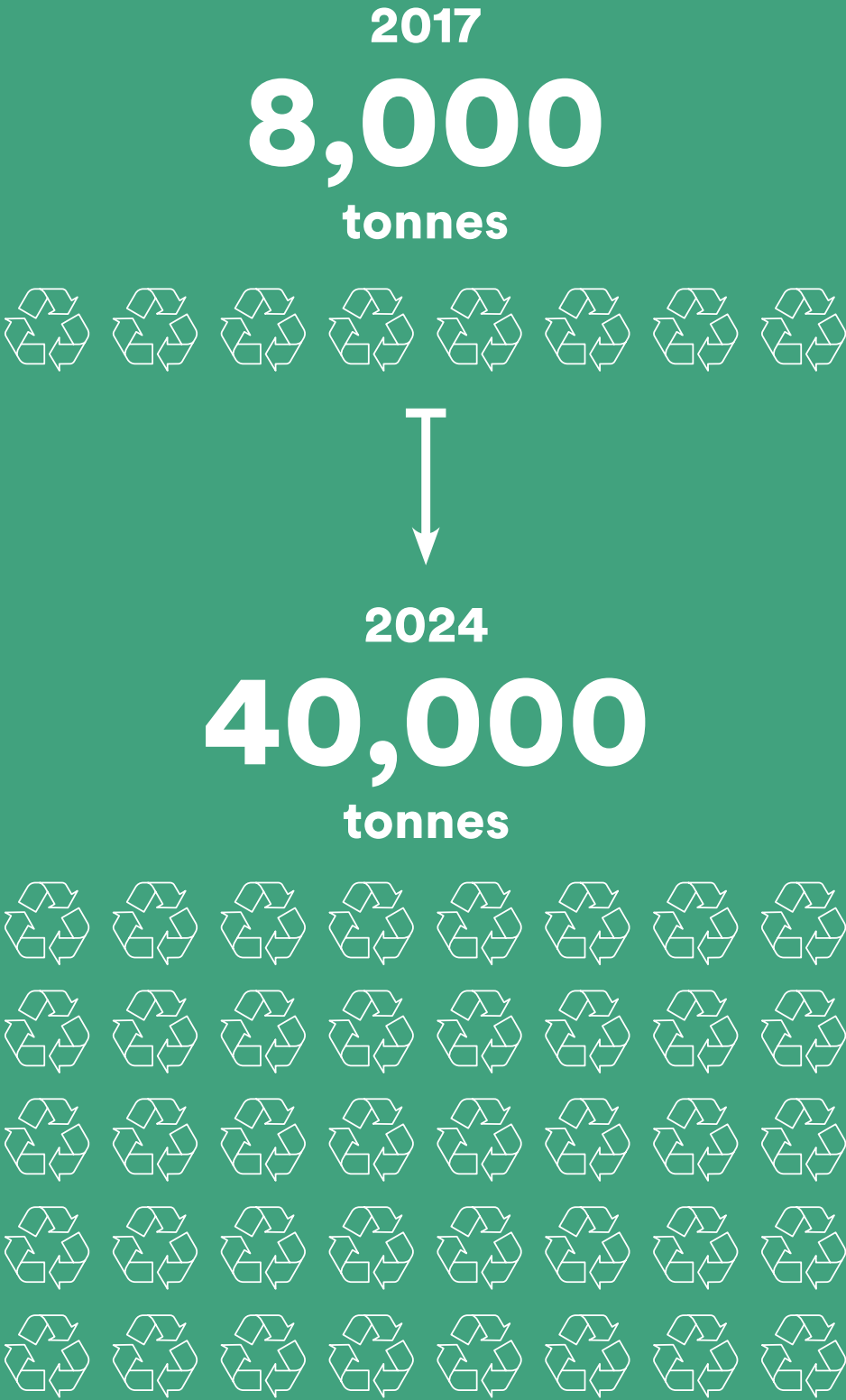
We set up R&D projects with universities and other knowledge and industry partners to investigate how to increase quality of recycling and valorise waste fractions for which no circular solution is possible yet. Examples are: the SUPR² project (reduce the mechanical wear of the recycling line), Remadyl (extract and detect the hazardous legacy substance Lead in recycling PVC additivated) and Cisuflo (new applications for recycled PVC cross-company).

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

The Group recycled 23,437 tonnes of PVC in 2023, resulting in 19,766 tonnes of recycled PVC. These volumes reflect the market demand for recycled PVC in a challenging building and renovation sector in Europe. In 2024, we will keep investing in our recycling activities to be upgraded towards an output capacity of 21,000 tonnes per year.

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

Capacity recycling plant in Belgium

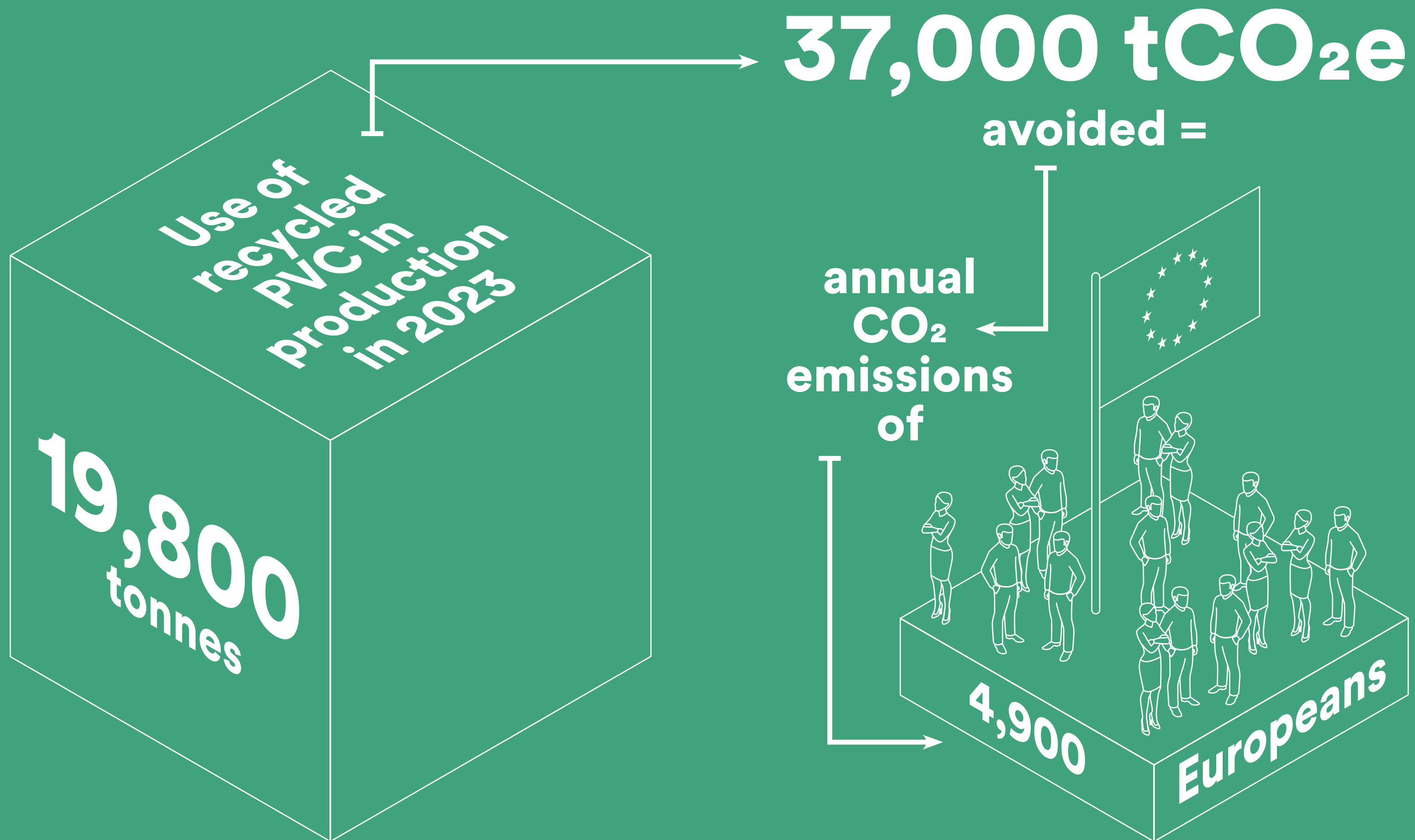


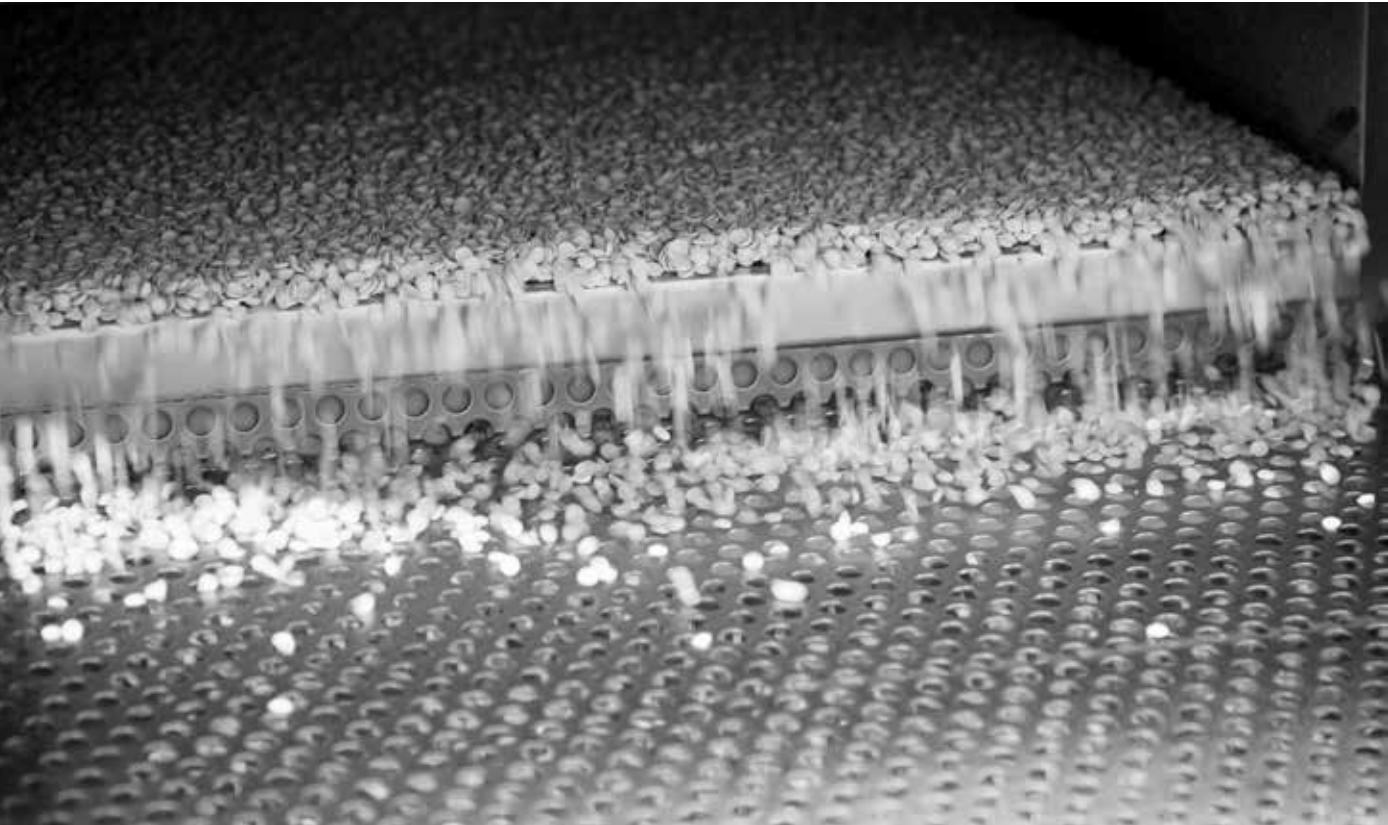
our investment:



25
million

to future-proof in-house recycling strategy





Use of Recycled Material			
	2023	2022	2021
Share of recyclable products	100%	100%	100%
Share of recycled input PVC materials used	18.0%	15.6%	14.9%

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

The use of recycled materials is one of the main design criteria used by our product design teams in the design process. They apply the Design for Recycling guidelines of EPPA, the European Trade Association of PVC Window System Suppliers. We aim to gradually increase the share of recycled content in production in the coming years.

The quality of the recycled material is of paramount importance to ensure the quality of the end-product.

Therefore, we invest in fully automated recycling processes that eliminate other waste streams from the PVC fraction.

All recycled materials comply with the applicable quality certifications.

Our recycling activities are complemented with investments in co-extrusion production lines that combine virgin with recycled PVC in our product manufacturing. In 2023, we invested € 5.5 million in new co-extrusion lines. We will continue our investments in the coming years.

In addition, R&D investigates innovative solutions to upscale the use of recycled material in production. In 2023, on average 18% recycled PVC material was used in production. Calculated against the total input material used, this is a combination of post-consumer waste sourced from our own recycling plant, post-industrial waste originating from our own production and pre-consumer waste from our customers.

Deceuninck North America is GreenCircle Certified for



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

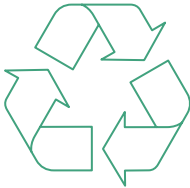
The Elegant product range contains high levels of recycled content, between 15% and 30%, certified by the Vinylplus product label. Phoenix - so far, our strongest circular product achievement - is available since in the BENELUX.

We aim to gradually increase the share of recycled content in production in the coming years.

Volume of raw materials purchased (tonnes)			
	2023	2022	2021
Raw materials: PVC resin	169,000	163,000	200,000
Raw materials: additives	38,000	37,000	41,000
Decorative foil	2,000	2,000	2,000
Reinforcement materials (steel, steelwire, glass fibre)	10,000	8,000	7,500

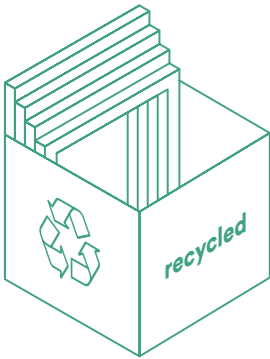
Volume of packaging materials purchased (tonnes)		
	2023	2022
Metal stillages	2,700	800
Wooden stillages	1,600	3,400
Plastic packaging	2,800	2,000

Our ambition:

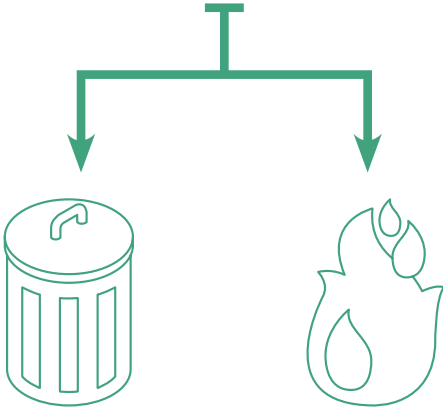


40,000 tonnes

preventing
2
million
windows



from



landfill or incineration



Product Insulation



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

PVC building products provide superior insulation performance and are the most economical solution for insulation. The use of new PVC windows more than halves energy consumption (assuming a 30-year-old window is replaced in accordance with passive house standards).

National building codes are gradually introducing stricter insulation and ventilation targets to meet legislation. Governments worldwide deploy policies that impose stricter energy performance requirements. For example, the revision of the EU Energy Performance of Buildings Directive (provisional agreement reached end of 2023), one of its key initiatives of the EU Renovation Wave

strategy, or the US Federal Building Energy Code for Federal buildings. Beginning of 2023, Turkey also raised its requirements for heat insulation in the Building Energy Regulation.

We design products with optimal insulation values. Our design teams constantly innovate on building products with improved energy performance at an even lower weight. The Elegant product range, based on the uniquely developed iCOR principle, is the result of this product design value into practice. It uses the new iCOR platform of profile combinations and introduces a central gasket for maximum thermal and acoustic performance. Adding the unique ThermoFibra technology with Forthex to make steel reinforcements redundant, the Group is able to manufacture large windows with a significantly lower weight, a better U-value and a faster processing time.

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



Quality control in Calne (UK)

House Components Certifications: in the EU for the Zendow#neo, Elegant Infinity and Elegant ThermoFibra Infinity systems (climate zone warm). Deceuninck Turkey received the first Passive House Component Certification for PVC Windows in Turkey for the Winsa-Revotech window range from the German Passive House Institute. The Group offers several other certified window ranges in Turkey, such as the Pimapen - Nirvana and Egepen Deceuninck - Legend window series

Environmental Product Declarations (EPD)

Environmental Product Declarations (EPD) present the results of a life cycle assessment (LCA). The Group participates to the EPDs of EPPA, updated in 2022 for double-glazed and triple-glazed PVC windows. An EPD for Twinson massive decking is available and an EPD for the complete Twinson product range (terrace and claddings) is in preparation. EPD’s for our products on the French market are in preparation as well. New EPD for laminated and white PVC profiles produced in Turkey have been published in 2023.

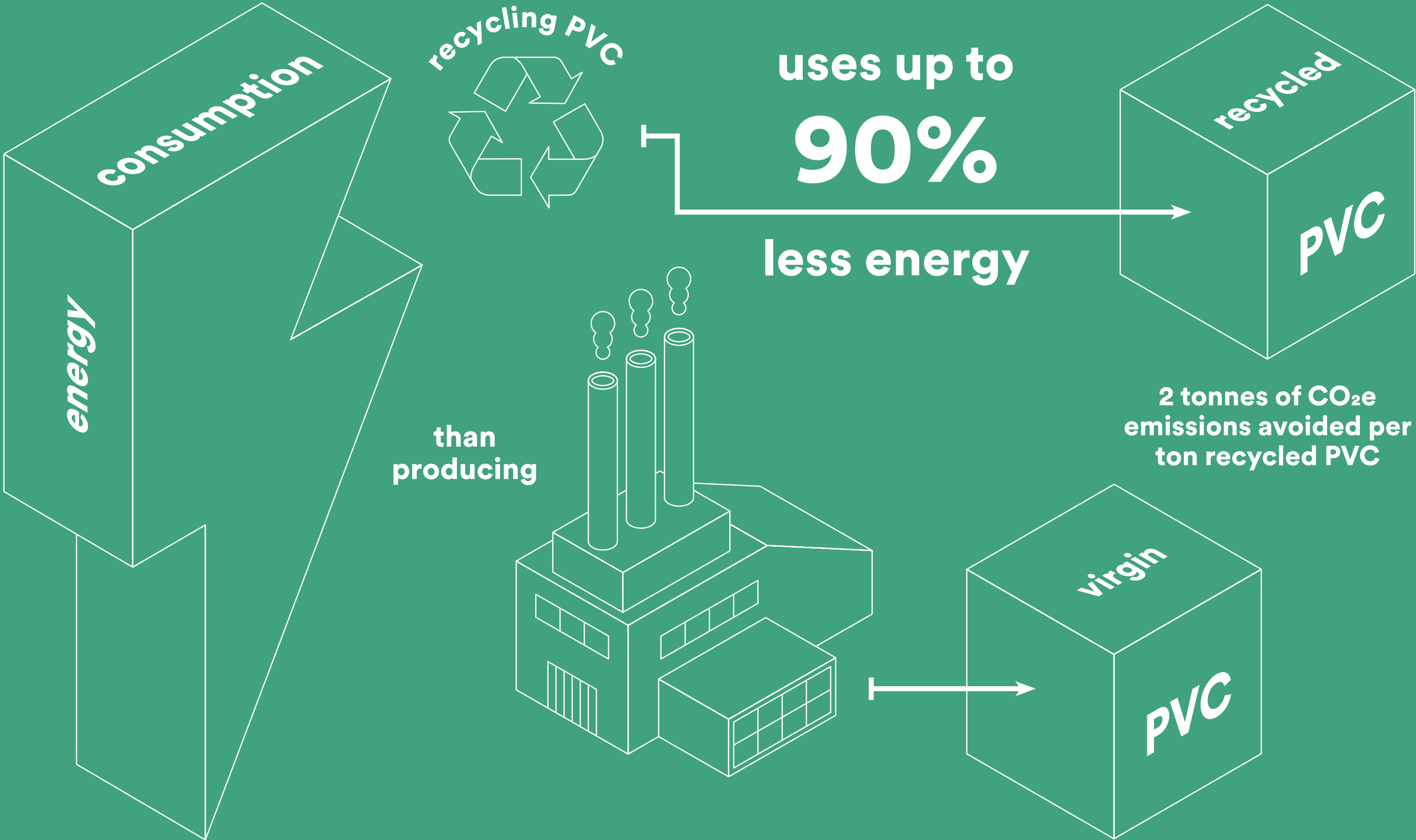
External Verification

Deceuninck North America introduced the Vantage

Vinyl+ certification in 2023. The Vantage Vinyl+ certification attests to the Group’s approach to producing high-quality products that adhere to stringent environmental standards throughout their lifecycle. By achieving this certification, Deceuninck ensures that its products exceed industry benchmarks for sustainability, promoting resource efficiency and reducing environmental impact.

In Europe, the Vinyl Plus product label serves as a tangible testament to the Group’s dedication to sustainable practices. The voluntary label by VinylPlus, BRE and the Natural Step confirms that our products and processes apply to the highest quality, performance and sustainability standards on sourcing, circular economy, organo-chlorine emissions, treatment of hazardous legacy additives and energy consumption and decarbonization. The VinylPlus label is applicable for the product ranges Elegant, Elegant Thermofibra, Zendow, Zendow#neo and Twinson in Europe.





“The validated SBTi targets illustrate our strong commitment to sustainability. For years, we have been a pioneer in our sector because of our recycling facilities.”

Greenhouse Gas Emissions			
	2023	2022	2021
Scope 1 GHG emissions (tCO ₂ e)	12,680	12,916	18,573
Scope 2 GHG emissions location based (tCO ₂ e)	50,807	51,549	59,694
Scope 2 GHG emissions market based (tCO ₂ e)	38,570	48,899	58,751
CO ₂ e emissions Scope 1,2 Market based (tCO ₂ e)	51,250	61,827	78,665
Scope 3 GHG emissions (tCO ₂ e)	481,240	469,524	595,771
Scope 3 GHG emissions intensity ratio (tCO ₂ e)	0.24	0.28	0.34
Scope 3 GHG emissions market based (tCO ₂ e)	2.35	2.26	2.50
Total CO ₂ e emissions (tCO ₂ e)	531,549	530,808	673,095
Total GHG emissions intensity ratio (tCO ₂ e/tonnes)	2.5	2.40	2.75

Deceuninck committed to the ambitious Science Based Targets initiative (SBTi). This global collaboration enables businesses to set targets in line with the level of decarbonization needed to reach the goals of the UN

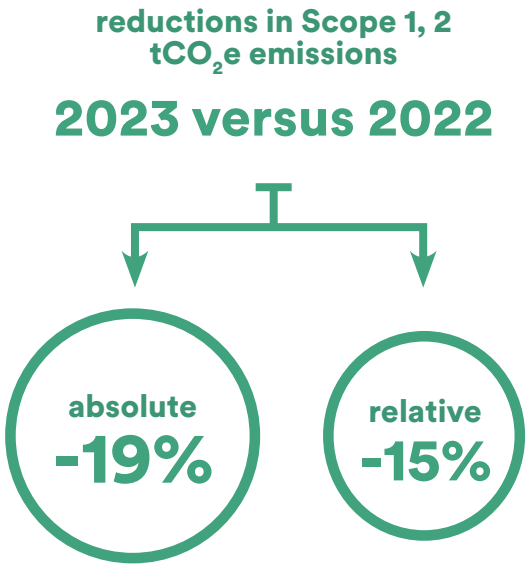
Paris climate agreement. We received validation of the SBTi targets in September 2023.

- Deceuninck commits to reduce absolute Scope 1 & 2 emissions 60% by 2030 from a 2021 base year. This requires a relative emission reduction of 75% per ton of product produced.
- Deceuninck commits to reduce Scope 3 emissions 52% per ton product produced by 2030 from a 2021 base year.
- Deceuninck commits to reach net-zero GHG emissions across the value chain by 2050.

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

We want to lead by example in our industry and look forward to taking continued meaningful climate action jointly with our suppliers and other stakeholders.

Unsurprisingly, the impact of the indirect emissions in the supply chain is very large, because to manufacture PVC (polyvinylchloride) two key feedstocks are needed: chlorine and ethylene. Ethylene is mainly derived from non-renewable fossil fuels, either crude oil or natural gas (and also shale gas). Raw materials (Scope 3) contribute



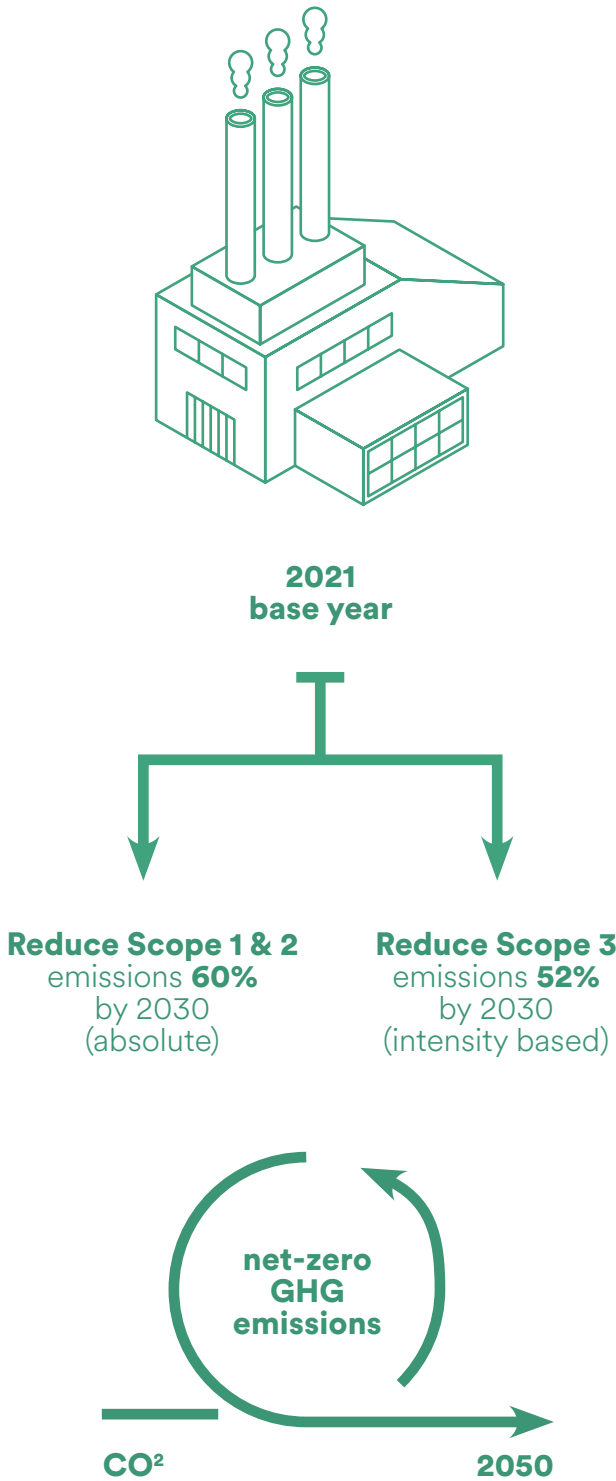
to around 80% of our total carbon footprint, almost 60% is linked to virgin PVC resin. To make tangible steps towards reaching the Scope 3 sustainability ambitions, we conduct an open dialogue with key suppliers about capabilities and objectives, as a basis to identify the suppliers that are best suited to co-drive sustainability.

The second largest contributor comes from the energy consumption in our operations (11%) of Scope 1 and 2 emissions. The use of electricity accounts for the largest share (7%), following by natural gas use (1.5%). Other contributors to energy consumption - to a much lower extent - are the use of fuel oil and propane as well as leakages of refrigerants. In 2023, we further executed the energy efficiency roadmap with actions on site-level on pre-defined priority axes.

Logistics (5%) represent the third main source of CO₂e emissions, largely influenced by road transportation. Company cars, commuting, business travel and waste each represent < 1% of our climate impact.

Emissions (in absolute terms) stayed equal between 2023 and 2022. Emissions (in relative terms) have increased by 5% between 2023 and 2022 and between 2022 and 22% by 22%. Fluctuations are mainly driven by the quantities of raw materials processed. We notice a positive effect of our energy efficiency efforts, as Scope 1&2 emissions have reduced by 19% in absolute terms.

Our ambition



A man with short grey hair, wearing a dark blue long-sleeved shirt with the 'deceuninck' logo on the chest and blue jeans with a black belt, stands with his arms crossed in a warehouse. The background is filled with large stacks of reddish-brown roof tiles.

#TeamDeceuninck

In a country that demands excellence in quality, design and customer focus, it makes me proud to represent Deceuninck, a company that has these core values at its heart and embedded throughout the DNA of the entire Australian team. As we continue to meet the sustainability challenges before us, Deceuninck's positive and proactive initiatives in this important field bring confidence to our global market.

**Brad Scharenguivel, Country Manager,
Deceuninck Australia**

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

Energy Management			
	2023	2022	2021
Total electricity consumption (MWh)	169,447	175,028	186,386
Total natural gas, propane, lpg consumption (MWh)	46,070	53,369	94,074
Total fuel oil consumption (MWh)	3,171	4,267	5,580
Total energy consumption (MWh)	218,688	232,664	286,041
Energy intensity: total energy consumption / production volume (MW/tonnes)	1.03	1.05	1.24
Percentage of electricity use from renewable sources	45%	18%	16%

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

We continued the implementation of the Group energy efficiency investment plan which was agreed upon in 2022. Priorities were set on the biggest contributors to energy consumption and quick wins in the extrusion plants, which amount for the highest electricity consumption :

- Installation of energy meters on machinery and integration of monitoring results in software
- Replacements of lighting systems
- Renewal of machinery with better energy performance
- Compressed air leak efficiency, detection and repair
- Electrification of forklifts


The share of renewables in the energy mix is a mixture of the purchase of Renewable Energy Certificates (REC) in Europe, a trigeneration power system used in Turkey and own production of solar PV in Turkey and Europe, respectively for 37%, 5% and 1.5%. We expanded the purchase of REC purchases for all European plants in 2023. We started a multi-year investment plan to increase own roof solar PV production in 2023, with the installation of a 5,400 KWp in total, of which 3,000 KWp in Belgium and 2,400 KWp in Turkey which represents a total investment of € 3.5 million.



Water Management			
	2023	2022	2021
Total water withdrawal (m³)	256,941	269,487	230,514
Water intensity: total water withdrawal/production volume (m³/tonnes)	1.22	1.27	1.01
Total water withdrawal per subcategory (m³)			
Rainwater	12,528	17,313	17,684
Groundwater	35,253	35,547	30,140
Drinking water	209,160	205,727	182,690
Total water withdrawal in areas with water stress (m³)	188,051	196,995	180,397
Water withdrawal in areas with water stress per subcategory (m³)			
Rainwater	12,831	14,313	17,684
Groundwater and surface water	24,935	33,380	28,931
Drinking water	150,588	149,302	133,782

Water is an inherent part of extrusion processes, as it is used to cool the PVC material upon completion of extrusion. It is used in recycling to clean the material to be recycled. Water, once an abundant natural resource, is becoming a more valuable and increasingly scarce commodity due to the physical effects of climate change and overuse. We therefore must use it responsibly, especially in water stress regions.

Responsible use of water is an ongoing point of attention. Our water management focuses on: monitoring of water consumption, investments in water re-use and investments in filtration systems to avoid soil and ground water contamination upon discharge. Actions are focused on the plants located in areas with high water stress (where the water demand exceeds the supply): Menemen and Kartepe (Turkey), Gits and Diksmuide (Belgium) and Borox (Spain).

Waste Management 			
	2023	2022	2021
Total volume of waste (tonnes)	14,371	12,848	14,136
Total volume of hazardous waste (tonnes)	326	308	279
Waste intensity (kg/tonnes)	68.0	62.1	61.7

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

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

- We check if we can reduce or eliminate the waste stream

- We focus on the re-use of PVC waste streams as raw material in our own production
- We sort to allow optimal waste processing
- We process it with a third party in the most environmentally neutral way, in order of preference: recycling / incineration with energy recovery / incineration without energy recovery / landfilling

Waste intensity has increased in 2023 mainly due to more complete reporting efforts.

Our operations and R&D teams work on several projects to reduce the PVC waste in production. We launched an analysis with our suppliers to assess the possibilities to increase the share of recycled plastic in packaging materials in Europe. We are engaged in the voluntary initiative Operation Clean Sweep where we pledge to prevent PVC pellet, flake and powder losses. This has led to several prevention and cleaning actions in our factories in Belgium.

External Certifications

Our production facility in Bogen is ISO 50001 certified for energy management. Our production sites in Belgium, Turkey and the United Kingdom are ISO 14001 certified for environmental management.



Deceuninck HQ, Hooglede-Gits (Belgium)



Community

Ambition

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

Our production and distribution activities are subject to possible liability risks related to our products and our supply chain (human rights violations, bribery and corruption). Any act of non-compliance can lead to a negative impact on the reputation of the Group and the industry, supply chain interruptions and legal penalties.

We took measures to protect our customers and to ensure that our employees, officers, agents, subcontractors and our suppliers act in accordance with applicable laws, as well as the highest standards of integrity and ethical practice.

Results and Targets 2023

Health and Safety of the End-User			
	2023	2022	2021
Number of incidents of non-compliance with health & safety regulations and voluntary labels	0	0	0

It is critical to the Group to manufacture top quality products. Health and safety are an essential quality element, meaning that we do not tolerate that our products harm the end-users during their lifetime.

Products must be designed, produced and serviced in accordance with the applicable product standards and should comply with regulations and contractual obligations.

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

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

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

The Group’s PVC profiles containing post-consumer recycled material put on the market in the EU are



“The European legislator determined that recycling lead (Pb)-containing material within a closed-loop system represents the safest and most sustainable approach existing on the market.”

consultable in SCIP, the database for information on Substances of Concern In articles as such or in complex objects (Products). This EU database, established under the EU Waste Framework Directive, is intended to support consumers and waste managers in identifying Substances of Very High Concern containing products (SVHC) present in a concentration above 0.1% weight by weight (w/w), notably lead (Pb) and Cadmium (Cd). Lead free test reports of virgin PVC compound are available for all products.

The EU has voted a ban to use the heavy metal lead in rigid PVC with a conditional derogation for recycled rigid PVC in 2023. Effective from 29th November 2024, new legal provisions will apply to the use of recyclate containing lead (Pb) with a concentration of up to 1.5% in

a closed-loop system in specific applications.

The European legislator determined that recycling this lead (Pb)-containing material within a closed-loop system represents the safest and most sustainable approach to manage this lead (Pb) existing on the market. The recycled materials are incorporated in a fixed and insoluble form into the PVC matrix. As a result, handling of the profiles and the material is considered to be harmless and safe.

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



Business Ethics			
	2023	2022	2021
Rate of new joiners (white collars) who completed the Code of Conduct e-learning	83%	72%	85%
Number of incidents of non-compliance	1	2	1

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

The policies and procedures related to anti-discrimination, anti-bribery and anti-corruption are set out in our Human Rights Policy and our Code of Conduct for employees. Violations are unacceptable and should be raised in accordance with our Whistleblower Procedure. The Group's whistleblower mechanism enables employees to report any breach of the Code of Conduct, internal policies, laws and regulations in a confidential

manner outside of their normal management reporting lines. Whistleblower reports are extremely important as they can lead to effective detection, investigation and follow-up of wrongdoing and/or breaches of the Code of Conduct, internal policies and procedures, laws and regulations that would otherwise remain hidden. Encouraging people to report such wrongdoing and protecting them when they do, is essential to prevent corruption. In addition, the Group Internal Audit monitors adherence to the policies.

To make sure that we all have the same understanding of the Code of Conduct principles, new joiners follow an e-learning program as part of the onboarding process. The program explains the main principles and rules of the Code of Conduct and covers topics such as anti-bribery and anti-corruption, ethics, data protection, quality and sustainability. The training is currently only available for white collars. We plan to extend the training to all employees in 2024.

All aforementioned policies are available on the Company website.



Business Ethics in The Supply Chain			
	2023	2022	2021
Number of suppliers who signed the Code of Conduct	657	456	49
Percentage of spend covered by signed Code of Conduct	82%	55%	-

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

Our priority in 2023 was to further increase the number of suppliers who sign the Supplier Code of Conduct. We focused on the key suppliers in terms of spend. These typically include the raw material suppliers.

We integrated this supplier commitment as part of the procurement protocol for new supplier contracts. We exceeded our goal for 2023 to have supplier commitment representing 70% of spend.

A high-level risk screening showed that the large majority of the suppliers operate in low-risk countries and have policies in place to mitigate potential negative impacts. Nevertheless, we want to avoid all residual risks, notably linked to human and environmental rights. We will therefore conduct a more detailed risk mapping of key raw material suppliers in 2024. Based on the outcome, we will decide on supplier awareness and control actions.

Data Protection

The Group’s main activity is not the processing of personal data. However, in the interest of our business activities, our employees and our business partners, the Group is committed to do the utmost to protect personal data against unauthorized users 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 (GDPR), the Group implemented the necessary policies and procedures and organized trainings and awareness campaigns through its Intranet, targeting in particular Sales and Marketing and HR departments.

The Privacy Statement, available on our website, details the related policy.

In 2023, no security breaches of privacy or loss of data were reported.

Community Engagement

	2023	2022	2021
Money raised through charity projects	€ 25,000	€ 94,000	€ 42,000

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

In 2023, our charitable engagement took a significant stride towards making a meaningful impact on the lives of those affected by the earthquake in Turkey. The disaster particularly impacted several employees within the Turkish branch of the Group. Through collaborative efforts, we endeavoured to alleviate the hardships faced by the affected communities, offering essential assistance to rebuild and restore hope.

- Deceuninck Turkey assisted in rebuilding 100 schools after the horrible earthquake.
- Employees in Turkey supported the Movement of Hope not-for-profit of Izmir Municipality, which supports victims with essential materials such as tents, clothing and food.
- In May 2023 employees in Belgium organized an auction of which the proceeds - € 5,100 – went to the Turkish not-for-profit Ahbap, to support victims with shelter, food and medical supplies.

Other significant support was given to:

- The Deceuninck C3 Compassion for Community and Causes programme in US: support to Wreaths Across America, local youth baseball, high school football
- YouthStart: a Belgian organization that provides support and resources to empower young people, particularly in the context of entrepreneurship and financial education
- In December 2023, employees in Belgium organized several fundraising actions for 'De Warmste Week'. Deceuninck doubled the amount collected and together we raised € 10,000, more than twice the amount that was raised 2022.



Taxonomy Disclosure

Background information for interpretation of the reporting on the EU Taxonomy

Rationale of the environmental objectives reported: Climate Change objectives (CCM and CCA)

Recycling activities of Deceuninck are eligible for the Climate Change Mitigation objective of the EU Taxonomy. The EU Taxonomy reporting concerns the ‘sorting and processing of separately collected waste streams from post-consumer windows and doors into secondary raw materials involving a mechanical transformation process’, under activity CCM 5.9. Material recovery from non-hazardous waste.

The Group complies with the Technical Screening Criteria of the EU Taxonomy, as 90% of the separately collected non-hazardous waste, is processed into secondary raw materials suitable for the substitution of virgin materials in production processes. More information on the recycling activities can be found in the Sustainability Chapter (section Planet) of the Annual Report.

The window and door manufacturing of Deceuninck is not eligible under the Delegated Act Climate Change Mitigation, notably the economic activity ‘Manufacture of the windows and doors at the best available techniques for energy efficient equipment for buildings and their key components’ under EU Taxonomy 3.5 Manufacture of energy efficiency equipment for buildings. The Technical Screening Criteria, more specifically the U-values, are not applicable because the U-values mentioned are not in line with the U-values we as a system house apply. The indicated U-values apply to full windows, whereas U-values for window components have not been defined. We understand that possible future update of the technical screening criteria in the future might change our current eligibility judgment.

We call on EU policy makers to revise these criteria for windows and doors in the EU Taxonomy for EU profile manufacturers.

Deceuninck does not offer products that have the possibility to substantially contribute to Climate change Adaptation, as our products cannot be seen as solutions to reduce the physical climate risks.

Rationale of the environmental objectives reported: Circular Economy objective (CE)

Recycling activities of Deceuninck are eligible for the Circular Economy objective of the EU Taxonomy, activity CE 2.7. Sorting and material recovery of non-hazardous waste, notably Construction, upgrade, and operation of facilities for the sorting or recovery of non-hazardous waste streams into high quality secondary raw materials using a mechanical transformation process.

The profile manufacturing activities of Deceuninck are not eligible under the Delegated Act on the Circular Economy, as they are not included in the Delegated Act.

Rationale of the Alignment reporting (CCM & CE)

Following a risk assessment, we have positively assessed the applicable Do No Significant Harm (DNSH) criteria Climate Adaptation and Biodiversity. The approach followed is in line with our risk management:

- Chronic environmental risks mapping
- Identification of mitigation measures to avoid and reduce potential negative effects
- Certified environmental management system in place
- Residual environmental risk mapping and evaluation of potential extra mitigation actions

The Group does not meet the ambitious DNSH criteria Pollution in the Circular Economy objective, notably the specified filtration system of microplastics. The principles of the industry standard on prevention, cleaning and monitoring of release of microplastics resulting from PVC powder and pellet losses in operations (Operation Clean Sweep) are however applied.



Deceuninck carries out economic activities across the globe in a responsible and respectful way. In doing so, we are committed to complying with the Minimum Safeguards referred to in Article 18 of the Taxonomy Regulation. The Annual Report, particularly the Risk and Governance chapter and the Community chapter of the Sustainability Report, describes the policies and practices implemented to ensure alignment with the OECD Guidelines and UN Guiding Principles in the domains of human rights, anti-corruption and bribery, taxation, fair business practices and information disclosure. Deceuninck has not been found in violation of labour or human rights, anti-corruption, tax or competitions laws and has not had any interactions with an OECD National Contact Point or a Business and Human Rights Contact Center.

Background on the calculation methods (CCM & EC)

Turnover is reported in accordance with IFRS Standards in the EU. Turnover of the EU Taxonomy eligible activity includes the intra- and intercompany sales of recycled PVC of our recycling plant in Diksmuide (Belgium). The proportion is a calculation of the recycled volume versus the total volume sold, including the external sales of recycled material.

The definition of CapEx is related to the additions in accordance with IAS16, IAS38, IAS40, IAS41 and IFRS16. See Note 9 (PPE), Note 6 (intangibles excl goodwill) en Note 20 (leasings) in the Annual Report. Labor costs of maintenance are not included neither in numerator nor the denominator because they cannot be extracted from internal HR and finance systems.

The definition of OpEx is in line with the EU taxonomy regulation art. 8. Group OpEx consists of direct costs of R&D (except management costs), maintenance and repair costs, cleaning costs and short-term leasing costs.

This is a change in scope compared to the definition applied in the Taxonomy reporting 2021 and 2022, as all Opex was included with the exception of depreciations, write-offs and other operating results. 2022 information has been restated in the 2023 Taxonomy reporting.

CapEx and OpEx under the EU Taxonomy are related

to the recycling activities of the (compounding and recycling) plant in Belgium. The largest share of CapEx of the recycling activity is related to investments in machinery for the expansion of the factory. The largest share of Opex of the recycling activity is related to maintenance of equipment and machinery.

In the reporting template the amounts related to the recycling activities (CCM 5.9 & CE 2.7) are not double-counted in the sum of the Taxonomy-aligned activities.

Rationale of the reporting on other activities: Climate Change Mitigation objective (CCM)

In the context of the Group’s decarbonization objectives, several investments contribute substantially to 4 economic activities under the Climate Change Mitigation objective:

- CCM 7.3 Installation, maintenance and repair of energy efficiency equipment
- CCM 7.4 Installation, maintenance and repair of charging stations for electric vehicles on parkings attached to buildings
- CCM 7.5. Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings
 - » Installation of smart energy meters on machinery at the Group’s facilities.
- CCM 7.6. Installation, maintenance and repair of renewable energy technologies
 - » Installation of Solar PV systems on the Group’s facilities

The Group does not meet the DNSH criteria Climate Change Adaptation on all sites concerned and therefore only reports eligibility.

The CapEx amounts are reported. OpEx amounts are not material and therefore not reported.

Fossil gas and nuclear energy economic activities

The Group does not invest in taxonomy-aligned fossil gas and nuclear energy economic activities (Delegated Act 2022/1214).





Proportion of turnover from products or services associated with Taxonomy-aligned economic activities
Disclosure covering year: 2023

				Substantial Contribution Criteria					DNSH Criteria ('Does Not Significantly Harm')(h)													
Economic Activities ⁽¹⁾	CCM 5.9	Turnover ⁽³⁾	Proportion of Turnover N ⁽⁴⁾	Climate Change Mitigation ⁽⁵⁾	Climate Change Adaptation ⁽⁶⁾	Water ⁽⁷⁾	Pollution ⁽⁸⁾	Circular Economy ⁽⁹⁾	Biodiversity ⁽¹⁰⁾	Climate Change Mitigation ⁽¹¹⁾	Climate Change Adaptation ⁽¹²⁾	Water ⁽¹³⁾	Pollution ⁽¹⁴⁾	Circular Economy ⁽¹⁵⁾	Biodiversity ⁽¹⁶⁾	Minimum Safeguards ⁽¹⁷⁾	Proportion of Taxonomy aligned (A.1) or eligible (A.2) turnover, year N-1 ⁽¹⁸⁾	Category (enabling activity) ⁽¹⁹⁾	Category (transitional activity) ⁽²⁰⁾			
																		E	T			
A. TAXONOMY-ELIGIBLE ACTIVITIES																						
A.1. Environmentally sustainable activities (Taxonomy-aligned)																						
Material recovery from non-hazardous waste	CCM 5.9			Y	N/EL	N/EL	N/EL		N/EL	N/A	Y	N/A	N/A	N/A	Y	Y						
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		50,939,933	5.88%	5.88%	0%	0%	0%		0%											6.10%		
Of which Enabling		50,939,933	5.88%	5.88%	0%		0%		0%											6.10%	E	
Of which Transitional		0	0%	0%																T		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																						
Sorting and materials recovery of non-hazardous waste	CE 2.7																					
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	CE 2.7	50,939,933	5.88%		0%	0%	0%	5.88%	0%													
A. Turnover of Taxonomy eligible activities (A1+A2)	CCM 5.9 & CE 2.7	50,939,933	5.88%		0%	0%	0%	5.88%	0%													
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																						
Turnover of Taxonomy-non-eligible activities		815,157,757	94.12%																			
Total		866,097,690	100%																			





Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities
Disclosure covering year: 2023

				Substantial Contribution Criteria						DNSH Criteria ('Does Not Significantly Harm')(h)										
Economic Activities ⁽¹⁾				Proportion of CapEx, year N ⁽⁴⁾	Climate Change Mitigation ⁽⁵⁾	Climate Change Adaptation ⁽⁶⁾	Water ⁽⁷⁾	Pollution ⁽⁸⁾	Circular Economy ⁽⁹⁾	Biodiversity ⁽¹⁰⁾	Climate Change Mitigation ⁽¹¹⁾	Climate Change Adaptation ⁽¹²⁾	Water ⁽¹³⁾	Pollution ⁽¹⁴⁾	Circular Economy ⁽¹⁵⁾	Biodiversity ⁽¹⁶⁾	Minimum Safeguards ⁽¹⁷⁾	Proportion of Taxonomy aligned (A.) or eligible (A.2) CapEx, year N-1 ⁽¹⁸⁾	Category Enabling Activity ⁽¹⁹⁾	Category transitional Activity ⁽²⁰⁾
				%							Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
				Currency																
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Material recovery from non-hazardous waste				CCM 5.9	3,779,132	5.45%	Y	N/EL	N/EL	N/EL		N/EL	NA	Y	N/A	N/A	N/A	Y	Y	
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)					3,779,132	5.45%	5.9%	0%	0%	0%		0%							7.60%	
Of which Enabling					3,779,132	5.45%	5.9%	0%	0%	0%		0%							7.60%	E
Of which Transitional					0	0%	0%													T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Sorting and material recovery of non-hazardous waste				CE 2.7	3,779,132	5.45%		N/EL	N/EL	N/EL	Y	N/EL								
Installation, maintenance and repair of energy efficiency equipment				CCM 7.3	496,315	0.72%	Y	N/EL	N/EL	N/EL	N/EL	N/EL								
Installation, maintenance and repair of energy efficiency equipment				CCM 7.4	362,271	0.52%	Y	N/EL	N/EL	N/EL	N/EL	N/EL								
Installation of instruments for measuring, regulation and controlling energy performance				CCM 7.5	59,877	0.09%	Y	N/EL	N/EL	N/EL	N/EL	N/EL								
Installation of renewable energy technologies				CCM 7.6	3,624,045	5.22%	Y	N/EL	N/EL	N/EL	N/EL	N/EL								
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)					8,321,639	11.99%		0%	0%	0%	11.99%	0%								
A. CapEx of Taxonomy eligible activities					8,321,639	11.99%		0%	0%	0%	11.99%	0%								
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
CapEx of Taxonomy-non-eligible activities (B)					61,068,708.33	88.0%														
Total (A + B)					69,390,347.48	100%														





Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities.
Disclosure covering year: 2023

				Substantial Contribution Criteria						DNSH Criteria ('Does Not Significantly Harm')(h)									
Economic Activities ⁽¹⁾	Code (a) ⁽²⁾	CapEx ⁽³⁾	Proportion of CapEx, year N ⁽⁴⁾	Climate Change Mitigation ⁽⁵⁾	Climate Change Adaptation ⁽⁶⁾	Water ⁽⁷⁾	Pollution ⁽⁸⁾	Circular economy ⁽⁹⁾	Biodiversity ⁽¹⁰⁾	Climate Change Mitigation ⁽¹¹⁾	Climate Change Adaptation ⁽¹²⁾	Water ⁽¹³⁾	Pollution ⁽¹⁴⁾	Circular economy ⁽¹⁵⁾	Biodiversity ⁽¹⁶⁾	Minimum Safeguards ⁽¹⁷⁾	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) ⁽¹⁸⁾	Category Enabling Activity ⁽¹⁹⁾	Category Transitional Activity ⁽²⁰⁾
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Material recovery from non-hazardous waste	CCM 5.9	2,621,361	8.62%	Y	N/EL	N/EL	N/EL		N/EL	N/A	Y	N/A	N/A	N/A	Y	Y	8.70%		
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		2,621,361	8.62%	5.9%	0%	0%	0%		0%								8.70%		
Of which Enabling		2,621,361	8.62%	5.9%	0%	0%	0%		0%								8.70%	E	
Of which Transitional		0	0%	0%															T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Sorting and material recovery of non-hazardous waste	CE 2.7	2,621,361	8.62%		N/EL	N/EL	N/EL	Y	N/EL										
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	CE 2.7	2,621,361	8.62%		0%	0%	0%	8.62%	0%										
A. OpEx of Taxonomy eligible activities		2,621,361	8.62%		0%	0%	0%	8.62%	0%										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities (B)		27,795,702.93	8.62%																
Total		30,417,064.27	100%																



#TeamDeceuninck

What I enjoy most is getting to experience the different cultures and business practices within Deceuninck worldwide. It's really fulfilling to uncover new insights and opportunities during each audit, and it motivates me to keep learning all the time.

**Bensu Okur, Global Audit Specialist,
Deceuninck Turkey**



2.6 Financial Performance



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



2.6.1 Deceuninck Consolidated

This annual report needs to be read together with the audited consolidated financial statements of Deceuninck Group, referred to as the Group, and the notes to the financial statements. These audited consolidated financial statements were authorized by the Board on 27 February 2024.

2023 Results

Income statement

Consolidated sales in 2023 decreased to € 866.1m, down 11.1% from € 974.1m in 2022, of which 7% resulting from exchange rate, price and product mix movements and a 4% decrease in volumes due to lower activity in Europe and North America, partially compensated with increased volumes in Turkey.

The Adj. EBITDA increased to € 117.9m (+15.3% vs 2022). The Adj. EBITDA margin in 2023 was 13.6%, 3.1 percentage point higher than in 2022 (10.5%). Improvement in Adj. EBITDA is driven by strong volumes combined with a favorable product mix in Turkey and improved operational efficiency in North America. In Europe, decreased volumes led to lower efficiency levels combined with operational costs increases following high inflation. Additionally, hyperinflation accounting in Turkey led to a positive Adj. EBITDA impact of € +6.6m (2022: € +1.5m).

Adj. EBITDA-items (difference between EBITDA and Adj. EBITDA) amount to € 21.1m (vs € 4.9 m in 2022), including costs related to the restructuring provision in Europe and Emerging markets and the Elegant transition in Europe.

The negative financial result mainly reflects the hyperinflation impact on monetary assets in Turkey. In 2023 the impact amounted to € (25.7)m compared to

€ (16.9)m in 2022, driven by an inflation of 64.8% in Turkey. Lower outstanding debt and positive foreign exchange rate results have led the remaining financial result to improve by € 6.3 m compared to 2022.

Depreciations and amortizations decreased from € 50.1m in 2022 to € 44.8m in 2023, as 2022 was negatively impacted by the impairment of property, plant and equipment in Russia for an amount of € 7.9 m.

Income taxes have decreased from € (8.7)m in 2022 to € (4.0)m in 2023 as a result of the additional recognition of deferred tax assets in Europe and the decision of the Turkish government to also implement Hyperinflation accounting for the Turkish tax accounting, which lowers the temporary taxable differences.

As a result of the above, net profit increased from € 7.6 m in 2022 to € 13.6m in 2023 and Earnings per Share increased from € 0.04 to € 0.07.

Cash flow and Balance Sheet

Capex amounted to € 56.1m in 2023 compared to € 48.4m in 2022. Capex included investments with a focus on the Elegant transition, solar panels, IT security and aluminum coating activities in Turkey.

The Net Debt decreased from € 88.3m on 31 December 2022 to € 70.6m, causing leverage to decrease from 0.9x to 0.6x. Decrease in Net Debt is driven by increased operating cashflow with solid working capital improvements in the last twelve months.

Working capital has decreased from € 115.6m to € 81.6m, driven by significantly lower inventory levels in Europe and North America and decreased PVC prices.

Non-financial information

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

Research and Development (R&D)

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

Events after the balance sheet date

Please refer to Note 27 of the consolidated financial statements.

Other circumstances

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

Deceuninck Group: key figures

KEY FIGURES* (IN € MILLION)	2021	2022	2023	EVOLUTION 2022 - 2023
Consolidated Income Statement (in € million)				
Sales	838.1	974.1	866.1	-11%
Adjusted EBITDA	97.7	102.3	117.9	15%
EBIT	54.3	47.2	51.9	10%
Net Profit	37.2	7.6	13.6	79%
Consolidated Statement of Financial Position (in € million)				
Equity	258.9	319.6	315.0	-1%
Net Debt	61.9	88.3	70.6	-20%
Total Assets	675.1	709.6	680.9	-4%
Capital Expenditure	43.6	48.4	56.1	16%
Working Capital	84.3	115.6	81.6	-29%
Capital Employed	354.9	440.4	439.0	0%
Ratios				
Net Profit / Sales	4.4%	0.8%	1.6%	-
Adjusted EBITDA / Sales	11.7%	10.5%	13.6%	-
Net Debt / Adjusted EBITDA	0.63	0.86	0.60	-
EBIT / Capital Employed	15.3%	10.7%	11.8%	-
Headcount				
Total Full Time Equivalents (FTE)	3,709	3,939	3,986	-

* Definitions: See glossary



2.6.2 Financial Statements and Notes

Deceuninck consolidated income statement

FOR THE 12 MONTH PERIOD ENDED 31 DECEMBER (IN € THOUSAND)	NOTES	2022	2023
Sales	2	974,104	866,098
Cost of goods sold	3	(713,181)	(585,025)
Gross profit		260,923	281,073
Marketing, sales and distribution expenses	3	(150,095)	(146,957)
Research and development expenses	3	(6,509)	(7,194)
Administrative and general expenses	3	(50,943)	(58,678)
Other net operating result	3	(6,137)	(16,329)
Operating profit (EBIT)	3	47,239	51,915
Costs related to the derecognition of accounts receivable	3	(1,648)	(632)
Interest income (expense)	3	(5,056)	(4,328)
Foreign exchange gains (losses)	3	(5,564)	194
Other financial income (expense)	3	(1,679)	(2,863)
Monetary gains (losses)	3	(16,963)	(25,707)
Profit / (loss) before taxes and share of result of joint ventures (EBT)		16,328	18,579
Income taxes	4	(8,726)	(3,958)
Share of the result of a joint venture	8	-	(1,000)
Net profit / (loss)		7,601	13,621

THE NET PROFIT / (LOSS) IS ATTRIBUTABLE TO: (IN € THOUSAND)	2022	2023
Shareholders of the parent company	5,980	9,484
Non-controlling interests	1,621	4,137

EARNINGS PER SHARE DISTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY (IN €):	2022	2023
Basic earnings per share	0.04	0.07
Diluted earnings per share	0.04	0.06

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



Deceuninck consolidated statement of comprehensive income

FOR THE 12 MONTH PERIOD ENDED 31 DECEMBER (IN € THOUSAND)	NOTES	2022	2023
Net profit / (loss)		7,601	13,621
Currency translation adjustments		54,781	(3,643)
Gain / (loss) on cash flow hedges		2,968	(3,014)
Income tax impact		(742)	754
Net other comprehensive income / (loss) potentially to be reclassified to profit or loss in subsequent periods	4	57,007	(5,904)
Changes due to remeasurements of post employment benefit obligations		4,645	(1,802)
Income tax impact	4	(1,386)	503
Net other comprehensive income / (loss) not to be reclassified to profit or loss in subsequent periods		3,260	(1,300)
Other comprehensive income (+) / loss (-) for the period after tax impact		60,266	(7,203)
Total comprehensive income (+) / loss (-) for the period		67,867	6,417

THE TOTAL COMPREHENSIVE INCOME (+) / LOSS (-) OF THE PERIOD IS ATTRIBUTABLE TO: (IN € THOUSAND)	2022	2023
Shareholders of the parent company	60,576	2,527
Non-controlling interests	7,291	3,890

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



Deceuninck consolidated balance sheet

(IN € THOUSAND)	NOTES	2022	2023
ASSETS			
Intangible fixed assets	6	4,529	3,643
Goodwill	7	10,560	10,546
Tangible fixed assets	9,20	297,785	311,563
Financial fixed assets		10	8
Investment in a joint venture	8	-	-
Deferred tax assets	4	11,410	20,639
Long-term receivables	10	413	10,981
Non-current assets		324,706	357,380
Inventories	11	171,722	138,241
Trade receivables	12	87,947	82,129
Other receivables	12	54,994	44,650
Cash and cash equivalents	13	58,949	46,545
Assets classified as held for sale	14	11,280	11,956
Current assets		384,893	323,521
Total Assets		709,598	680,901

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



(IN € THOUSAND)	NOTES	2022	2023
EQUITY AND LIABILITIES			
Issued capital	15	54,505	54,640
Share premiums	15	90,468	91,010
Retained earnings		255,672	257,230
Cash flow hedge reserve		2,226	(35)
Remeasurements of post employment benefit obligations	16	(2,201)	(3,416)
Treasury shares	15	(16)	(151)
Treasury shares held in subsidiaries	15	-	(417)
Currency translation adjustments	15	(93,538)	(97,335)
Equity excluding non-controlling interests		307,117	301,527
Non-controlling interests		12,504	13,486
Equity including non-controlling interests		319,620	315,012
Interest-bearing loans including lease liabilities	18	130,748	105,097
Other long-term liabilities		580	80
Employee benefit obligations	16	14,240	14,044
Long-term provisions	17	4,301	8,439
Deferred tax liabilities	4	9,736	5,737
Non-current liabilities		159,605	133,397
Interest-bearing loans including lease liabilities	18	16,452	12,013
Trade payables	19	144,023	138,790
Tax liabilities		8,326	7,976
Employee related liabilities		16,365	18,323
Employee benefit obligations	16	580	572
Short-term provisions	17	95	12,672
Other liabilities	19	44,531	42,146
Current liabilities		230,372	232,491
Total equity and liabilities		709,598	680,901

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





Deceuninck consolidated statement of changes in equity

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

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

(IN € THOUSAND)	Issued Capital	Share premiums	Retained earnings	Changes in remeasurements of post employment benefit obligations	Cash flow hedge reserve	Treasury shares	Treasury sharesheld in subsidiaries	Currency translation adjustments	Total equity attributable to shareholders of the parent company	Non-controlling interests	Total
As per 31 December 2022	54,505	90,468	255,672	(2,201)	2,226	(16)		(93,538)	307,117	12,504	319,620
Net income / (loss) for the current period			9,484						9,484	4,137	13,621
Other comprehensive income (+) / loss (-)				(1,215)	(2,261)			(3,481)	(6,957)	(247)	(7,203)
Total comprehensive income (+) / loss (-)			9,484	(1,215)	(2,261)			(3,481)	2,527	3,890	6,417
Capital increase	135	542							677	73	750
Own shares purchased			(69)			(135)	(417)		(621)	(55)	(677)
Transactions with non-controlling interests*			653					(316)	338	(338)	
Share based payments			1,180						1,180		1,180
Dividends paid			(9,690)						(9,690)	(2,588)	(12,278)
As per 31 December 2023	54,640	91,010	257,230	(3,416)	(35)	(151)	(417)	(97,335)	301,527	13,486	315,012

* Ege Profil Ticaret ve Sanayi AS acquired 290,468 own shares. After the acquisition of these treasury shares, the ownership percentage of the Group in Ege Profil Ticaret ve Sanayi AS has subsequently changed from 87.91% to 88.27%.

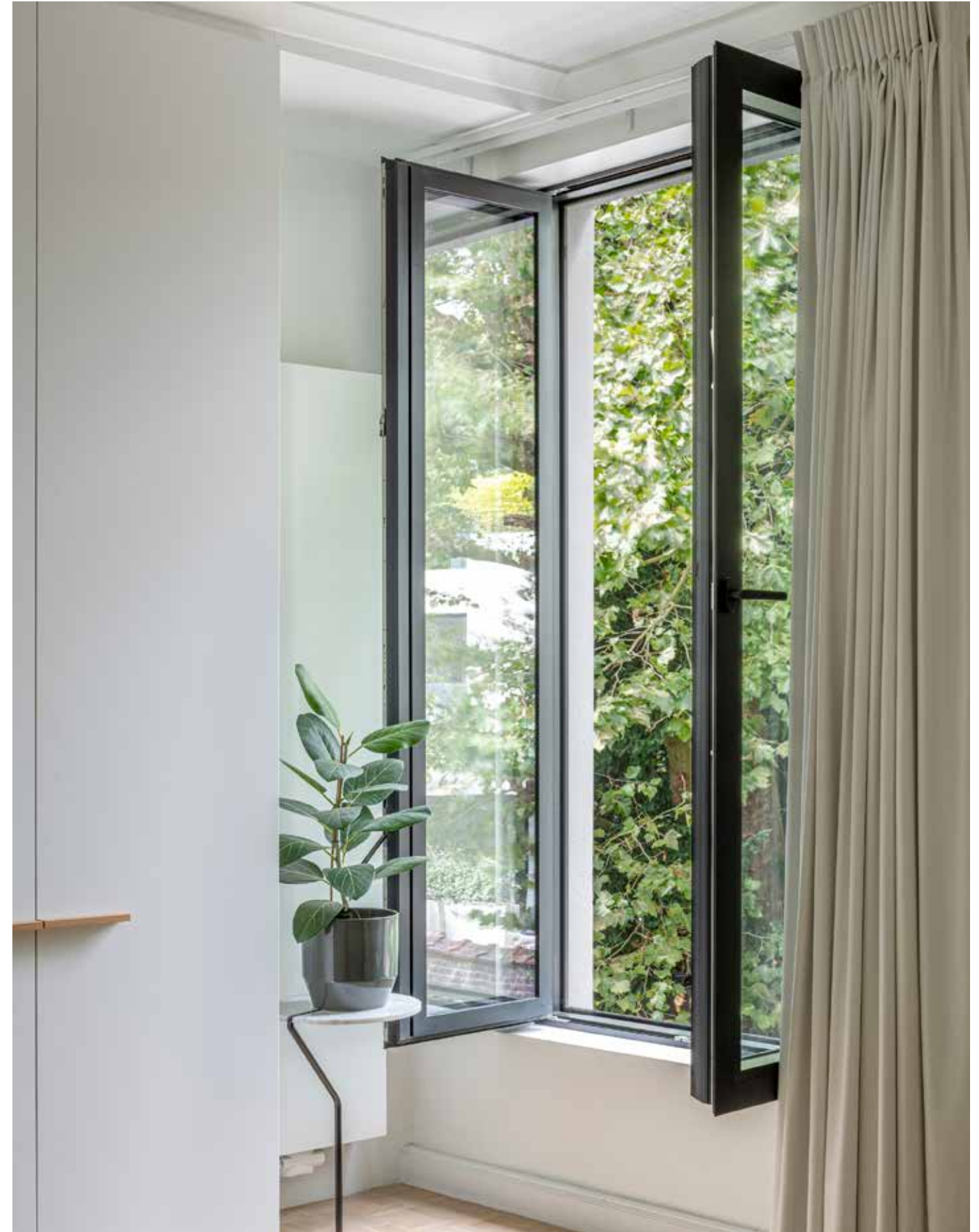
The accompanying notes are an integral part of these consolidated financial statements.



Deceuninck consolidated statement of cash flows

FOR THE 12 MONTH PERIOD ENDED 31 DECEMBER (IN € THOUSAND)	NOTES	2022	2023
Profit (+) / loss (-)		7,601	13,621
Depreciations and impairments	6,7,9,20	50,090	44,816
Net financial charges	3	31,029	33,767
Income taxes	4	8,726	3,958
Inventory write-off (+ = cost / - = inc)	11	3,398	400
Trade AR write-off (+ = cost / - = inc)	12	3,284	2,584
Movements in provisions (+ = cost / - = inc)		788	17,790
Gain / loss on disposal of (in)tang. FA (+ = cost / - = inc)	3	(124)	(1,161)
Share based payment expense		783	1,180
Share of the result of a joint venture	8	-	1,000
Gross operating cash flow		105,575	117,954
Decr / (incr) in inventories		(3,968)	22,280
Decr / (incr) in trade AR		(9,220)	(14,129)
Incr / (decr) in trade AP		(8,124)	16,050
Decr / (incr) in other operating assets/liabilities		5,894	8,031
Income taxes paid (-) / received (+)	4	(10,001)	(16,413)
Cash flow from operating activities		80,157	133,773
Purchases of (in)tangible FA (-)	6,9,14	(48,444)	(56,082)
Capital contribution joint venture		-	(1,000)
Proceeds from sale of (in)tangible FA (+)		614	1,720
Cash flow related to loans to joint ventures		-	(6,641)
Cash flow from investment activities		(47,829)	(62,003)
Capital increase (+) / decrease (-)		318	750
Purchase of treasury shares		-	(677)
Dividends paid (-) / received (+)		(9,459)	(12,278)
Proceeds from sale of shares of Group companies (+)		1,192	-
Interest received (+)		2,034	3,452
Interest paid (-)		(7,709)	(8,505)
Net financial result, excl interest		(23,029)	(10,672)
New long-term debts		115,493	1,696
Repayment of long-term debts		-	(284)
New short-term debts		26,843	3,131
Repayment of short-term debts		(136,213)	(43,206)
Cash flow from financing activities		(30,529)	(66,593)
Net increase / (decrease) in cash and cash equivalents		1,799	5,176
Cash and cash equivalents as per beginning of period	13	72,885	58,949
Impact of exchange rate fluctuations		(15,734)	(17,580)
Cash and cash equivalents as per end of period	13	58,949	46,545

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



Notes

1. Material accounting principles

The consolidated financial statements have been prepared in accordance with the ‘International Financial Reporting Standards’ (IFRS), as endorsed by the European Union. The consolidated financial statements were authorised by the Board on 27 February 2024. 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 23 April 2024.

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 2023. They have been prepared prior to the distribution of profits proposed by the parent company at the Annual General Meeting of Shareholders.

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

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

Consolidation principles

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

The Group controls a subsidiary if, and only if, the Group has:

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

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group’s voting rights and potential voting rights

The acquisition of subsidiaries is accounted for under the acquisition method. The annual reporting date of subsidiaries is identical to that of the parent company, apart from Deceuninck Profiles India Private Limited. For consolidation purposes, the financials over the 12-month period ending 31 December 2023 of Deceuninck Profiles India Private Limited have been used. The same valuation principles apply to their financial statements.

The Group has an interest of 14.43% in Solardec CV which is fully consolidated, as the company has two directors that are both appointed by Deceuninck NV and the Group therefore holds the majority on the Board of the company. Furthermore, the Group has an interest of 48.95% in Asia Profile Holding Co. Ltd which is fully consolidated as the other shareholder, holding 51.05% of the shares, has signed a proxy which allows the Group to exercise the voting rights of the remaining 51.05% of the shares and this allows the Group to decide upon the major operational decisions for the company.

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

Hyperinflation

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

The main principle in IAS 29 is that the financial statements of an entity that reports in the currency of a hyperinflationary economy must be stated in terms of the measuring unit current at the end of the reporting period. Therefore, the non-monetary assets and liabilities stated at historical cost, the equity and the income statement of subsidiaries operating in hyperinflationary economies are restated for changes in the general purchasing power

of the local currency applying a general price index. Monetary items that are already stated at the measuring unit at the end of the reporting period are not restated. These remeasured accounts are used for conversion into Euro at the period closing exchange rate.

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

- Hyperinflation accounting was applied starting as of 1 January 2022 and was continuously applied during 2023;
- Non-monetary assets and liabilities stated at historical cost (e.g. property plant and equipment, intangible assets, goodwill, etc.) and equity of the Turkish subsidiaries were restated using the official Consumer Price Index (“CPI”) published by the Turkish Statistical Institute (TURKSTAT). The hyperinflation impacts resulting from changes in the general purchasing power until 31 December 2021 were reported in other comprehensive income and the impacts of changes in the general purchasing power from 1 January 2022 are reported through the income statement as Monetary gains/(losses);
- The income statement is adjusted at the end of the reporting period using the change in the CPI and is converted at the closing exchange rate of each period (rather than at monthly average exchange rates as for subsidiaries in non-hyperinflationary economies);

As stated above, when applying IAS 29, the Group uses the conversion coefficient derived from the official consumer price index (CPI) in Turkey, published by the Turkish Statistical Institute (TURKSTAT). The CPIs and corresponding conversion coefficients for the 19-year period since the Group ceased to apply hyperinflation accounting for its Turkish subsidiaries (i.e. since 1 January 2006), can be found below:

As at 31 December	Index	Conversion coefficient
2005	100.00	15.16
2006	109.65	13.83
2007	118.85	12.76
2008	130.81	11.59
2009	139.35	10.88
2010	148.27	10.22
2011	163.76	9.26
2012	173.85	8.72
2013	186.72	8.12
2014	201.97	7.51
2015	219.76	6.90
2016	238.52	6.36
2017	266.95	5.68
2018	321.14	4.72
2019	359.15	4.22
2020	411.59	3.68
2021	560.09	2.71
2022	920.01	1.65
2023	1,516.01	1.00

During the 12 months period ended 31 December 2023, the CPI increased with 64.77% compared to 31 December 2022. The total devaluation of the Turkish Lira in the same period amounted to 63.55%.

Total currency translation adjustments related to the translation of the Turkish subsidiaries for the 12 months period ended 31 December 2023 amounts to € 1.8 million and is included in the statement of other comprehensive income (2022: € 48.2 million, which included both (i) the impact resulting from the restatement of non-monetary assets and liabilities to the general purchasing power until 31 December 2021 and (ii) the impact of the difference in evolution between both the inflation index and the devaluation of the TRY compared to EUR of the year 2022).

The application of IAS 29 had an impact on operating profit (EBIT) of € 1.9 million for the 12 months period ended 31 December 2023 (€ -3.2 million for the 12 months period ended 31 December 2022).

The total monetary loss amounts to € 25.7 million for the 12 months period ended 31 December 2023 (for the 12 months period ended 31 December 2022: € 17.0 million) and is the result of the loss on the net monetary position that is derived as the difference resulting from the restatement of non-monetary items of the balance sheet and the offsetting of the inflation restatement of profit or loss items.

The total negative impact on the net result for the 12 months period ended 31 December 2023 amounts to € 19.3 million (2022: € 20.4 million), of which € 17.0 million is attributable to shareholders of the parent company (2022: € 17.9 million) and € 2.3 million to non-controlling interests (2022: € 2.5 million).

Use of estimates and assumptions

In order to produce the annual financial statements in accordance with the IFRS standards, management has to use a number of estimates and assumptions that have an impact on the amounts disclosed in the financial statements. The estimates made on the reporting date



reflect the existing conditions on this date, such as market prices, interest rates and foreign exchange rates.

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

USE OF ASSUMPTIONS

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

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

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

USE OF ESTIMATES

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

Impairment of goodwill
Goodwill relating to business combinations is assessed on an annual basis by means of an impairment test. When a publicly available market valuation is available for a certain cash generating unit, the Group will evaluate the market capitalization against the carrying amount of that cash generating unit. If additional justification is required, or no publicly available market valuation is available, the Group will estimate 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, Note 7.

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

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



Deferred tax assets

Deferred tax assets related to tax losses carry forward are only recognized if it is probable that sufficient taxable profits will be generated in the future. Significant estimates are required from management in order to determine the amount of the deferred tax assets, based on the time period and the level of future taxable profits. More details on this subject are provided in section Income Taxes and in Note 4.

Loss allowance

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

Foreign currencies

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

Foreign currencies

TRANSACTIONS IN FOREIGN CURRENCIES

Transactions in foreign currencies are accounted for using the end of month exchange rate (exchange rate on the last working day of the preceding month) or the exchange rate on the date the transaction occurs or a periodic monthly average exchange rate, which approximates the exchange rates applicable on the transaction date. Monetary assets and liabilities in foreign currencies are converted using the exchange rate on the balance sheet date. All profits and losses resulting from conversion of monetary assets and liabilities in

foreign currencies into the local currency of the entity are recognized in the consolidated income statement as Foreign exchange gains / (losses). Non-monetary assets and liabilities are converted into the local currency of the entity using the historic exchange rate.

TRANSLATION OF FOREIGN CURRENCIES

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

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

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



EXCHANGE RATES

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

1 EUR is equal to	Closing rate	Closing rate	Average rate	Average rate
	2022	2023	2022	2023
AUD	1.5693	1.6263	1.5159	1.6274
BAM	1.9558	1.9558	1.9558	1.9558
BGN	1.9558	1.9558	1.9558	1.9558
BRL	5.6386	5.3618	5.4254	5.3993
CLP	916.9265	979.4319	917.3120	884.3297
COP	5,130.8363	4,222.9730	4,452.6902	4,615.3846
CZK	24.1160	24.7240	24.5574	23.9954
GBP	0.8869	0.8690	0.8524	0.8698
HRK	7.5345	7.5345	7.5349	7.5348
INR	88.1710	91.9042	82.6669	89.3019
LTL	3.4528	3.4528	3.4528	3.4528
MXN	20.8560	18.7231	21.1372	19.1707
PLN	4.6808	4.3395	4.6826	4.5396
RON	4.9495	4.9756	4.9316	4.9466
RSD	117.2910	117.1742	117.4545	117.2427
RUB	75.6556	99.1916	69.7231	91.3107
SEK	11.1218	11.0960	10.6228	11.4670
THB	36.8350	37.9730	36.8533	37.6048
TRY	19.9349	32.5739	-	-
UAH	38.9510	42.2080	34.2067	39.6036
USD	1.0666	1.1050	1.0518	1.0814

Intangible fixed assets other than goodwill

PATENTS AND LICENSES

Expenditure for acquired patents and licenses are capitalized at their cost price and are subsequently

amortized over their estimated useful life using the straight-line method, or over the term of the contract, if this should be shorter. The useful life is usually estimated at 3 years.

TRADE NAMES

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

RESEARCH AND DEVELOPMENT

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



SUBSEQUENT EXPENDITURES

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

Business combinations

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

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

Goodwill

Goodwill is the positive difference between the cost of the business combination and the share of the Group in the fair value of the acquired identifiable net assets of a subsidiary or associated company at the moment of acquisition. Goodwill is not amortized, but is subject to an annual impairment test. Goodwill is expressed in the functional currency of the acquired company and is converted into euro at the closing exchange rate on the balance sheet date except for the goodwill relating to EgePen (amount: € 9.3 million) which is denominated in

EUR despite being a Turkish subsidiary. The entity was acquired in 2000. Deceuninck first adopted IFRS in 2002 when the standards allowed an option (IAS 21.33.b, IAS 21 version effective as from 1 January 1995) to consider goodwill as assets of the reporting entity and consider it as non-monetary foreign currency item which is reported using the exchange rate at the date of the transaction.

Bargain Purchase

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

Tangible fixed assets

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



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

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

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

Assets classified as held for sale

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

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

sale. Assets and liabilities classified as held for sale are presented separately as current items in the consolidated balance sheet.

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

Investment in joint ventures

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

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

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

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



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

The Group has decided to voluntary change the way of the presentation of the share of the result of a joint venture as of 1 January 2023. Prior to the change, the aggregate of the Group’s share of profit or loss of a joint venture was shown on the face of the statement of profit or loss inside operating profit. Subsequent to the change, the aggregate of the Group’s share of profit or loss of a joint venture is now shown on the face of the statement of profit or loss before the total Group’s net profit or loss, outside of operating profit. Management judges that this change gives a fairer view on the calculation of key metrics and multiples.

The change in presentation has no impact on the comparative figures of 2022.

Considering the relevant considerations that there are no contractual or constructive obligations covering for unlimited losses, the recognition of the Group’s share of the results of the joint venture is limited to the extent of original recognized amount of the investment. All subsequent Group’s shares of the profits are not recognized by the Group until the historically non-recognized Group’s share of the results of the joint venture are covered.

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

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

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

Leasing

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

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



- i) Right-of-use assets

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

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

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

- ii) Lease liabilities

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

the lease term reflects the Group exercising the option to terminate.

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

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

- iii) Short-term leases and leases of low-value assets

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





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

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

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

Financial instruments

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

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

CRITERIA FOR OFFSETTING FINANCIAL ASSETS AND LIABILITIES

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

CRITERIA FOR CLASSIFYING FINANCIAL ASSETS

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

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

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

Financial fixed assets

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

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

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

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



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

Other receivables

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

Cash and cash equivalents

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

Interest bearing loans

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

DERIVATIVE FINANCIAL INSTRUMENTS

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

Derivative financial instruments are classified as either 'fair value' hedges, if these instruments hedge changes in the fair value of recognized assets and liabilities, or as 'cash flow' hedges, if they cover cash flow variations associated with a specific risk in relation to a recognized asset or liability or an expected highly probable transaction.

For 'fair value' hedges, profits or losses resulting from the revaluation of 'fair value' hedging instruments are directly recorded through the income statement. Gains or losses on the hedged position lead to an adjustment of the book value of the hedged position and should be recorded through the income statement. If the adjustment is associated with the book value of an interest-bearing financial debt, it is amortized through profit or loss until it is entirely amortized upon maturity.

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

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



Inventories

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

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

Treasury shares

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

Impairments

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

Impairments are recorded in the income statement.

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

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

Provisions

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

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





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

Employee benefits

PENSIONS

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

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

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

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

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

SHARE-BASED PAYMENTS

Various stock option, 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 prudence factor reflecting forecast uncertainties. The carrying amount of a deferred tax asset is reduced, when it becomes unlikely that the relating tax benefit will be realized.

Financial income/charges

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

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

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

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

Earnings per share (EPS)

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

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

Non-GAAP measures

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

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

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

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

EBT is defined as Earnings before taxes.

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

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

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

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

Changes in accounting policies and disclosures

The entity applied the same IFRSs as those adopted in the previous years, except for the new IFRSs and interpretations the entity adopted as of 1st January 2023.

New and amended standards and interpretations

The following amendments to standards are mandatory for the first time for the financial year beginning 1 January 2023 and have been endorsed by the European Union, but do not have a significant impact on the consolidated financial statements of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

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

The following standard is mandatory since the financial year beginning 1 January 2016 (however not



yet subjected to EU endorsement). The European Commission has decided not to launch the endorsement process of this interim standard but to wait for the final standard:

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

The following amendments have been issued, are not mandatory for the first time for the financial year beginning 1 January 2023 but have been endorsed by the European Union:

- Amendments to IFRS 16 ‘Leases’: Lease Liability in a Sale and Leaseback (effective 1 January 2024).

Standards issued, but not yet effective

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

- Amendments to IAS 1 ‘Presentation of Financial Statements: Classification of Liabilities as current or non-current’ (effective 1 January 2024);
- Amendments to IAS 7 ‘Statement of Cash Flows’ and IFRS 7 ‘Financial Instruments: Disclosures’: Supplier Finance Arrangements (effective 1 January 2024);
- Amendments to IAS 21 ‘The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability’ (effective 1 January 2025).



2. Segment information

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

- Three segments have been defined based on the location of legal entities. They include the following entities:
- 1. Europe: Benelux, Bosnia, Bulgaria, Croatia, Czech Republic, France, Italy, Germany, Poland, Romania, Russia, Slovakia, Spain and the United Kingdom;
 - 3. North America: Canada & United States;
 - 4. Turkey & Emerging Markets: Australia, Brazil, Chile, Colombia, India, Mexico, Thailand and Turkey.

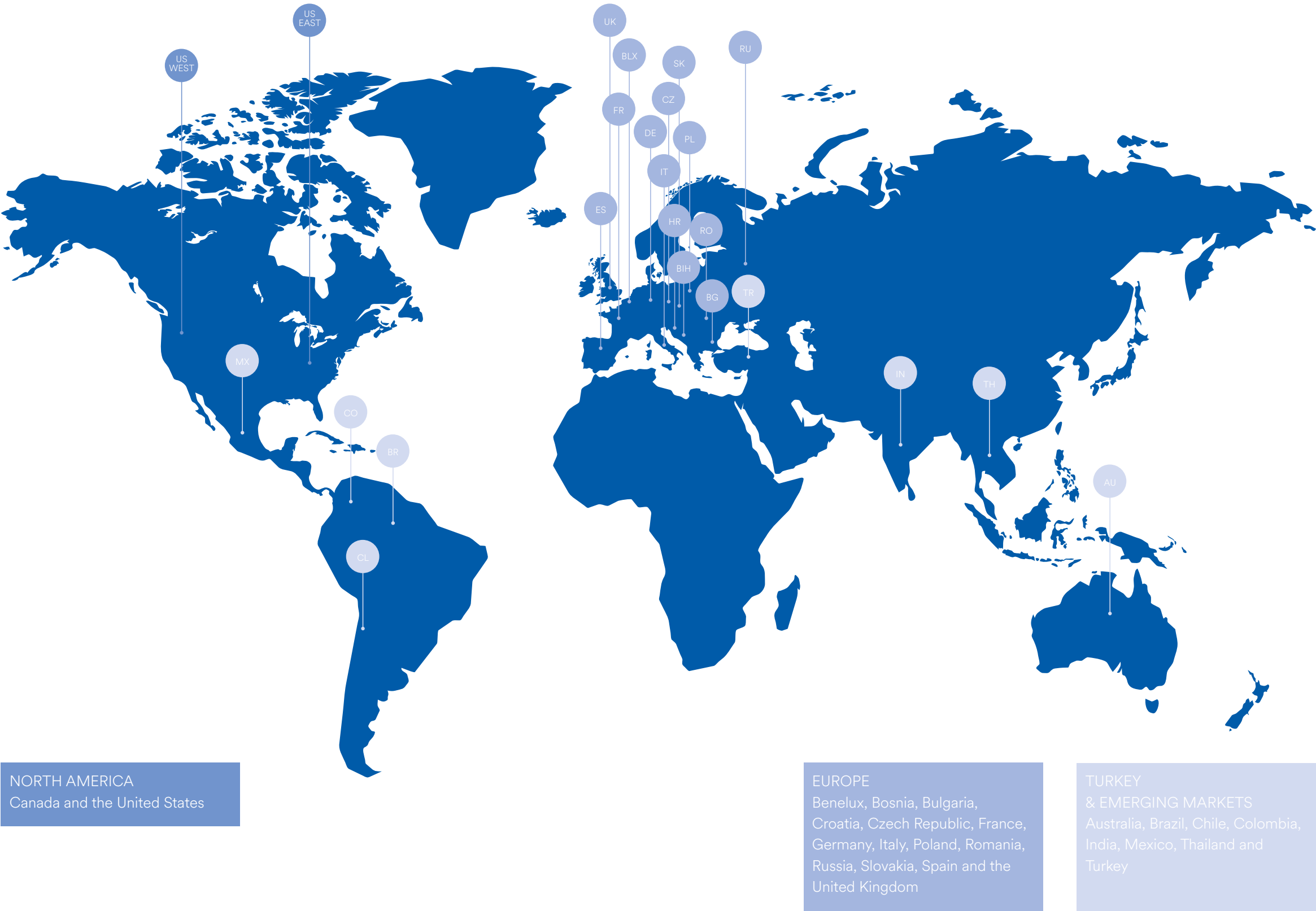
There are no segments aggregated in order to establish the above segments. Transfer prices between the operational segments are based on an ‘at arm’s length basis’ equal to transactions with third parties.

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

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

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

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





FOR THE 12 MONTH PERIOD ENDED 31 DECEMBER (IN € THOUSAND)	Europe		North-America		Turkey & Emerging Markets		Intersegment Eliminations		Consolidated	
	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
External Sales	458,232	410,298	224,095	166,981	291,778	288,819	-	-	974,104	866,098
Intercompany Sales	3,021	956	746	80	19,776	13,718	(23,543)	(14,755)	-	-
Total sales*	461,253	411,254	224,840	167,061	311,553	302,537	(23,543)	(14,755)	974,104	866,098
EBITDA	22,789	(203)	20,366	20,604	54,988	76,160	(815)	170	97,328	96,730
Adjusted EBITDA	27,735	20,509	20,366	20,604	54,988	76,590	(815)	170	102,274	117,872
Adj EBITDA items	(4,945)	(20,713)	-	-	-	(429)	-	-	(4,945)	(21,142)
Financial Result	3,657	14,862	(2,916)	(3,998)	(22,993)	(25,121)	(8,659)	(19,079)	(30,911)	(33,336)
Taxes - Current & Deferred	2,657	5,313	(1,281)	(193)	(10,188)	(9,015)	86	(63)	(8,726)	(3,958)
Depreciations and Impairments	29,215	22,508	11,527	12,818	9,834	10,106	(487)	(616)	50,090	44,816
Capital expenditures (Capex)	(25,120)	(25,279)	(10,788)	(8,731)	(13,414)	(23,206)	879	1,135	(48,444)	(56,082)

* Out of which € 110.4 million relating to Belgium

The difference between the adjusted EBITDA and EBITDA of € 21.1 million includes the following non-recurring income and expenses as recognized in other operating result:

- Costs related to one-off product platform migration recognized as a minus of Sales (€ 2.5 million), Cost of goods sold (€ 1.5 million) and as Marketing, sales and distribution expenses (€ 1.1 million);
- One-off restructuring costs in Europe and Emerging Markets (€ 16.0 million).

Reconciliation of total segment assets and total Group assets:

(IN € THOUSAND)	Consolidated	
	31 DEC 2022	31 DEC 2023
Europe*	313,681	311,803
North America	116,483	129,041
Turkey & Emerging Markets	232,437	234,138
Intersegment assets	662,602	674,982
Cash and cash equivalents	58,949	46,545
Intersegment eliminations	(11,952)	(40,627)
Total Group Assets	709,598	680,901

* Out of which € 146.0 million relating to Belgium

Reconciliation of total segment liabilities and total Group liabilities:

(IN € THOUSAND)	Consolidated	
	31 DEC 2022	31 DEC 2023
Europe	99,937	137,688
North America	31,946	25,156
Turkey & Emerging Markets	133,517	134,882
Intersegment liabilities	265,399	297,726
Equity including non-controlling interests	319,621	315,012
Long-term interest-bearing loans	130,748	105,097
Other long-term liabilities	580	80
Current portion of interest bearing loans	6,766	8,917
Intersegment eliminations	(13,516)	(45,932)
Total group liabilities	709,598	680,901





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

FOR THE 12 MONTH PERIOD ENDED 31 DECEMBER 2022		Europe		North-America		Turkey & Emerging Markets		Consolidated	
	(IN € THOUSAND)	%		(IN € THOUSAND)	%		(IN € THOUSAND)	%	(IN € THOUSAND)
Window & Doors	387,510	84.6%		224,095	100.0%		279,974	96.0%	891,579
Outdoor Living	36,211	7.9%		-	0.0%		74	0.0%	36,285
Home protection	34,511	7.5%		-	0.0%		11,729	4.0%	46,241
Total	458,232	100.0%		224,095	100.0%		291,778	100.0%	974,104

FOR THE 12 MONTH PERIOD ENDED 31 DECEMBER 2023		Europe		North-America		Turkey & Emerging Markets		Consolidated	
	(IN € THOUSAND)	%		(IN € THOUSAND)	%		(IN € THOUSAND)	%	(IN € THOUSAND)
Window & Doors	344,110	83.9%		166,981	100.0%		277,373	96.0%	788,464
Outdoor Living	30,765	7.5%		-	0.0%		82	0.0%	30,847
Home protection	35,423	8.6%		-	0.0%		11,364	4.0%	46,786
Total	410,298	100.0%		166,981	100.0%		288,819	100.0%	866,098

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



3. Revenues and expenses

INCOME STATEMENT BY NATURE (IN € THOUSAND)	2022	2023
Sales	974,104	866,098
Material costs	(539,936)	(398,890)
Operating costs	(158,955)	(161,902)
Personnel costs	(180,035)	(194,802)
Depreciation on (in)tangible fixed assets	(41,802)	(42,260)
Other net operating result	(6,137)	(16,329)
Operating profit (EBIT)	47,239	51,915
Costs related to the derecognition of accounts receivable	(1,648)	(632)
Interest income (expense)	(5,056)	(4,328)
Foreign exchange gains (losses)	(5,564)	194
Other financial income (expense)	(1,679)	(2,863)
Monetary gains (losses)	(16,963)	(25,707)
Profit / (loss) before taxes and share of result of joint ventures (EBT)	16,328	18,579
Share of the result of a joint venture	-	(1,000)
Income taxes	(8,726)	(3,958)
Net profit / (loss)	7,601	13,621

For a high-level analysis of revenue and costs we refer to the section “2023 results” at the start of these financial statements.



OPERATING COSTS (IN € THOUSAND)	2022	2023
Transport	(51,508)	(40,178)
Maintenance	(23,026)	(26,132)
Services	(20,495)	(21,322)
Energy	(26,731)	(33,073)
Rent	(3,171)	(2,724)
Communication	(10,955)	(15,506)
Local taxes and fines	(4,581)	(5,243)
Travel	(5,041)	(5,367)
Marketing and sales support	(2,131)	(2,311)
Insurance	(2,757)	(2,830)
Loss on the realization of trade debtors	(279)	(79)
(Increase) / decrease of allowances on doubtful debtors & inventory	(6,819)	(4,073)
Other	(1,462)	(3,065)
Total	(158,955)	(161,902)

Operating costs slightly increased compared to 2022. The increase in communication, maintenance and energy costs got partly offset by a decrease in transport costs.

PAYROLL COSTS AND OTHER SOCIAL BENEFITS (IN € THOUSAND)	2022	2023
Wages and salaries	(136,470)	(147,271)
Social security contributions	(30,709)	(31,075)
Contributions to defined contribution plans	(6,405)	(7,702)
Share based payment expenses	(783)	(1,180)
Other	(5,669)	(7,574)
Total	(180,035)	(194,802)

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



HEADCOUNT (TOTAL FULL TIME EQUIVALENTS (FTE) BY CATEGORY)	2022	2023
Blue-collar workers	2,768	2,796
White-collar workers	1,171	1,190
Total	3,939	3,986

The number of FTE’s has slightly increased compared to 2022.

OTHER OPERATING INCOME (IN € THOUSAND)	2022	2023
Grants received	1,551	779
Gains on disposal of tangible fixed assets	445	1,161
Other	2,307	2,968
Total	4,303	4,908

Other operating income remained stable compared to 2022.

OTHER OPERATING COSTS (IN € THOUSAND)	2022	2023
Increase of provisions	(1,121)	(17,004)
Impairments	(8,288)	(2,555)
Loss on disposal of tangible fixed assets	(321)	(1)
Other	(711)	(1,678)
Total	(10,440)	(21,238)

The other operating costs increased mainly due to the increase of provisions that are related with the restructuring in Europe and Emerging Markets. The line item "other" increased due to restructuring related costs in Europe and Emerging markets.

INTEREST INCOME / (EXPENSE) (IN € THOUSAND)	2022	2023
Interest income	2,080	4,685
Interest expense	(7,136)	(9,013)
Total	(5,056)	(4,328)

Interest income increased due to significant increase in deposit rates in Turkey. Increasing market interest rates led to an increase in Interest expenses.



FOREIGN EXCHANGE GAINS / (LOSSES) (IN € THOUSAND)	2022	2023
Realized foreign exchange gains	2,305	4,900
Realized foreign exchange losses	(24,751)	(4,187)
Unrealized foreign exchange gains	18,588	3,469
Unrealized foreign exchange losses	(1,707)	(3,988)
Total	(5,564)	194

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

The overall foreign exchange result improved in 2023 and can be largely explained by favorable hedge results, partially compensated with higher cost of hedging.

COST RELATED TO THE DERECOGNITION OF ACCOUNTS RECEIVABLE (IN € THOUSAND)	2022	2023
Cost related to the derecognition of accounts receivable	(1,648)	(632)

The lower cost related to the derecognition of accounts receivable is due to the lower use of trade finance solutions in Turkey and US.

OTHER FINANCIAL GAINS / (LOSSES) (IN € THOUSAND)	2022	2023
Other financial income (expense)	(1,679)	(2,863)

Other financial income and expenses include bank charges, the result on the share liquidity program and withholding taxes paid on intra-group dividends and interest payments. The increase is mainly due to higher withholding taxes paid following higher intra-group dividends and interests.

MONETARY GAINS / LOSSES (IN € THOUSAND)	2022	2023
Monetary gains (losses)	(16,963)	(25,707)

Monetary gains/losses relate to the gain or loss on the net monetary position that is derived as the difference resulting from the restatement of non-monetary items of the financial positions and offsetting of the inflation restatement of profit or loss items after application of IAS29 Hyperinflation for the Turkish subsidiaries of the Group. The increase in monetary losses is the result of a higher net monetary asset position in combination with an inflation of 64.8% in Turkey.



4. Income taxes

The breakdown of the income tax charge for 2022 and 2023 is presented as follows:

INCOME TAXES RECOGNIZED IN THE INCOME STATEMENT (IN € THOUSAND)	2022	2023
Current income taxes	(13,173)	(15,133)
Relating to current year	(12,773)	(17,034)
Relating to previous years	(276)	1,902
Other	(124)	(1)
Deferred income taxes	4,447	11,175
Relating to temporary differences - current year	3,531	5,839
Relating to temporary differences - adjustment previous years	169	721
Recognition of deferred income tax asset on tax losses of current year	2,654	2,801
Utilization of deferred income tax asset on tax losses of previous years	(3,565)	(899)
Recognition of deferred income tax asset on tax losses of previous years	432	-
Impairment (-)/reversal of impairment (+) of deferred income tax asset on tax losses of previous years	471	(1,682)
Recognition of deferred tax assets on tax incentives	1,432	270
Utilization of deferred tax assets on tax incentives	(795)	(31)
Other	119	4,156
Income taxes recognized in the income statement	(8,726)	(3,958)



The line item Other under deferred income taxes in 2023 is mainly related due to the fact that the Groups' Turkish subsidiaries are obligated to apply hyperinflation accounting on the tax ledger, minimizing the temporary differences.

The following table provides a reconciliation between the Earning before tax and the income taxes for 2022 and 2023:

RECONCILIATION BETWEEN EARNINGS BEFORE TAX (EBT) - IFRS AND INCOME TAXES (IN € THOUSAND)	2022	2023
Earnings before tax - IFRS	16,328	18,579
Statutory tax rate of the parent company	25%	25%
Income taxes calculated at the statutory tax rate of the parent company	(4,082)	(4,645)
Tax effect of:		
Difference between local tax rate and statutory tax rate of the parent company	557	676
Non-deductible items	(4,257)	(1,454)
Government grants and other exempted income	2,404	1,485
Use of tax losses carried forward for which no deferred income tax asset has been recognized	-	170
Current income taxes relating to previous years	(276)	1,904
Deferred taxes on temporary differences relating to previous years - adjustments	169	710
Non-recognition of deferred income taxes on current years losses and deductible temporary	(1,670)	(4,922)
(De)recognition of deferred income tax assets on tax losses of previous years	2,573	2,133
(De)recognition of deferred income tax assets on tax incentives	1,432	270
Other	(5,576)	(285)
Income taxes recognized in the income statement	(8,726)	(3,958)
Effective rate rate	53.45%	21.30%

Other contains the impact of the application of IAS29 Hyperinflation.



The following table gives an overview of the deferred income taxes as per 31 December 2022 and 2023:

DEFERRED TAX MOVEMENT SCHEDULE (IN € THOUSAND)	2022	Charged/ credit to PL	Charged / credited to equity	Transfers	Translation adjustments Total	2023
DEFERRED INCOME TAX ASSETS BY TYPE OF TEMPORARY DIFFERENCE:						
Tax losses carried forward & tax incentives	23,106	(1,222)	-	-	(146)	21,738
Tangible fixed assets	887	192	-	-	(311)	768
Provisions	4,404	4,372	503	-	(125)	9,153
Inventories	2,029	589	-	-	(237)	2,381
Interest bearing loans	533	(437)	-	-	5	102
Other assets & liabilities	3,527	514	-	-	(120)	3,921
Deferred income tax assets	34,486	4,007	503	-	(934)	38,063
DEFERRED INCOME TAX LIABILITIES BY TYPE OF TEMPORARY DIFFERENCE:						
Tax losses carried forward & tax incentives	-	-	-	-	-	-
Tangible fixed assets	31,043	(6,349)	-	-	(1,711)	22,983
Provisions	5	80	-	-	4	89
Inventories	-	-	-	-	-	-
Interest bearing loans	-	-	-	-	-	-
Other assets & liabilities	1,764	(899)	(754)	-	(23)	89
Deferred income tax liabilities	32,813	(7,168)	(754)	-	(1,730)	23,160
Net deferred income taxes	1,673	11,175	1,257	-	796	14,902

As described above, the Groups’ Turkish subsidiaries are obligated to apply hyperinflation accounting on the tax ledger, significantly reducing the temporary differences. This mainly explains the reduction of the deferred tax liability related to the tangible fixed assets.

In 2023, 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 € 21.7 million at the end of 2023 (As at 31 December 2022: € 23.1 million).

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 at 31 December 2023, the Group has a total amount of tax losses carried forward and tax incentives of € 171.0 million (2022: € 163.1 million). The split per tax jurisdiction is detailed in the table on the right:

(IN € THOUSAND)	2022	2023
Belgium	94,585	108,532
Brazil	692	683
Chile	-	174
Colombia	1,013	4,578
Germany	8,043	6,604
Spain	671	-
United Kingdom	23,689	22,940
India	2,743	3,570
Mexico	1,040	1,059
Russia	8,319	6,354
Slovakia	3	-
Thailand	-	257
United States	22,337	16,250
Total tax losses carried forward and tax incentives	163,136	171,001

The Group has unrecognized deferred taxes related to the impairment of the fixed assets in the Russian Subsidiary.



Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions the Group operates. The legislation will be effective for the Group’s financial year beginning 1 January 2024. The Group is in scope of the enacted or substantively enacted legislation and has performed an assessment of the Group’s potential exposure to Pillar Two income taxes.

The assessment of the potential exposure to Pillar Two income taxes is based on the most recent tax filings, country-by-country reporting and financial statements for the constituent entities in the Group. Based on the assessment that considers the transitional (financial years 2024 – 2026) safe harbour conditions (De minimis test, Effective tax rate test and Routine profits test), there are a limited number of jurisdictions where the transitional safe harbour relief does not apply. However, the Group does not expect a material exposure to Pillar Two income taxes in those jurisdictions.

The group has applied the mandatory temporary exception issued by the IASB in May 2023 which has refrained the Group from recognising and disclosing deferred tax assets and liabilities related to Pillar Two income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the OECD, including tax law that implements qualified domestic minimum top-up taxes.

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 €0.07.

(IN € THOUSAND)	2022	2023
Earnings attributable to ordinary shareholders	5,980	9,484
Weighted average number of ordinary shares (in thousands)	138,135	138,371
Basic earnings per share (in €)	0.04	0.07

Diluted earnings per share are calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year increased with the weighted average number of ordinary shares which would be issued upon conversion into ordinary shares of all exercisable warrants leading to dilution. The potential dilution arises from warrants granted to staff members, senior management members and members of the Executive Management. The diluted earnings per share amount to €0.06 per share.

(IN € THOUSAND)	2022	2023
Earnings attributable to ordinary shareholders	5,980	9,484
Weighted average number of ordinary shares (in thousands)	138,135	138,371
Dilution effect of non-exercised warrants (in thousands)	6,973	7,853
Weighted average number of shares after dilution (in thousands)	145,108	146,225
Basic earnings per share (in €)	0.04	0.06



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 2023, the intangible assets with indefinite useful lives were tested for impairment, based on the same methodology and assumptions as described in Note 7 – Goodwill.

The intangible assets with indefinite useful lives mainly relate to the trade names Winsa and Pimapen (within Turkey & Emerging markets segment). For this kind of assets there is no foreseeable end of the cash-generating period. The net carrying value of these assets is € 2,884 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 2023.

For intangible assets with definite useful lives, no impairment triggers were identified.

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



2023 (IN € THOUSAND)	Development	Licences IT and similar right	Customer value	Trade names	Assets under construction	Total
COST						
At the beginning of this year	1,272	19,680	2,129	7,158	2	30,242
Additions	151	33	-	-	-	184
Disposais	-	(4)	-	-	-	(4)
Transfers	30	25	-	-	(2)	52
Translation adjustments	(10)	(55)	(75)	(355)	-	(495)
At the end of this year	1,443	19,679	2,055	6,803	-	29,979
DEPRECIATIONS AND IMPAIRMENTS						
At the beginning of this year	(1,268)	(18,856)	(1,892)	(3,697)	-	(25,713)
Additions to depreciations	(4)	(512)	(4)	-	-	(520)
Additions to impairments	-	-	(100)	-	-	(100)
Disposais	-	4	-	-	-	4
Transfers	(30)	-	-	-	-	(30)
Translation adjustments	10	52	(30)	(9)	-	22
At the end of this year	(1,292)	(19,312)	(2,026)	(3,706)	-	(26,336)
INTANGIBLE FIXED ASSETS						
Cost	1,443	19,679	2,055	6,803	-	29,979
Accumulated depreciations and impairments	(1,292)	(19,312)	(2,026)	(3,706)	-	(26,336)
Net Carrying Value	151	366	29	3,096	-	3,643

Translation adjustments also contain the IAS29 hyperinflation effects of bringing the intangible fixed assets to purchasing power of 31st of December 2023 (€ 1,892 thousand in Cost and € 965 thousand in Depreciations and Impairments).



7. Goodwill

(IN € THOUSAND)	2022	2023
COST		
At the beginning of	63,260	64,492
Translation adjustments	1,232	(880)
At the end of	64,492	63,612
IMPAIRMENTS		
At the beginning of	(52,690)	(53,933)
Translation adjustments	(1,243)	867
At the end of	(53,933)	(53,066)
GOODWILL		
Cost	64,492	63,612
Accumulated depreciations and impairments	(53,933)	(53,066)
Net carrying value	10,560	10,546

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)	2022	2023
Turkey	9,313	9,299
Europe	1,247	1,247
Net Carrying Value	10,560	10,546

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

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

The Group carried out the annual impairment test at 31 December 2023, consistent with previous years. This goodwill impairment assessment also did not reveal any impairment issues.

The Group monitors climate-related risks when measuring the recoverable amount of each cash-generating unit. The Group has concluded that no single climate-related assumption is a key assumption for the 2023 goodwill impairment test.



Impairment test goodwill Turkey

For the impairment test related to the cash generating unit Ege profil, the Group starts by determining the fair value of the recoverable amount based on the publicly available market valuation (i.e. market capitalization of the listed company Ege Profil Ticaret ve Sanayi AS). If after this first step on the basis of a fair value approach it turns out that additional justification is required, a value in use will also be determined from the perspective of the Group based on a discounted cash flow model.

The share price at 31 December 2023 for Ege Profil Ticaret ve Sanayi AS amounted to 136.1 TRY which results in a market capitalization that is well above the carrying amount of the CGU in the consolidated financial statements of the Group, so there is no need for an impairment.

Impairment test goodwill Europe

CASH GENERATING UNIT

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

DISCOUNT RATE

The pre-tax discount rate is based on the risk-free rate of the currency region zone where the activities are deployed and current market assessment of the risks specific to the Deceuninck Group. The pre-tax discount rate was estimated based on the weighted average cost of capital (WACC) and is 10.3% for 2023 (2022: 10.6%).

ASSUMPTIONS FOR 2024-2028

For EBITDA of 2024, management has worked out a target based on detailed plans and actions. For the period 2025-2028 the EBITDA estimate is based on long term plans, considering reasonable growth levels in line with country specific evolutions of the building industry. For subsequent years a terminal growth rate of 2% is assumed.

SENSITIVITY ANALYSIS

The Group’s impairment review is sensitive to change in assumptions used, most notably the discount rate (WACC) and the terminal growth rate. A 1.0% increase in discount rate or a reduction of 0.5% in terminal growth rate would not give rise to an impairment.

CONCLUSION

The amount by which the CGUs recoverable amount exceeds its carrying value is € 131.4 million. Based on the fact that there is sufficient headroom, even in the multiple sensitivity analyses, there is no need for an impairment.



8. Interest in a joint venture

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

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

FOR THE 12 MONTH PERIOD ENDED 31 DECEMBER (IN € THOUSAND)	2022	2023
Sales	19,203	18,616
Cost of goods sold	(14,086)	(13,062)
Gross profit	5,116	5,553
Marketing, sales and distribution expenses	(3,754)	(6,140)
Administrative and general expenses	(2,748)	(2,486)
Other net operating result	556	571
Operating profit / (loss) after impairment on goodwill	(830)	(2,502)
Financial charges	(1,699)	(347)
Financial income	256	465
Profit / (loss) before taxes (EBT)	(2,274)	(2,384)
Income taxes	(5)	10
Net profit / (loss)	(2,279)	(2,374)
Other comprehensive income (+) / loss (-) for the period after tax impact	150	(1,008)
Total comprehensive income (+) / loss (-) for the period	(2,129)	(3,382)
Group's share of profit / (loss) for the year	(1,065)	(1,691)

FOR THE 12 MONTH PERIOD ENDED 31 DECEMBER (IN € THOUSAND)	2022	2023
Group's share of net profit / (loss) for the year	(1,140)	(1,187)
Translation adjustments	75	(504)
Group's share in total comprehensive income / (loss)	(1,065)	(1,691)
Recognized group's share of net profit / (loss) for the year	-	(1,000)
Non recognized group's share of total comprehensive income / (loss) for the year*	(1,065)	(691)

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



(IN € THOUSAND)	2022	2023
ASSETS		
Intangible fixed assets	689	403
Tangible fixed assets	5,644	6,015
Non-current assets	6,334	6,418
Inventories	2,446	3,157
Trade receivables	2,224	2,567
Other receivables	595	561
Cash and cash equivalents	219	732
Current assets	5,484	7,016
Total assets	11,818	13,434
EQUITY AND LIABILITIES		
Equity	(11,229)	(12,611)
Interest-bearing loans	11,616	19,711
Deferred tax liabilities	16	-
Non-current liabilities	11,632	19,711
Trade payables	3,618	3,081
Other liabilities	7,797	3,253
Current liabilities	11,415	6,334
Total equity and liabilities	11,818	13,434

(IN € THOUSAND)	2022	2023
Group's share in net assets at 1 January	(4,550)	(5,615)
Group's share in net profit / (loss) of the year	(1,140)	(1,187)
Group's share in other comprehensive income	75	(504)
Capital increase	-	1,000
Group's share in net assets at 31 December	(5,615)	(6,305)
Allocated losses on recognized goodwill at acquisition date	3,214	3,214
Cummulative non-recognized total comprehensive income	2,401	3,092
Group's carrying amount of the investment at 31 December	-	-

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

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



9. Tangible fixed assets

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



2023 (IN € THOUSAND)	Land & buildings	Machinery & equipment	Furniture and vehicles	Other tangible fixed assets	Assets under construction	Total
COST						
At the beginning of this year	210,665	628,055	24,954	138	20,313	884,125
Additions	6,723	20,669	5,096	-	22,991	55,480
Disposals	(41)	(898)	(318)	-	(114)	(1,371)
Transfers	2,388	13,789	94	-	(16,160)	111
Translation adjustments	(1,607)	22,154	4,395	-	(2,537)	22,405
At the end of this year	218,128	683,769	34,222	138	24,492	960,750
DEPRECIATIONS AND IMPAIRMENTS						
At the beginning of this year	(93,958)	(488,217)	(19,579)	(101)	-	(601,856)
Additions to depreciations	(4,598)	(27,350)	(1,565)	(10)	-	(33,524)
Additions to impairments	(65)	(2,297)	(2)	-	-	(2,365)
Disposals	41	854	196	-	-	1,091
Transfers	(79)	(72)	-	-	-	(151)
Translation adjustments	(6,502)	(21,654)	(6,622)	-	-	(34,778)
At the end of this year	(105,161)	(538,737)	(27,572)	(111)	-	(671,582)
TANGIBLE FIXED ASSETS						
Cost	218,128	683,769	34,222	138	24,492	960,750
Accumulated depreciations and impairments	(105,161)	(538,737)	(27,572)	(111)	-	(671,582)
Net Carrying Value	112,967	145,032	6,650	27	24,492	289,168

The transfers from assets under construction in both 2022 and 2023 mainly related to finalized investments in machinery and equipment. In 2022, there was an outgoing transfer from Land & Buildings, resulting from the reclassification of real estate in Turkey to Assets classified as held for sale.

In 2023 the Group has recognized impairments on tangible fixed assets for € 2.4 million (2022: € 8.3 million). The impairments in 2023 are mainly related to old tools. The impairments of 2022 are mainly related to the full impairment of Deceuninck’s tangible fixed assets in Russia. Impairments are included in other operating costs.

Translation adjustments also contain the IAS29 hyperinflation effects of bringing the tangible fixed assets to purchasing power of 31st of December 2023.

The amount related to IAS29 hyperinflation effects in Cost amounted to € 98.3 million and € 82.3 million in Depreciations and Impairments (2022: € 137.2 million in Cost and € 86.2 million in Depreciations and Impairments).

The Group has € 16.0 million fixed asset related commitments spread over the next year which are mainly related to machinery, forklifts and buildings.

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



(IN € THOUSAND)	2022	2023
Land & Buildings	3,473	699
Machinery & equipment	15,124	20,841
Other	1,716	2,952
Total	20,313	24,492

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 2022 were mainly related to the reclassification of real estate in Turkey to Assets classified as held for sale.

(IN € THOUSAND)	2022	2023
Intangible fixed assets	19	23
Tangible fixed assets	(9,687)	(39)
Assets held for sale	9,667	16
Total	-	-

10. Long-term receivables

(IN € THOUSAND)	2022	2023
Other receivables	413	399
Receivables from joint ventures	-	10,582
Total	413	10,981

The increase in long-term receivables is due to additional financing provided to the Groups' joint venture.

11. Inventories

(IN € THOUSAND)	2022	2023
Raw materials and consumables	56,421	43,988
Finished goods	97,189	79,367
Trade goods	18,112	14,885
Total	171,722	138,241

During 2023 a net amount of € 2.0 million was recorded as an increase in the allowance related to the write-down on inventory (in 2022: € 3.4 million increase). These costs are included in Marketing, sales and distribution

expenses. The cost of inventories recognized as cost of goods sold during 2023 amounted to € 585.0 million (2022: € 713.2 million). No inventories were pledged as security for liabilities (2022: idem).



12. Trade receivables and other receivables

(IN € THOUSAND)	2022	2023
Gross trade receivables	100,254	95,560
Impairments allowance	(12,306)	(13,431)
Trade receivables	87,947	82,129
VAT and other taxes	6,910	8,618
Derivative financial instruments	3,290	240
Prepaid charges	3,075	3,499
Short-term warranties	164	199
Advance checks received	35,669	31,329
Receivables from joint ventures	4,043	112
Other	1,844	653
Other receivables	54,994	44,650

Gross trade receivables decreased € 5.8 million. Total factoring amounted to € 18.3 million at 31 December 2023 (2022: € 17.4 million).

These checks are considered as advance payments and can be discounted or used for payments without any preconditions.

The decrease in Other receivables is mainly driven by a decrease in Advance checks received and reclassification of the receivables from joint ventures to long term receivables.

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

Days sales outstanding (DSO) slightly increased year-on-year, to 39 days in 2023 compared to 37 days in 2022.

The factoring and related cost for 2023 amounts to € 0.6 million (2022: € 1.6 million). 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 and exchange rate differences. The advance checks mainly consist of checks which have been received from customers in Turkey, to guarantee orders that will be executed in a later stage. This is a common practice in the local construction industry.



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 2023	95,560	62,183	8,576	5,207	2,931	1,739	14,923
Impairments allowance per 31 December 2023	(13,431)	(1,395)	(53)	(159)	(58)	(3)	(11,762)
Net carrying value per 31 December 2023	82,129	60,788	8,524	5,048	2,873	1,736	3,161
Net carrying value per 31 December 2022*	87,947	59,389	10,238	7,997	4,225	2,137	3,961

*Net carrying value per 31 December 2022 has been restated

As per 31 December 2023 an amount of € 13.4 million (2022: € 12.3 million) is recorded as impairment allowance on trade receivables.

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

impairment allowance remains stable compared to 2022 and is mainly included in the Turkey & Emerging Markets segment, where loss rates between 5% and 15% are applied, in line with the 2022 ECL model. If the loss rate would be increased by 1%, the impairment allowance would increase by € 367 thousand.

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

IMPAIRMENT ALLOWANCE (IN € THOUSAND)	2022	2023
At the beginning of	(9,991)	(12,306)
Additions	(4,708)	(4,652)
Reversals	1,691	1,745
Utilizations	-	420
Translation adjustments	700	1,362
At the end of	(12,306)	(13,431)



13. Cash and cash equivalents

(IN € THOUSAND)	2022	2023
Cash and current bank accounts	37,730	25,920
Short term deposits	21,219	20,625
Total	58,949	46,545

Cash and cash equivalents have decreased mainly due to capital expenditures, dividend payments, net financial result excluding interests and debt repayments, partly

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

14. Assets classified as held for sale

ASSETS CLASSIFIED AS HELD FOR SALE (IN € THOUSAND)	2022	2023
Cost	12,006	12,585
Accumulated depreciations and impairments	(726)	(629)
Net Carrying Value	11,280	11,956

The Assets classified as held for sale mainly relate to real estate in Turkey. 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 2024. Following the reclassification to assets classified as held for sale, these assets are no longer depreciated.

15. Issued capital and reserves

Issued capital

ISSUED CAPITAL	2022	2023
Amount (in € thousand)	54,505	54,640
Number of shares (without nominal value)	138,202,261	138,545,260

As per 31 December 2023, issued capital is set at €54,640 thousand and is composed of 138,545 thousand shares without a nominal value.



Share premiums

SHARE PREMIUMS	2022	2023
Amount (in € thousand)	90,468	91,010

Treasury shares

TREASURY SHARES	2022	2023
Amount (in € thousand)	(16)	(151)
Number of shares (without nominal value)	13,103	90,603

TREASURY SHARES HELD IN SUBSIDIARIES	2022	2023
Amount (in € thousand)	-	(417)
Number of shares (without nominal value)	-	290,468

As at 31 December 2023, the Group owned 90,603 own shares. These treasury shares are held to fulfil the Groups’ commitments arising from both share purchase plans and warrant plans. The treasury shares have been deducted from equity. As at 31 December 2022, the Group owned 13,103 treasury shares.

As at 31 December 2023, the Group’s subsidiary Ege Profil Ticaret ve Sanayi AS, held 290,468 own shares (as at 31 December 2022: 0). The subsidiary’s own shares have been deducted from equity and are presented under “Treasury shares held in subsidiaries”.

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

CURRENCY TRANSLATION ADJUSTMENTS (IN € THOUSAND)	2022	2023
USD	(3,162)	(6,563)
TRY	(74,961)	(76,770)
RUB	(9,096)	(9,553)
PLN	(4,911)	(2,962)
GBP	(3,085)	(2,696)
CZK	1,080	700
Other	598	510
Total	(93,538)	(97,334)

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 € -97.3 million as at 31 December 2023.



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 2022	10,229	496	3,391	703	14,820
Pension cost recognized in income statement	406	750	1,255	22	2,434
Remeasurements recognized in OCI	697	102	1,003	-	1,802
Benefits paid directly	(517)	(972)	(1,602)	(15)	(3,107)
Translation adjustments	-	-	(1,316)	(18)	(1,333)
As per 31 December 2023	10,815	376	2,732	693	14,616
Non-current	10,281	349	2,732	682	14,044
Current	534	27	-	11	572

Defined benefit plans and other post-employment benefits

Deceuninck NV (Belgium)

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

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

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

Deceuninck NV operates an early retirement plan under the legal framework in Belgium and allows that employees reaching the legal pre-pension age (currently 62 years with certain additional conditions linked to the

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

In Belgium, inactive members are not included as there is no material deficit. The total amount of the reserve for these members amount to € 7.7 million. The reserves are fully funded with plan assets.

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



DECEUNINCK NV (BELGIUM) - PRINCIPAL ACTUARIAL ASSUMPTIONS	2022	2023
Discount rate	3.75%	3.20%
Increase in compensations - white collar	3.05%	2.85%
Increase in compensations - blue collar	3.05%	2.85%
Increases in social security	3.05%	2.85%
Increases in pensions	N/A	N/A
Inflation	2.30%	2.10%

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:

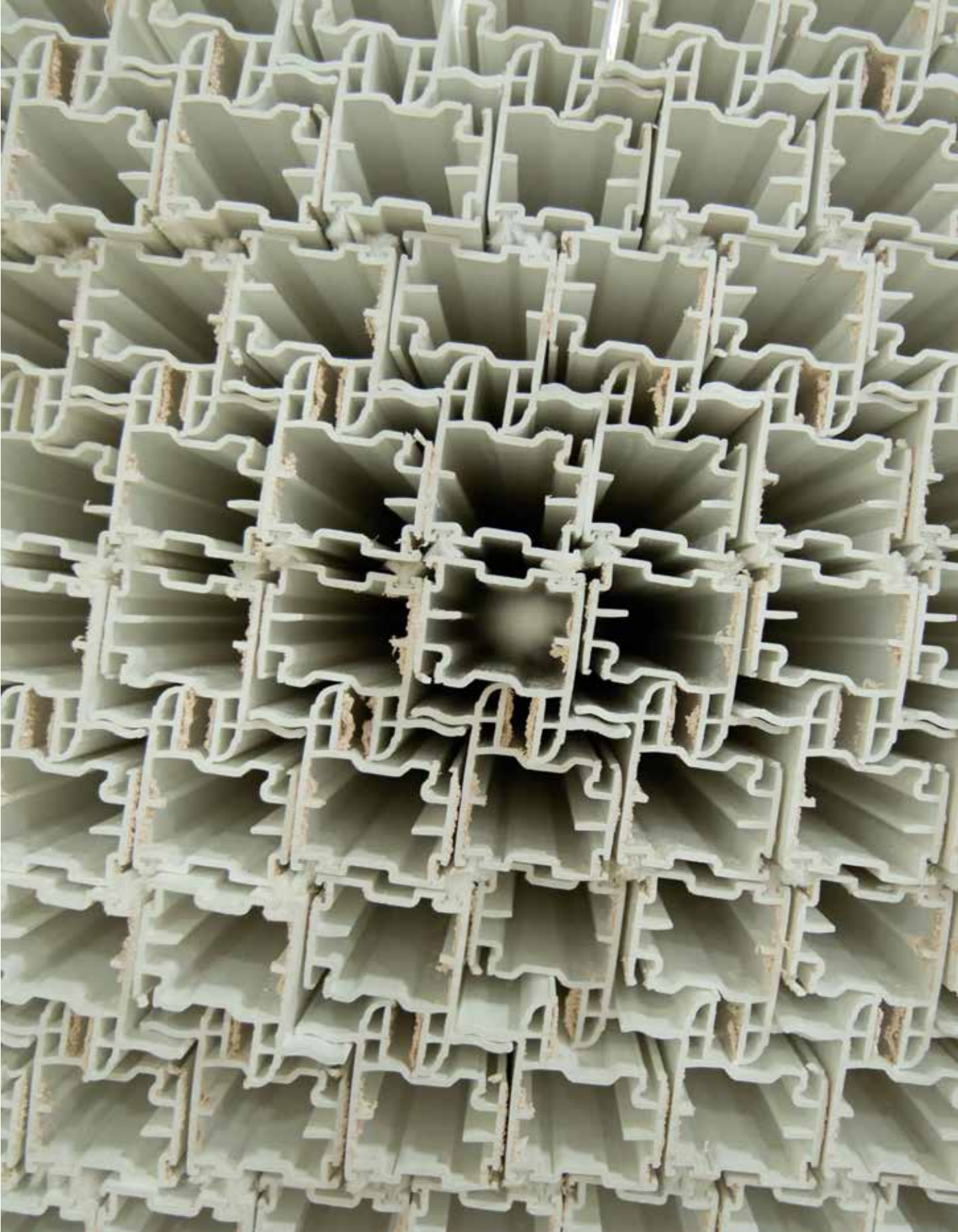
DECEUNINCK GERMANY AND PRODUKTIONS GMBH (GERMANY) - PRINCIPAL ACTUARIAL ASSUMPTIONS	2022	2023
Discount rate	3.70%	3.20%
Increase in compensations - white collar	3.00%	3.00%
Increase in compensations - blue collar	3.00%	3.00%
Increases in social security	3.00%	3.00%
Increases in pensions	2.00%	2.00%
Inflation	2.00%	2.00%

Ege Profil AS (Turkey)

The company is required to pay a termination indemnity upon the date of retirement. This plan is legally required for all employees and is unfunded. The actuarial present value was calculated based on the following assumptions:

EGE PROFIL AS (TURKEY) - PRINCIPAL ACTUARIAL ASSUMPTIONS	2022	2023
Discount rate	19.70%	26.43%
Increase in compensations - white collar	19.20%	70.00%
Increase in compensations - blue collar	19.20%	70.00%
Increases in social security	19.20%	70.00%
Increases in pensions	N/A	N/A
Inflation	N/A	N/A

The expected increase in compensations and social security is 70% for 2024 and 23% for the years after 2024.



Other

These provisions for employee benefits refer to local pension regulations.

The tables below provide an overview of the pension costs included in the consolidated income statement, and the amounts recognized in the balance sheet position for the defined pension plan of Deceuninck Germany GmbH, Deceuninck Produktions GmbH & Co. KG, Ege Profil AS and the Belgian subsidiaries of the last two years:

COMPONENTS OF PENSION COST					2022					2023				
(IN € THOUSAND)	Deceuninck Germany and Produktions GmbH (Germany)	Ege Profil AS (Turkey)	Deceuninck NV (Belgium)	Total		Deceuninck Germany and Produktions GmbH (Germany)	Ege Profil AS (Turkey)	Deceuninck NV (Belgium)	Total					
Current service cost	70	260	792	1,122		37	873	768	1,679					
Interest cost	127	135	32	294		369	382	(18)	733					
Recognized in income statement	197	395	824	1,416		406	1,255	750	2,412					

The current service cost is included in the financial statement lines in the consolidated income statement based on the function and activities of the related personnel. If the related personnel are no longer active within the Group, the cost is recognized in the section

Other under Other operating costs. The interest cost is included in Other financial result. Where applicable, the current service cost is considered for the inventory valuation.

AMOUNTS RECOGNIZED IN THE STATEMENT OF FINANCIAL POSITION					2022					2023				
(IN € THOUSAND)	Deceuninck Germany and Produktions GmbH (Germany)	Ege Profil AS (Turkey)	Deceuninck NV (Belgium)	Total		Deceuninck Germany and Produktions GmbH (Germany)	Ege Profil AS (Turkey)	Deceuninck NV (Belgium)	Total					
Present value of defined benefit obligation	10,230	3,391	8,533	22,154		10,816	2,731	9,078	22,624					
Fair value of plan assets	-	-	(8,037)	(8,037)		-	-	(8,702)	(8,702)					
Net liability (asset)	10,230	3,391	496	14,117		10,816	2,731	376	13,922					



CHANGE IN PENSION BENEFIT OBLIGATIONS				2022	2023			
(IN € THOUSAND)	Deceuninck Germany and Produktions GmbH (Germany)	Ege Profil AS (Turkey)	Deceuninck NV (Belgium)	Total	Deceuninck Germany and Produktions GmbH (Germany)	Ege Profil AS (Turkey)	Deceuninck NV (Belgium)	Total
At the beginning of	14,411	1,405	11,313	27,129	10,230	3,391	8,533	22,154
Current service cost	70	260	792	1,122	37	873	768	1,679
Interest cost	127	135	112	375	369	382	297	1,048
Plan participants contributions	-	-	240	240	-	-	286	286
Actuarial (gain) / loss	(3,901)	2,379	(3,014)	(4,536)	697	1,003	433	2,133
Arising from changes in financial assumptions	(4,605)	1,640	(3,183)		676	(202)	257	
Experience adjustments	704	738	159		21	962	176	
Arising from demographic assumptions	-	-	10		-	242	-	
Benefits paid directly	(478)	(252)	(910)	(1,640)	(517)	(1,602)	(1,239)	(3,359)
Exchange rate differences	-	(536)	-	(536)	-	(1,316)	-	(1,316)
At the end of	10,230	3,391	8,533	22,154	10,816	2,731	9,078	22,624

CHANGE IN FAIR VALUE OF PLAN ASSETS				2022	2023			
(IN € THOUSAND)	Deceuninck Germany and Produktions GmbH (Germany)	Ege Profil AS (Turkey)	Deceuninck NV (Belgium)	Total	Deceuninck Germany and Produktions GmbH (Germany)	Ege Profil AS (Turkey)	Deceuninck NV (Belgium)	Total
At the beginning of	-	-	7,696	7,696	-	-	8,037	8,037
Interest income on plan assets	-	-	80	80	-	-	315	315
Actuarial (gain) / loss	-	-	109	109	-	-	331	331
Return on plan asset	-	-	109		-	-	331	
Employer contributions	-	-	745	745	-	-	854	854
Plan participants contributions	-	-	240	240	-	-	286	286
Benefits paid directly	-	-	(833)	(833)	-	-	(1,121)	(1,121)
At the end of	-	-	8,037	8,037	-	-	8,702	8,702



OTHER		2023		
(IN € THOUSAND)		Deceuninck Germany and Produktions GmbH (Germany)	Ege Profil AS (Turkey)	Deceuninck NV (Belgium)
Contributions				
Expected contribution to the plan for the next annual reporting period		535	N/A	835
Maturity profile				
Duration jubilee benefits		N/A	N/A	N/A
Duration prepayments		N/A	N/A	3.8
Duration DC pension plans		13.0/19.0	N/A	12.8
Duration other long term benefits		N/A	11.58	N/A
Expected payments from the defined benefit plan within				
CashFlow Year 1		535	296	6
CashFlow Year 2		527	534	56
CashFlow Year 3		549	27	51
CashFlow Year 4		547	40	752
CashFlow Year 5		557	57	546
CashFlow Year 6-10		2,817	1,387	3,726

Sensitivity analysis shows the following impacts:

AS PER 31 DECEMBER 2023	Deceuninck Germany and Produktions GmbH (Germany)		Ege Profil AS (Turkey)		Deceuninck NV (Belgium)	
Change in discount rate	-0.20%	0.20%	-0.50%	0.50%	-0.20%	0.20%
Impact on present value of defined benefit obligation (in € thousand)	292	(279)	165	(151)	126	(121)
Change in pension increase rate	-0.50%	0.50%	-0.50%	0.50%	N/A	N/A
Impact on present value of defined benefit obligation (in € thousand)	(574)	607	(154)	166		
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)	(387)	401	N/A	N/A	22	(23)



17. Provisions

(IN € THOUSAND)	Restructuring	Warranties	Claims	Other	Total
As per 31 December 2022	-	1,568	1,080	1,749	4,396
Additions	12,598	945	1,584	3,330	18,457
Utilizations	-	(1)	(110)	(56)	(168)
Reversals	-	(61)	(497)	(497)	(1,054)
Transfers	-	-	-	(133)	(133)
Translation adjustments	-	(138)	(24)	(226)	(388)
As per 31 December 2023	12,598	2,313	2,033	4,167	21,111
Non-current	-	2,262	2,010	4,167	8,439
Current	12,598	51	23	-	12,672

Restructuring provisions are recognized when conditions of IAS 37 are fulfilled. In 2023 the restructuring provision relates to the strategic repositioning in Europe and Emerging Markets. The strategic repositioning in Europe relates to the Group's intention to stop all manufacturing activities in Bogen and all logistic activities in Hünderdorf in Bavaria, Germany. Deceuninck is optimizing its European production and logistic footprint in order to achieve sustainable growth, improve business performance and to assure a reliable supply and service. Production from the plant in Bogen will be transferred to other manufacturing plants of the Deceuninck Group, redesigning the set-up to address overcapacity and ensure long-term competitiveness. This restructuring plan will affect over 230 employees. The Group intends to complete the restructuring in the next twelve months.

German and global customers being serviced from the Bogen and Hünderdorf locations will not be impacted. There will be a continued focus on providing value and reliability to all customers. The Germany-based sales, marketing, product and technical functions will remain in place and assure all service, along with an optimal European supply chain and product portfolio.

Provisions for warranties are based on historical data of the cost incurred for repairs and returns.

The provisions for claims mainly relate to claims for quality issues of products sold.

The other provisions include a large number of items such as provisions for legal disputes.



18. Interest-bearing debts

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

LONG-TERM INTEREST-BEARING DEBTS (IN € THOUSAND)	2022	2023
Loans from financial institutions	119,331	89,688
Leasing	11,417	15,409
Long-term interest-bearing debts	130,748	105,097
SHORT-TERM INTEREST-BEARING DEBTS (IN € THOUSAND)	2022	2023
Loans from financial institutions	11,171	4,763
Leasing	5,280	7,251
Short-term interest-bearing debts	16,452	12,013

Long-term interest-bearing loans mainly consist of straight loans drawn under the € 60 million Sustainability Linked Revolving Facility Agreement maturing in 2024 and the € 120 million Sustainability Linked Loan Facility Agreement maturing in 2027.

The long-term leasing contracts mainly consist of agreements for the leasing of cars, equipment or buildings. See further Note 20.

Short term interest-bearing loans mainly consist of working capital loans from Turkish banks maturing within 12 months.

		Non-cash changes						
INTEREST BEARING DEBTS (IN € THOUSAND)	2021	Cash Flows	Capitalised Interest	Foreign Exchange revaluation in (profit) or loss	IFRS 16 New Leases / Disposals	Transfers	Foreign exchange translation	2022
Loans from financial institutions	23,336	112,021	96	(549)	-	-	(4,402)	130,502
Leasing	11,472	(5,898)	-	568	11,480	-	(925)	16,697
Retail Bond 3.75% - 08 Dec 2022	99,959	(100,000)	41	-	-	-	-	-
Interest bearing debts	134,767	6,122	137	19	11,480	-	(5,327)	147,199



		Non-cash changes					
INTEREST BEARING DEBTS (IN € THOUSAND)	2022	Cash Flows	Capitalised Interest	Foreign Exchange revaluation in (profit) or loss	IFRS 16 New Leases / Disposals	Foreign exchange translation	2023
Loans from financial institutions	130,502	(31,555)	96	20	-	(4,613)	94,450
Leasing	16,697	(7,109)	-	660	13,316	(903)	22,661
Interest bearing debts	147,199	(38,664)	96	680	13,316	(5,516)	117,110

As of 31 December 2023, undrawn committed credit lines under the above mentioned facility agreements amounted to € 94.9 million.

All interest-bearing debt of Deceuninck is unsecured. Usual financial covenants (Leverage, Interest Cover, ...) are applicable to the committed credit facilities and the remaining balance (€ 1 million) of the loan received in 2015 from the European Bank for Reconstruction and Development for the construction of the new plant in

Menemen (Turkey). As per 31 December 2023 and at all preceding testing dates throughout 2023, Deceuninck Group has met all its covenants.

The following table provides a summary of the outstanding debts by currency, the average interest rates and maturity profile as per 31 December 2023:

TERMS AND MATURITY PROFILE (IN € THOUSAND)	Interest %	Due within 1 year	Due between 1 and 5 years	Due after 5 years	Total
Financial liabilities (excl leasing liabilities)		11,171	119,331	-	130,502
Leasing liabilities		5,405	12,747	615	18,767
2022		16,576	132,078	615	149,269
Financial liabilities (excl leasing liabilities)		4,762	89,051	637	94,450
Leasing liabilities		7,499	18,128	485	26,112
2023		12,261	107,179	1,121	120,561
Of which					
EUR	4.72%	3,881	95,936	664	100,481
TRY	28.85%	5,110	3,043	-	8,152
USD	6.14%	1,625	5,700	-	7,325
Other foreign currencies	8.72%	1,646	2,500	457	4,604

The Group has € 94.4 million outstanding financial liabilities (excl leasing liabilities), of which € 89.9 million are loans at a variable interest rate. In order to mitigate the risk of increasing interest rates, Deceuninck has entered into Interest Rate Swaps with a tenor of five years for a total notional amount of € 100 million,

whereby it will pay a fixed interest rate and will receive the floating rate (i.e. Euribor 1 month). As at 31 December 2023, there are temporarily lower outstanding financial liabilities at variable interest rate in comparison to the hedging by means of interest rate swaps due to a temporary improvement in working capital position.



19. Trade payables and other liabilities

(IN € THOUSAND)	2022	2023
Trade Debts	144,023	138,790
Derivative financial instruments	327	805
Guarantees from Customers	897	826
Accrued interest	439	257
Accrued charges	453	1,093
Deferred income	1,522	629
Advance checks received	40,530	37,100
Other	363	1,436
OTHER LIABILITIES	44,531	42,146

The conditions for the above-mentioned trade debts and other debts are as follows:

- Trade debts do not bear interest and are usually paid on the basis of payment terms that can vary depending on the market. On average, these payment terms fluctuate between 45 and 65 days from the end of the month in which the debt is incurred. In Turkey this can be up to one year after the invoice date.
- For the conditions with regard to the financial instruments, we refer to Note 25.

- The guarantees from customers do not bear any interest and are immediately payable, as soon as the contractual obligations of the customer have been fulfilled.

Trade debts include, besides the invoiced purchases also a provision for invoices to be received, a provision for credit notes to be issued and foreign currency translation differences.

The other payables mainly consist of advance checks as referred to in Note 12.

20. Leasing

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

(IN € THOUSAND)	Buildings	Cars	Machinery & equipment	Total
As per 31 December 2021	4,792	2,250	3,301	10,343
Additions	7,995	2,494	1,264	11,753
Disposals	(206)	(55)	(12)	(273)
Depreciations	(3,064)	(1,978)	(1,701)	(6,742)
Translation adjustments	(97)	141	414	459
As per 31 December 2022	9,421	2,826	3,267	15,515



(IN € THOUSAND)	Buildings	Cars	Machinery & equipment	Total
As per 31 December 2022	9,421	2,826	3,267	15,515
Additions	5,700	5,681	2,345	13,726
Disposals	(300)	(130)	(2)	(432)
Depreciations	(3,517)	(2,119)	(2,620)	(8,256)
Impairments	-	(24)	(27)	(51)
Translation adjustments	(116)	(31)	2,040	1,892
As per 31 December 2023	11,188	6,203	5,003	22,394

Translation adjustments also contain the IAS29 hyperinflation effects of bringing the right-of-use assets to purchasing power of 31st of December 2023.

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)	2022	2023
Opening balance	11,472	16,697
Additions	11,753	13,726
Disposals	(273)	(410)
Accretion of interests	980	1,459
Payments	(6,878)	(8,568)
Translation adjustments	(357)	(244)
Closing balance	16,697	22,660
Current	5,280	7,251
Non-current	11,417	15,409

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

The following are the amounts recognized in profit or loss:

(IN € THOUSAND)	2022	2023
Depreciation expense of right-of-use-assets	(6,742)	(8,256)
Interest expense on lease liabilities	(980)	(1,459)
Expenses relating to short-term leases and low-value assets	(3,171)	(2,724)
Total amount recognized in profit or loss	(10,892)	(12,439)



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 € 1.2 million on the results of 2023 (2022: € 0.8 million) as recognized in ‘Other payroll expenses’ in Note 3. Revenue and costs are split up as below:

- Warrant plan: € 0.8 million in 2023 (€ 0.8 million in 2022)
- Performance share plan: € 0.4 million in 2023 (€ 0 in 2022)
- Stock option plans: No impact in 2023 (no impact in 2022)

Stock option plans, warrant plans and performance share plans are accounted for as equity settled plans. These plans were valued on the basis of the binominal tree structure. Volatility was determined on the basis of historical data.

Stock option plans

There are no outstanding options at the end of December 2023.





Warrant plans

The balance of the outstanding warrants at the end of December 2023 is 7,853,134 (2022: 6,973,162). One warrant entitles the holder to buy one Deceuninck NV share at a fixed exercise price. Within the scope of the warrant plans, 365,499 warrants were exercised in the course of 2023. 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 2013	Plan 2013	Plan 2015	Plan 2015	Plan 2015	Plan 2017	Plan 2018		Plan 2018	Plan 2018	Plan 2018	Plan 2020	Plan 2021	Plan 2022	Plan 2022	Plan 2023	Total
Grant date	17/12/2013	17/12/2014	16/12/2015	21/12/2016	21/12/2016	21/12/2017	21/12/2018		21/12/2018	13/12/2019	21/12/2019	17/12/2020	16/12/2021	23/12/2022	02/03/2023	15/12/2023	
Acceptance date	14/02/2014	16/02/2015	15/02/2016	21/02/2017	21/02/2017	19/02/2018	19/02/2019		19/02/2019	01/02/2020	01/02/2020	16/02/2021	14/02/2022	20/02/2023	30/04/2023	18/02/2024	
Number of beneficiaries at grant date	59	66	73	8	66	54	45		12	43	14	54	56	87	1	69	
Exercise price (in €)	1.71	1.79	2.40	2.40	2.27	3.06	1.82		1.97	1.82	1.97	1.78	3.07	2.38	2.53	2.29	
Share price on acceptance date (in €)	2.19	1.98	2.08	2.22	2.22	2.88	2.19		2.19	1.98	1.98	2.44	2.85	2.56	2.35	2.24	
Granted	332,500	910,000	630,000	710,000	524,000	1,334,000	700,000		755,000	546,500	828,500	1,183,000	1,302,000	1,190,500	25,000	1,189,500	12,160,500
Accepted	332,500	892,500	607,500	710,000	524,000	1,233,500	577,000		755,000	546,500	798,500	1,145,000	1,224,250	1,120,540	25,000	611,500	11,103,290
Exercised	179,993	664,994	170,830	70,000	178,999	20,000	177,663		85,000	71,164	40,000	-	-	-	-	-	1,658,643
Forfeited	109,171	150,004	260,000	60,000	209,000	265,000	74,000		60,000	72,000	73,500	53,500	37,000	3,500	-	-	1,426,675
Expired	43,336	77,502	10,000	-	8,000	10,000	11,000		-	5,000	-	-	-	-	-	-	164,838
Outstanding 31/12/2023	-	-	166,670	580,000	128,001	938,500	314,337		610,000	398,336	685,000	1,091,500	1,187,250	1,117,040	25,000	611,500	7,853,134
Exercisable 31/12/2023	-	-	166,670	580,000	128,001	938,500	209,558		406,667	134,445	228,333	-	-	-	-	-	2,792,174
Exercise periods	2017-2023	2018-2023	2019-2025	2020-2024	2020-2024	2021-2027	2022-2028		2022-2028	2023-2028	2023-2028	2024-2030	2025-2031	2026-2032	2026-2032	2027-2032	
Assumptions																	
Volatility	45.00%	45.00%	45.00%	40.00%	40.00%	30.00%	30.00%		30.00%	24.80%	24.80%	27.70%	34.74%	36.77%	36.78%	31.53%	
Risk-free interest	0.99%	-0.03%	-0.28%	-0.32%	-0.32%	0.13%	-0.12%		-0.12%	0.02%	0.02%	-0.24%	0.12%	3.00%	3.30%	2.45%	
Dividend (in €)	0.03	0.03	0.03	0.03	0.03	0.03	0.03		3.03	1.03	0.03	0.03	0.05	0.06	0.06	0.07	
Early exercised - Minimum gain	25%	25%	25%	25%	25%	25%	25%		25%	25%	25%	25%	25%	25%	25%	25%	
Early exercised - Probability to exercise	50%	50%	50%	50%	50%	50%	50%		50%	50%	50%	50%	50%	50%	50%	50%	





WARRANTS MOVEMENTS IN 2022	Plan 2013	Plan 2013	Plan 2015	Plan 2015	Plan 2015	Plan 2017	Plan 2018	Plan 2018			Plan 2018	Plan 2018	Plan 2020	Plan 2021	Plan 2022	Plan 2023	Plan 2023	Total	Weighted average exercise price
Outstanding 2021	40,002	55,836	209,170	610,000	199,002	956,500	530,000	695,000			531,500	725,000	1,130,000	680,000	-	-	-	6,362,010	2.25
Accepted	-	-	-	-	-	-	-	-			-	-	-	544,250	402,400	-	-	946,650	2.78
Exercised	1,667	3,334	5,000	-	38,001	-	84,996	35,000			-	-	-	-	-	-	-	167,998	1.97
Forfeited	-	-	5,000	-	8,000	18,000	29,000	-			47,000	-	23,500	37,000	-	-	-	167,500	2.26
Outstanding 2022	38,335	52,502	199,170	610,000	153,001	938,500	416,004	660,000			484,500	725,000	1,106,500	1,187,250	402,400	-	-	6,973,162	2.33

WARRANTS MOVEMENTS IN 2023	Plan 2013	Plan 2013	Plan 2015	Plan 2015	Plan 2015	Plan 2017	Plan 2018	Plan 2018			Plan 2018	Plan 2018	Plan 2020	Plan 2021	Plan 2022	Plan 2023	Plan 2023	Total	Weighted average exercise price
Outstanding 2022	38,335	52,502	199,170	610,000	153,001	938,500	416,004	660,000			484,500	725,000	1,106,500	1,187,250	402,400	-	-	6,973,162	2.33
Accepted	-	-	-	-	-	-	-	-			-	-	-	-	718,140	25,000	611,500	1,354,640	2.34
Exercised	8,334	20,834	27,500	30,000	25,000	-	92,667	50,000			71,164	40,000	-	-	-	-	-	365,499	1.97
Forfeited	-	-	5,000	-	-	-	9,000	-			15,000	-	15,000	-	3,500	-	-	47,500	1.91
Expired	30,001	31,668	-	-	-	-	-	-			-	-	-	-	-	-	-	61,669	1.75
Outstanding 2023	-	-	166,670	580,000	128,001	938,500	314,337	610,000			398,336	685,000	1,091,500	1,187,250	1,117,040	25,000	611,500	7,853,134	2.36



Performance share plan

The balance of the outstanding Performance Share Rights granted in the plan of 2022 to the members of the Executive Management (“Beneficiaries”) is 598,466 as at 31 December 2023. One Performance Share Right can be converted into “matching” or Performance Shares of Deceuninck NV at the vesting date (16th August 2025), provided the Beneficiaries invested in Deceuninck Shares before 31 December 2022. The reference share price is 2.41 EUR and is equal to the average share price between 15th July 2022 and 15th August 2022.

PERFORMANCE SHARE PLAN		PLAN 2022
Grant date		1/01/23
Acceptance date		31/12/22
Number of beneficiaries at grant date		10
Share price at date of grant		2.71
Granted		627,816
Accepted		627,816
Exercised		-
Forfeited		29,350
Expired		-
Outstanding 31/12/2023		598,466
Exercisable 31/12/2023		-
Exercise periods		2025
Assumptions		
Volatility		37.56%
Risk-free interest		3.33%

PERFORMANCE SHARE PLAN MOVEMENTS 2022	
Outstanding 2021	-
Accepted	627,816
Exercised	-
Forfeited	-
Expired	-
Outstanding 2022	627,816

For each invested share, the Beneficiary will be entitled to one or more matching Deceuninck Shares pursuant to the fulfilment of the Performance Condition, defined as a cumulative annual average increase of the Total Shareholder Return as determined in the Plan, the realization of which determines the fraction or the multiple (if any) of Performance Shares a vested Performance Share Right effectively entitles to.

PERFORMANCE SHARE PLAN MOVEMENTS 2023	
Outstanding 2022	627,816
Accepted	-
Exercised	-
Forfeited	29,350
Expired	-
Outstanding 2023	598,466



22. Related parties

During 2023, the Group made purchases for € 1.1 million (no purchases in 2022) and no sales (no sales in 2022), under normal market conditions, from or to companies to which Directors of the Group, owning shares of the Group, are related to. The purchases in 2023 are related to an investment and installation in a solar energy plant.

Furthermore, during 2023, the Group made no purchases (no purchases in 2022) and sales of € 2.1 million (€ 1.5 million in 2022), 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 position of trade and other receivables of € 11.0 million (€ 5.5 million in 2022) and an outstanding payable position of € 185 thousand (€ 234 thousand in 2022) with So Easy Belgium BV or related companies. The outstanding receivable position is mainly related to working capital financing.

Total remuneration of members of the Board in 2023 amounted to € 290 thousand (€ 274 thousand in 2022). This amount includes additional remunerations granted to Directors for their involvement in Board Committees. These remunerations are granted by the General Meeting and are included in general expenses. Directors charged with special missions and projects can receive appropriate remuneration. The Executive Chairman received a remuneration of € 200,000 for the specific projects: aluminum and recycling business. In 2023, the CEO received a total remuneration (fixed + variable) in the amount of € 990 thousand (in 2022 a total remuneration of € 511 thousand). The other members of the DirCo (the CFO, the General Counsel and the current MD Europe) received total remunerations (fixed + variable) of € 1.439 thousand (in 2022 a total remuneration of € 803 thousand). The members of the

Executive Team Regions received total remunerations (fixed + variable) of € 1.373 thousand (in 2022 a total remuneration of € 1.315 thousand). This amount contains the fixed remuneration of the former MD Europe who was in his role from 1 January 2023 until 30 September 2023.

The split of the remuneration is further disclosed in the Remuneration Report contained in the section “Corporate Governance Statement” of this annual report. For 2023, the evaluation criteria for the former CEO and the other members of the Executive Team Group were as follows: REBITDA Group (40%), Adjusted Free Cash Flow Group (40%) and non-financial criteria (20%). For the members of the Executive Team Regions: REBITDA Group (20%), REBITDA Region (20%), Adjusted Free Cash Flow Group (20%), Adjusted Free Cash Flow Region (20%) and non-financial criteria (20%). Options and/or subscription rights on the shares of the company are granted to members of the Executive Team Group and Executive Team Regions. On 20 December 2023, a new subscription rights plan (“Warrant Plan 2023”) of 3,000,000 subscription rights was issued. On 20 December 2023, 250,000 subscription rights of Warrant Plan 2023 were offered to the former CEO and 60,000 subscription rights were offered to each of the CFO, General Counsel, MD Europe, MD North and Latin America and MD Turkey and APAC. The price of the subscription rights amounts to € 2.29. The subscription rights were to be accepted by 18 February 2024. The exercise period runs from 2027 until 2033. In 2027, 1/3 of the subscription rights will vest, in 2028 another 1/3 and in 2029 another 1/3. Each year, there will be two exercise windows: from the day after the Annual General Meeting in April until 30 June and from the day after the publication of the half-year results in August until 30 September. These subscription rights plans are not related to the performance of the Group.



23. Services provided by the external auditor

During 2023 the following charges of the external auditor were included in the Group’s income statement:

Audit related services	€ 557,881
Other services	€ 21,636

24. Going concern

There are no indicators of circumstances that might question the continuity of the activities.

We refer to the additional disclosures as included in Note 25 Risk management – Credit risk & liquidity risk.

25. Risk management

The most important financial risks for the Group are exchange rate risk, interest rate risk, credit risk and liquidity risk.

Exchange rate risk

The exchange rate risk of the Group can be split into two categories: translation risk and transaction risk.

TRANSLATION RISK

Translation risk arises from the conversion of financial figures of foreign subsidiaries outside the Eurozone into the Group’s reporting currency, the euro. The currencies most susceptible for this kind of risk are the US dollar and the Turkish lira. This kind of exchange rate risk is not hedged.

TRANSACTIONAL EXCHANGE RATE RISK

Transactional exchange rate risk arises when an entity of the Group enters into a transaction which will be settled in a currency which is not the functional currency of that entity. Transactional exchange rate risk within the Group can be of operational or financial nature.

When this risk is associated with sales and purchases in foreign currencies as a result of the commercial activities of the Group, it is denominated as operational. The most

important transactional exchange rate risks of operational nature originate from purchases of raw materials in euro and US dollar by the Turkish subsidiary Ege Profil. Sales in euro by this subsidiary mitigate to some extent this risk.

When transactional exchange rate risk is associated with cash or loans in foreign currencies it is denominated as financial. The most important risks of this nature originate from loans and leases in euro and US dollar taken by the Turkish subsidiary Ege Profil. It is important to note that loans in euro and US Dollar on the balance sheet of Ege Profil are to some extent ‘naturally hedged’ by the net position of trade receivables and payables in euro and US dollar on the same local balance sheet. Any remaining exposure is hedged financially with forward contracts. See also further below.

Some intercompany loans for which repayment is neither planned nor likely in the foreseeable future have been designated as ‘Net Investment in Foreign Operations’. As such, the exchange results on these intercompany loans are recognized directly in Other Comprehensive Income and accumulated in a separate component of equity until the disposal of the foreign operation.



RECOGNIZED ASSETS AND LIABILITIES

The Group aims to minimize the impact of exchange rate fluctuations on the monetary assets and liabilities recognized on the balance sheet. These exchange rate risks are hedged as much as possible by offsetting monetary assets in one currency (for example trade receivables) against monetary liabilities (for example trade debts) in the same currency (‘natural hedging’). The remaining exchange rate risk, after the optimization of natural hedging, is hedged with financial instruments (‘financial hedging’) if the cost is considered as reasonable.

The table below provides an overview of the existing FX forward contracts, grouped by currency, at the end of December 2023:

PURCHASE OR SALE	Currency	Amount	Maturity Date	MTM 2023
Forward sales	BRL	13,578,984	Q1 2024	(5,945)
	CLP	2,582,233,696	Q1 2024	33,694
	GBP	2,600,000	Q1 2024	18,079
	INR	804,952,500	Q1 2024	162,355
	PLN	77,500,000	Q1 2024	10,344
	MXN	23,772,150	Q1 2024	(35,056)
	TRY	880,547,000	Q2 2024	(288,953)
	USD	1,400,000	Q1 2024	13,374
Forward purchases	CZK	351,824,000	Q1 2024	(168,042)
	GBP	7,000,000	Q1 2024	(33,702)
	PLN	1,900,000	Q1 2024	571
	TRY	167,640,000	Q1 2024	(45,519)
	USD	19,300,000	Q1 2024	(180,817)

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.

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.

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 2023*							
Currency	Amount (in foreign currency and in thousand)	Closing rate 31/12/2023	Possible volatility of the exchange rate **	Rate used for the sensitivity analysis		Effect on revaluation (in € thousand)	
AUD/TRY	(32,055)	20.0295	8.46%	21.7233	18.4677	4	(4)
EUR/BRL	(255)	5.3618	6.07%	5.6872	5.0550	3	(3)
EUR/CLP	(88,473)	979.4000	6.50%	1043.0624	919.6232	6	(6)
EUR/CZK	(6)	24.7240	2.26%	25.2832	24.1772	-	-
EUR/GBP	(1)	0.8691	2.41%	0.8900	0.8486	-	-
EUR/INR	13	91.9045	3.59%	95.2082	88.7154	-	-
EUR/PLN	(6)	4.3395	3.19%	4.4778	4.2055	-	-
EUR/RUB	415,916	99.1919	10.70%	109.8095	89.6009	(405)	449
EUR/TRY	(293,964)	32.5739	7.60%	35.0506	30.2722	638	(686)
EUR/USD	1	1.1050	3.76%	1.1466	1.0649	-	-
USD/CLP	(128)	886.3348	7.10%	949.2762	827.5668	-	-
USD/MXN	11,144	16.9439	5.67%	31.1511	27.8960	(18)	19
USD/RUB	(11,166)	89.7664	10.33%	99.0369	81.3637	11	(12)
USD/TRY	(519,541)	29.4786	6.47%	31.3871	27.6862	970	(1,033)
Total						1,206	(1,275)

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

If currencies would have weakened/strengthened during 2023 in line with the above-mentioned possible rates, the profit of the financial year would have been about € 1.3 million lower / € 1.2 million higher. The relatively high sensitivity is mainly due to the Group’s exposure in Turkish Lira, for which no hedging options at reasonable costs are available.

Interest rate risk

€ 89.9 million out of the € 94.4 million outstanding loans of the Group are loans at a variable interest rate. In order to mitigate the risk of increasing interest rates, Deceuninck has entered into Interest Rate Swaps with a tenor of five years for a total notional amount of € 100 million with a direct link in amount and duration of

existing financing, whereby it will pay a fixed interest rate and will receive the floating rate (i.e. Euribor 1 month). Generally the Group aims to have a hedge ratio of this specific interest rate risk of approximately 80-120%. At year-end 2023 this was 85% due to a temporarily improved working capital situation.

On 31 December 2023 a total amount of €108.2 million financing (including factoring) at a variable interest rate was outstanding, of which € 100 million is hedged by these Interest Rate Swaps. An increase or decrease of the market interest rate by 1.00% would by consequence only have an impact on the unhedged part (€ 8.2 million) which would result in an increase or decrease of the interest costs by € 82 thousand.



The group’s hedging reserves relate to the following hedging instruments:

CASH FLOW HEDGE RESERVE	Interest rate swap	Total hedge reserve
As per 31 December 2021	-	-
Change in fair value of hedging instruments recognised in OCI	2,968	2,968
Deferred tax	(742)	(742)
As per 31 December 2022	2,226	2,226
Change in fair value of hedging instruments recognised in OCI	(3,014)	(3,014)
Deferred tax	754	754
As per 31 December 2023	(35)	(35)

There have been no reclassifications from the cash flow hedge reserve to profit or loss during the period in relation to the interest rate swaps.

Credit risk

The products of the Group are used almost exclusively in the construction industry. Hence, the exposure to credit risk is highly dependent on the performance of the building industry and the general economic conditions.

In order to minimize the credit risk, we are closely monitoring the payment behaviour of each debtor. The Group uses credit insurance to mitigate the credit risk related to trade receivables. Two credit insurance policies have been taken out with two different insurers. Commercial limits, based on financial information and on business knowledge, can deviate from the insured credit limits. In cases where the insured limit is not sufficient we tried to obtain extra guarantees from our customers (e.g. bank guarantees, promissory notes, letters of credit or pledges on customers assets (machinery, buildings, land plots, etc.)).

Payment behaviour of our customers has been monitored very closely and unpaid invoices have resulted immediately in a blocking of all open orders from day one.

Liquidity risk and risks linked

The Deceuninck Group holds sufficient cash, cash equivalents and committed credit facilities for the funding

of its operating activities and there are no factors that cast doubts on whether going concern assumption is appropriate.

Liquidity problems could arise at Restricted Group level if an event of default would occur under one of the credit facility agreements which is not remedied within the foreseen remedy period. In that case, the outstanding amounts under both credit facility agreements might become immediately due and payable, which would jeopardize the liquidity situation of the Restricted Group.

For the Turkish subsidiary Ege Profil, liquidity problems could arise if loans at maturity could not be refinanced through local Turkish banks. Although the Turkish government is trying to curb credit growth in an attempt to tame inflation, Ege Profil has so far always been able to obtain financing thanks to its excellent reputation and solid financials. In the unlikely situation in which Turkish banks would be unable to grant further loans to Ege Profil, an intra-group loan from Deceuninck NV could provide Ege Profil with the required funding.

In order to detect possible events of default as a consequence of non-compliance with financial covenants at an early stage and to enable the Group to take corrective measures, a mid-term financial forecast is kept up to date and resulting impact on covenants is simulated.



In addition to the above-mentioned risk of non-compliance with the financial covenants, the liquidity risk is also linked to the evolution of the working capital of the Group, which is highly subject to seasonal fluctuations and the capital expenditure level of the Group. This is therefore closely monitored.

Hierarchical classification of fair value

A comparison is provided below between the net carrying value and the fair value of financial instruments, which have been included in the financial statements. The fair value of the loans was calculated by defining the expected future cash flows, and by discounting these on common, accepted interest rates.

FINANCIAL INSTRUMENTS (IN € THOUSAND)	Net carrying value		Fair value	
	2022	2023	2022	2023
Financial assets				
Cash and cash equivalents	58,949	46,545	58,949	46,545
Trade receivables	87,947	82,129	87,947	82,129
Financial fixed assets	10	8	10	8
Derivative financial instruments	3,290	240	3,290	240
Financial liabilities				
Loans with a variable interest rate	119,709	91,502	119,709	91,502
Loans with a fixed interest rate	10,793	4,516	11,080	4,058
Financial leasing liabilities	16,697	22,660	16,697	22,660
Derivative financial instruments	327	805	327	805



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 2023, 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 2022 the Group had the following financial instruments.

DERIVATIVE FINANCIAL INSTRUMENTS - HIERARCHICAL CLASSIFICATION OF FAIR VALUE (IN € THOUSAND)	2022 31 DEC	Level 1	Level 2	Level 3
Interest rate swap	2,968	-	2,968	-
FX forward contracts	322	-	322	-
Assets at fair value	3,290	-	3,290	-
FX forward contracts	327	-	327	-
Liabilities at fair value	327	-	327	-

As per 31 December 2023 the Group has the following financial instruments.

DERIVATIVE FINANCIAL INSTRUMENTS - HIERARCHICAL CLASSIFICATION OF FAIR VALUE (IN € THOUSAND)	2023 31 DEC	Level 1	Level 2	Level 3
Interest rate swap	-	-	-	-
FX forward contracts	240	-	240	-
Assets at fair value	240	-	240	-
Interest rate swap	46	-	46	-
FX forward contracts	759	-	759	-
Liabilities at fair value	805	-	805	-

Climate-related matters

In view of climate related matters, the Group’s business is not impacted by extreme weather conditions such as droughts or floods.

Macroeconomic environment

The aftermath of the COVID-19 pandemic and the changes in geopolitical situation have led to higher interest rates and a steep increase of the inflation in

Europe and America. The inflation affects mainly energy costs and salaries. All these costs are being critically reviewed and optimized on a constant basis. These inflation effects were passed through where possible.

As a result of the uncertain geopolitical situation in Russia since the conflict in Ukraine, the Group has fully impaired the Russian property, plant and equipment since the long-term operating plan cannot be guaranteed due to these uncertainties. The Group has no operations in Ukraine and its turnover in the country was not material.



26. Off-balance sheet commitments

- The Group has the following off-balance sheet commitments as per 31 December 2023:
- Capital expenditure commitments for € 16.0 million;
 - Purchase commitments for raw material for an equivalent of € 48.8 million for the period 2024 to 2026 to secure sourcing in the coming years;
 - No export commitments;
 - Purchase commitments resulting from derivative forward agreements: see detailed information as included in Note 25 Risk management.

27. Events after the balance sheet

No significant events have occurred after the balance sheet date.

28. List of subsidiaries

All financial periods close on 31 December 2023, apart from Deceuninck Profiles India Private Limited, as disclosed in Note 1.
Fully consolidated subsidiaries:



NAME OF THE COMPANY	REGISTERED OFFICE	Ownership percentage	
		2022	2023
AUSTRALIA			
Deceuninck Pty. Ltd.	Level 1 60 Toorak Road VIC 3141 South Yarra	100.00	100.00
BELGIUM			
Solardec CV	Bruggesteeweg 360 8830 Hooglede-Gits	28.77	14.43
Plastics Deceuninck NV	Bruggesteeweg 360 8830 Hooglede-Gits	100.00	100.00
Tunal NV	Bruggesteeweg 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	Estrada Boa Vista 575 Galpão 10 CEP 06701 475 Cotia – São Paulo	99.99	100.00
BULGARIA			
Deceuninck Bulgaria EOOD	41 Sankt Peterburg Blvd 4000 Plovdiv	100.00	100.00
CHILE			
Deceuninck Importadora Limitada	El Otoño 472 Lampa 9390306 Santiago	99.99	99.99
CROATIA			
Deceuninck d.o.o.	Gospodarska ulica 11 10298 Donja Bistra	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 CII 1 Cra 2-5 DUP 1 Bdg 15 Turbaco - Colombia	100.00	100.00
FRANCE			
Deceuninck S.A.S.	Zone Industrielle – Impasse des Bleuets 80700 Roye	100.00	100.00
GERMANY			
Deceuninck Germany GmbH	Bayerwaldstrasse 18 94327 Bogen	100.00	100.00
Deceuninck Germany Produktions GmbH & Co KG	Bayerwaldstrasse 18 94327 Bogen	100.00	100.00



NAME OF THE COMPANY	REGISTERED OFFICE	Ownership percentage	
		2022	2023
Deceuninck Holding Germany GmbH	Bayerwaldstrasse 18 94327 Bogen	100.00	100.00
INDIA			
Ege Profil Tic. ve San. A.S. (branch)	Mannur Village No 523 B Block Mannur Village – Sriperumbudur Taluk 631203 Chennai	87.91	88.27
Deceuninck Profiles India Private Limited	Building 09. Casa Grande Distripark Satharai Village. Thiruvallur Taluk Thiruvallur Thiruvallur TN 631203	88.03	88.39
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	Huajuapán No. 809 Int 2 C. Coronango 72680 Puebla	100.00	100.00
POLAND			
Deceuninck Poland Sp. z o.o.	Jasin. Ul Poznanska 34 62-020 Swarzedz	100.00	100.00
ROMANIA			
Deceuninck Romania SRL	Sos. De Centura nr. 13A Complex Key Logistics Center 077040 Chiajna town Jud.Ifov	100.00	100.00
RUSSIA			
Deceuninck Rus OOO	Butlerova str., 17, room 5106 117342 Moscow	100.00	100.00
SLOVAKIA			
Deceuninck Slovakia s.r.o.	Zámocká 30 811 01 Bratislava – Staré mesto	100.00	100.00
SPAIN			
Deceuninck NV Sucursal en Espana	Avda. De la Industria 1007 Pol. Ind. Antonio del Rincon 45222 Borox – Toledo	100.00	100.00
THAILAND			
Deceuninck (Thailand) Co. Ltd.	2/3 Bangna Towers A 17fl RM 1704B Bangna-Trad. Km 6.5 Bangkaew. Bangplee Samutprakarn 10540	74.00	74.00
Asia Profile Holding Co. Ltd.	2/3 Bangna Towers A 17fl RM 1704B Bangna-Trad. Km 6.5 Bangkaew. Bangplee Samutprakarn 10540	48.95	48.95



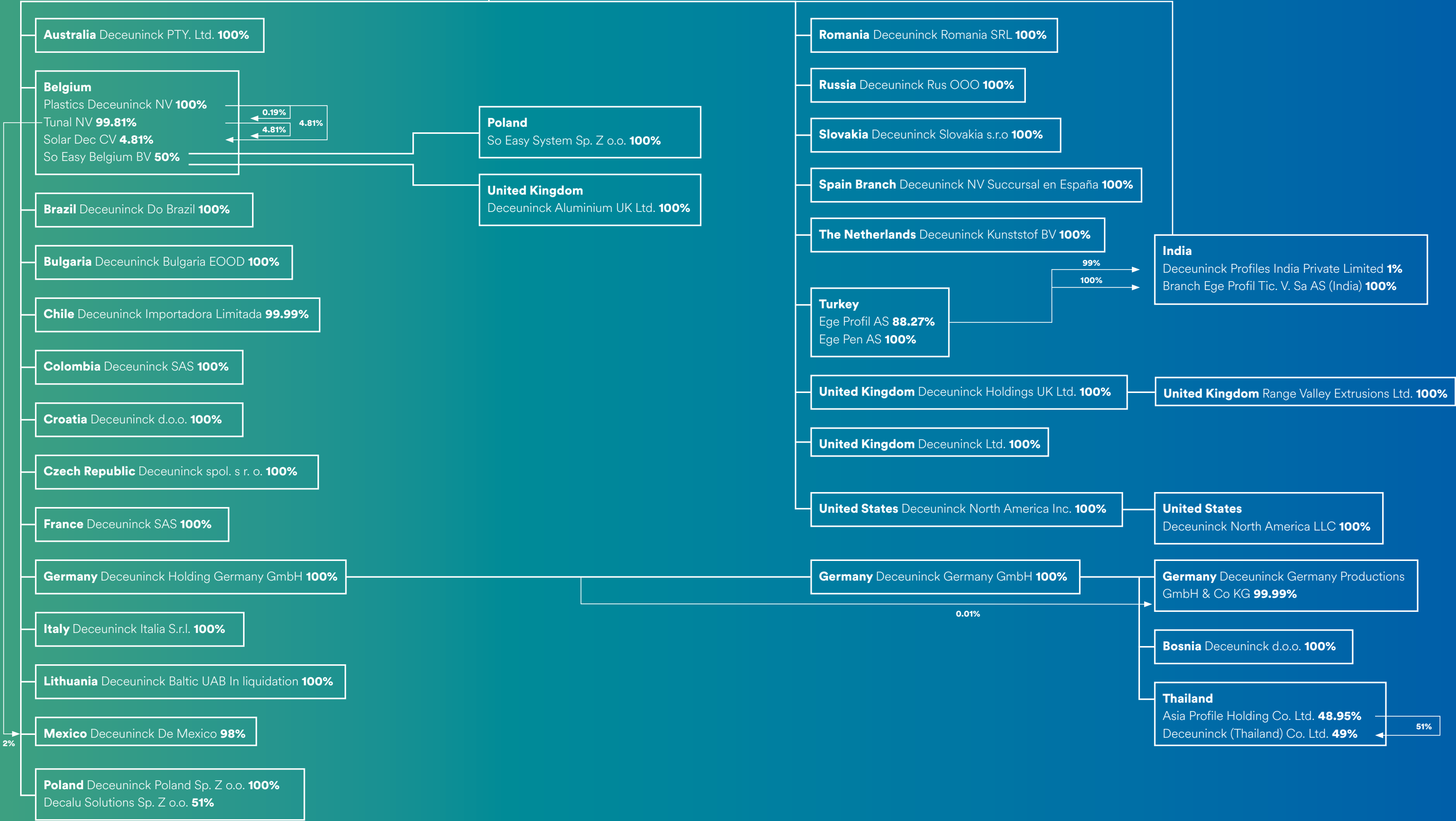
NAME OF THE COMPANY	REGISTERED OFFICE	Ownership percentage	
		2022	2023
THE NETHERLANDS			
Deceuninck Kunststof BV	Zinkstraat 24, unit C8725 4823AD Breda	100.00	100.00
TURKEY			
Ege Profil Ticaret ve Sanayi A.Ş	Atatürk Plastik OSB Mahallesi. 5. Cadde No: 4 Menemen/İZMİR 35660 IZMIR	87.91	88.27
Ege Pen A.Ş	Atatürk Plastik OSB Mahallesi. 5. Cadde No: 4 Menemen/İZMİR 35660 IZMIR	100.00	100.00
UNITED KINGDOM			
Deceuninck Ltd.	Unit 2. Stanier Road Porte Marsh Calne – Wiltshire SN11 9PX	100.00	100.00
Range Valley Extrusions Ltd.	Unit 2. Stanier Road Porte Marsh Calne – Wiltshire SN11 9PX	100.00	100.00
Deceuninck Holdings (UK) Ltd.	Unit 2. Stanier Road Porte Marsh Calne – Wiltshire SN11 9PX	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	
		2022	2023
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
UNITED KINGDOM			
Deceuninck Aluminium UK Ltd.	Unit 2. Stanier Road Porte Marsh Calne – Wiltshire SN11 9PX	-	50.00



Deceuninck NV–Belgium



2.6.3 Deceuninck NV

The following pages are extracts from the annual report and financial statements of Deceuninck NV. The complete version of the financial statements and the annual report will be available on request and via the Deceuninck website, at the times stipulated by the Belgian Code on Companies. The annual financial statements and the annual report are prepared in

accordance with Belgian legal requirements, which differ considerably from the IFRS accounting principles that are applied to the consolidated financial statements. The External Auditor has issued an unqualified opinion regarding the 2023 annual financial statements of Deceuninck NV.

Income statement

The income statement for 2023 is presented below:

INCOME STATEMENT (IN € THOUSAND)	2022	2023
Operating revenues	302,862	273,141
Operating costs	(306,743)	(301,275)
Operating Profit	(3,881)	(28,134)
Financial income	52,634	30,827
Financial costs	(34,566)	(30,569)
Profit (+) / Loss (-) For The Financial Year Before Taxes	14,187	(27,876)
Income taxes	4	(75)
Profit (+) / Loss (-) For The Financial Year	14,191	(27,951)
Profit (+) / Loss (-) For The Financial Year Available For Appropriation	14,191	(27,951)

The operating revenues have decreased due to a combination of (i) lower sales volumes driven by challenging market environments with high inflation and increasing interest rates and (ii) lower sales prices following a decrease of the raw material cost. Operating costs remained stable compared to prior year as they are impacted by high energy prices and overall inflation of salaries, other goods and services.

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



Balance sheet

BALANCE SHEET (IN € THOUSAND)	2022	2023
Intangible fixed assets	1,570	1,107
Tangible fixed assets	37,266	43,713
Financial fixed assets	219,675	206,551
Other receivables	58,871	74,220
Non-current assets	317,382	325,591
Inventories	43,475	32,774
Trade receivables	41,498	42,629
Other receivables	26,294	27,603
Cash and cash equivalents	9,226	15,596
Other current assets	6,195	3,398
Current assets	126,688	122,000
TOTAL ASSETS	444,070	447,591
Issued capital	54,505	54,640
Share premiums	94,749	95,291
Reserves	15,520	15,526
Retained earnings	60,236	19,817
Equity	225,010	185,274
Provisions and deferred taxes	757	1,856
Long-term debts	112,000	86,433
Short-term debts	104,632	169,544
Other liabilities	1,671	4,484
Liabilities	218,303	245,663
TOTAL EQUITY AND LIABILITIES	444,070	447,591

The most important fluctuations are:

- Increase in tangible fixed assets totals as a result of continued investments in the Diksmuide recycling and compounding plant, co-extrusion investments in Gits plant and IT related investments.
 - Decrease in financial fixed assets linked to impairments on participations.
 - Increase in other non-current receivables due to new intercompany loans granted to subsidiaries.
- Decrease in stock levels because of the downtrend in raw material prices and working capital actions.
 - Increase in short-term debts as a result of new centralized cash management incentives with subsidiaries.



Result appropriation

The Board of Deceuninck NV will propose to the General Meeting to distribute a gross dividend of 0.08 euro per share.

APPROPRIATION OF THE RESULTS OF DECEUNINCK NV (IN € THOUSAND)	2022	2023
Profit / (loss) from the fiscal year for appropriation	14,191	(27,951)
Profit carried forward from previous year	54,333	58,845
Profit to be appropriated	68,524	30,894
Dividend	9,673	11,077
Allocation to legal reserves	6	-
Profit to be carried forward	58,845	19,817
TOTAL	68,524	30,894



2.6.4 External Auditor’s Report

Statutory auditor's report to the general shareholders' meeting of Deceuninck NV on the consolidated accounts for the year ended 31 December 2023.

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. 25 April 2023, following the proposal formulated by the board of directors and following the recommendation by the audit committee and the proposal formulated by the works’ council. Our mandate will expire on the date of the general meeting which will deliberate on the annual accounts for the year ended 31 December 2025. We have performed the statutory audit of the Group’s consolidated accounts for 4 consecutive years.

Report on the consolidated accounts

Unqualified opinion

We have performed the statutory audit of the Group’s consolidated accounts, which comprise the consolidated balance sheet as at 31 December 2023, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information, and which is characterised by a consolidated

balance sheet total of EUR ‘000 680.901 and a net profit attributable to the shareholders of the parent company of EUR ‘000 9.484.

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 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Basis for unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Belgium. Furthermore, we have applied the International Standards on Auditing as approved by the IAASB which are applicable to the year-end and which are not yet approved at the national level. Our responsibilities under those standards are further described in the “Statutory auditor’s responsibilities for the audit of the consolidated accounts” section of our report. We have fulfilled our ethical responsibilities in accordance with the ethical requirements that are relevant to our audit of the consolidated accounts in Belgium, including the requirements related to independence.

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



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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated accounts of the current period. We have determined that there are no key audit matters to report.

Responsibilities of the board of directors for the preparation of the consolidated accounts

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit

conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated accounts.

In performing our audit, we comply with the legal, regulatory and normative framework applicable to the audit of the consolidated accounts in Belgium. A statutory audit does not provide any assurance as to the Group’s future viability nor as to the efficiency or effectiveness of the board of directors’ current or future business management at Group level. Our responsibilities in respect of the use of the going concern basis of accounting by the board of directors are described below.

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

- Identify and assess the risks of material misstatement of the consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;



- Conclude on the appropriateness of the board of directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor’s report to the related disclosures in the consolidated accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the consolidated accounts, including the disclosures, and whether the consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation;

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated accounts of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Responsibilities of the board of directors

The board of directors is responsible for the preparation and the content of the directors’ report on the consolidated accounts, the separate report on non-financial information and the other information included in the annual report on the consolidated accounts.

Statutory auditor’s responsibilities

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

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

In our opinion, after having performed specific procedures in relation to the directors’ report on the consolidated accounts, this directors’ report is consistent with the consolidated accounts for the year under audit and is prepared in accordance with article 3:32 of the Companies' and Associations' Code.



In the context of our audit of the consolidated accounts, we are also responsible for considering, in particular based on the knowledge acquired resulting from the audit, whether the directors’ report on the consolidated accounts and the other information included in the annual report on the consolidated accounts is materially misstated or contains information which is inadequately disclosed or otherwise misleading. In light of the procedures we have performed, there are no material misstatements we have to report to you.

The non-financial information required by virtue of article 3:32, §2 of the Companies’ and Associations’ Code is included in the directors’ report on the consolidated financial statements. The Company has prepared the non-financial information, based on the reference framework Global Reporting Initiative (GRI) Standards. However, in accordance with article 3:80, §1, 5° of the Companies’ and Associations’ Code, we do not express an opinion as to whether the non-financial information has been prepared in accordance with the Global Reporting Initiative Standards as disclosed in the directors’ report on the consolidated accounts.

Statement related to independence

- Our registered audit firm and our network did not provide services which are incompatible with the statutory audit of the consolidated accounts, and our registered audit firm remained independent of the Group in the course of our mandate.
- The fees for additional services which are compatible with the statutory audit of the consolidated accounts referred to in article 3:65 of the Companies' and Associations' Code are correctly disclosed and itemized in the notes to the consolidated accounts.

European Uniform Electronic Format (“ESEF”)

In accordance with the draft standard on the verification of the compliance of the financial statements with the European Uniform Electronic Format (hereinafter “ESEF”), we must verify whether the ESEF format is in accordance with the regulatory technical standards established by the European Delegate Regulation No. 2019/815 of 17 December 2018 (hereinafter: “Delegated Regulation”).

The board of directors is responsible for the preparation, in accordance with ESEF requirements, of the consolidated financial statements in the form of an electronic file in ESEF format (hereinafter “consolidated financial statements”) included in the annual financial report.

Our responsibility is to obtain sufficient appropriate evidence to conclude that the format and marking language of the digital consolidated financial statements comply in all material respects with the ESEF requirements under the Delegated Regulation.

The annual financial report and the digital consolidated financial statements have not yet been submitted to us at the date of this report.

If, in our audit of the digital consolidated financial statements, we determine that there is a material misstatement, we will be required to report the matter to the board of directors and request the latter to make any necessary changes. If this does not happen, we will be forced to adjust this report due to the fact that the format of and the marking of information in the digital consolidated financial statements included in the annual financial statements report of Deceuninck NV conform in all material respects with the ESEF requirements under the Delegated Regulation.

Other statements

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

Ghent, 27 February 2024

The statutory auditor

PwC Bedrijfsrevisoren BV
/PwC Reviseurs d ‘Entreprises SRL
Represented by

Lien Winne*
Bedrijfsrevisor

*Acting on behalf of Lien Winne BV



2.6.5 Management Responsibility Statement

The undersigned declare that:

- the annual financial statements have been prepared in conformity with the applicable standards for financial statements, and that they give a fair view of equity position, of the financial condition and of the results of the Company, including those companies that have been included in the consolidated figures;
- the annual report gives a true overview of the developments and results of the Company and of companies that have been included in the consolidated figures, also providing a true description of the most important risks and insecurities with which it is confronted, as defined in the Royal Decree of 14 November 2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market.

Beneconsult BV
represented by
Francis Van Eeckhout
Executive Chairman

Emveco BV
represented by
Serge Piceu
CFO



Deceuninck Group Share

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

Number and types of shares

The company capital amounts to €54,640,260.29 and is represented by 138,545,260 shares. There are 88,192,123 dematerialised shares and 50,353,137 registered shares. Deceuninck Group holds 90,603 treasury shares as at 31 December 2023.

Quotation on the stock exchange

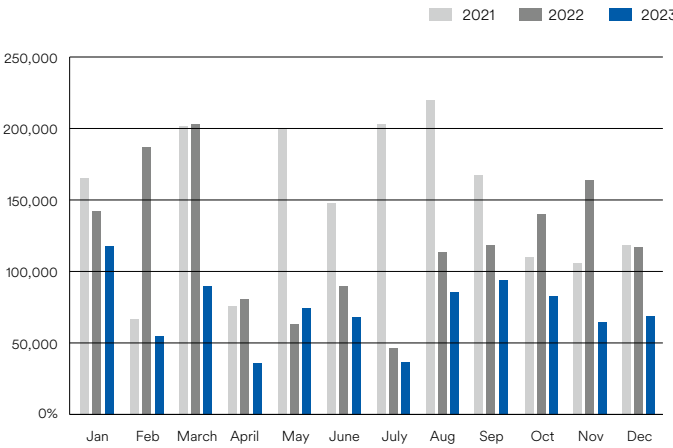
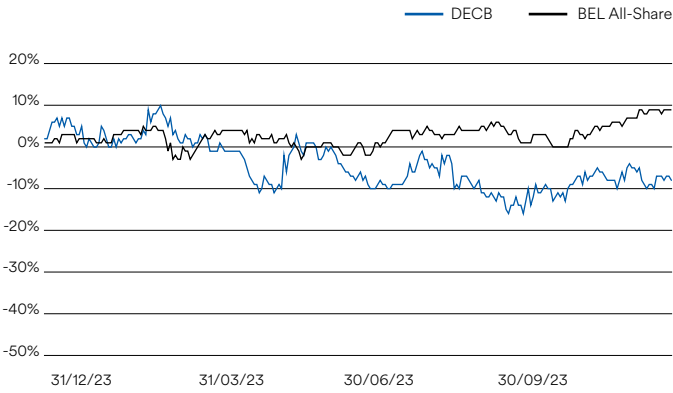
Deceuninck Group shares are listed under the code DECB and are traded on the Continuous segment of Euronext Brussels. DECB is part of the BEL Mid® index. ICB sectorial classification: 2353 Building materials & fixtures.

Evolution of the Deceuninck Group share price

The closing price of the Deceuninck Group share decreased from € 2.45 on 30 December 2022 to € 2.28 on 29 December 2023. The Volume Weighted Average Price (VWAP) for 2023 was €2.38. The lowest closing price was € 2.06 on 26 September 2023 and the highest closing price was € 2.71 on 8 March 2023. The average number of shares traded per day in 2023 was 73,644 versus 123,225 in 2022.

Dividends

At the Annual General Meeting scheduled on 23 April 2024, the Board of Directors will propose to pay a dividend of € 0.08 per share for the financial year 2023.



Institutional investors and financial analysts

Deceuninck Group continuously and consistently informed the financial community about the evolution of the Group. Press releases with the annual and half year results were issued at scheduled intervals before stock exchange opening and published on the Investors page on our website (www.deceuninck.com/Investors) and on the website of the FSMA. A comprehensive press release on the FY 2023 results is released on 28 February 2024. Institutional investors at home and abroad were informed by Deceuninck Group during several virtual conferences. Sell side financial analysts covering Deceuninck Group: Kris Kippers (Degroof Petercam), Maxime Stranart (ING), Alexander Craeymeersch (Kepler Cheuvreux) and Wim Hoste (KBC Securities).

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

Financial calendar 2024



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Glossary

EBITDA	EBITDA is defined as operating profit / (loss) adjusted for depreciation / amortizations and impairment of fixed assets.	FOR THE 12 MONTH PERIOD ENDED 31 DECEMBER (in € thousand)	2022	2023
		Operating profit	47,239	51,915
		Depreciations & impairments	(50,090)	(44,816)
		EBITDA	97,328	96,730
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.	FOR THE 12 MONTH PERIOD ENDED 31 DECEMBER (in € thousand)	2022	2023
		EBITDA	97,328	96,730
		Integration & restructuring expenses	4,945	21,142
		Adjusted EBITDA	102,274	117,872
EBIT	EBIT is defined as Earnings before interests and taxes (operational result).	FOR THE 12 MONTH PERIOD ENDED 31 DECEMBER (in € thousand)	2022	2023
		EBITDA	97,328	96,730
		Depreciations & impairments	(50,090)	(44,816)
		EBIT	47,239	51,915
EBT	EBT is defined as Profit / (loss) before taxes and share of result of joint ventures.			
EPS (non-diluted)	EPS (non-diluted) are the non-diluted earnings per share and is defined as Earnings attributable to ordinary shareholders over the weighted average number of ordinary shares.			
EPS (diluted)	EPS (diluted) are the diluted earnings per share and is defined as Earnings attributable to ordinary shareholders over the sum of weighted average number of ordinary shares and the weighted average number of ordinary shares which would be issued upon conversion into ordinary shares of all exercisable warrants leading to dilution.			



Net debt	Net debt is defined as the sum of current and non-current interest-bearing borrowings minus cash and cash equivalents.	AS PER 31 DECEMBER (in € thousand)	2022	2023
		Interest-bearing loans – non-current	130,748	105,097
		Interest-bearing loans - current	16,452	12,013
		Cash and cash equivalents	(58,949)	(46,545)
		Net debt	88,251	70,566
Working capital	Working capital is calculated as the sum of trade receivables and inventories minus trade payables.	AS PER 31 DECEMBER (in € thousand)	2022	2023
		Trade receivables	87,947	82,129
		Inventories	171,722	138,241
		Trade payables	(144,023)	(138,790)
		Working capital	115,646	81,580
Capital employed (CE)	The sum of non-current assets and working capital.	AS PER 31 DECEMBER (in € thousand)	2022	2023
		Working capital	115,646	81,580
		Non-current assets	324,706	357,380
		Capital employed (CE)	440,352	438,960
Subsidiaries	Companies in which the Group owns a participation in excess of 50% or companies over which the Group has control.			
MTM	Mark-to-Market.			
Headcount (FTE)	Total Full Time Equivalents including temporary and external staff.			
Restricted Group	The Restricted Group consists of all entities of the Group excluding Turkish subsidiaries and their subsidiaries.			
Leverage	Leverage is defined as the ratio of Net debt to LTM (Last Twelve Months) Adjusted EBITDA.	AS PER 31 DECEMBER (in € thousand)	2022	2023
		Net debt	88,251	70,566
		LTM Adjusted EBITDA	102,274	117,872
		Leverage	0.86	0.60



GRI Index

GENERAL DISCLOSURES GRI 101 — 2023

Topic	Disclosure		Reference
1. The organization and its reporting practices	2-1	Organizational details	2.1
	2-2	Entities includes in the organizations' sustainability reporting	2.5.2 / Reporting framework and scope
	2-3	Reporting period, frequency, contact point	01/01/2023-31/12/2023 Annual 28/02/2023 celine.dewaele@deceuninck.com
	2-4	Restatements of information	N/A
	2-5	External assurance	No external assurance
2. Activities and workers	2-6	Activities, value chain and other business relationships	2.1
	2-7	Employees	2.5.3 People
	2-8	Workers who are not employees	2.5.3 People
3. Governance	2-9	Governance structure and composition	2.4 / Governance structure
	2-10	Nomination and selection of the highest governance body	2.4.2 / The Board and its committees
	2-11	Chair of the highest governance body	2.4.2 / The Board and its committees
	2-12	Role of the highest governance body in overseeing the management of impacts	2.4.2 / The Board and its committees
	2-13	Delegation of responsibility for managing impacts	2.4.2 / The Board and its committees
	2-14	Role of the highest governance body in sustainability reporting	2.5 Our Sustainability Strategy / Governance
	2-15	Conflicts of interest	2.4.2 / The Board and its committees
	2-16	Communication of critical concerns	2.4.2 / The Board and its committees
	2-17	Collective knowledge of the highest governance body	2.4.2 / The Board and its committees
	2-18	Evaluation of the performance of the highest governance body	2.4.2 / The Board and its committees
	2-19	Remuneration policies	2.4 / Remuneration report
	2-20	Process to determine remuneration	2.4.2 / The Board and its committees
	2-21	Annual total compensation ratio	2.4 / Remuneration report



GENERAL DISCLOSURES GRI 101 — 2023

Topic	Disclosure		Reference
4. Strategy, policies and practices	2-22	Statement on sustainable development strategy	1.1 Message from the Chairman and the CEO
	2-23	Policy commitments	2.5 / Community - Business ethics & Business ethics in the supply chain
	2-24	Embedding policy commitments	
	2-25	Processes to remediate negative impacts	2.5 / Strategy
	2-26	Mechanisms for seeking advice and raising concerns	2.5 / Community - Business ethics
	2-27	Compliance with laws and regulations	0
	2-28	Membership associations	EPPA, Esscencia
	2-29	Approach to stakeholder engagement	2.5 / Strategy - Materiality Analysis
5. Stakeholder management	2-30	Collective bargaining agreements	2.5 / People



GRI TOPIC-SPECIFIC DISCLOSURES			
Topic	Disclosure		Reference to the Sustainability Report 2.5
Anti-corruption	GRI 205	1. Communication and training about anti-corruption policies and procedures	Community - Results and Targets - Business Ethics
		2. Confirmed incidents of corruption and actions taken	
Environment	GRI 301	1. Materials used by weight or volume	Planet - Volume of materials used
		2. Recycled input materials used	Planet - Our recycling activities
	GRI 302	1. Energy consumption within the organization	Planet - Results and Targets - Energy Management
		3. Energy intensity	
		4. Reduction of energy consumption	
	GRI 303	3. Water withdrawal	Planet - Results and Targets - Water Management
		1. Direct (Scope 1) GHG emissions	
	GRI 305	2. Energy indirect (Scope 2) GHG emissions	Planet - Results and Targets - Carbon Management
		3. Other indirect (Scope 3) GHG emissions	
		4. Intensity of GHG emissions	
	GRI 306	5. Reduction of GHG emissions	Planet - Results and Targets - Waste Management
		1. Waste generated	



GRI TOPIC-SPECIFIC DISCLOSURES			
Topic	Disclosure		Reference to the Sustainability Report 2.5
Social	GRI 401	1. New employee hires and employee turnover	People - Results and Targets - Employment
		1. Occupational health and safety management system	
	GRI 403	2. Hazard identification, risk assessment, and incident investigation	People - Results and Targets - Health and Safety
		4. Worker participation, consultation, and communication on occupational health and safety	
		5. Worker training on occupational health and safety	
	GRI 404	9. Work-related injuries	People - Results and Targets - Talent Management
		2. Programs for upgrading employee skills and transition assistance programs	
		3. Percentage of employees receiving regular performance and career development reviews	
	GRI 405	1. Diversity of governance bodies and employees	Corporate Governance Statement - Diversity Policy People - Results and Targets - Diversity
	GRI 406	1. Incidents of discrimination and corrective actions taken	Community - Business ethics
	GRI 412	3. Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Community - Results and Targets - Business Ethics in the Supply Chain
	GRI 416	1. Assessment of the customer health and safety impacts of product and service categories	Community - Results and Targets - Health and Safety of the End-user
		2. Incidents of non-compliance concerning the health and safety impacts of products and services	
	GRI 417	1. Environmental requirements for product and service information and labeling	Community - Health and Safety of the End-user
	GRI 418	1. Substantiated complaints concerning breaches of customer privacy and losses of customer data	Community - Data protection





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