MID-YEAR REPORT 2023

Financial & sustainability results

We are proud of the great progress we have made in many areas

Vandemoortele

shaping a tasty future

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 2023 and 30 June 2022, are unaudited.

The key financial information as of and for the half years ended 30 June 2023 and 30 June 2022 is listed below. For the balance sheet information, a comparison is made between the key figures as at 30 June 2023 and 31 December 2022.

STATEMENT OF THE CEO

I'm happy to introduce Vandemoortele's financial report for the first half of 2023. Our mid-year results show that we are doing well and making progress in line with our strategic plans, despite the continued complex situation across the world. I am proud of the great progress we have made in many areas since the end of last year.

Strategic steps

Our general strategic approach has not changed much since the end of last year. Many risks have remained the same: especially inflation continues to be a risk, as it restrains the purchasing power of households. The Russo-Ukrainian war also keeps disturbing the supply chain for raw materials, which results in volatile markets. At the same time, the threat of energy shortages for next winter seems significantly reduced. The Vandemoortele Group has been managing its profitability carefully, adjusting prices in line with the highly complex economic situation and outlook.

From September, we will rename our business line Margarines, Culinary Fats and Oils (MCOF) to Plant-Based Food Solutions. This reflects consumer trends and is more in line with our sustainability strategy. By rebranding, we clearly state our ambitious plans to offer more plant-based foods and solutions, and we position the business line for long-term success in a rapidly evolving market. The new name will also reinforce our company image within the industry and make our employer brand more attractive for job seekers.

Financial performance

With the COVID-19 pandemic behind us, we finally returned to a very good service level for our customers, and we improved our supply chain operations. During the first half of the year, the Vandemoortele Group delivered a robust year-on-year improvement in its financial performance. Despite slightly lower volumes, we still did better than the overall market. In the Bakery Products business line, we proactively reduced the volume of low contribution products and shifted towards more added value products. In Plant-Based Food Solutions, the volume decline was mainly incurred in the Food Service and Industry channels, while the Retail channel showed a nice progress. Overall, higher prices prompted consumers to favour private label products over branded products, which led to noticeable volume shifts within the channels.

Our profit has increased compared to the same period in 2022. The key drivers for our profitability are better product and channel mixes in both business lines, our continued strong cost control, our operational excellence and the necessary price rises we implemented to absorb our huge cost increase. A number of large investments have also been finalized and will contribute significantly to our short-term and long-term growth. This will bring the necessary returns and further increase our profitability.

Governance

In recent months, the Executive Committee and the Board of Directors have further clarified and amplified our Environmental, Social and Governance commitments. This has resulted in the elaboration and publication of Vandemoortele's 'Sustainable Value Creation Charter', which forms the basis for our internal policies and procedures. It also states our commitments towards our internal and external stakeholders. The charter will be continuously reviewed and further improved when needed.

Sustainability performance

As safety is our first priority, we are happy to share that we keep improving. Regarding lost workday cases, we have already reached our 2023 targets in terms of Frequency (17.9 vs. target 18) and Severity (0.57 vs. target 0.60). Our associates can also count on us in other areas: for example, in the first half of 2023, we further improved on closing the gender pay gap.

We continue to manufacture our products as sustainably as possible. With regard to the purchase of sustainable palm and soy, we are already above our 2023 target. We have also reached our energy intensity reduction ambition for the Group (-6.9% vs. target -6.0%) way ahead of schedule, mainly thanks to the Bakery Products division and we continue to work on our carbon intensity reduction target of -63% in Scope 1 & 2 (we are currently at 60.2%). Our main challenge remains the reduction of our gas consumption. This is especially challenging for Bakery Products, due to various technological requirements. Most of our PET vinaigrette bottles now contain at least 30% r-PET, which will help us achieve our 2025 r-PET targets. We have also further increased the volume of our Clean Label products.

Full-year outlook

The outlook for 2023 remains somewhat uncertain, mainly because war and economic turmoil continue to have an impact on the purchasing power of households and on the energy and raw materials markets. However, we feel confident that we have the right tools, expertise and experience to cope with difficult circumstances. We will also maintain the pace of our planned investments in the second half of the year, so we can put the Vandemoortele Group on the road to continued increased profitability and sustainability in the coming years.

Yvon Guérin, Chief Executive Officer of Vandemoortele NV

KEY FINANCIAL FIGURES

KEY FINANCIAL FIGURES [1] MILLION EURO	30.06.2023 unaudited	30.06.2022 unaudited
Revenue	**943**	**791**
Adjusted EBITDA	**105**	**66**
Depreciations & amortisations	-31	-31
Adjusted EBIT	**75**	**35**
Adjusting items	-3	0
EBIT (profit from operations)	**71**	**35**
Depreciations, amortisations & impairments	31	31
EBITDA	**102**	**66**
Net financial income / (expense)	-7	3
Pre-tax current profit/(loss)	**64**	**38**
Income tax expense	-16	-11
Profit/(loss) from continuing operations	**49**	**27**
Profit/(loss) (EAT)	**49**	**27**
Capital Expenditures (excl. Lease)	**31**	**14**
Ratio's income statement		
Adjusted EBITDA / Revenue	11.2%	8.4%
Adjusted EBIT / Revenue	7.9%	4.5%
Net profit (loss) / Revenue	5.2%	3.4%

KEY FINANCIAL FIGURES [1] MILLION EURO	30.06.2023 unaudited	31.12.2022 audited
Net fixed assets (NFA)	582	578
Working capital need (WCN)	82	77
Commodity derivatives	-1	0
Capital employed	**663**	**654**
Equity	524	492
Provisions, deferred taxes and financial derivatives	5	4
Subordinated debt	125	125
Senior net financial debt (NFD)	9	33
Capital provided	**663**	**654**
Ratio's		
Senior NFD / Equity	2%	7%
Senior NFD / Adjusted EBITDA	0,0	0.2
Adjusted EBIT / capital employed	21.5%	15.7%

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

CONSOLIDATED INCOME STATEMENT

THOUSAND EURO	Note	30.06.2023 unaudited	30.06.2022 unaudited
Revenue		**942,820**	**790,856**
Raw materials and consumables used and goods for resale		(538,361)	(490,494)
Changes in inventories of finished goods and goods purchased for resale		12,913	36,090
Services		(173,148)	(136,272)
Employee benefit expenses		(153,076)	(141,430)
Depreciation, amortisation and write down		(29,528)	(31,428)
Change in provisions	6	1,689	1,655
Other operating income	7	16,692	12,953
Other operating expenses	8	(8,619)	(6,946)
Profit/ (loss) from operations		**71,380**	**34,984**
Financial Income	9	3,811	9,446
Financial Expense	10	(10,812)	(6,633)
Profit/ (loss) before tax		**64,379**	**37,797**
Income tax (expense)	11	(14,744)	(11,018)
Profit/ (loss) from continuing operations		**49,636**	**26,778**
Profit/loss		**49,636**	**26,778**
Profit/loss attributable to the owners of the parent		49,636	26,778

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	30.06.2023 unaudited	30.06.2022 unaudited
Profit/(loss) for the year	**49,636**	**26,778**
Other Comprehensive income	**3,780**	**10,388**
Items that may be reclassified subsequently to profit or loss:	**4,159**	**3,955**
Cash flow hedges, net of tax	(180)	5,191
Currency translation differences	4,339	(1,236)
Items that will not be reclassified subsequently to profit or loss:	**(379)**	**6,433**
Remeasurements of defined benefit obligations, net of tax	(379)	6,433
Total comprehensive income for the year	**53,416**	**37,166**
- attributable to the owners of the parent company	53,416	37,166

An amount of € 0.5 million (€0.4 million net of tax) of the existing hedging reserve was recycled to profit or loss for the half year ended 30 June 2023. No impact of ineffectiveness was recorded in the profit or loss for the half year ended 30 June 2023. A new interest rate swap was concluded in February 2023 for the notional amount of € 30 million. As hedge accounting will be applied, this results in a hedging reserve of € 0.3 million (€ 0.2 million net of tax) at 30 June 2023.

CONSOLIDATED BALANCE SHEET

THOUSAND EURO	30.06.2023 unaudited	31.12.2022 audited
Assets		
Goodwill	199,329	199,329
Other intangible assets	4,961	5,925
Property, plant & equipment	377,494	372,256
Deferred tax assets	33,335	32,661
Derivatives	4,501	5,061
Other financial assets	30	30
Other assets	2,812	2,858
Non-current assets	**622,463**	**618,120**
Inventories	212,231	203,277
Trade and other receivables	252,384	275,572
Derivatives	1,125	5,728
Cash and cash equivalents	39,793	38,559
Other assets	14,706	12,929
Current assets	**520,238**	**536,066**
Total Assets	**1, 142,701**	**1, 154,185**
Equity and liabilities		
Share capital	79,365	79,365
Retained earnings & reserves	445,015	412,490
Equity	**524,380**	**491,856**
Borrowings	89,132	110,643
Deferred tax liabilities	18,003	18,091
Employee benefits	16,473	15,083
Provisions	5,457	7,147
Other non-current liabilities	5,130	4,964
Non-current liabilities	**134,195**	**155,926**
Borrowings	84,367	85,749
Current tax	11,426	9,459
Derivatives	3,907	7,718
Employee benefits	44,863	44,028
Trade payables and other liabilities	339,563	359,449
Current liabilities	**484,126**	**506,404**
Total equity and liabilities	**1, 142,701**	**1, 154,185**

CONSOLIDATED CASH-FLOW STATEMENT

THOUSAND EURO	30.06.2023 unaudited	30.06.2022 unaudited
Profit/ (loss) from operations (1)	**71,380**	**34,984**
Amortisations	29,520	29,931
Depreciations	1,248	1,251
EBITDA from continuing operations	**102,149**	**66,166**
Depreciations on government grants	(295)	(299)
Fair value adjustments on commodity contracts	789	10
Change in provisions	(1,689)	(1,655)
Change in long-term employee benefits	707	2,100
Write down on inventories and receivables	(1,240)	246
Loss / (gain) on disposals of intangible assets and PPE	1	(202)
Other	(70)	648
Cash flow from operating activities before changes in working capital	**100,351**	**67,013**
Decrease / (increase) in inventories	(8,116)	(49,756)
Decrease / (increase) in trade receivables	19,959	(24,192)
Increase / (decrease) in trade payables	(23,786)	23,965
Increase / (decrease) in other working capital	6,412	(2,200)
Net cash generated from operating activities	**94,820**	**14,831**
Interest received	0	205
Net interest paid	(1,308)	(4,257)
Income taxes paid	(14,729)	(8,438)
Other financial fees	(346)	7,923
Cash flow from operating activities in continuing operations	**78,437**	**10,263**
Acquisition of intangible assets	(226)	(245)
Acquisition of property, plant and equipment	(31,158)	(14,233)
Proceeds from sale of intangible assets	-	153
Proceeds from sale of property, plant and equipment	332	1,603
Proceeds from sale of other shares and securities other than shares	-	10,648
Government grants	462	512
Cash flow from investing activities in continuing operations	**(30,591)**	**(1,562)**
Proceeds from borrowings	65	95,022
Repayment of borrowings	(20,760)	(100,600)
Repayment of lease liabilities	(4,115)	(4,233)
Dividends paid	(23,565)	(20,875)
Dividends received	2,673	2,088
Cash flow from financing activities in continuing operations	**(45,702)**	**(28,597)**
Net increase / (decrease) in cash & cash equivalents	**2,143**	**(19,895)**
Cash and cash equivalents less bank overdrafts as of 1 January	37,643	59,144
Effect of exchange rate fluctuations	6	(2)
Cash and cash equivalents less bank overdrafts as of 30 June	**39,792**	**39,246**

(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

	30.06.2023 unaudited								
	Attributable to owners of the parent								
THOUSAND EURO	Share Capital	Treasury Shares	Currency Translation Adjustment	Retained Earnings and Reserves	Hedging reserves	Employee benefits	Total	Non control. interest	Total Equity
As of 1 January	**79,365**	**(73,766)**	**754**	**468,672**	**5,508**	**11,323**	**491,856**	**-**	**491,856**
Comprehensive income									
Profit/(loss) for the year	-	-	-	49,636	-	-	49,636	-	49,636
Other comprehensive income	-	-	4,339	0	(180)	(379)	3,780	-	3,780
Total comprehensive income	**-**	**-**	**4,339**	**49,636**	**(180)**	**(379)**	**53,416**	**-**	**53,416**
Transactions with owners									
Dividends paid	-	-	-	(23,565)	-	-	(23,565)	-	(23,565)
Dividends received	-	-	-	2,673	-	-	2,673	-	2,673
Total transactions with owners	**-**	**-**	**-**	**(20,892)**	**-**	**-**	**(20,892)**	**-**	**(20,892)**
As of 30 June	**79,365**	**(73,766)**	**5,093**	**497,416**	**5,328**	**10,944**	**524,380**	**-**	**524,380**

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

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 the European scale. The Group focuses on two business lines or operating segments: Bakery Products and Plant-Based Food Solutions. The 30 June 2023 consolidated financial statements of the Group include the results of the Company and of 31 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 is situated at Ottergemsesteenweg-Zuid 816, 9000 Ghent.

The condensed interim consolidated financial statements were approved for issue by the Board of Directors on 14 September 2023.

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, 2023, 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 2023. This concerns:

- IFRS 17 Insurance Contracts
- Amendments to IFRS 17 Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules (effective immediately but not yet endorsed in the EU – disclosures are required for annual periods beginning on or after 1 January 2023)

These amendments do not have a material impact on the amounts included in the current unaudited mid-year 2023 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 2023 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 2022, 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 2022 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 2022, 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 2023

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 to € 943 million in the first half of 2023, while adjusted EBITDA went up to 105 million. This resulted in an adjusted EBIT of € 75 million.

Vandemoortele's business performance improved for most of our key performance indicators. The improvements are fully in line with our strategic plans. Revenue increased, mainly due to the price increases we implemented to recover from the huge cost inflation. The EBITDA and EBIT improvements were driven by a combination of operational excellence, a better product and channel mix and various cost saving measures.

Bakery Products

Revenue from the Bakery Products business line increased to € 564 million. Adjusted EBITDA increased to € 59 million.

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. The volume decreased with 3 %, mainly because of a declining raw bread market, which prompted us to close some raw bread assets. The business line slightly reduced its capacity utilization rate in order to bring customer service back to good levels. Bakery Products is now steering towards improved product, customer, channel and country mixes, while simultaneously reducing less profitable business. Cost management, operational excellence and the drive for energy efficiency - especially in the light of high energy prices - have positively contributed to the overall results. Finally, our increased attention to innovation as a strategic lever is starting to pay off.

The following examples illustrate our current approach:

- Windmills and solar energy investments are starting to contribute to our sustainability targets on energy consumption.

- Successful product launches include the Mars donut and the Secrets pastries. We aim for a customer- and solutions-driven approach, including sustainable packaging.

- We have invested in a new pastry line in Torcé 2 to support the growing demand for our pastry products. The plant has become operational in June and will contribute to our growth plan for the second half of the year.

Plant-Based Food Solutions

Revenue from the Plant-Based Food Solutions business line increased to € 386 million. Adjusted EBITDA increased to € 47 million. Here also, 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.
The overall volume sold decreased by 3%. The decline was mainly incurred in the Food Service and Industry channels, while the Retail channel showed a nice progress of 14%.

The Food Service volume was under pressure due to economic uncertainty and high inflation. This led to lower consumption and a shift towards lower value-added products. In the Industry channel, the loss in volume was mostly seen in our export markets, due to non-competitive pricing on the non-European international market. Retail volumes rose significantly as we regained a few private label contracts with major retailers across Western Europe.

A remarkable achievement in the first half of 2023 was the commissioning of our pumpable shortenings line in Zeewolde. Pumpable shortenings are 100% plant-based fats that are crystallised into a semi-liquid pumpable paste. This can be used directly in customers' production processes, without the need for unwrapping or temperature conditioning. The paste is delivered in bulk on the production site, by a transport partner. A key customer segment for pumpable shortenings are biscuit and cookie manufacturers: a handful of these have already received a first successful delivery.

Besides pumpable shortenings, we are further implementing our growth strategy in the Food Service channel. Our current focus is on Germany. Furthermore, we are already preparing the launch of a new production line in Dresden, to cope with the growing demand in the industry channel.

4.2 OUTLOOK FOR THE 2023 FULL YEAR

The outlook for 2023 remains somewhat uncertain, mainly because war and economic turmoil continue to have an impact on the purchasing power of households and on the energy and raw materials markets. However, we feel confident that we have the right tools, expertise and experience to cope with difficult circumstances. We will also maintain the pace of our planned investments in the second half of the year, so we can put the Vandemoortele group on the road to continued increased profitability in the coming years.

5. OPERATING SEGMENT INFORMATION

The CEO and the Executive Committee (ExCo) are the Group's chief operating decision-makers. They consider the business from a product family perspective. The operating segments were determined for the purposes of allocating resources and assessing performance based on the information reviewed by the CEO and the ExCo.

The Group uses four operational performance measures, all linked to business performance. The primary performance measure is adjusted EBITDA. Additional performance measures are EBITDA, adjusted EBIT and EBIT.

For its strategic decision-making process, Vandemoortele distinguishes between the Bakery Products operating segment and the Plant-Based Food Solutions operating segment. The Bakery Products operating segment comprises the development, production and sale of frozen bakery products. We supply bakery products to artisan bakers, industrial and food service customers and retail organisations. The Plant-Based Food Solutions operating segment comprises the development, production and sale of margarines, culinary oils & fats. Products are offered through the same four channels: artisan bakery, food service, retail and industry. In total, the Group offers ten main brands: Reflets de Gelfin' Or, Banquet D'Or, Les Pains Pérènes, Lanterna, My Original's, La Patisserie du Chef, Vandemoortele, Risso, Fama and Vitelma.

Sales between operating segments are carried out following the arm's -length principle. Sales by Plant-Based Food Solutions to Bakery Products amounted to €13.9 million in the first half of 2023 (€11.1 million in the first half of 2022). 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 2023 and 30 June 2022, respectively.

5.1 FINANCIAL SEGMENT INFORMATION

	BAKERY PRODUCTS		PLANT-BASED FOOD SOLUTIONS		UNALLOCATED[(1)]		TOTAL	
THOUSAND EURO	30.06.2023	30.06.2022	30.06.2023	30.06.2022	30.06.2023	30.06.2022	30.06.2023	30.06.2022
P&L information								
External revenue	563,932	455,059	371,660	327,684	7,228	8,113	942,820	790,856
Internal revenue	0	0	13,934	11,083	(13,934)	(11,083)	0	0
Revenue	563,932	455,059	385,594	338,767	(6,706)	(2,970)	942,820	790,856
Adjusted EBITDA	58,684	39,699	46,982	27,049	(204)	(352)	105,462	66,396
Adjusting items (excl. depreciation, amortisation and impairments)	(3,009)	(166)	(304)	(67)	0	0	(3,313)	(232)
EBITDA	55,675	39,533	46,678	26,982	(204)	(352)	102,149	66,164
Depreciation, amortisation and impairments	24,182	24,460	6,586	6,720	0	0	30,768	31,180
EBIT	**31,493**	**15,073**	**40,092**	**20,262**	**(204)**	**(352)**	**71,380**	**34,984**
Adjusting items (incl. depreciation, amortisation and impairments)	3,014	166	304	119	0	0	3,318	284
Adjusted EBIT	34,507	15,239	40,396	20,381	(204)	(352)	74,698	35,268
Financial income							4,878	9,446
Financial expense							(11,879)	(6,633)
Income tax (expense)							(14,744)	(11,018)
EAT (earnings after tax)							**49,636**	**26,778**

(1) Unallocated includes intersegment eliminations / external revenue (mainly transport), EBIT and adjusted EBIT that do not belong to the Bakery Products respectively Plant-Based Food Solutions segments.

	BAKERY PRODUCTS		PLANT-BASED FOOD SOLUTIONS		UNALLOCATED		TOTAL	
THOUSAND EURO	30.06.2023	31.12.2022	30.06.2023	31.12.2022	30.06.2023	31.12.2022	30.06.2023	31.12.2022
Total assets per segment								
Net fixed assets	428,290	423,933	153,524	153,607	0	0	581,814	577,540
Other non-current assets					7,314	7,919	7,314	7,919
Total non-current assets (excl. deferred tax assets)	**428,290**	**423,933**	**153,524**	**153,607**	**7,314**	**7,919**	**589,128**	**585,459**
Assets working capital need	302,998	304,509	193,897	209,022	(83,756)	(85,115)	413,140	428,416
Other current assets [(1)]	0	0	0	0	107,098	107,649	107,098	107,649
Total current assets	**302,998**	**304,509**	**193,897**	**209,022**	**23,342**	**22,535**	**520,238**	**536,066**
Total assets (excl. deferred tax assets)	**731,288**	**728,442**	**347,421**	**362,629**	**30,656**	**30,454**	**1,109,366**	**1,121,525**
Assets working capital need	302,998	304,509	193,897	209,022	(83,756)	(85,115)	413,140	428,416
Liabilities working capital need	(194,312)	(198,909)	(111,783)	(136,111)	0	0	(306,095)	(335,020)
Total operational working capital need	**108,686**	**105,599**	**82,115**	**72,911**	**(83,756)**	**(85,115)**	**107,045**	**93,396**

(1) Other current assets are not allocated to Bakery Products or Plant-Based Food Solutions 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, Hungary and other South-East European countries. 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	30.06.2023 unaudited	30.06.2022 unaudited
Revenue per country (customer based)		
France	257,445	211,977
Germany	134,462	103,504
Belgium	100,326	94,527
Italy	98,300	78,383
The Netherlands	79,641	63,485
Spain	72,962	65,422
UK	63,125	47,295
Czech Rep & Slovakia	24,356	18,469
Poland	18,865	15,079
Rest of Europe	55,374	47,495
Outside Europe	37,964	45,219
Total	**942,820**	**790,856**

The net fixed assets per country are based on the geographical location of our companies and concerns mainly the plants of the Group. These are the values of acquired assets with an expected economic lifetime of more than one year.

THOUSAND EURO	30.06.2023 unaudited	31.12.2022 audited
Net fixed assets per country		
Goodwill (non allocated)	199,329	199,329
France	142,519	137,314
Belgium	109,156	110,787
Italy	34,418	33,872
Poland	26,859	27,162
The Netherlands	23,320	23,799
Germany	18,206	16,965
UK	13,377	14,047
Spain	14,096	13,673
Other	506	560
Total (see consolidated balance sheet)	**581,784**	**577,510**

5.3 MAJOR CUSTOMERS

The Bakery Products and Plant-Based Food Solutions 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, canteens, petrol stations, artisan bakers, industrial bakers and food industries. Our products are sold across the following distribution channels: retail, artisan bakery, food service and food industry.

- Retail: consumers can buy branded and private label products from our range directly in the supermarket.
- 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 industrial food processors.

Overall, the retail distribution channel represents approximately 56% and 32% of the respective revenues of Bakery Products and Plant-Based Food Solutions. The channel is strongest 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 15.2% of the total Group revenue (14.1% in the first half of 2022).

For the Bakery Products business line, the top five customers accounted for 18.5% of the total revenue in the first half of 2023 (20.6% in the first half of 2022). For Plant-Based Food Solutions, they accounted for 17.1% of the total revenue (12.9% in the first half of 2022). When we consider the top ten customers, the respective shares increase to approximately 30.6% for Bakery Products, 25.3% for Plant-Based Food Solutions and 23.2% for the Group as a whole.

6. CHANGE IN PROVISIONS

THOUSAND EURO	30.06.2023 unaudited	30.06.2022 unaudited
Restructuring	1,403	1,369
Litigations and tax	237	(500)
Other	49	786
Change in provisions	**1,689**	**1,655**

The change in provisions includes the use of provisions amounting to € 1.7 million. This is mainly related to restructuring in France (€ 1.4 million) and to the settlement of claims of agents in Italy (€ 0.2 million).

7. OTHER OPERATING INCOME

THOUSAND EURO	30.06.2023 unaudited	30.06.2022 unaudited
Gains on disposals of tangible and intangible fixed assets	37	216
Fair value gain on forward purchase contracts crude vegetable oil	0	(10)
Government grants	2,639	699
Capitalised engineering	1,758	675
Sales waste	2,125	1,991
Exemption payroll tax	1,938	1,258
Benefit in kind	3,437	3,274
Site revenues	804	1,221
Sales promotional materials	111	78
Tax recuperation (non-income tax related)	0	155
Rental fleet	0	18
Palettes	402	612
Recuperation damage/insurance	402	718
Compensation from third parties for investments in energy/formation/safety	50	107
Realised exchange gains relating to trade business	2,694	1,231
Other	295	711
Other operating income	**16,692**	**12,953**

8. OTHER OPERATING EXPENSE

THOUSAND EURO	30.06.2023 unaudited	30.06.2022 unaudited
Loss on disposals of tangible and intangible fixed assets	38	15
Fair value loss on forward purchase contracts crude vegetable oil	789	0
Loss on realisation of trade receivables	1,116	566
Other	1,093	1,015
Realised exchange losses relating to trade business	1,855	1,241
Other operating taxes	3,728	4,109
Other operating expense	**8,619**	**6,946**

“Other operating taxes” includes among others: property tax (€ 1.8 million), packaging tax (€ 0.3 million), solidarity tax (€ 0.5 million) and environmental tax (€ 0.2 million).

9. FINANCIAL INCOME

THOUSAND EURO	30.06.2023 unaudited	30.06.2022 unaudited
Interest income	0	202
Exchange gains	3,320	3,595
Fair value gains on derivatives	0	5,648
Financial income	**3,320**	**9,446**

Financial income decreased by 65%, resulting from the absence of fair value gains on derivatives (see also comment on financial expenses).

10. FINANCIAL EXPENSE

THOUSAND EURO	30.06.2023 unaudited	30.06.2022 unaudited
Interest expense	3,676	3,854
Exchange losses	5,411	1,360
Fair value losses on derivatives	813	236
Bank and legal fees	178	156
Other financial expense	733	1,028
Financial expense	**10,812**	**6,633**

Financial expenses rose by 63%. This was mainly due to:

- Large unrealised exchange losses (€ 4.9 million) resulting from the revaluation of balances in foreign currencies against an increased value of the euro;
- The decreased time value of the outstanding held-for-trading IRS's, combined with an interest rate at closing date in line with the rate at the end of December 2022;
- Increased factoring expenses.

11. INCOME TAX EXPENSE

11.1 CURRENT INCOME TAX EXPENSE

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

THOUSAND EURO	30.06.2023 unaudited	30.06.2022 unaudited
Current taxes for the year	(15,045)	(9,352)
Adjustment to current taxes on prior years	26	461
Deferred taxes	275	(2,127)
Income tax (expense)	**(14,744)**	**(11,018)**

The income tax expense has increased by 33.81% compared to 30 June 2022.

The current year taxes for the first half of 2023 are higher than the taxes for the first half of 2022, due to the fact that the profit before tax has increased with 70.33%.

On the other hand, the total amount of deferred tax assets has slightly increased. The additional set-up of deferred tax assets for tax losses was higher than the use of deferred tax assets.

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

THOUSAND EURO	30.06.2023 unaudited	30.06.2022 unaudited
Accounting profit before taxes	64,379	37,797
Profit before tax and before share of result of associates	**64,379**	**37,797**
Tax at Belgian corporate tax rate (25%)	16,095	9,449
Adjustment to current taxes on prior years		
- over/underprovided prior years	(26)	(461)
Tax effect of		
- special tax regimes	(905)	(585)
- other domestic tax rates	(169)	(88)
- expenses not deductible for tax purposes	491	686
- losses/timings for which no deferred tax was recognised	639	1,284
- utilisation of unrecognised tax attributes	0	(2)
- reversal of previously recognised deferred taxes (asset +/liability -)	0	29
- deferred tax assets previously not recognised	(1,856)	(52)
- changed tax rate	0	(13)
Other domestic taxes	399	616
Other	76	155
Total income tax	**14,744**	**11,018**

The special tax regimes per 30 June 2023 mainly relate to Italian notional interest deduction, called "ACE" and additional tax depreciation on certain assets in France and Italy. The other domestic taxes mainly relate to a French tax assessed on the added value that companies created during the previous calendar year (cotisation sur la valeur ajoutée des entreprises, CVAE). 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 THOUSAND EURO	30.06.2023 unaudited	31.12.2022 audited
Deferred tax assets	33,335	32,661
Deferred tax liabilities	18,003	18,091
Net deferred tax position	**15,332**	**14,570**

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 attributes. 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 99.71% of the Company's shares. The remaining 0.29% 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.

13.2 CONTINGENT LIABILITIES

The contingent liability for which a provision of € 0.7 million has been taken in 2022 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

There were no important events after the balance-sheet date.

15 PROGRESS ON SUSTAINABILITY

In the first half of 2023, Vandemoortele worked hard to further improve its sustainable performance. We made significant progress on many of our Key Performance Indicators (KPIs) and we are confident of reaching most of our targets. Our sustainability strategy is the compass that guides us towards a more sustainable future. We are currently updating our strategy in line with new European sustainability directives, especially the Corporate Sustainability Reporting Directive (CSRD), to ensure that our reporting on the 2024 financial year will be compliant. 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	**2021**	**2022**	**S1 2023**	**Target[1] 2023**	**Target 2025**
% salt reduction in bakery products (vol%)	2019	-2.05%	-2.4%	-3.6%	-9%	-15%
% sugar reduction in pastry, sweet treats & patisserie (vol%)	2019	-1.6%	-4.3%	-3.2%	-6%	-10%
% increase of bread products with health or nutrition claim (num%)	2019	-1%	-0.5%	-1.4%	+6%	+10%
% increase of products with claim high in UFA + other claim in spreading & cooking (num%)	2019	-1%	+5.2%	+6.2%	+4.2%	+7%
better Nutri-Score: % shift in spreading & cooking (num%)	2019	+4%	+8.1%	+9.6%	+4.2%	+7%
Offering clean label products						
% Clean Label BP products (volume%) (new definition)		76%	76.5%	79.2%	77.7%	80%
Being a leader in food safety						
% unannounced GFSI certification (Vandemoortele operations)		92%	100%	100%	100%	100%
% GFSI principles compliance (suppliers, traders & logistic partners)		97%	97.2%	97.5%	97.5%	98%
% reduction food safety complaints	2016	-47%	-57%	-47%	-58%	-63%
# incidents food defense & food fraud		0	0	0	0	0

[1]Since defining yearly targets is a fairly new process for some of our KPIs, they need to be considered more as guiding principles.

In the first half of 2023, we made further efforts to improve the **nutrition profile** of our products. We continued to reduce our average salt and sugar levels, but many projects are ongoing and there remains work to be done. As the taste of our products is very important, we want to take time to find the best solution for each product.

The number of products that are „high in unsaturated fatty acids" and can have an additional health claim, is generally on track for most of our margarines. This applies both to our spreading margarines and to our products for cooking. When it comes to achieving better Nutri-Scores, we are already far above our 2023 target. By decreasing the salt (sodium) levels in our products for spreading and cooking, we were able to improve the scores of several recipes. The number of bread products with health or nutrition claims decreased. We will need to step up our efforts in order to meet our end-of-year target of a 6% increase.

Our 2023 targets concerning **Clean Label** bakery products are on track. In our plants in Ravenna, Lodz, Eeklo, Neuville and Torcé, we reformulated some of our bread improvers. This allowed us to increase the volume of Clean Label references. Due to our new, stricter Clean Label definition, we no longer set a Clean Label target for our Plant-Based Food Solutions.

We were able to replace several margarines in our industry and retail channel by **plant-based alternatives**. In addition, we developed and marketed a margarine in a wrapper with vegetable proteins (extracted from peas) instead of dairy proteins. We are confident of seeing improvement again very soon.

With regard to **food safety**, all our sites are now GFSI certified, which means that they are ready to be certified according to an unannounced scheme. In addition, 97.5% of our suppliers, traders and logistics partners now comply with GFSI principles. The higher number is a result of our increased efforts to convince our logistics partners and our food packaging suppliers to sign our quality requirements documents or at least complete our food safety questionnaire. That questionnaire is currently being updated to provide even more information.

The number of food safety complaints increased slightly compared to last year, mainly the number of complaints about foreign bodies went up. There have been no food defense incidents or cases of food fraud in the first six months of the year.

15.2 PROTECTING NATURE

Sourcing responsibly						
	Baseline	**2021**	**2022**	**S1 2023**	**Target 2023**[1]	**Target 2025**
% sustainable certified soy (direct + indirect)		58%	82%	99%	80%	100%
% barn eggs (direct)		100%	100%	100%	100%	100%
% physically sustainable certified cocoa (consumer and professional brands)		30%	48.5%	63.3%	65%	100%
% physically sustainable certified palm (consumer and professional brands)		25%	54%	88%	80%	100%
% palm traceable to mill		99.9%	100%	100%[2]	100%	100%
% palm traceable to plantation (supplier score)		65.3%	67.3%	74%[2]	70%	75%
% key palm oil suppliers NDPE policy		100%	100%	100%	100%	100%
% verified palm grievances have an action plan		/	100%	100%	100%	100%
Toward zero carbon emissions						
% CO_2-intensity reduction in production (scope 1 & 2)	2015	-59.3%	-60%	-60.2%	-63%	-70%
% CO_2-intensity reduction in transport & mobility (scope 1 & 3)	2020	+1.21% Metro / -6.72% Panalog	-8.4%	-4.9%	-8%	-15%
% energy intensity reduction (energy used/ton produced) (elec & gas) Group	2020	+1.9%	-1.2%	-6.9%	-6%	-10%
% energy intensity reduction (energy used/ton produced) (elec & gas) BP	2020	-5.2%	-8.5%	-13.7%	-6%	-10%

% energy intensity reduction (energy used/ton produced) (elec & gas) PBFS	2020	+6.5%	+3.1%	+5.9%	-6%	-10%
% green electricity		100%	100%	100%	100%	100%
% "on site" green electricity generation (solar, wind)		/	10.2%	10.2%	11%	15%
% reduction water usage (litre water/kg product) (excluding water ingredient)	2020	+1.9%	-14.4%	-12.5%	-3%	-5%
Minimising food waste						
% reduction scrap (total production scrap + total rejected + including commercial obsolete) (food loss, calculated on volume sold) BP	2020	+2%	+10.9%	-6%	-18%	-30%
% reduction scrap (total production scrap + total rejected + including commercial obsolete) (food loss, calculated on volume sold) PBFS	2020	-0.2%	+1.9%	+11.2%	-5.9%	-10%
Contributing to circular packaging						
% r-PET		20%	21.5%	21.5%	22%	25%
% recyclable, re-usable, compostable		88%	96.7%	96.7%	97%	100%
% sustainable certified FSC/PEFC paper and cardboard		100%	100%	100%	100%	100%

(1) Since defining yearly targets is a fairly new process for some of our KPIs, they need to be considered more as guiding principles.
(2) Traceability results for palm oil are only available with a semester delay. Data presented in S1 2023 are the results of S2 2022.

In the first half of 2023, we continued our efforts to achieve our goals in Protecting Nature. With regard to **responsible sourcing**, we have already reached many of our 2023 targets and we are getting close to achieving the others. We use 100% cage-free liquid eggs, and 99% of our soy is sustainably certified, which is far above our 2023 target. 88% of the palm oil we use for our consumer and professional brands is certified sustainable (target 2023 = 80%), and our traceability to mill remains stable at 100%. With regard to our traceability to plantation, we are already above target. Concerning the use of certified cocoa in our consumer and professional brands, we are on the right track: we are now using 63% certified cocoa (target 2023 = 65%).

Emission reduction remains very important for Vandemoortele. In the first six months of the year, we commissioned our solar panel systems in Eeklo and Santa Perpetua and we started work on new systems in Worchester, Brunssum and Izegem. Due to the good results of the Bakery Products division, we reduced our energy intensity by 6.9%, which means we have already reached our 2023 ambition for the Group (target -6.0%). With regard to our carbon intensity, we are close to reaching our 2023 reduction target of -63% (we are currently at -60.2%).

As droughts are becoming more frequent in Europe, and various countries – especially France – are drawing up new regulations to combat this evolution, we also take steps to reduce our **water consumption**. For example, we are currently researching the possibilities of adiabatic heat exchange. In the first six months of 2023, we reduced our water consumption by 12,5% compared to 2020, which puts us well above the target of -3% by 2023.

Our main challenges remain the energy efficiency of our heat processes and the decarbonization of our natural gas consumption. This is especially challenging in our Bakery Products department, due to various technological requirements. Our ultimate goal is to reduce our carbon footprint to zero. We have recently joined the Science-Based Targets initiative (SBTi) and are now preparing our own science-based targets. In the first semester of 2023, we inventoried our Scope 1, Scope 2 and Scope 3 emissions (non-FLAG & FLAG), using the data of 2022 as a baseline. In the second half of the year, we will develop a climate roadmap and submit our emission reduction targets to the SBTi.

Regarding **food waste**, our business line Bakery Products reported less food waste in the first half of 2023 than in the same period in 2022. The numbers are 6% lower than in 2020. Several factors made it more complicated to reduce our food waste in recent years. Luckily, since the beginning of 2023, we are making progress again. We are starting to see the positive impact of several MI reduction programs, and our production processes have never been more efficient. Still, to reach our operational targets for 2025, we need to speed up our efforts.

Our business line Plant-Based Food Solutions experienced some setbacks, which resulted in a temporary increase instead of a further reduction. Because our high forecasts did not fully materialize, we were faced with slow stock rotation and high commercial obsoletes. To get back on track, we have introduced regular commercial obsoletes reports. We are also putting more emphasis on statistics-based forecasting, and we have organized monthly follow-up meetings with local commercial organizations to discuss the accuracy of our forecasts.

Finally, with regard to **circular packaging**, we have been working on various projects that led to good results this first semester. Our redesigned 450 ml vinaigrette bottle now weighs only 28 g (instead of 32 g) and includes 30% r-PET. Due to labelling issues, however, it may be necessary to increase the weight again to 30 g. The launch of our 3 l sauce jar with 30% r-PET was delayed after a warehouse fire, but we are back on track and will be launching this product asap. We are also discussing the launch of a 500 ml margarine bottle with 30% r-PET with several customers. In addition, we have joined a project by UGent en Borealis to set up a new recycling stream for industrial and food service polypropylene buckets.

15.3 ENHANCING LIVES

Offering an engaging professional journey						
	Baseline	**2021**	**2022**	**S1 2023**	**Target 2023(1)**	**Target 2025**
Training & development score AES		NA(2)	59	NA(2)	61	63
Sustainable engagement score AES		NA(2)	75	NA(2)	78	78
Average hours of training per associate category		BC: 5 WC: 10.9 MG: 16.9(3)	BC: 19.7 WC: 13.5 MG: 30.7	BC: 9.76 WC: 10.14 MG: 19.99	BC: 24 WC: 24 MG: 32	BC: 40 WC: 40 MG: 40
% associates that followed minimum one training per associate category		BC: 78% WC: 83% MG: 90%(3)	BC: 84% WC: 84% MG: 99%	BC: 65% WC: 62% MG: 82%	BC: 92% WC: 92% MG: 92%(3)	BC: 95% WC: 95% MG: 95%(3)
% associates who adhere to P&DMP per associate category		BC: 86.4% WC: 96% MG: 98.6%(3)	BC: 90% WC: 97% MG: 99%	BC(4) WC: 63.8% MG: 97.2%	BC: 93% WC: 97% MG: 99%	BC: 93% WC: 97% MG: 99%

Offering a diverse and inclusive workplace						
	Baseline	**2021**	**2022**	**S1 2023**	**Target 2023**	**Target 2025**
Representation women at senior leadership (B+ level)		21%	29.5%	27.3%	30%	40%

Average hours of training per associate per gender category (F/M) and the deviation between F/M	F: 10.9 M: 6 1.80	F: 15.7 M: 22.6 0.69	F: 2.83 M: 3.69 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: 83% M: 82% 1.01	F: 87% M: 87% 1.00	F: 66% M: 68% 0.96	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% M: 90.3% 1.02	F: 92.3% M: 93% 0.99	F: 73.1% M: 72.9% 1.00	0.9<F/M<1.2	0.9<F/M<1.2
% female successors in jobs with a successor C+ and the deviation between F/M	F: 56% M: 61% 0.91	F: 56% M: 63% 0.88	F: 61% M: 65.5% 0.93	0.9<F/M<1.2	0.9<F/M<1.2
Inclusive workplace score AES	NA[2]	82	NA[2]	82	83
% pay gap [5]	2.7%	2.6%	1.6%	1.8%	0%
Ensuring safety and fostering wellbeing					
Zero severe accidents (without permanent disability)	1	0	1	0	0
Severity rate of Lost Workday Cases	0.66	0.56	0.57	0.60	0.50
Frequency rate of Lost Workday Cases	20.2	19.6	17.9	18	15
Wellbeing index (AES – 7 indicators)	/	73	NA[2]	74	76
Working together to create a positive social impact					
% direct active suppliers accepted/signed our Supplier Code of Conduct	74% of new direct key suppliers	80% of direct key suppliers	80% of direct key suppliers	85%	100%
% critical suppliers verified according to our sustainability criteria	Palm suppliers (EPI)	Palm suppliers (EPI)	58%	80%	100%
% key commodities participating in a project on the ground	40%	60%	60%	75%	100%
Sustainability score AES	NA[2]	76	NA[2]	79	82

[1] *Since defining yearly targets is a fairly new process for some of our KPIs, they need to be considered more as guiding principles.*
[2] *The Annual Engagement Survey (AES) is held every two years.*
[3] *BC: blue collar, WC: white collar, MG: management*
[4] *Date of blue collars is only available at the end of the year.*
[5] *We refined our calculation methodology, eliminating legacy cases. We did this for the current and historic calculations to ensure comparability.*

From January to June, our blue-collar and white-collar workers and our managers attended an average of 9,76 hours, 10,14 hours and 19,99 hours of training respectively. We are still a bit behind on our end-of-year targets, but compared to the first semester of 2022, we have made a lot of progress. Results differ widely between our sites, however, due to the specific context and challenges of each plant. Some sites have already found an efficient way of registering activities in our learning management system (LMS), others still need some support.

We notice that nearly all management members adhere to a Performance & Development Management Process (P&DMP). For white-collar workers, the number is much lower (63,8%). We monitor this closely and take actions where needed. The other **'professional journey'** results will be known after our Annual Engagement Survey (AES), which will be held in November.

Regarding our targets for **diversity and inclusion**, the first semester of 2023 shows both good and less good results. On the one hand, we managed to close the gender pay gap. Also, women and men participated equally in the Performance & Development Management Processes. On the other hand, women generally took fewer training hours than men, and they were less present at senior management level (27,3%, below our 2023 target of 30%). Women were also slightlly less likely successors for leadership positions. We continue to make efforts to remedy this.

In addition to gender, we added three new chapters to our D&I approach: generations, beliefs and ethnicity. A survey revealed that most of our associates perceive their work environment overall as ‚inclusive'. However, our colleagues with Asian or (North)-African backgrounds appreciate continued actions to improve the acceptance of their cultures and beliefs.

As **safety** is our first priority, we are happy to share that we keep improving. In the first half of 2023, we already reached our end-of-year targets regarding the frequency and severity of reportable work accidents. An important driver for these good results is the Peer 2 Peer program, which allows our associates to provide each other with instant feedback on (un)safe behavior. Our main challenge is still the high number of temporary workers, which compels us to provide high-quality safety induction trainings before they can take up their duties.

With regard to our **positive social impact**, we maintain our focus on our Supplier Code of Conduct. In the first six months of 2023, the number of direct suppliers who adhere to our Code of Conduct remained stable at 80%. However, many of our packaging and local traded goods suppliers were not yet on the list. Once the list is completed, we aim for a further increase. We are also putting more effort into supplier onboarding plans and we encourage our critical suppliers to follow our example and subscribe to the sustainability rating platform EcoVadis.

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 as a percentage of the capital employed as at closing date

17. STATEMENT BY RESPONSIBLE PERSON

Vandemoortele

14 September 2023

STATEMENT BY RESPONISIBLE 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 2023 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 2023 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.

Yvon Guérin,
Chief Executive Officer
of Vandemoortele NV

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18. REPORT OF THE BOARD OF DIRECTORS

Vandemoortele
shaping a tasty future

REPORT OF THE BOARD OF DIRECTORS ON THE MID-YEAR 2023 RESULTS

Dear stakeholders,

We hereby provide our report on the unaudited mid-year 2023 IFRS consolidated results of the Vandemoortele Group.

Vandemoortele Group

The Vandemoortele Group has seen a significant year-on-year improvement in its financial performance during the first half of the year. Despite slightly lower volumes, Group Revenue increased to € 943 million, while adjusted EBITDA went up to € 105 million. This resulted in an adjusted EBIT of € 75 million.

Revenue increased, mainly due to the price increases we implemented to recover from the huge cost inflation. The adjusted EBITDA and EBIT improvements were driven by a combination of operational excellence, a better product and channel mix and various cost saving measures.

After certain non-recurring restructuring charges, operating profit ('EBIT') reached € 71.4 million.

The Group realised earnings after tax (EAT) of € 49.6 million.

The balance sheet of the Group remains solid: the equity capital amounts to € 524 million, with a senior net financial debt of € 9 million as at 30 June 2023.

In million €	30.06.2023	30.06.2022	Variance
Revenue	943	791	152
Adjusted EBITDA *	105	66	39
EBITDA	102	66	36
Adjusted EBIT *	75	35	40
EBIT	71	35	36
EAT *	50	27	23
SNFD *	9	116	-107

** 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*

From September, we will rename our business line Margarines, Culinary Fats and Oils (MCOF) to Plant-Based Food Solutions. This reflects consumer trends and is more in line with our sustainability strategy. By rebranding, we clearly state our ambitious plans to offer more plant-based foods and solutions, and we position the business line for long-term success in a rapidly evolving market. The new name will also reinforce our company image within the industry and make our employer brand more attractive.

Bakery Products

Revenue from the Bakery Products business line increased to € 564 million. Adjusted EBITDA increased to € 59 million.

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. The volume decreased with 3%, mainly because of a declining raw bread market, which prompted us to close some raw bread assets. The business line slightly reduced its capacity utilization rate in order to bring customer service back to good levels. Cost management, operational excellence and the drive for energy efficiency - especially in the light of high energy prices - have positively contributed to the overall results. Finally, our increased attention to innovation as a strategic lever is starting to pay off.

CAPEX of the first semester of 2023 included the investment in a new pastry plant in Torcé (France) and the major upgrade of a ciabatta line in Ravenna (Italy).

Bakery Products will continue steering towards improved product, customer, channel and country mixes, whilst further enhancing its innovation capabilities to grow the business. We also continue to look at expansion opportunities outside of Europe, with a particular focus on the USA and Asia.

Plant-Based Food Solutions

Revenue from the Plant-Based Food Solutions business line increased to € 386 million. Adjusted EBITDA increased to € 47 million.

Also here, 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. The overall volume sold decreased by 3%. The decline was mainly incurred in the Food Service and Industry channels, while the Retail channel showed a nice progress of 14%. The Food Service volume was under pressure due to economic uncertainty and high inflation. This led to lower consumption and a shift towards private label. In the Industry channel, the loss in volume was mostly seen in our export markets, due to non-competitive pricing on the non-European international market. Retail volumes rose significantly as we regained a few private label contracts with major retailers across Western Europe.

CAPEX projects for Plant-Based Food Solutions included the investment in a new 10 kg line in Dresden (Germany) and a new perfector for the 10 kg line in Izegem (Belgium).

A remarkable achievement in the first half of 2023 was the commissioning of our pumpable shortenings line in Zeewolde (Netherlands). Pumpable shortenings are 100% plant-based fats that are crystallised into a semi-liquid pumpable paste. This can be used directly in customers' production processes, without the need for unwrapping or temperature conditioning. The paste is delivered in bulk on the production site, by a transport partner. A key customer segment for pumpable shortenings are biscuit and cookie manufacturers: a handful of these have already received a first successful delivery.

The Ukraine crisis

The Ukraine crisis does not have a direct impact on our business, since the Vandemoortele Group has no production sites or commercial offices in Russia or Ukraine. There could, however, be an indirect impact through further price increases of certain raw materials, resulting in volatile markets. Strict cost management has been a focus during the first half of 2023.

Further progress on sustainability

In the first half of 2023, we made further efforts to improve the nutrition profile of our products. Among other things, we continued to reduce our average salt and sugar levels, and we already exceeded our 2023 target regarding better Nutri-Scores. Our 2023 Clean Label target for Bakery Products is well on track. With regard to Plant-Based Food Solutions, we replaced several margarines in our industry and retail channel with 100 % plant-based alternatives, and we developed and launched a margarine in a wrapper with vegetable proteins (extracted from peas) instead of dairy proteins. In addition, all our sites are now GFSI certified, showing our commitment to continuously improve on food safety.

With regard to Protecting Nature, we continued our efforts to achieve all of our goals. We have already reached many of our 2023 targets regarding responsible sourcing and we are close to achieving the others. Due to the good energy results of the Bakery Products division, we reduced our overall energy intensity by 6.9%, which means we have already reached our 2023 ambition for the Group. Regarding our carbon intensity, we are close to reaching our carbon reduction target of -63% for scope 1 &2 (we are currently at 60.2%). We have also reduced our water consumption by 12.5% compared to 2020, which puts us well above the target of -3% for 2023. Regarding food waste, our business line Plant-Based Food Solutions experienced some temporary setbacks, but Bakery Products reported less food waste in the first half of 2023 than in the same period in 2022. In addition, we have been working on various projects to include more r-PET in our packaging.

When it comes to offering our associates an engaging professional journey, we continue to focus on their development and the average number of training hours. We have not yet reached our end-of-year targets, but we did make a lot of progress in the first six months of 2023, especially compared to the first half of 2022. In addition, we made efforts to further reduce gender inequality and we managed to reduce the gender pay gap even more (currently at 1.6% for the first half of 2023). Our ambition is still to achieve a 0% gender pay gap by 2025. Safety continues to be a key priority. We are happy to share that we have already reached our 2023 end-of-year targets regarding the frequency and severity of reportable work accidents. With regard to our positive social impact, we maintain our focus on our Supplier Code of Conduct and we are putting even more effort into supplier onboarding plans.

Full-year outlook: Challenges remain

The outlook for 2023 remains somewhat uncertain, mainly because war and economic turmoil continue to have an impact on the purchasing power of households and on the energy and raw materials markets. However, we feel confident that we have the right tools, expertise and experience to cope with difficult circumstances. We will also maintain the pace of our planned investments in the second half of the year, so we can put the Vandemoortele Group on the road to continued increased profitability in the coming years.

On behalf of the Board of Directors,
Ghent, 14 September 2023

Baron Vandemoortele,
Chairman of the Board of Directors