



# MID-YEAR REPORT 2022

Vandemoortele  
Financial & Sustainability  
Results  
30/06/2022

VANDEMOORTELE FINANCIAL REPORT JUNE 2022

# NOTICE OF NO AUDITOR REVIEW

The condensed interim consolidated financial statements, and their accompanying notes, as at and for the half years ended 30 June 2022 and 30 June 2021, are unaudited.

The key financial information as of and for the half years ended 30 June 2022 and 30 June 2021 is listed below. For the balance sheet information, a comparison is made between the key figures as at 30 June 2022 and 31 December 2021.

# STATEMENT OF THE CEO

I'm happy to introduce Vandemoortele's first financial report of 2022. The mid-year results show that we are doing well and making progress, despite complex global developments.

## Financial performance

The Vandemoortele Group saw a significant year-on-year improvement in its financial performance during the first half of the year. The demand for our products increased compared to the same period in 2021, especially in food service (partly because the COVID-19 restrictions were lifted); and this despite economic headwinds linked to geopolitical conflicts and instability. The increase occurred in both our business lines, Bakery Products (BP) and Margarines, Culinary Oils and Fats (MCOF).

With regard to volumes and profit, we are almost back at the level of 2019, before the COVID-19 crisis. To support our growth and meet the increasing demand for our products, we continue to make important CapEx decisions, such as the construction of new BP manufacturing lines in France and Belgium.

## Strategic steps

Global inflation is expected to remain elevated in the near to mid term, driven by continued price rises for commodities and a broadening price pressure, especially in the energy sector. In order to limit the financial impact of inflationary pressures and an increased cost base, we have taken steps to protect our profitability. We pass on price increases to our customers and take measures to reduce our energy consumption, to counter the impact of rising energy prices.

The Vandemoortele Group does not perceive any direct impact of the Russo-Ukrainian war on its strategic orientation, operations, financial performance, financial position or cash flow. However, we are affected indirectly by rising raw materials prices and the risk of a major sunflower oil shortage. To mitigate this risk, our MCOF business line is currently rewriting various recipes to exclude sunflower oil as much as possible, provided the changes are legally allowed and don't affect product quality.

## Sustainable performance

In the first half of 2022, we took steps to further improve the nutrition profile of our products. Among other things, we reduced the salt and sugar levels in our bakery products and pastry, and we achieved better Nutri-Scores for various MCOF products.

Due to our acceleration of various energy saving projects and operational improvements, we reached our 2022 emission reduction targets sooner than planned. Regarding safety, we saw a slight increase in lost workday cases. This was probably caused by higher stress levels and the presence of more temporary staff after the steep ramp-up in our production volumes.

## Full-year outlook

In the second part of the year, inflationary pressures and rising prices will likely have a further impact on both our business lines. A period of prolonged geopolitical instability may lead to supply chain disruptions and affect our full-year financial results. Nevertheless, with our planned price rises and our continued investments to support growth, we expect to be able to counter this negative impact.

Yvon Guérin, Chief Executive Officer of Vandemoortele NV

# KEY FINANCIAL FIGURES

| KEY FINANCIAL FIGURES <sup>(1)</sup><br>MILLION EURO  | 30.06.2022<br>unaudited | 30.06.2021<br>unaudited |
|-------------------------------------------------------|-------------------------|-------------------------|
| <b>Revenue</b>                                        | <b>791</b>              | <b>592</b>              |
| <b>Adjusted EBITDA</b>                                | <b>66</b>               | <b>54</b>               |
| <u>Depreciations &amp; amortisations</u>              | <u>-31</u>              | <u>-31</u>              |
| <b>Adjusted EBIT</b>                                  | <b>35</b>               | <b>22</b>               |
| <u>Adjusting items</u>                                | <u>0</u>                | <u>-2</u>               |
| <b>EBIT (profit from operations)</b>                  | <b>35</b>               | <b>21</b>               |
| <u>Depreciations, amortisations &amp; impairments</u> | <u>31</u>               | <u>31</u>               |
| <b>EBITDA</b>                                         | <b>66</b>               | <b>52</b>               |
| Net financial income / (expense)                      | 3                       | -3                      |
| <b>Pre-tax current profit/(loss)</b>                  | <b>38</b>               | <b>18</b>               |
| <u>Income tax expense</u>                             | <u>-11</u>              | <u>-3</u>               |
| <b>Profit/(loss) from continuing operations</b>       | <b>27</b>               | <b>15</b>               |
| <b>Profit/(loss) (EAT)</b>                            | <b>27</b>               | <b>15</b>               |
| Capital Expenditures (excl. Lease)                    | <b>14</b>               | <b>21</b>               |
| <b>Ratio's income statement</b>                       |                         |                         |
| Adjusted EBITDA / Revenue                             | 8.4%                    | 9.1%                    |
| Adjusted EBIT / Revenue                               | 4.5%                    | 3.8%                    |
| Net profit (loss) / Revenue                           | 3.4%                    | 2.5%                    |
| KEY FINANCIAL FIGURES <sup>(1)</sup><br>MILLION EURO  | 30.06.2022<br>unaudited | 31.12.2021<br>audited   |
| Net fixed assets (NFA)                                | 589                     | 606                     |
| Working capital need (WCN)                            | 59                      | 8                       |
| <b>Capital employed</b>                               | <b>648</b>              | <b>613</b>              |
| Equity                                                | 455                     | 437                     |
| Provisions, deferred taxes and derivatives            | 2                       | 9                       |
| Subordinated debt                                     | 75                      | 75                      |
| <u>Senior net financial debt (NFD)</u>                | <u>116</u>              | <u>92</u>               |
| <b>Capital provided</b>                               | <b>648</b>              | <b>613</b>              |
| <b>Ratio's</b>                                        |                         |                         |
| Senior NFD / Equity                                   | 26%                     | 21%                     |
| Senior NFD / Adjusted EBITDA                          | 0.9                     | 1.0                     |
| Adjusted EBIT / capital employed                      | 5.4%                    | 3.7%                    |

(1) The definitions of the used key financials are specified in note 16

# CONSOLIDATED INCOME STATEMENT

| THOUSAND EURO                                                           | Note | 30.06.2022<br>unaudited | 30.06.2021<br>unaudited |
|-------------------------------------------------------------------------|------|-------------------------|-------------------------|
| <b>Revenue</b>                                                          |      | <b>790,856</b>          | <b>591,645</b>          |
| Raw materials and consumables used and goods for resale                 |      | ( 490,494)              | ( 324,472)              |
| Changes in inventories of finished goods and goods purchased for resale |      | 36,090                  | 10,939                  |
| Services                                                                |      | ( 136,272)              | ( 110,269)              |
| Employee benefit expenses                                               |      | ( 141,430)              | ( 124,187)              |
| Depreciation, amortisation and write down                               |      | ( 31,428)               | ( 29,871)               |
| Change in provisions                                                    | 6    | 1,655                   | 920                     |
| Other operating income                                                  | 7    | 12,953                  | 10,542                  |
| Other operating expenses                                                | 8    | ( 6,946)                | ( 4,422)                |
| <b>Profit/ (loss) from operations</b>                                   |      | <b>34,984</b>           | <b>20,824</b>           |
| Financial Income                                                        | 9    | 9,446                   | 3,221                   |
| Financial Expense                                                       | 10   | ( 6,633)                | ( 6,212)                |
| <b>Profit/ (loss) before tax</b>                                        |      | <b>37,797</b>           | <b>17,833</b>           |
| Income tax (expense)                                                    | 11   | ( 11,018)               | ( 3,100)                |
| <b>Profit/ (loss) from continuing operations</b>                        |      | <b>26,778</b>           | <b>14,733</b>           |
| <b>Profit/loss</b>                                                      |      | <b>26,778</b>           | <b>14,733</b>           |
| Profit/loss attributable to the owners of the parent                    |      | 26,778                  | 14,733                  |

The shares are not traded in a public market. Thereto, the standard IAS 33, § 66/70, that prescribes principles for the presentation and disclosure of the basic or diluted earnings per share and the average weighted number of ordinary shares, does not apply.



## OTHER COMPREHENSIVE INCOME

| THOUSAND EURO                                                       | 30.06.2022<br>unaudited | 30.06.2021<br>unaudited |
|---------------------------------------------------------------------|-------------------------|-------------------------|
| Profit/(loss) for the year                                          | 26,778                  | 14,733                  |
| Other Comprehensive income                                          | 10,388                  | 3,178                   |
| Items that may be reclassified subsequently to profit or loss:      | 3,955                   | 1,159                   |
| Cash flow hedges, net of tax                                        | 5,191                   | -                       |
| Currency translation differences                                    | ( 1,236)                | 1,159                   |
| Items that will not be reclassified subsequently to profit or loss: | 6,433                   | 2,019                   |
| Remeasurements of defined benefit obligations, net of tax           | 6,433                   | 2,019                   |
| Total comprehensive income for the year                             | 37,166                  | 17,911                  |
| - attributable to the owners of the parent company                  | 37,166                  | 17,911                  |

The Group started applying hedge accounting of interest rate risk in January 2022. The hedged item is the newly issued bond, which was issued in June 2022 for the notional amount of € 50 million with an interest rate of 5.6%. The hedging instruments are two interest rate swaps for the notional amount of € 50 million. An existing swap that was concluded in December 2021 and a newly issued swap in January 2022. This results in a hedging reserve of € 6.9 million (net of tax € 5.2 million) at 30 June 2022. No impact of ineffectiveness was recorded in profit or loss for half year 2022.

# CONSOLIDATED BALANCE SHEET

| THOUSAND EURO                         | 30.06.2022<br>unaudited | 31.12.2021<br>audited |
|---------------------------------------|-------------------------|-----------------------|
| <b>Assets</b>                         |                         |                       |
| Goodwill                              | 199,329                 | 199,329               |
| Other intangible assets               | 6,478                   | 7,612                 |
| Property, plant & equipment           | 383,391                 | 398,816               |
| Deferred tax assets                   | 35,716                  | 38,334                |
| Derivatives                           | 1,663                   | -                     |
| Other financial assets                | 30                      | 30                    |
| Other assets                          | 3,516                   | 2,809                 |
| <b>Non-current assets</b>             | <b>630,124</b>          | <b>646,931</b>        |
| Inventories                           | 190,044                 | 141,015               |
| Trade and other receivables           | 241,392                 | 220,302               |
| Derivatives                           | 5,179                   | 2,587                 |
| Other Financial assets <sup>(1)</sup> | -                       | 11,360                |
| Cash and cash equivalents             | 39,248                  | 59,364                |
| Other assets                          | 9,724                   | 6,489                 |
| <b>Current assets</b>                 | <b>485,587</b>          | <b>441,117</b>        |
| <b>Total Assets</b>                   | <b>1, 115,711</b>       | <b>1, 088,048</b>     |
| <b>Equity and liabilities</b>         |                         |                       |
| Share capital                         | 79,365                  | 79,365                |
| Retained earnings & reserves          | 375,736                 | 357,356               |
| <b>Equity</b>                         | <b>455,101</b>          | <b>436,721</b>        |
| Borrowings                            | 216,780                 | 123,445               |
| Deferred tax liabilities              | 22,991                  | 19,515                |
| Derivatives                           | -                       | 2,681                 |
| Employee benefits                     | 12,612                  | 19,090                |
| Provisions                            | 4,736                   | 6,391                 |
| Other non-current liabilities         | 4,288                   | 4,059                 |
| <b>Non-current liabilities</b>        | <b>261,407</b>          | <b>175,180</b>        |
| Borrowings                            | 13,198                  | 114,030               |
| Current tax                           | 4,664                   | 5,242                 |
| Derivatives                           | 4,666                   | 3,133                 |
| Employee benefits                     | 40,473                  | 41,928                |
| Trade payables and other liabilities  | 336,201                 | 311,813               |
| <b>Current liabilities</b>            | <b>399,202</b>          | <b>476,147</b>        |
| <b>Total equity and liabilities</b>   | <b>1, 115,711</b>       | <b>1, 088,048</b>     |

(1) Sicavs noted on the Luxembourg market were sold at the market price during the first half of 2022

# CONSOLIDATED CASH-FLOW STATEMENT

| THOUSAND EURO                                                                | 30.06.2022<br>unaudited | 30.06.2021<br>unaudited |
|------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Profit/ (loss) from operations (1)</b>                                    | <b>34,984</b>           | <b>20,824</b>           |
| Amortisations                                                                | 29,931                  | 1,252                   |
| Depreciations                                                                | 1,251                   | 30,001                  |
| <b>EBITDA from continuing operations</b>                                     | <b>66,166</b>           | <b>52,077</b>           |
| Depreciations on government grants                                           | (299)                   | (198)                   |
| Fair value adjustments on commodity contracts                                | 10                      | (125)                   |
| Change in provisions                                                         | (1,655)                 | (920)                   |
| Change in long-term employee benefits                                        | 2,100                   | 345                     |
| Write down on inventories and receivables                                    | 246                     | (1,383)                 |
| Loss / (gain) on disposals of intangible assets and PPE                      | (202)                   | 129                     |
| Other                                                                        | 648                     | 1,019                   |
| <b>Cash flow from operating activities before changes in working capital</b> | <b>67,013</b>           | <b>50,944</b>           |
| Decrease / (increase) in inventories                                         | (49,756)                | (15,687)                |
| Decrease / (increase) in trade receivables                                   | (24,192)                | 2,629                   |
| Increase / (decrease) in trade payables                                      | 23,965                  | 30,736                  |
| Increase / (decrease) in other working capital                               | (2,200)                 | (3,429)                 |
| <b>Net cash generated from operating activities</b>                          | <b>14,831</b>           | <b>65,193</b>           |
| Interest received                                                            | 205                     | 22                      |
| Net interest paid                                                            | (4,257)                 | (4,338)                 |
| Income taxes paid                                                            | (8,438)                 | (3,858)                 |
| Other financial fees                                                         | 7,923                   | (378)                   |
| <b>Cash flow from operating activities in continuing operations</b>          | <b>10,263</b>           | <b>56,641</b>           |
| Acquisition of intangible assets                                             | (245)                   | (181)                   |
| Acquisition of property, plant and equipment                                 | (14,233)                | (20,904)                |
| Proceeds from sale of intangible assets                                      | 153                     | -                       |
| Proceeds from sale of property, plant and equipment                          | 1,603                   | 160                     |
| Proceeds from sale of other shares and securities other than shares          | 10,648                  | -                       |
| Government grants                                                            | 512                     | 144                     |
| <b>Cash flow from investing activities in continuing operations</b>          | <b>(1,562)</b>          | <b>(20,780)</b>         |
| Proceeds from borrowings                                                     | 95,022                  | 12                      |
| Repayment of borrowings                                                      | (100,600)               | (819)                   |
| Repayment of lease liabilities                                               | (4,233)                 | (5,011)                 |
| Dividends paid                                                               | (20,875)                | (22,760)                |
| Dividends received                                                           | 2,088                   | 2,264                   |
| <b>Cash flow from financing activities in continuing operations</b>          | <b>(28,597)</b>         | <b>(26,314)</b>         |
| <b>Net increase / (decrease) in cash &amp; cash equivalents</b>              | <b>(19,895)</b>         | <b>9,547</b>            |
| Cash and cash equivalents less bank overdrafts as of 1 January               | 59,144                  | 20,020                  |
| Effect of exchange rate fluctuations                                         | (2)                     | 1                       |
| <b>Cash and cash equivalents less bank overdrafts as of 30 June</b>          | <b>39,246</b>           | <b>29,569</b>           |

(1) Includes interests on leases and rent payments for low value assets, short term leases, variable lease payments and non-lease components



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| THOUSAND EURO                         | 30.06.2022 unaudited                 |                 |                                 |                                |                  |                   |           |                       |              |
|---------------------------------------|--------------------------------------|-----------------|---------------------------------|--------------------------------|------------------|-------------------|-----------|-----------------------|--------------|
|                                       | Attributable to owners of the parent |                 |                                 |                                |                  |                   |           |                       | Total Equity |
|                                       | Share Capital                        | Treasury Shares | Currency Translation Adjustment | Retained Earnings and Reserves | Hedging reserves | Employee benefits | Total     | Non control. interest |              |
| <b>As of 1 January</b>                | 79,365                               | ( 67,139)       | 1,826                           | 417,453                        | -                | 5,216             | 436,721   | -                     | 436,721      |
| <b>Comprehensive income</b>           |                                      |                 |                                 |                                |                  |                   |           |                       |              |
| Profit/(loss) for the year            | -                                    | -               | -                               | 26,778                         | -                | -                 | 26,778    | -                     | 26,778       |
| Other comprehensive income            | -                                    | -               | ( 1,002)                        | ( 234)                         | 5,191            | 6,433             | 10,388    | -                     | 10,388       |
| <b>Total comprehensive income</b>     | -                                    | -               | ( 1,002)                        | 26,544                         | 5,191            | 6,433             | 37,166    | -                     | 37,166       |
| <b>Transactions with owners</b>       |                                      |                 |                                 |                                |                  |                   |           |                       |              |
| Dividends paid                        | -                                    | -               | -                               | ( 20,875)                      | -                | -                 | ( 20,875) | -                     | ( 20,875)    |
| Dividends received                    | -                                    | -               | -                               | 2,088                          | -                | -                 | 2,088     | -                     | 2,088        |
| <b>Total transactions with owners</b> | -                                    | -               | -                               | ( 18,787)                      | -                | -                 | ( 18,787) | -                     | ( 18,787)    |
| <b>As of 30 June</b>                  | 79,365                               | ( 67,139)       | 824                             | 425,210                        | 5,191            | 11,649            | 455,101   | -                     | 455,101      |

| THOUSAND EURO                         | 30.06.2021 unaudited                 |                 |                                 |                                |                  |                   |           |                       |              |
|---------------------------------------|--------------------------------------|-----------------|---------------------------------|--------------------------------|------------------|-------------------|-----------|-----------------------|--------------|
|                                       | Attributable to owners of the parent |                 |                                 |                                |                  |                   |           |                       | Total Equity |
|                                       | Share Capital                        | Treasury Shares | Currency Translation Adjustment | Retained Earnings and Reserves | Hedging reserves | Employee benefits | Total     | Non control. interest |              |
| <b>As of 1 January</b>                | 79,365                               | ( 62,117)       | 1,228                           | 404,793                        | -                | ( 178)            | 423,092   | -                     | 423,092      |
| <b>Comprehensive income</b>           |                                      |                 |                                 |                                |                  |                   |           |                       |              |
| Profit/(loss) for the year            | -                                    | -               | -                               | 14,733                         | -                | -                 | 14,733    | -                     | 14,733       |
| Other comprehensive income            | -                                    | -               | 1,159                           | -                              | -                | 2,019             | 3,178     | -                     | 3,178        |
| <b>Total comprehensive income</b>     | -                                    | -               | 1,159                           | 14,733                         | -                | 2,019             | 17,911    | -                     | 17,911       |
| <b>Transactions with owners</b>       |                                      |                 |                                 |                                |                  |                   |           |                       |              |
| Movement treasury shares              | -                                    | 1               | -                               | -                              | -                | -                 | 1         | -                     | 1            |
| Dividends paid                        | -                                    | -               | -                               | ( 22,760)                      | -                | -                 | ( 22,760) | -                     | ( 22,760)    |
| Dividends received                    | -                                    | -               | -                               | 2,264                          | -                | -                 | 2,264     | -                     | 2,264        |
| <b>Total transactions with owners</b> | -                                    | 1               | -                               | ( 20,496)                      | -                | -                 | ( 20,495) | -                     | ( 20,495)    |
| <b>As of 30 June</b>                  | 79,365                               | ( 62,117)       | 2,387                           | 399,030                        | -                | 1,842             | 420,507   | -                     | 420,507      |

|    |                                           |    |
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# 1. GENERAL INFORMATION

The Group that includes Vandemoortele NV (“Vandemoortele” or “the Company”) and its subsidiaries is a Belgian family-owned business that has grown to become a leading food group on a European scale. The Group comprises two business lines or operating segments: Bakery Products (BP) and Margarines, Culinary Oils & Fats (MCOF). The 30 June 2022 consolidated financial statements of the Group include the results of the Company and of 32 consolidated subsidiaries controlled by the Company.

Safinco NV, the parent company of Vandemoortele NV, is a limited liability company incorporated and domiciled in Belgium. The registered office of Vandemoortele NV and Safinco NV are situated at Ottergemsesteenweg-Zuid 816, 9000 Ghent.

The condensed interim consolidated financial statements were approved for issue by the Board of Directors on 15 September 2022.

## **2. APPLICATION OF NEW AND REVISED IFRS**

### **2.1 NEW AND REVISED IFRS AFFECTING AMOUNTS REPORTED AND/OR DISCLOSURES IN THE FINANCIAL STATEMENTS**

In the current year, 2022, the Group has considered a number of new and revised IFRS requirements issued by the International Accounting Standards Board (IASB) that are mandatorily effective for accounting periods that begin on or after 1 January 2022. This concerns:

- Amendment to IFRS 16 Leases: COVID-19-Related Rent Concessions beyond 30 June 2021
- Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts — Cost of Fulfilling a Contract
- Amendments to IFRS 3 Business Combinations: Reference to the Conceptual Framework
- Annual Improvements to IFRS Standards 2018–2020

These improvements and amendments do not have a material impact on the amounts included in the current unaudited mid-year 2022 interim financial statements.

## **3. SIGNIFICANT ACCOUNTING POLICIES**

### **3.1 BASIS FOR PREPARATION**

These condensed interim consolidated financial statements for the six months ended 30 June 2022 have been prepared in accordance with IAS 34, 'Interim financial reporting'. The condensed interim financial statements do not include all the notes contained in the annual consolidated financial statements, and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2021, which have been prepared in accordance with IFRS.

### **3.2 ACCOUNTING POLICIES**

The condensed interim consolidated financial statements have been prepared in accordance with the accounting policies applied in the 2021 consolidated financial statements.

Income tax for interim periods is accrued using the tax rate that would apply to the expected total annual profit or loss.

### **3.3 ESTIMATES**

The preparation of the condensed interim consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed interim consolidated financial statements, significant judgements made by management in applying the Group's accounting policies as well as the key sources to estimate uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 December 2021, with the exception of changes to estimates required to determine the provision for income taxes.

# 4. BUSINESS REVIEW & OUTLOOK

## 4.1 CONSOLIDATED ACCOUNTS AS AT 30 JUNE 2022

### Vandemoortele Group

Vandemoortele Group has seen a significant year-on-year improvement in its financial performance during the first half of the year. Group Revenue increased by € 199 million to € 791 million (+34%) in the first half of 2022, while adjusted EBITDA went up by 24% year-on-year to € 66 million. This resulted in an adjusted EBIT of € 35 million, an increase of 68% compared to the first half of 2021.

The revenue increase was mainly driven by higher sales prices, which were necessary to compensate for the rising prices of raw materials, ingredients, packaging, energy, logistics and general inflation. In addition to our own price rises, we also managed to increase our sold volumes by 13%.

The EBITDA and EBIT improvements were driven by a combination of larger volumes, a better product and channel mix and various cost saving measures.

### Bakery Products

Revenue from the Bakery Products business line increased by 27% compared to the first half of 2021, from € 358 million to € 455 million. Adjusted EBITDA increased by € 3 million (or 8%) year on year, rising to € 40 million.

The volume grew by 13%. The strongest growth was generated in the food service channel, both because of our strategic focus on this channel and because of the lifting of the COVID-19 restrictions. The retail channel also did very well: our existing retail customers placed larger orders, and we gained several significant new costumers. In addition, our investments in the UK are generating some additional volume.

Our profitability was supported by our focus on branded products and on an improved product mix. However, margins continue to be under pressure as the prices of raw materials, ingredients, packaging and energy keep rising. This leads to continued negotiations with our customers.

Faced with a pastry market that is growing at an average of 3 to 5% per year, we keep improving our infrastructure and are set to add a € 25 million production line to our manufacturing facilities. The line will be equipped with state-of-the-art technology to ensure the production of high-quality pastry, while maintaining our traditional know-how. It will enable us to increase our production capacity by 25 KT per year, thus meeting the growing demand for high-quality pastry from professionals in various sectors.

We also continue to look at sales expansion opportunities outside of Europe, with a particular focus on the USA and Asia. Our USA sales remain robust and we have recently opened an office in Shanghai to support our growth in the Asian markets.

### Margarines, Culinary Oils & Fats (MCOF)

Revenue from the MCOF business line increased by 45% compared to last year, from € 234 million to € 339 million. Adjusted EBITDA grew by € 10 million (or 57%), rising to € 27 million.



The volume grew by 13%, with the strongest growth generated in the food service channel. The retail channel showed a small decline, as the COVID-19 uplift from the first months of 2021 disappeared.

The revenue increase was largely caused by passing on price rises of raw materials, ingredients, packaging, energy, logistics and general inflation to our customers. The strong price volatility and the necessary time to translate this to the market are big challenges to our profitability. Thanks to our increased volumes, our factories were able to work more efficiently and reduce costs.

Our Research and Development department has long been working on a spread that is low-fat, but high in fibre and protein. This research was recently completed successfully, and we're proud to present our Nutri-Score A Margarine. Since May 2022, the new spread has been available in Belgian supermarkets. This product innovation is part of our corporate sustainability strategy: the new Nutri-Score A Margarine contributes to our broader strategy of marketing Balanced Nutrition MCOF products.

Other key projects in the MCOF business line are the current replacement of the production control system, the new CIP cleaning system and the planned extrusion line at our Izegem site.

## **4.2 OUTLOOK FOR THE 2022 FULL YEAR**

Inflationary pressures will continue to present difficulties. We expect the ongoing price rises for key raw materials, energy and other input components to have a further impact on both our business lines.

For the second half of the year, we stick to our ambition to further grow our businesses in a profitable way. We expect our full 2022 results to be better than our 2021 results.

## 5. OPERATING SEGMENT INFORMATION

The Executive Committee (ExCo) is the Group's chief operating decision-maker. It considers the business from a product family perspective. The Group's Management has determined the operating segments for the purposes of allocating resources and assessing performance based on the information reviewed by the ExCo.

For its strategic decision-making process, Vandemoortele distinguishes between the Bakery Products (BP) operating segment and the Margarines, Culinary Oils & Fats (MCOF) operating segment. Bakery Products comprises the development, production and sale of frozen bakery products. We supply our bakery products through three channels: artisan bakery, food service and retail. The MCOF operating segment comprises the development, production and sale of margarines, culinary oils & fats. Our MCOF products are offered through four channels: artisan bakery, food service, retail and industry. A growing number of our bakery and MCOF products are sold under our own brands: Reflets de Gelfin'Or, Banquet D'Or, Les Pains Pérènes, Lanterna, My Original's, La Patisserie du Chef, Vandemoortele, Risso, Fama, Vitelma, Diamant, Saint-Allery and many others.

The Group uses four performance measures. The primary performance measure is adjusted EBITDA. Additional performance measures are EBITDA, adjusted EBIT and EBIT.

Sales between operating segments are carried out according to the arm's -length principle: the agreed prices correspond to the prices in comparable transactions with unrelated parties. Sales by MCOF to BP amounted to €11.1 million in the first half of 2022 (€7.6 million in the first half of 2021). Revenue from external parties reported to the ExCo is measured in a manner consistent with the income statement.

The following tables present key financial information regarding the Group's operating segments for the periods ended 30 June 2022 and 30 June 2021, respectively.

## 5.1 FINANCIAL SEGMENT INFORMATION

| THOUSAND EURO                                                      | BAKERY PRODUCTS |               | MCOF          |               | UNALLOCATED <sup>(1)</sup> |              | TOTAL         |               |
|--------------------------------------------------------------------|-----------------|---------------|---------------|---------------|----------------------------|--------------|---------------|---------------|
|                                                                    | 30.06.2022      | 30.06.2021    | 30.06.2022    | 30.06.2021    | 30.06.2022                 | 30.06.2021   | 30.06.2022    | 30.06.2021    |
| <b>P&amp;L information</b>                                         |                 |               |               |               |                            |              |               |               |
| External revenue                                                   | 455,059         | 357,691       | 327,684       | 226,346       | 8,113                      | 7,608        | 790,856       | 591,645       |
| Internal revenue                                                   | 0               | 0             | 11,083        | 7,580         | (11,083)                   | (7,580)      | 0             | 0             |
| Revenue                                                            | 455,059         | 357,691       | 338,767       | 233,926       | (2,970)                    | 28           | 790,856       | 591,645       |
| Adjusted EBITDA                                                    | 39,699          | 36,639        | 27,049        | 17,201        | (352)                      | (196)        | 66,396        | 53,644        |
| Adjusting items (excl. depreciation, amortisation and impairments) | (166)           | (1,413)       | (67)          | (153)         | 0                          | 0            | (232)         | (1,567)       |
| EBITDA                                                             | 39,533          | 35,226        | 26,982        | 17,048        | (352)                      | (196)        | 66,164        | 52,077        |
| Depreciation, amortisation and impairments                         | 24,460          | 24,516        | 6,720         | 6,738         | 0                          | 0            | 31,180        | 31,254        |
| <b>EBIT</b>                                                        | <b>15,073</b>   | <b>10,710</b> | <b>20,262</b> | <b>10,310</b> | <b>(352)</b>               | <b>(196)</b> | <b>34,984</b> | <b>20,824</b> |
| Adjusting items (incl. depreciation, amortisation and impairments) | 166             | 1,413         | 119           | 153           | 0                          | 0            | 284           | 1,566         |
| Adjusted EBIT                                                      | 15,239          | 12,123        | 20,381        | 10,463        | (352)                      | (196)        | 35,268        | 22,390        |
| Financial income                                                   |                 |               |               |               |                            |              | 9,446         | 3,221         |
| Financial expense                                                  |                 |               |               |               |                            |              | (6,633)       | (6,212)       |
| Income tax (expense)                                               |                 |               |               |               |                            |              | (11,018)      | (3,100)       |
| <b>EAT (earnings after tax)</b>                                    |                 |               |               |               |                            |              | <b>26,778</b> | <b>14,733</b> |

<sup>(1)</sup> Unallocated includes intersegment eliminations / external revenue (mainly transport), EBIT and adjusted EBIT that do not belong to the Bakery Products respectively MCOF segments.

| THOUSAND EURO                                               | BAKERY PRODUCTS |                | MCOF           |                | UNALLOCATED     |                 | TOTAL            |                  |
|-------------------------------------------------------------|-----------------|----------------|----------------|----------------|-----------------|-----------------|------------------|------------------|
|                                                             | 30.06.2022      | 31.12.2021     | 30.06.2022     | 31.12.2021     | 30.06.2022      | 31.12.2021      | 30.06.2022       | 31.12.2021       |
| <b>Total assets per segment</b>                             |                 |                |                |                |                 |                 |                  |                  |
| Net fixed assets                                            | 429,438         | 444,943        | 159,791        | 160,845        | 0               | 0               | 589,229          | 605,788          |
| Other non-current assets                                    |                 |                |                |                | 3,516           | 2,809           | 3,516            | 2,809            |
| <b>Total non-current assets (excl. deferred tax assets)</b> | <b>429,438</b>  | <b>444,943</b> | <b>159,791</b> | <b>160,845</b> | <b>3,516</b>    | <b>2,809</b>    | <b>592,745</b>   | <b>608,597</b>   |
| Assets working capital need                                 | 262,223         | 229,346        | 191,145        | 156,205        | (71,594)        | (79,379)        | 381,773          | 306,172          |
| Other current assets <sup>(1)</sup>                         | 0               | 0              | 0              | 0              | 102,986         | 134,945         | 102,986          | 134,945          |
| <b>Total current assets</b>                                 | <b>262,223</b>  | <b>229,346</b> | <b>191,145</b> | <b>156,205</b> | <b>31,392</b>   | <b>55,566</b>   | <b>484,759</b>   | <b>441,117</b>   |
| <b>Total assets (excl. deferred tax assets)</b>             | <b>691,661</b>  | <b>674,289</b> | <b>350,936</b> | <b>317,050</b> | <b>34,908</b>   | <b>58,375</b>   | <b>1,077,504</b> | <b>1,049,714</b> |
| Assets working capital need                                 | 262,223         | 229,346        | 191,145        | 156,205        | (71,594)        | (79,379)        | 381,773          | 306,172          |
| Liabilities working capital need                            | (171,525)       | (153,337)      | (134,322)      | (126,645)      | 0               | 0               | (305,847)        | (279,982)        |
| <b>Total operational working capital need</b>               | <b>90,698</b>   | <b>76,009</b>  | <b>56,823</b>  | <b>29,560</b>  | <b>(71,594)</b> | <b>(79,379)</b> | <b>75,926</b>    | <b>26,190</b>    |

<sup>(1)</sup> Other current assets are not allocated to BP or MCOF and include other receivables, other financial assets and cash & cash equivalents.

## 5.2 ENTITY-WIDE GEOGRAPHICAL INFORMATION

Vandemoortele is a family owned business with Belgian roots that has grown to become a truly international food company. The Group is active in various geographical regions as listed below. The designation 'rest of Europe' mainly refers to Scandinavia, Poland and Hungary. Outside Europe, the Group is mainly active in North America, Africa and the Middle East.

The revenue per country is based on the geographical location of the external customers:

| THOUSAND EURO                               | 30.06.2022<br>unaudited | 30.06.2021<br>unaudited |
|---------------------------------------------|-------------------------|-------------------------|
| <b>Revenue per country (customer based)</b> |                         |                         |
| France                                      | 211,977                 | 166,864                 |
| Germany                                     | 103,504                 | 78,302                  |
| Belgium                                     | 94,527                  | 78,190                  |
| Italy                                       | 78,383                  | 59,951                  |
| The Netherlands                             | 63,485                  | 49,188                  |
| Spain                                       | 65,422                  | 40,459                  |
| UK                                          | 47,295                  | 32,931                  |
| Czech Rep & Slovakia                        | 18,469                  | 12,037                  |
| Rest of Europe                              | 62,574                  | 46,508                  |
| Outside Europe                              | 45,219                  | 27,214                  |
| <b>Total</b>                                | <b>790,856</b>          | <b>591,645</b>          |

The non-current assets per country are based on the geographical location of our companies and refer mainly to the Group's plants. These are the values of acquired assets with an expected economic lifetime of more than one year.

| THOUSAND EURO                                                     | 30.06.2022<br>unaudited | 31.12.2021<br>audited |
|-------------------------------------------------------------------|-------------------------|-----------------------|
| <b>Non-current assets per country (excl. deferred tax assets)</b> |                         |                       |
| Goodwill (non allocated)                                          | 199,329                 | 199,329               |
| France                                                            | 141,482                 | 149,476               |
| Belgium                                                           | 109,748                 | 106,201               |
| Italy                                                             | 34,029                  | 36,400                |
| Poland                                                            | 28,747                  | 31,227                |
| The Netherlands                                                   | 34,428                  | 34,837                |
| Germany                                                           | 18,223                  | 18,275                |
| UK                                                                | 14,393                  | 18,133                |
| Spain                                                             | 13,403                  | 14,017                |
| Other                                                             | 626                     | 703                   |
| <b>Total (see consolidated balance sheet)</b>                     | <b>594,407</b>          | <b>608,597</b>        |

## 5.3 MAJOR CUSTOMERS

The BP and MCOF operating segments are predominantly business-to-business activities. Our customers are food sellers in all shapes and sizes, such as supermarkets, hotels, restaurants, quick-service restaurants, lunchrooms, petrol stations, artisan bakers, industrial bakers and food industries. Our products are sold into the following distribution channels: retail, artisan bakery, food service and food industry.

- Retail: consumers can buy our retail range products directly at the supermarket, either under our own brands or under the supermarket's own brand names (private labels).
- Artisan bakery: the product range for artisan bakeries includes puff pastry sheets, bread, donuts, patisserie, savoury and margarines.
- Food service: with our extensive range of convenience products, we respond to the latest food trends and consumer needs. For example, restaurants can offer their customers our top quality sandwiches, sauces, desserts and sweet and savoury snacks.
- Food industry: we supply specialised margarines to other companies.

The retail distribution channel represents approximately 57% and 26% of the respective revenues of BP and MCOF. The channel is very mature in Western Europe, with the three top retailers controlling at least half of the market share in France, Germany, the Netherlands, the United Kingdom and Belgium.

No individual customer represents more than 10% of the Group's revenue. The revenue from our top five customers combined represented 14.1% of the total Group revenue (17.1% in the first half of 2021).

For the BP business line, the top five customers accounted for 20.6% of the total revenue in the first half of 2022 (23.5% in the first half of 2021). For the MCOF business line, they accounted for 12.9% (18.0% in the first half of 2021). When we consider the top ten customers, the respective shares increased to approximately 31.9% for BP, 20.3% for MCOF and 21.9% for the whole Group.

## 6. CHANGE IN PROVISIONS

| THOUSAND EURO               | 30.06.2022<br>unaudited | 30.06.2021<br>unaudited |
|-----------------------------|-------------------------|-------------------------|
| Restructuring               | 1,369                   | 597                     |
| Litigations and tax         | (500)                   | 195                     |
| Other                       | 786                     | 128                     |
| <b>Change in provisions</b> | <b>1,655</b>            | <b>920</b>              |

The change in provisions includes new provisions amounting to € 0.6 million, mainly for a legal dispute (€ 0.5 million; see note 13.2 Contingent liabilities). They are offset by the use of provisions amounting to € 2.2 million, mainly related to restructuring (€ 1.5 million) and to the settlement of a claim with a logistics provider in Italy (€ 0.5 million).

## 7. OTHER OPERATING INCOME

| THOUSAND EURO                                                              | 30.06.2022<br>unaudited | 30.06.2021<br>unaudited |
|----------------------------------------------------------------------------|-------------------------|-------------------------|
| Gains on disposals of tangible and intangible fixed assets                 | 216                     | 89                      |
| Fair value gain on forward purchase contracts crude vegetable oil          | (10)                    | 125                     |
| Government grants                                                          | 699                     | 697                     |
| Capitalised engineering                                                    | 675                     | 557                     |
| Sales waste                                                                | 1,991                   | 1,551                   |
| Exemption payroll tax                                                      | 1,258                   | 1,538                   |
| Benefit in kind                                                            | 3,274                   | 2,060                   |
| Site revenues                                                              | 1,221                   | 586                     |
| Sales promotional materials                                                | 78                      | 108                     |
| Tax recuperation (non-income tax related)                                  | 155                     | 21                      |
| Rental fleet                                                               | 18                      | 14                      |
| Palettes                                                                   | 612                     | 739                     |
| Recuperation damage/insurance                                              | 718                     | 471                     |
| Compensation from third parties for investments in energy/formation/safety | 107                     | 921                     |
| Realised exchange gains relating to trade business                         | 1,231                   | 183                     |
| Other                                                                      | 711                     | 881                     |
| <b>Other operating income</b>                                              | <b>12,953</b>           | <b>10,542</b>           |

## 8. OTHER OPERATING EXPENSE

| THOUSAND EURO                                             | 30.06.2022<br>unaudited | 30.06.2021<br>unaudited |
|-----------------------------------------------------------|-------------------------|-------------------------|
| Loss on disposals of tangible and intangible fixed assets | 15                      | 217                     |
| Loss on realisation of trade receivables                  | 566                     | 481                     |
| Other                                                     | 1,015                   | 79                      |
| Realised exchange losses relating to trade business       | 1,241                   | 7                       |
| Other operating taxes                                     | 4,109                   | 3,637                   |
| <b>Other operating expense</b>                            | <b>6,946</b>            | <b>4,422</b>            |

"Other operating taxes" includes among others: property tax (€ 1.8 million), packaging tax (€ 0.5 million), solidarity tax (€ 0.4 million) and environmental tax (€ 0.2 million).



## 9. FINANCIAL INCOME

| THOUSAND EURO                                                                                | 30.06.2022<br>unaudited | 30.06.2021<br>unaudited |
|----------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Interest income                                                                              | 202                     | 22                      |
| Exchange gains                                                                               | 3,595                   | 1,621                   |
| Fair value gains on FX hedging instruments not part of a hedge accounting relationship       | 1,069                   | 0                       |
| Fair value gains on interest hedging instruments not part of a hedge accounting relationship | 4,579                   | 1,283                   |
| Fair value gains on financial assets measured at fair value through profit                   | 0                       | 295                     |
| <b>Financial income</b>                                                                      | <b>9,446</b>            | <b>3,221</b>            |

Financial income rose by 193%, resulting from:

- Fair value gains on interest rate swaps, due to the sharp increase in rates in the first half of the year;
- Fair value gains on FX hedging instruments, mainly due to a decreased GBP rate at the end of June;
- Higher exchange results, mainly due to the evolution of the USD rate in the first semester of 2022.

## 10. FINANCIAL EXPENSE

| THOUSAND EURO                                                                                 | 30.06.2022<br>unaudited | 30.06.2021<br>unaudited |
|-----------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Interest expense                                                                              | 3,854                   | 4,055                   |
| Exchange losses                                                                               | 1,360                   | 677                     |
| Fair value losses on FX hedging instruments not part of a hedge accounting relationship       | 0                       | 944                     |
| Fair value losses on interest hedging instruments not part of a hedge accounting relationship | 236                     | 0                       |
| Bank and legal fees                                                                           | 156                     | 192                     |
| Other financial expense                                                                       | 1,028                   | 345                     |
| <b>Financial expense</b>                                                                      | <b>6,633</b>            | <b>6,212</b>            |

Financial expenses rose by 7%. This was mainly due to higher exchange losses and a loss realised on the sale of financial assets. It was partly offset by the absence of fair value losses on FX hedging instruments in the first half of 2022.

# 11. INCOME TAX EXPENSE

## 11.1 CURRENT INCOME TAX EXPENSE

Income taxes recognised in the income statement can be detailed as follows:

| THOUSAND EURO                              | 30.06.2022<br>unaudited | 30.06.2021<br>unaudited |
|--------------------------------------------|-------------------------|-------------------------|
| Current taxes for the year                 | (9,352)                 | (5,580)                 |
| Adjustment to current taxes on prior years | 461                     | 884                     |
| Deferred taxes                             | (2,127)                 | 1,596                   |
| <b>Income tax (expense)</b>                | <b>(11,018)</b>         | <b>(3,100)</b>          |

The income tax expense has increased by 255% compared to last year.

The current year taxes for 2022 are higher than the 2021 taxes, due to the fact that the profit before tax has more than doubled compared to 2021.

On the other hand, deferred tax assets for tax losses decreased, considering current year taxable profit was generated.

The table below summarises the relationship between income tax and profit before income tax:

| THOUSAND EURO                                                             | 30.06.2022<br>unaudited | 30.06.2021<br>unaudited |
|---------------------------------------------------------------------------|-------------------------|-------------------------|
| Accounting profit before taxes                                            | 37,797                  | 17,833                  |
| <b>Profit before tax and before share of result of associates</b>         | <b>37,797</b>           | <b>17,833</b>           |
| Tax at Belgian corporate tax rate (25%)                                   | 9,449                   | 4,458                   |
| <b>Adjustment to current taxes on prior years</b>                         |                         |                         |
| - over/underprovided prior years                                          | (461)                   | (884)                   |
| <b>Tax effect of</b>                                                      |                         |                         |
| - special tax regimes                                                     | (585)                   | (436)                   |
| - other domestic tax rates                                                | (88)                    | (30)                    |
| - expenses not deductible for tax purposes                                | 686                     | 367                     |
| - losses/timings for which no deferred tax was recognised                 | 1,284                   | 410                     |
| - utilisation of unrecognised tax attributes                              | (2)                     | 0                       |
| - reversal of previously recognised deferred taxes (asset +/-liability -) | 29                      | 0                       |
| - deferred tax assets previously not recognised                           | (52)                    | (1,388)                 |
| - changed tax rate                                                        | (13)                    | 0                       |
| Other domestic taxes                                                      | 616                     | 758                     |
| Other                                                                     | 155                     | (155)                   |
| <b>Total income tax</b>                                                   | <b>11,018</b>           | <b>3,100</b>            |

The special tax regimes in 2022 mainly relate to Italian notional interest deduction, called “ACE” and additional tax depreciation on certain assets in France and Italy. The contribution for value added by businesses (*cotisation sur la valeur ajoutée des entreprises*, CVAE) is a French tax assessed on the added value that companies created during the previous calendar year. The CVAE rate is 0.75% for companies with an annual pre-tax turnover of +€50.0 million. If the company is part of a tax group, the CVAE rate is 0.75% if the total annual pre-tax turnover of the group exceeds €50 million. Companies with a turnover below this amount are subject to a reduced CVAE rate (depending on turnover). The minimum annual pre-tax turnover to be subject to CVAE is €0.5 million.

## 11.2 DEFERRED TAXES

| For the year ended 31 December<br>THOUSAND EURO | 30.06.2022<br>unaudited | 31.12.2021<br>audited |
|-------------------------------------------------|-------------------------|-----------------------|
| Deferred tax assets                             | 35,716                  | 38,334                |
| Deferred tax liabilities                        | 22,991                  | 19,515                |
| <b>Net deferred tax position</b>                | <b>12,725</b>           | <b>18,819</b>         |

Deferred income tax assets are recognised to the extent that the related tax benefit is likely to be generated through the future taxable profits.

Judgement is required to determine the probability of the future taxable results and the future income tax rates of those legal entities that have tax loss carry-forwards. Based on this judgement, the time horizon over which the tax benefits will be generated varies between four and eight years. The majority of the tax attributes for which a deferred tax asset is recognised can be transferred without any time limit. For the tax attributes that can only be transferred for a limited time, a deferred tax is only recognised to the extent that the tax attributes are expected to be used within the time limit. The management of the Group remains conservative in determining the future taxable results.

## **12. RELATED PARTIES**

The Group is controlled by Safinco NV, which owns 99.58% of the Company's shares. The remaining 0.42% is owned by the Company itself (own shares).

## **13. COMMITMENTS AND CONTINGENCIES**

### **13.1 LEASE COMMITMENTS**

The Group has entered into various lease agreements. Since 2019, all lease commitments are expressed in the balance sheet following IFRS 16. Short-term leases, low-value assets, variable lease payments and non-lease components (e.g. maintenance) are excluded from the application of IFRS 16, and are immediately expensed under service costs (see note 17).

### **13.2 CONTINGENT LIABILITIES**

The contingent liability for which a provision of € 0.5 million has been taken relates to a legal dispute regarding the calculation methodology of a fee for one of our products. We are convinced that we have used the correct methodology, but cannot rule out the possibility of additional losses that won't be covered by the provision.

## 14. EVENTS AFTER BALANCE SHEET DATE

The Vandemoortele Group successfully issued a fixed rate subordinated bond for an amount of € 50 million (maturity date in 2029), with an interest coupon of 5.6%, listed on the regulated market of Euronext Brussels. The bond was subscribed in full on the date of its launch, 24 June 2022. The € 50 million was deposited into account on 4 July 2022.

The main and most urgent financial risks are the price rises for energy and commodities. Vandemoortele's Executive Committee is keeping track of those developments and has taken all necessary measures to deal with the situation. The Committee feels there is no current material impact on the financial statements.

# 15 PROGRESS ON SUSTAINABILITY

In the first half of 2022, Vandemoortele worked hard to further improve its sustainable performance. We reached several targets and made significant progress on many of our Key Performance Indicators (KPIs). Our sustainability strategy is the compass that guides us towards a more sustainable future. In anticipation of the new European sustainability directives, we continue to raise our ambition levels and work even harder to become a top sustainable company. Throughout the process, we never walk alone: our associates are our best and most treasured sustainability ambassadors.

## 15.1 BALANCED NUTRITION

| Improving the nutrition profile of our products                                           |          |      |        |                            |                               |                            |
|-------------------------------------------------------------------------------------------|----------|------|--------|----------------------------|-------------------------------|----------------------------|
|                                                                                           | Baseline | 2020 | 2021   | S1 2022                    | Target <sup>(1)</sup><br>2022 | Target<br>2025             |
| % salt reduction in bakery products (vol%)                                                | 2019     | /    | -2.05% | -2.6%                      | -6%                           | -15%                       |
| % sugar reduction in pastry, sweet treats & patisserie (vol%)                             | 2019     | /    | -1.60% | -3.5%                      | -4%                           | -10%                       |
| % increase of bread products with health or nutrition claim (num%)                        | 2019     | /    | -1%    | +1%                        | +4%                           | 10%                        |
| % increase of products with claim high in UFA + other claim in spreading & cooking (num%) | 2019     | /    | -1%    | +1%                        | +3%                           | +7%                        |
| better Nutri-Score: % shift in spreading & cooking (num%)                                 | 2019     | /    | 4%     | +5.5%                      | +4.76%                        | +7%                        |
| Offering clean label products                                                             |          |      |        |                            |                               |                            |
| % Clean Label BP products (vol%)                                                          |          | 74%  | 76%    | 77%                        | 77.6%                         | 83%                        |
| % Clean Label MCOF products (vol%)                                                        |          | 22%  | 28%    | No more KPI <sup>(2)</sup> | No more KPI <sup>(2)</sup>    | No more KPI <sup>(2)</sup> |
| Being a leader in food safety                                                             |          |      |        |                            |                               |                            |
| % unannounced GFSI certification (Vandemoortele operations)                               |          | 88%  | 92%    | 95.8%                      | 95%                           | 100%                       |
| % GFSI principles compliance (suppliers, traders & logistic partners)                     |          | 93%  | 97%    | 97.4%                      | 97%                           | 98%                        |
| % reduction food safety complaints                                                        | 2020     | /    | -8%    | -8%                        | -5%                           | -10%                       |
| # incidents food defense & food fraud                                                     |          | 0    | 0      | 0                          | 0                             | 0                          |

<sup>(1)</sup> Since defining yearly targets is a fairly new process for some of our KPIs, they need to be considered more as guiding principles.

<sup>(2)</sup> At the end of 2022, we will launch our new, stricter Clean Label definition, reducing the permitted number of additives from 9 to 4. With this new definition, only for a very limited amount of products within the MCOF business line a Clean Label alternative will be possible.

In the first half of 2022, we have taken further steps to improve the **nutrition profile of our products**. We continued to reduce the salt and sugar levels in our bakery products and pastry. In the first part of the year, we almost achieved our 2022 sugar reduction target, but we still have some work to do in terms of salt reduction. Due to the need of customer/sales approval, it takes a little longer than we expected to develop and sell new products with an adjusted composition. For some of our bread products, we have adjusted recipes, resulting in 5% or even 10% less salt.



The number of products with health claims is generally on the right track for our bread products and our margarines for cooking and spreading. We are even above target when it comes to achieving better Nutri-Scores, due to a high customer demand for healthy products. In the first half of 2022, we were proud to launch the first spread with a Nutri-Score A on the Belgian market: Alpro Nutri-Score A.

Our 2022 targets concerning **Clean Label** products are on track. In our bread products, we replaced guar gum with a Clean Label alternative. We have also found Clean Label solutions to improve various other products, like margarines and apple filling. At the end of 2022, we will launch our new, stricter Clean Label definition for Bakery Products, reducing the permitted number of additives from 9 to 4.

With regard to **food safety**, 23 of our 24 sites are now GFSI certified, which means that they are ready to be certified according to an unannounced scheme. In the first half of 2022, 18 production sites successfully passed an unannounced audit – that is one more than in 2021. 5 more are prepared for the process. In addition, 97.4% of our suppliers, traders and logistics partners comply with GFSI principles. The high number is a result of our increased efforts to convince our logistics partners to be compliant with the GFSI principles.

The number of food safety complaints decreased by 8% in the first half of the year. This was partly due to the rollout of the foreign body policy in 2019 in the Bakery Products business. There have been no food defense incidents or cases of food fraud in the first half of 2022.

## 15.2 PROTECTING NATURE

| Sourcing responsibly                                                        |          |        |                                        |                      |                            |             |
|-----------------------------------------------------------------------------|----------|--------|----------------------------------------|----------------------|----------------------------|-------------|
|                                                                             | Baseline | 2020   | 2021                                   | S1 2022              | Target 2022 <sup>(1)</sup> | Target 2025 |
| % sustainable certified soy (direct + indirect)                             |          | 25%    | 58%                                    | 63%                  | 65%                        | 100%        |
| % barn eggs (direct)                                                        |          | 100%   | 100%                                   | 100%                 | 100%                       | 100%        |
| % physically sustainable certified cocoa (consumer and professional brands) |          | /      | 30%                                    | 41%                  | 45%                        | 100%        |
| % physically sustainable certified palm (consumer and professional brands)  |          | 26%    | 25%                                    | 34%                  | 40%                        | 100%        |
| % palm traceable to mill                                                    |          | 99.4%  | 99.9%                                  | 99.9% <sup>(2)</sup> | 100%                       | 100%        |
| % palm traceable to plantation (supplier score)                             |          | 45%    | 58.9%                                  | 65.3% <sup>(2)</sup> | 55%                        | 75%         |
| % key palm oil suppliers NDPE policy                                        |          | 100%   | 100%                                   | 100%                 | 100%                       | 100%        |
| % verified palm grievances have an action plan                              |          | /      |                                        | NA <sup>(3)</sup>    | 30%                        | 100%        |
| Toward zero carbon emissions                                                |          |        |                                        |                      |                            |             |
| % reduction CO <sub>2</sub> -eq/ton (scope 1 & 2)                           | 2015     | -58.5% | -59.3%                                 | -59.5%               | -60%                       | -70%        |
| % reduction CO <sub>2</sub> -eq/ton transport & mobility (scope 1 & 3)      | 2020     | /      | +1.21%<br>Metro/<br>-6.72 %<br>Panalog | NA <sup>(3)</sup>    | -4%                        | -15%        |
| % energy intensity reduction (energy used/ton produced) (elec & gas) GROUP  | 2020     | /      | +1.9%                                  | -4%                  | -4%                        | -10%        |

|                                                                                                                                         |      |       |        |        |        |      |
|-----------------------------------------------------------------------------------------------------------------------------------------|------|-------|--------|--------|--------|------|
| % energy intensity reduction (energy used/ton produced) (elec & gas) BP                                                                 | 2020 | /     | -5.2%  | -10%   | -4%    | -10% |
| % energy intensity reduction (energy used/ton produced) (elec & gas) MCOF                                                               | 2020 | /     | +6.5%  | +2.9%  | -4%    | -10% |
| % green electricity                                                                                                                     |      | 100%  | 100%   | 100%   | 100%   | 100% |
| % contracted direct PPA green electricity                                                                                               |      | 0%    | 0%     | 11%    | 11%    | 15%  |
| % reduction water usage (litre water/kg product) (excluding water ingredient)                                                           | 2020 | /     | +1.9%  | -16.9% | -2%    | -5%  |
| <b>Minimising food waste</b>                                                                                                            |      |       |        |        |        |      |
| % reduction scrap (total production scrap + total rejected + including commercial obsolete) (food loss, calculated on volume sold) BP   | 2020 | /     | +2.4%  | +7%    | -8%    | -30% |
| % reduction scrap (total production scrap + total rejected + including commercial obsolete) (food loss, calculated on volume sold) MCOF | 2020 | /     | -0.20% | -6.74% | -3.40% | -10% |
| <b>Contributing to circular packaging</b>                                                                                               |      |       |        |        |        |      |
| % r-PET                                                                                                                                 |      | /     | 20%    | 20.7%  | 20%    | 25%  |
| % recyclable, re-usable, compostable                                                                                                    |      | 85%   | 88%    | 88%    | 90%    | 100% |
| % sustainable certified FSC/PEFC paper and cardboard                                                                                    |      | 99.6% | 100%   | 100%   | 100%   | 100% |

<sup>(1)</sup>Since defining yearly targets is a fairly new process for some of our KPIs, they need to be considered more as guiding principles.

<sup>(2)</sup>Traceability results for palm oil are only available with a semester delay. Data presented in S1 2022 are the results of S2 2021.

<sup>(3)</sup>These figures will only be available at the end of the year.

In the first half of 2022, we stayed on track to achieve our goals in Protecting Nature. With regard to **responsible sourcing**, we have either reached our 2022 targets or are getting closer to achieving them. We use 100% cage-free liquid eggs and certified flour, and all our key palm oil suppliers have an NDPE policy (No Deforestation, No Peat, No Exploitation). Concerning the use of certified cocoa and palm oil in our consumer and professional brands, we are on the right track. We are now using 41% certified cocoa (target 2022 = 45%) and 34% certified palm oil (target 2022 = 40%). Regarding the traceability of our palm oil, we are engaging with our suppliers to close the remaining 0.1% gap on traceability to the mill. Based on the data of S2 2021, we are above target with regard to traceability to the plantation.

Our 2022 targets concerning **emission reduction** have already been achieved, sooner than planned. The main reason for this was our acceleration of various energy saving projects and operational improvements. The BP business unit even achieved an energy intensity reduction of -10%. MCOF performed less well, with an increase in energy intensity of +2.9%, but still did much better than last year (-3.6% compared to 2021). Taken together, this resulted in an overall 'on target' Group result of -4%. In addition, we are very close to reaching our 2022 carbon reduction target of -60% (we are currently at -59.5%).

Regarding the **reduction of food waste**, MCOF has already achieved good results, with a reduction of 6.74% compared to 2020. This is mainly due to the prevention of obsolete stock and a sustained focus on OPEX and the 'first time right' approach in our various factories. BP still has some work to reach the targets before the end of the year.

Finally, with regard to **circular packaging**, we have been working on various projects that led to good results this first semester. Since April, our 750 ml and 2l vinaigrette bottles contain 30% r-PET, which means we use more recycled plastic instead of virgin materials. We are currently negotiating to include 30% r-PET in our 450ml vinaigrette bottle and 3l sauce

jar. In addition, a revision of the 450ml vinaigrette bottle is ongoing in order to reduce its weight. In order to use more reusable, recyclable or compostable packaging, we are currently assessing the potential of reusable, foldable bulk containers.

## 15.3 ENHANCING LIVES

| Offering an engaging professional journey                                                               |          |      |                                                  |                                                |                                              |                                              |
|---------------------------------------------------------------------------------------------------------|----------|------|--------------------------------------------------|------------------------------------------------|----------------------------------------------|----------------------------------------------|
|                                                                                                         | Baseline | 2020 | 2021                                             | S1 2022                                        | Target 2022 <sup>(1)</sup>                   | Target 2025                                  |
| Training & development score AES                                                                        |          | 58   | NA <sup>(2)</sup>                                | NA <sup>(2)</sup>                              | 61                                           | 66                                           |
| Sustainable engagement score AES                                                                        |          | 77   | NA <sup>(2)</sup>                                | NA <sup>(2)</sup>                              | 78                                           | 80                                           |
| Average hours of training per associate category                                                        |          | /    | W: 5<br>Sup: 10.9<br>St: 16.9 <sup>(3)</sup>     | W: 2.99<br>Sup: 2.7<br>St: 4.45 <sup>(3)</sup> | W: 12<br>Sup: 12<br>St: 12 <sup>(3)</sup>    | W: 24<br>Sup: 24<br>St: 24 <sup>(3)</sup>    |
| % associates that followed minimum one training per associate category                                  |          | /    | W: 78%<br>Sup: 83%<br>St: 90% <sup>(3)</sup>     | W: 19%<br>Sup: 12%<br>St: 12% <sup>(3)</sup>   | W: 90%<br>Sup: 90%<br>St: 90% <sup>(3)</sup> | W: 95%<br>Sup: 95%<br>St: 95% <sup>(3)</sup> |
| % associates who adhere to P&DMP per associate category                                                 |          | /    | W: 86.4%<br>Sup: 96%<br>St: 98.6% <sup>(3)</sup> | W: 88%<br>Sup: 97%<br>St: 98% <sup>(3)</sup>   | W: 90%<br>Sup: 98%<br>St: 98% <sup>(3)</sup> | W: 98%<br>Sup: 98%<br>St: 98% <sup>(3)</sup> |
| Offering a diverse and inclusive workplace                                                              |          |      |                                                  |                                                |                                              |                                              |
|                                                                                                         | Baseline | 2020 | 2021                                             | S1 2022                                        | Target 2022                                  | Target 2025                                  |
| Representation women at senior leadership (B+ level)                                                    |          | 25%  | 26%                                              | 30%                                            | 28%                                          | 40%                                          |
| Average hours of training per associate per gender category (F/M) and the deviation between F/M         |          | /    | F: 10.9<br>M: 6<br>1.80                          | F: 2.83<br>M: 3.69<br>0.76                     | 0.9<F/M<1.2                                  | 0.9<F/M<1.2                                  |
| % associates that followed minimum one training per gender category (F/M) and the deviation between F/M |          | /    | F: 92.3%<br>M: 90.3%<br>1.01                     | F: 43%<br>M: 42%<br>1.02                       | 0.9<F/M<1.2                                  | 0.9<F/M<1.2                                  |
| % associates who adhere to P&DMP per gender category (F/M) and the deviation between F/M                |          | /    | F: 92.3%<br>M: 90.3%<br>1.02                     | F: 90%<br>M: 94%<br>0.96                       | 0.9<F/M<1.2                                  | 0.9<F/M<1.2                                  |
| % female successors in jobs with a successor C+                                                         |          | 54%  | 56%                                              | 52.9%                                          | 60%                                          | 70%                                          |
| Inclusive workplace score AES                                                                           |          | 80   | NA <sup>(2)</sup>                                | NA <sup>(2)</sup>                              | 82                                           | 83                                           |
| Ensuring safety and fostering wellbeing                                                                 |          |      |                                                  |                                                |                                              |                                              |
| Severity rate of Lost Workday Cases                                                                     |          | 0.85 | 0.66                                             | 0.75                                           | 0.60                                         | 0.50                                         |

|                                                            |                    |                    |                    |     |      |
|------------------------------------------------------------|--------------------|--------------------|--------------------|-----|------|
| Frequency rate of Lost Workday Cases                       | 19.2               | 20.2               | 24.8               | 18  | 15   |
| <b>Working together to create a positive social impact</b> |                    |                    |                    |     |      |
| % suppliers accepted/signed our Supplier Code of Conduct   | 50% <sup>(4)</sup> | 74% <sup>(4)</sup> | 62% <sup>(5)</sup> | 80% | 100% |
| % key commodities participating in a project on the ground | 40%                | 40%                | 40%                | 60% | 100% |
| Sustainability score AES                                   | /                  | NA <sup>(2)</sup>  | NA <sup>(2)</sup>  | 79  | 82   |

<sup>(1)</sup>Since defining yearly targets is a fairly new process for some of our KPIs, they need to be considered more as guiding principles.

<sup>(2)</sup>The Annual Engagement Survey (AES) is held every two years.

<sup>(3)</sup>St: staff, Sup: support, W: worker

<sup>(4)</sup>Result calculated for new direct key suppliers.

<sup>(5)</sup>Result calculated for all direct key suppliers.

<sup>(6)</sup>Key suppliers currently focussing on palm oil.

From January to June, our workers, support and staff respectively followed an average of 2.99 hours, 2.7 hours and 4.45 hours of training. Since the full-year target is 12 hours of training, we need to emphasize this more in the second semester. We also still have a big gap to close to make sure everyone has followed at least one training session by the end of 2022. Since our factories have resumed working at full capacity, our associates have found little time for training hours. In the second semester, the hustle and bustle of the restart after the covid-19 measures were lifted, will hopefully have eased. That way, we will be able to free up time for training.

We have already achieved one target and are close to meeting the others in terms of the percentage of our associates that adhere to Performance & Development Management Process (P&DMP) for the various associate categories. The other '**professional journey**' results will be known after the Annual Engagement Survey, that will be held in November.

In the first half of the year, we already achieved some of our 2022 targets for **diversity & inclusion**, such as a 28% representation of women at senior leadership (we are currently at 30%). For other topics, like the representation of female successors, we took steps to reach the full-year targets.

Regarding **safety**, we saw a higher frequency of lost workday cases (24.8). The numbers are still better than in the past, but not in line with our ambitions. The increase appears to have been caused by higher stress levels after the steep ramp-up of our production volumes and by the presence of more temporary staff members. Despite the higher frequency, however, the severity rate remained at a reasonable level.

With regard to our **positive social impact**, we have extended our ambitions concerning our Supplier Code of Conduct. To make more suppliers adhere to our code, we have enlarged our supplier scope from only newly created direct suppliers to all active direct suppliers. Because of the larger scope, our score has temporarily dropped to 62%, but we aim to bridge the gap towards our target by the end of the year.

We are currently participating in projects on the ground for 40% of our key commodities. We are involved in projects related to palm oil through Earthworm Foundation, and to soy, through ACT.

# 16 GLOSSARY

## **EBIT**

Profit from operations (Earnings Before Interest and Taxes)

## **EBITDA**

Profit from operations before depreciation, amortisation and impairments

## **Adjusted EBIT**

Profit from operations before adjusting items (incl. depreciation, amortisation and impairments)

## **Adjusted EBITDA**

Adjusted EBIT before depreciation and amortisation

## **Adjusting items**

Items that are related to restructuring programmes: lay-off costs that cannot be associated with the future organisation, gains/losses on disposals, dismantling costs, impairment losses on assets (including goodwill), fade out costs for production or logistic sites that are closed during the year and consultancy fees relating to possible mergers and acquisitions

## **Net fixed assets**

Goodwill, other intangible assets, property, plant and equipment, investments in associates and financial assets (excluding mutual funds)

## **Operational working capital need**

Inventories, trade receivables and trade payables

## **Other working capital need**

Other receivables (excluding current & non-current loans), other assets, current tax payables, other liabilities, current employee benefits and net commodity derivatives

## **Working capital need**

Operational working capital need plus other working capital need

## **Equity**

For ratio calculations, total equity includes equity attributable to owners of the parent and non-controlling interests

## **Provisions**

Current and non-current provisions, non-current employee benefits, deferred tax liabilities minus deferred tax assets, derivatives (excluding commodity derivatives) and fair value adjustments on borrowings

## **Net deferred tax**

Deferred tax liabilities less deferred tax assets

## **Net financial debt**

Nominal amount of borrowings minus cash and cash equivalents, mutual funds, current and non-current loans

## **Senior net financial debt**

Net financial debt minus subordinated loans

## **Capital employed**

Net fixed assets plus working capital need

## **Capital provided**

Equity, net financial debt and provisions

**Return on capital employed (ROCE)**

Adjusted EBIT after tax as a percentage of the capital employed as at 31 December



# 17. STATEMENT BY RESPONSIBLE PERSON



15 September 2022

## STATEMENT BY RESPONSIBLE PERSON

Mr. Yvon Guérin, Chief Executive Officer confirms that to the best of his knowledge:

- a) The condensed interim consolidated financial statements as at 30 June 2022 of VANDEMOORTELE NV, prepared in conformity with applicable accounting standards, reflect a true and fair view of the net worth, the financial situation, and the results of VANDEMOORTELE NV and its subsidiaries consolidated in these financial statements.
- b) The interim report of the Board of Directors on the condensed interim financial statements as at 30 June 2022 of VANDEMOORTELE NV contains a faithful presentation of the performance of the business, the results of the VANDEMOORTELE Group and of VANDEMOORTELE NV and its consolidated subsidiaries.

DocuSigned by:  
*Yvon Guérin*  
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Yvon Guérin,  
Chief Executive Officer  
of Vandemoortele NV

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# 18. REPORT OF THE BOARD OF DIRECTORS



## REPORT OF THE BOARD OF DIRECTORS ON THE MID-YEAR 2022 RESULTS

Dear stakeholders,

We hereby provide our report on the unaudited mid-year 2022 IFRS consolidated results of the Vandemoortele Group.

### **Strong demand for our products**

Demand for our products in both business lines, Bakery Products (BP) and Margarine, Culinary Oils and Fats (MCOF), has increased compared to the same period last year, and this despite the economic headwinds linked to geopolitical conflicts and instability. All our factories are currently operating at full capacity and the main challenge is being able to increase the output enough to satisfy the demand.

Global inflation is expected to remain elevated in the near to mid term, driven by the rising prices for commodities and the broadening price pressures, in particular in the energy sector.

In order to limit the financial impact of inflationary pressures and an increased cost base, the Vandemoortele Group has taken steps to protect its profitability. Such measures include – but are not limited to – price increases for our products and measures to reduce the impact of rising energy prices.

### **Continued investments to support growth**

In order to support our growth and meet the increased demand for our products, the Vandemoortele Group continues to make the necessary CAPEX. A number of investments are planned to increase our manufacturing capabilities and improve our installed capacity while further enhancing labor efficiency and ensuring safety, health and environment requirements.

For Bakery Products, CAPEX of the first semester of 2022 involve the respective start and finish of the construction of the new production lines in France and Belgium.

Key CAPEX projects for MCOF are the (ongoing) replacement of the production control system, the new CIP system and the future extrusion line at our Izegem site.

We also continue to look at expansion opportunities outside of Europe, with a particular focus on the USA and Asia. Our USA sales remain robust, and we have recently opened an office in Shanghai to support our growth in the Asian markets.

### **Financial results H1 2022**

Vandemoortele Group has seen a significant year-on-year improvement in its financial performance during the first half of the year.

Group Revenue increased by 34% to € 791 million in the first half of 2022, while adjusted EBITDA improved by 24% year-on-year to € 66 million. This resulted in an adjusted EBIT of € 35 million, an increase of 58% compared to the first half of 2021.

Revenue from the Bakery Products business line increased by 27% year-on-year and reached € 455 million. In the Margarine, Culinary Oils & Fats (MCOF) business line, revenue increased by 45% to € 339 million. The revenue growth for both business lines had two causes: the sold volumes increased (+13 % for both business lines) and we had to pass on price

increases to our customers to cover the rising costs in our supply chain and our business operations since the second half of 2021.

After certain non-recurring restructuring charges, operating profit ('EBIT') reached € 35.0 million, compared to € 20.8 million in the first half of 2021.

The Group realised earnings after tax (EAT) of € 26.8 million in the first half of 2022, versus € 14.7 million in 2021.

The balance sheet of the Group remains solid: the equity capital amounts to € 455 million, with a senior net financial debt of € 116 million as at 30 June 2022.

| In million €      | 30.06.2022 | 30.06.2021 | Variance |
|-------------------|------------|------------|----------|
| Revenue           | 791        | 592        | 199      |
| Adjusted EBITDA * | 66         | 54         | 12       |
| EBITDA            | 66         | 52         | 14       |
| Adjusted EBIT *   | 35         | 22         | 13       |
| EBIT              | 35         | 21         | 14       |
| EAT *             | 27         | 15         | 12       |
| SNFD *            | 116        | 121        | -5       |

\* Adjusted EBIT: Profit from operations before non-recurring items

\* Adjusted EBITDA: Adjusted EBIT before depreciation and amortization

\* EAT: Earnings after tax

\* SNFD: Senior net financial debt

### **Impact of the Ukrainian Russian conflict**

The Vandemoortele Group does not perceive any direct impact of the Russo-Ukrainian war on its strategic orientation, operations, financial performance, financial position and cash flow. We are not directly involved in Russia or Ukraine and currently do little business in those two countries (€5 Mio sales budgeted for 2022). There are, however, indirect risks, mainly due to price increases of raw materials that are not covered for the ongoing business in Q3 and Q4. We must also take into account our suppliers & customers' (lack of) ability to resist to the crisis (much higher cash needs). Our MCOF business specifically risks a shortage of sunflower oil. In order to mitigate this risk, MCOF is making huge efforts to rewrite certain recipes, to exclude sunflower oil as much as possible (where this is legally allowed and does not affect product quality).

### **Capital structure**

In view of the maturity of an existing € 100 million Sr public bond in June 2022 and of an existing € 75 million subordinated bond in 2023, the Vandemoortele Group has successfully issued a fixed rate subordinated bond for an amount of € 50 million (maturity date in 2029), with an interest coupon of 5.6%, listed on the regulated market of Euronext Brussels. The bond was subscribed in full on the date of its launch, 24 June 2022. The € 50 million was deposited into account on 4 July 2022.

### **Further progress on sustainability**

In the first half of 2022, we took steps to further improve the nutrition profile of our products. Among other things, we reduced the salt and sugar levels in our bakery products and pastry, and we achieved better Nutri-Scores for various MCOF products. We even launched the first spread with a Nutri-Score A on the Belgian market. Our targets concerning Clean Label products are on track, and we have further improved food safety by adding a new production site to our list of GFSI-certified sites. 23 of our 24 sites are now GFSI-certified.

With regard to Protecting Nature, we stayed on track to achieve our goals. We have already reached some of our 2022 full-year targets for responsible sourcing and are confident we will also reach the others. Due to our acceleration of various energy saving projects and operational improvements, we have reached our 2022 emission reduction targets sooner than planned. Regarding food waste, our MCOF business unit achieved good results in the first semester, but BP still has some work to do. In addition, we have been working on various circular packaging projects that have all contributed to the good results of the first semester.


During the first six months of the year, we already achieved some of our 2022 targets for diversity and inclusion, such as the representation of women at senior leadership that has risen to 30%. We also took steps to reach our other full-year targets. Regarding safety, we saw a slight increase in lost workday cases. This was probably caused by higher stress levels and the presence of more temporary staff after the steep ramp-up of our production volumes. With regard to our positive social impact, we have extended our ambitions concerning our Supplier Code of Conduct. We now require all our active direct suppliers to adhere to our code, instead of only our newly created suppliers.

### **Full-year outlook: Challenges remain**

Inflationary pressures will continue to present difficulties, and we expect the rising prices for key raw materials, energy and other input components to have a further impact on both our business lines.

Although all necessary measures have been taken, a prolongation of geopolitical conflicts and instability may lead to supply chain disruptions outside of the control of the Vandemoortele Group. This could potentially impact our full year financial results. Nevertheless, with our continued investments to support growth and our planned price rises to cover for cost increases, we expect to be able to counter – at least to a certain extent – the negative impact on our results for the full year.

On behalf of the Board of Directors,  
Ghent, 15 September 2022

DocuSigned by:  
  
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Jean Vandemoortele,  
Chairman of the Board of Directors