INTERIM REPORT
Regulated information [1]
Brussels, August 21, 2024, 8:00 am CET

TESSENDERLO GROUP INTERIM REPORT FOR THE 6 MONTH PERIOD ENDED JUNE 30, 2024[2]

Tessenderlo Group
EVERY MOLECULE COUNTS

[1] The enclosed information constitutes regulated information as defined in the Royal Decree of November 14, 2007, regarding the duties of issuers of financial instruments which have been admitted for trading on a regulated market.
[2] Note that Tessenderlo Group published, in addition to this interim report, also a press release on the June 30, 2024 results. This press release can be consulted on our website www.tessenderlo.com.

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Note

- The half year information has been subject to review by external auditors. Reference is made to the independent auditor's review report in chapter 4 of this report.
- As the group HY24 results were not significantly impacted by foreign exchange effects, the group did not report key financial indicators excluding foreign exchange impact.
- Figures may not add up due to rounding.

Management report

1. Key events

From the first half of 2024

- On January 1, 2024, Mr. Miguel de Potter has joined Tessenderlo Group as the new Chief Financial Officer (CFO). Meanwhile, Mrs. Sandra Hoeylaerts, who started on September 27, 2023, as Chief HR Officer at Tessenderlo Group, has taken up the position of Chief Transformation Officer (CTO) as from January 1, 2024. The new ExCom is made up of Mr. Luc Tack (CEO), Mrs. Sandra Hoeylaerts (CTO), and Mr. Miguel de Potter (CFO) as from January 1, 2024, onwards.
- In March 2024, Kuhlmann Europe (Industrial Solutions segment) disclosed a strategic move by unveiling an investment of approximately 35 million EUR to expand its current ferric chloride production capacity for iron-based coagulants at its Loos site in France. This investment aims at fortifying Kuhlmann Europe's standing as a prominent coagulant manufacturer in Europe, solidifying the position of the Loos facility as the continent's largest ferric chloride production plant. The construction of the innovative chlorination installation is scheduled to commence by the end of 2024, with delivery anticipated in early 2026.
- The Defiance plant (Ohio, USA) which is under construction will produce the leading liquid and sulfur-based fertilizers Thio-Sul®, KTS®, K-Row 23®, and sulfite chemicals for industrial markets (Agro and Industrial Solutions segments). The Defiance plant is scheduled to start operations in the first quarter of 2025.
- The construction of our Thio-Sul® plant in Geleen, the Netherlands is in its final stage and is expected to be operational in the third quarter of 2024.

After the balance sheet date

- As the share price was quoted below its book value, as well as taking into account the liquidity position of the group, the Board of Directors of Tessenderlo Group was of the opinion that it was opportune to proceed with the repurchase of its own shares.
  In March 2023, a share repurchase program was started for an amount not exceeding 40 million EUR. Under this program 1,346,200 of its own shares have been acquired (in the period March 2023 - February 2024), at an average price of 28.01 EUR per share, for a total amount of 37.7 million EUR. Pursuant to the authorization granted by the extraordinary general meeting of May 10, 2022, the Board of Directors of Tessenderlo Group nv decided to cancel in December 2023 1,083,003 treasury shares purchased under the share repurchase program launched in March 2023.
  In early April 2024, a new share repurchase program was started for the repurchase of up to 2,300,000 shares of the company for a total amount not exceeding 69 million EUR. By August 9, 2024, the group had acquired 1,088,192 of its own shares at an average price of 24.18 EUR per share, for a total amount of 26.3 million EUR.
  In 2023, the activities of Tessenderlo Group and Picanol Group were combined into one industrial group. At the moment of full consolidation, Picanol Group, through its wholly owned subsidiary Verbrugge nv, held 21,860,003 shares in Tessenderlo Group nv. As a further simplification of the group after the transaction, Verbrugge nv merged into Picanol nv in July 2023. As already mentioned in the prospectus at the time of the transaction, the group intended to cancel these own shares in 2024.
  As per August 9, 2024 the group was holding 23,242,895 of its own shares. Pursuant to the authorization granted by the extraordinary general meeting of May 10, 2022, the Board of Directors of Tessenderlo Group nv decided on August 20, 2024 to cancel 23,242,895 treasury shares held following the combination of Tessenderlo Group and Picanol Group, as well as those purchased under the share repurchase programs launched in March 2023 and April 2024.

2. Group key figures

Million EUR	HY24	HY23	% Change as reported
Revenue	1,389.1	1,626.5	-14.6%
Adjusted EBITDA[3]	150.7	205.1	-26.5%
Adjusted EBIT[4]	51.5	106.8	-51.8%
Profit for the period	61.4	83.4	-26.3%
Total comprehensive income	73.5	72.3	1.6%
Capital expenditure	75.4	97.9	-23.0%
Cash flow from operating activities	172.5	107.9	59.8%
Net cash position [5]	32.6	13.3	nm

Revenue

HY24 revenue decreased by -14.6% compared to the revenue in HY23. The Agro revenue increased by +3.5%. The HY24 revenue of the other four segments decreased compared to HY23: Bio-valorization -14.4%, Industrial Solutions -9.3%, Machines & Technologies -42.0% and T-Power -5.3%.

Adjusted EBITDA

The HY24 Adjusted EBITDA amounts to 150.7 million EUR compared to a reported HY23 Adjusted EBITDA of 205.1 million EUR. The Adjusted EBITDA of Agro increased (+36.8%), the Adjusted EBITDA of T-Power remained stable (-4.5%), while the Adjusted EBITDA of the other segments decreased (Bio-valorization: -57.7%; Industrial Solutions: -31.3% and Machines & Technologies: -71.8%).

Adjusted EBIT

The HY24 Adjusted EBIT amounts to 51.5 million EUR, compared to 106.8 million EUR in HY23. The decrease of Adjusted EBIT in Bio-valorization, Industrial Solutions and Machines & Technologies could not be offset by the increase of the Adjusted EBIT of Agro. The Adjusted EBIT also includes the depreciation and amortization charges on the fair value adjustments (+364 million EUR), recognized after the completion of the Picanol Group acquisition in 2023, for an amount of -23.4 million EUR (HY23: -23.4 million EUR).

Net cash position

As per HY24, the net cash position of the group amounts to +32.6 million EUR, compared to a net cash position of +13.3 million EUR as per HY23 and +10.1 million EUR as per year-end 2023. Significant cashflow impacts during the first six months of 2024 include:

- The HY24 cash flow from operating activities (+172.5 million EUR) and capital expenditure (-75.4 million EUR).
- The repurchase of own shares in 2024 (cash outflow of -25.3 million EUR).
- The sale of the remaining 54,262 shares in Rieter Holding AG (SWX: RIEN) for an amount of +7.2 million EUR.
- The dividend paid over the financial year 2023 and the 2022 dividend withholding taxes paid to Oostiep Group bv in January 2024, which led to a HY24 cash outflow of -54.0 million EUR.

Profit for the period

The HY24 profit amounts to 61.4 million EUR compared to 83.4 million EUR in HY23. The HY24 result compared to the HY23 result was mainly impacted by the following items:

- The decrease of the HY24 Adjusted EBIT (51.5 million EUR) compared to the HY23 Adjusted EBIT (106.8 million EUR) by -55.3 million EUR, partially compensated by a lower income tax expense (-10.5 million EUR in HY24 compared to -24.6 million EUR in HY23).

[3] Adjusted EBITDA equals Adjusted EBIT plus depreciation and amortization.
[4] Adjusted EBIT is considered by the group to be a relevant performance measure in order to compare results over the period 2023-2024, as it excludes adjusting items from the EBIT (Earnings before interest and taxes). EBIT adjusting items principally relate to restructuring, impairment losses, provisions, gains or losses on significant disposals of assets or subsidiaries and the effect of the electricity purchase and sale agreement.
[5] Net cash position equals cash and cash equivalents and long-term investments minus non-current and current loans and borrowings and bank overdrafts.

- The impact of exchange gains, mainly on non-hedged intercompany loans and cash and cash equivalents in USD, amounted to +15.5 million EUR in HY24 compared to an exchange loss of -8.6 million EUR in HY23.
- The gain realized on the sale of the remaining 54,262 shares of Rieter Holding AG (+2.0 million EUR) while the HY23 result was impacted by the gain on the sale of 654,000 shares of Rieter Holding AG for +11.3 million EUR.

Capital expenditure

For the six-month period ended June 30, 2024 the group's capital expenditure amounts to 75.4 million EUR (HY23: 97.9 million EUR). The major capital expenditure projects relate to:

- The ongoing construction of a new Thio-Sul® manufacturing plant in Geleen (the Netherlands, Agro segment) and a new liquid fertilizer and industrial products plant in Defiance (the United States, Agro and Industrial Solutions segments). These factories are scheduled to be operational in the third quarter of 2024 and the first quarter of 2025 respectively.
- The ongoing construction of a new headquarter office for Picanol Group in Ieper (Belgium, Machines & Technologies segment), which should be finalized by the end of 2024.
- Investments in a gasification installation of category 1 meat meals in Saint-Langis (France) by Akiolis Group (Bio-valorization segment).
- Several investments in operational excellence in PB Leiner (Bio-valorization segment), in upgrading of plant infrastructure within Tessenderlo Kerley International (Agro segment) and in technology improvements within DYKA Group (Industrial Solutions segment).

Cashflow from operating activities

The HY24 cashflow from operating activities amounts to 172.5 million EUR, compared to 107.9 million EUR in HY23. The HY24 Adjusted EBITDA decreased by -54.4 million EUR compared to the HY23 Adjusted EBITDA. However, this negative effect could be offset by:

- Lower income taxes paid (-5.2 million EUR in HY24 compared to -22.2 million EUR in HY23).
- Lower working capital needs (+28.0 million EUR in HY24 compared to -57.1 million EUR in HY23).

3. Operating segments performance review

Million EUR	HY24	HY23	% Change as reported
Revenue Group	**1,389.1**	**1,626.5**	**-14.6%**
Agro	459.2	443.5	3.5%
Bio-valorization	321.3	375.2	-14.4%
Industrial Solutions	348.9	384.7	-9.3%
Machines & Technologies	223.1	384.5	-42.0%
T-Power	36.6	38.6	-5.3%
Adjusted EBITDA Group	**150.7**	**205.1**	**-26.5%**
Agro	59.5	43.5	36.8%
Bio-valorization	14.7	34.8	-57.7%
Industrial Solutions	36.3	52.8	-31.3%
Machines & Technologies	12.8	45.2	-71.8%
T-Power	27.4	28.7	-4.5%
Adjusted EBIT Group	**51.5**	**106.8**	**-51.8%**
Agro	23.4	7.2	225.1%
Bio-valorization	-4.8	15.6	nm
Industrial Solutions	17.6	35.1	-50.0%
Machines & Technologies	5.5	37.7	-85.4%
T-Power	9.8	11.1	-11.4%
EBIT adjusting items	**4.8**	**-0.7**	**nm**
EBIT	**56.3**	**106.2**	**-46.9%**

AGRO

Million EUR	HY24	HY23	% Change as reported
Revenue	459.2	443.5	3.5%
Adjusted EBITDA	59.5	43.5	36.8%
Adjusted EBITDA margin	13.0%	9.8%	
Adjusted EBIT	23.4	7.2	225.1%
Adjusted EBIT margin	5.1%	1.6%	

The HY24 Agro revenue increased by +3.5%, impacted by an increase of sales volumes, which was able to offset lower selling prices.

The Adjusted EBITDA of the Agro operating segment increased by +36.8% to 59.5 million EUR. Despite higher sales volumes, the Adjusted EBITDA of Crop Vitality decreased as margins remained under pressure because of lower selling prices in combination with remaining high valued stock. The Adjusted EBITDA of Tessenderlo Kerley International increased thanks to higher sales volumes, whereas lower selling prices could be offset by lower raw material prices. The Adjusted EBITDA of NovaSource decreased slightly, mainly due to phasing of customer demand, while the Adjusted EBITDA of Violleau had no material impact.

BIO-VALORIZATION

Million EUR	HY24	HY23	% Change as reported
Revenue	321.3	375.2	-14.4%
Adjusted EBITDA	14.7	34.8	-57.7%
Adjusted EBITDA margin	4.6%	9.3%	
Adjusted EBIT	-4.8	15.6	nm
Adjusted EBIT margin	-1.5%	4.2%	

HY24 Bio-valorization revenue decreased by -14.4% compared to prior year. The increase of sales volumes could not offset the impact of lower selling prices for the different products (gelatin, collagen, fats and proteins).

The HY24 Adjusted EBITDA decreased compared to prior year by -57.7% to 14.7 million EUR. Higher sales volumes were insufficient to compensate the margin pressure due to decreasing selling prices in combination with high valued stock, still a consequence of higher 2023 raw material and energy costs. Per year-end 2023, less favorable market circumstances led to significant inventory write-offs in order to adjust the cost of finished goods to a lower net realizable value, implying the HY24 sale of these adjusted inventory items were made without contribution to the Adjusted EBITDA. No further inventory write-offs to net realizable value were deemed necessary as per June 2024. Moreover, the in 2023 acquired assets by Akiolis Iberia (Spain) did not yet contribute positively to the HY24 Adjusted EBITDA.

INDUSTRIAL SOLUTIONS			
Million EUR	HY24	HY23	% Change as reported
Revenue	348.9	384.7	-9.3%
Adjusted EBITDA	36.3	52.8	-31.3%
Adjusted EBITDA margin	10.4%	13.7%	
Adjusted EBIT	17.6	35.1	-50.0%
Adjusted EBIT margin	5.0%	9.1%	

Industrial Solutions revenue decreased by -9.3% in HY24. DYKA Group revenue was negatively impacted by a lower construction market demand, while Kuhlmann Europe and moleko revenue was in line with last year.

The Adjusted EBITDA of Industrial Solutions decreased by -16.5 million EUR to 36.3 million EUR (-31.3%), mainly negatively impacted by DYKA Group, while the decrease within Kuhlmann Europe and moleko was less outspoken. More challenging market conditions led to a lower DYKA Group and moleko result, while the result of Kuhlmann Europe decreased because of less favorable market circumstances for one of its products (caustic soda).

MACHINES & TECHNOLOGIES			
Million EUR	HY24	HY23	% Change as reported
Revenue	223.1	384.5	-42.0%
Adjusted EBITDA	12.8	45.2	-71.8%
Adjusted EBITDA margin	5.7%	11.8%	
Adjusted EBIT	5.5	37.7	-85.4%
Adjusted EBIT margin	2.5%	9.8%	

The HY24 revenue of Machines & Technologies amounted to 223.1 million EUR compared to 384.5 million EUR in HY23 (-42.0%). The revenue of Picanol (weaving machines), Proferro (foundry and mechanical finishing) and Psicontrol (development and production of electronics) decreased, as challenging market circumstances were faced in the first six months of 2024, negatively impacting sales volumes.

The HY24 Adjusted EBITDA decreased from 45.2 million EUR in HY23 to 12.8 million EUR in HY24 (-71.8%). The Adjusted EBITDA of all three activities decreased in the first half of 2024 following lower sales volumes.

T-POWER			
Million EUR	HY24	HY23	% Change as reported
Revenue	36.6	38.6	-5.3%
Adjusted EBITDA	27.4	28.7	-4.5%
Adjusted EBITDA margin	74.9%	74.3%	
Adjusted EBIT	9.8	11.1	-11.4%
Adjusted EBIT margin	26.9%	28.7%	

The revenue of T-Power decreased to 36.6 million EUR (-5.3%), while the Adjusted EBITDA decreased to 27.4 million EUR (-4.5%) because of contractual impacts. These results were in line with expectations, as T-Power nv fulfilled all tolling agreement requirements. As the 5-year extension option for the tolling agreement, starting July 2026, will not be exercised, the group is currently assessing various options for the long-term utilization of the T-Power plant as a safe and reliable partner in the current energy mix.

Statement on the true and fair view of the condensed consolidated interim financial statements and the fair overview of the management report

Mr. Luc Tack (CEO) and Mr. Miguel de Potter (CFO) certify, on behalf and for the account of the company, that, to their knowledge,

a) the condensed consolidated interim financial statements which have been prepared in accordance with the International Accounting Standard on Interim Financial Statements (IAS 34) as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position, the income statement of the company, statement of comprehensive income and statement of cash flows of the company, and the entities included in the consolidation as a whole,

b) the management report includes a fair overview of the information required under Article 13, §5 and §6 of the Royal Decree of November 14, 2007, on the obligations of issuers of financial instruments admitted to trading on a regulated market.

Condensed consolidated interim financial statements June 30, 2024

1. Condensed consolidated income statement

Million EUR	note	HY24	HY23
Revenue	**6**	**1,389.1**	**1,626.5**
Cost of sales		-1,107.4	-1,291.3
Gross profit		**281.7**	**335.2**
Distribution expenses		-84.2	-84.4
Sales and marketing expenses		-49.2	-48.5
Administrative expenses		-81.6	-77.5
Other operating income and expenses		-15.2	-17.9
Adjusted EBIT	**6**	**51.5**	**106.8**
EBIT adjusting items	8	4.8	-0.7
EBIT (Profit (+) / loss (-) from operations)		**56.3**	**106.2**
Finance (costs) / income - net	9	15.7	1.3
Share of result of equity accounted investees, net of income tax		-0.1	0.5
Profit (+) / loss (-) before tax		**72.0**	**107.9**
Income tax expense	10	-10.5	-24.6
Profit (+) / loss (-) for the period		**61.4**	**83.4**
Attributable to:			
- Equity holders of the company		**60.4**	**80.4**
- Non-controlling interest	**16**	**1.0**	**2.9**
Basic earnings per share	15	0.97	1.27
Diluted earnings per share	15	0.97	1.27

2. Condensed consolidated statement of comprehensive income

Million EUR	note	HY24	HY23
Profit (+) / loss (-) for the period		**61.4**	**83.4**
Translation differences		6.4	-11.9
Net change in fair value of derivative financial instruments, before tax		-0.3	-0.3
Other movements		0.8	0.0
Income tax on other comprehensive income		0.1	0.1
Items of other comprehensive income that are or may be reclassified subsequently to profit or loss		**7.0**	**-12.1**
Remeasurements of the net defined benefit liability, before tax	18	6.8	0.9
Income tax on other comprehensive income		-1.8	0.2
Items of other comprehensive income that will not be reclassified subsequently to profit or loss		**5.0**	**1.1**
Other comprehensive income for the period, net of income tax		**12.1**	**-11.0**
Total comprehensive income		**73.5**	**72.3**
Attributable to:			
- Equity holders of the company		73.9	68.6
- Non-controlling interest		-0.4	3.7

The notes on pages 9 to 31 are an integral part of the condensed consolidated interim financial statements.

3. Condensed consolidated statement of financial position

Million EUR	note	30/06/2024	31/12/2023
ASSETS			
Total non-current assets		**1,649.0**	**1,657.2**
Property, plant and equipment	12	1,183.5	1,156.1
Goodwill		32.4	31.8
Intangible assets	12	259.7	286.9
Investments accounted for using the equity method		24.3	23.6
Other investments and guarantees	6	5.7	12.2
Deferred tax assets		49.7	50.2
Trade and other receivables		23.4	26.1
Long term investments	17	70.0	70.0
Derivative financial instruments		0.4	0.3
Total current assets		**1,261.3**	**1,257.3**
Inventories	13	561.9	604.5
Trade and other receivables	13	510.7	457.0
Current tax assets	10	9.1	15.9
Derivative financial instruments		1.8	3.0
Cash and cash equivalents	14/17	177.8	177.0
Assets classified as held for sale		**0.0**	**0.2**
Total assets		**2,910.3**	**2,914.7**
EQUITY AND LIABILITIES			
Total equity		**1,950.6**	**1,948.7**
Equity attributable to equity holders of the company		**1,933.1**	**1,930.9**
Issued capital		428.3	428.3
Share premium		1,743.6	1,743.6
Reserves and retained earnings		-238.8	-241.0
Non-controlling interest	16	**17.5**	**17.9**
Total liabilities		**959.7**	**966.0**
Total non-current liabilities		**433.4**	**476.0**
Loans and borrowings	17	153.6	175.3
Employee benefits	18	39.1	45.0
Provisions		115.4	119.0
Trade and other payables		4.5	6.8
Derivative financial instruments		1.7	3.4
Deferred tax liabilities		119.1	126.5
Total current liabilities		**526.4**	**490.0**
Bank overdrafts	17	0.0	0.1
Loans and borrowings	17	61.5	61.4
Trade and other payables	13	435.1	405.5
Derivative financial instruments		4.2	6.1
Current tax liabilities	10	10.5	2.1
Employee benefits	18	0.7	0.8
Provisions		14.3	13.9
Total equity and liabilities		**2,910.3**	**2,914.7**

The notes on pages 9 to 31 are an integral part of the condensed consolidated interim financial statements.

4. Condensed consolidated statement of changes in equity

Million EUR	note	Issued capital	Share premium	Legal reserves	Translation reserves	Hedging reserves	Retained earnings	Equity attributable to equity holders of the company	Non-controlling interest	Total equity
Balance at January 1, 2024		**428.3**	**1,743.6**	**21.6**	**-77.7**	**1.2**	**-186.1**	**1,930.9**	**17.9**	**1,948.7**
Profit (+) / loss (-) for the period		-	-	-	-	-	60.4	60.4	1.0	61.4
Other comprehensive income										
- Translation differences		-	-	-	7.8	-	-	7.8	-1.4	6.4
- Remeasurements of the net defined benefit liability, net of tax	18	-	-	-	-	-	5.0	5.0	-	5.0
- Net change in fair value of derivative financial instruments, net of tax		-	-	-	-	-0.2	-	-0.2	-	-0.2
- Other movements		-	-	-	-	-	0.8	0.8	0.0	0.8
Comprehensive income, net of income taxes		**0.0**	**0.0**	**0.0**	**7.8**	**-0.2**	**66.3**	**73.9**	**-0.4**	**73.5**
Transactions with owners, recorded directly in equity										
- Repurchase of own shares	15	-	-	-	-	-	-25.3	-25.3	-	-25.3
- Dividends paid to shareholders	15	-	-	-	-	-	-46.3	-46.3	-	-46.3
Total contributions by and distributions to owners		**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**-71.6**	**-71.6**	**0.0**	**-71.6**
Other movements		-	-	12.0	-	-	-12.0	0.0	-	0.0
Balance at June 30, 2024		**428.3**	**1,743.6**	**33.6**	**-69.9**	**1.0**	**-203.4**	**1,933.1**	**17.5**	**1,950.6**

The notes on pages 9 to 31 are an integral part of the condensed consolidated interim financial statements.

Million EUR	Issued capital	Share premium	Legal reserves	Translation reserves	Hedging reserves	Retained earnings	Equity attributable to equity holders of the company	Non-controlling interest	Total equity
Balance at January 1, 2023	**216.2**	**238.0**	**21.6**	**-66.8**	**2.7**	**990.0**	**1,401.8**	**1.5**	**1,403.2**
Profit (+) / loss (-) for the period	-	-	-	-	-	80.4	80.4	2.9	83.4
Other comprehensive income									
- Translation differences	-	-	-	-12.7	-	-	-12.7	0.8	-11.9
- Remeasurements of the net defined benefit liability, net of tax	-	-	-	-	-	1.1	1.1	-	1.1
- Net change in fair value of derivative financial instruments, net of tax	-	-	-	-	-0.2	-	-0.2	-	-0.2
- Other movements	-	-	-	-	-	-	0.0	0.0	0.0
Comprehensive income, net of income taxes	**0.0**	**0.0**	**0.0**	**-12.7**	**-0.2**	**81.5**	**68.6**	**3.7**	**72.3**
Transactions with owners, recorded directly in equity									
- Capital increases Tessenderlo Group nv	212.0	1,505.6	-	-	-	-	1,717.7	-	1,717.7
- Reserves related to Picanol acquisition	-	-	-	5.5	-	-329.7	-324.2	-	-324.2
- Own shares following Picanol acquisition						-887.3	-887.3	-	-887.3
- (Repurchase)/disposal of own shares	-	-	-	-	-	-10.1	-10.1	-	-10.1
- Dividends paid to shareholders	-	-	-	-	-	-47.6	-47.6	-	-47.6
- Capital increase by non-controlling interest	-	-	-	-	-	-	0.0	1.5	1.5
- Changes in non-controlling interest without loss of control	-	-	-	5.6	-	9.8	15.4	9.5	24.9
Total contributions by and distributions to owners	**212.0**	**1,505.6**	**0.0**	**11.1**	**0.0**	**-1,264.9**	**464.0**	**11.0**	**475.0**
Balance at June 30, 2023	**428.3**	**1,743.6**	**21.6**	**-68.3**	**2.5**	**-193.3**	**1,934.4**	**16.2**	**1,950.5**

The notes on pages 9 to 31 are an integral part of the condensed consolidated interim financial statements.

5. Condensed consolidated statement of cash flows

Million EUR	note	30/06/2024	30/06/2023
OPERATING ACTIVITIES			
Profit (+) / loss (-) for the period		**61.4**	**83.4**
Depreciation and amortization on tangible assets and intangible assets	6	99.2	98.3
Changes in provisions		-4.9	-3.0
Finance (costs) / income - net		-15.7	-1.3
Loss / (profit) on sale of non-current assets		-0.3	0.1
Share of result of equity accounted investees, net of income tax		0.1	-0.5
Income tax expense	10	10.5	24.6
Other non-cash items		-0.4	-3.4
Changes in inventories	13	47.3	8.4
Changes in trade and other receivables	13	-50.4	-22.5
Changes in trade and other payables	13	31.1	-43.0
Change in accounting estimates - inventory write off	6	1.7	-3.8
Net change in emission allowances recognized within intangible assets		-0.4	-4.7
Revaluation electricity forward contracts		-1.5	-2.4
Cash generated from operations		**177.7**	**130.1**
Income tax paid	10	-5.2	-22.2
Cash flow from operating activities		**172.5**	**107.9**
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment and intangible assets	6/12	-75.4	-97.9
Acquisition of businesses, net of cash acquired		-	39.3
Proceeds from the sale of property, plant and equipment		0.4	0.2
Dividends received from other investments		0.0	0.8
Proceeds from the sale of subsidiaries, net of cash disposed of	7	0.1	-
Proceeds from the sale of other investments	9	7.2	80.7
Cash flow from investing activities		**-67.7**	**23.2**
FINANCING ACTIVITIES			
Repurchase of own shares	15	-25.3	-8.2
Proceeds from the sale of shares to a non-controlling interest	7	4.9	9.1
Payment of lease liabilities		-10.6	-10.0
Proceeds from new borrowings		-	5.2
Reimbursement of borrowings		-19.7	-20.3
Interest paid	9	-3.7	-4.3
Interest received	9	5.0	4.8
Other finance costs paid		-2.2	-2.0
Decrease/(increase) of long-term receivables		2.0	0.2
Dividends paid to shareholders	15	-54.0	-39.9
Cash flow from financing activities		**-103.5**	**-65.4**
Net increase / (decrease) in cash and cash equivalents	**14/17**	**1.2**	**65.6**
Effect of exchange rate differences		-0.3	-1.0
Cash and cash eq. less bank overdrafts at the beginning of the period	14/17	176.9	156.0
Cash and cash eq. less bank overdrafts at the end of the period	14/17	177.8	220.7

The notes on pages 9 to 31 are an integral part of the condensed consolidated interim financial statements.

6. Notes to the condensed consolidated interim financial statements

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2. Statement of compliance
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4. Critical accounting estimates and judgments
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The notes on pages 9 to 31 are an integral part of the condensed consolidated interim financial statements.

1. Reporting entity

Tessenderlo Group nv (hereafter referred to as "the company"), the parent company, is a company domiciled in Belgium. The condensed consolidated interim financial statements for the six-month period ended June 30, 2024 comprises the company and its subsidiaries (together referred to as "the group") and the group's interests in jointly controlled entities.

2. Statement of compliance

These condensed consolidated interim financial statements for the six-month period ended June 30, 2024 have been prepared in accordance with International Financial Reporting Standard (IFRS) IAS 34 *Interim Financial Reporting*, as adopted for use by the European Union. It does not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the group as at and for the year end December 31, 2023 which have been prepared in accordance with IFRS.

These condensed consolidated interim financial statements were approved by the Board of Directors on August 20, 2024. These condensed consolidated interim financial statements were reviewed, not audited.

3. Significant accounting policies

The accounting policies used by the group in the present condensed consolidated interim financial statements are consistent with those used in the preparation of the consolidated financial statements as at and for the year ended December 31, 2023, and are in accordance with IAS 34 *Interim Financial Reporting*.

There are no new or amended standards or interpretations that are effective for the first time for the interim report for the six-month period ended June 30, 2024 that had a significant impact on the condensed consolidated interim financial statements.

For the six-month period ended June 30, 2024, the group has not early adopted any standard, interpretation or amendment that has been issued, but is not yet effective. The group is currently assessing the new rules, and at this stage, is not expecting any of these new rules to have a significant impact on the financial statements of the group.

The exchange rates, used in preparing the condensed consolidated interim financial statements, are the following:

	Closing rate			Average rate	
1 EUR equals:	**30/06/2024**	**31/12/2023**	**30/06/2023**	**30/06/2024**	**30/06/2023**
Brazilian real	5.8915	5.3618	5.2788	5.4922	5.4827
Chinese yuan	7.7748	7.8509	7.8983	7.8011	7.4894
Costa Rican colón	560.8000	573.0100	591.0500	553.2256	592.3262
Czech crown	25.0250	24.7240	23.7420	25.0149	23.6873
Indian Rupee	89.2495	91.9045	89.2065	89.9862	88.8443
Indonesian Rupiah	17,487.2100	17,079.7100	16,384.5400	17,205.1473	16,275.0914
Mexican Peso	19.5654	18.7231	18.5614	18.5089	19.6457
Philippine Peso	62.5600	61.2830	60.0820	61.5281	59.7011
Polish zloty	4.3090	4.3395	4.4388	4.3169	4.6244
Pound sterling	0.8464	0.8691	0.8583	0.8546	0.8764
Romanian leu	4.9773	4.9756	4.9635	4.9743	4.9342
Swiss franc	0.9634	0.9260	0.9788	0.9615	0.9856
Turkish lira	35.1868	32.6531	28.3193	34.2364	21.5662
US dollar	1.0705	1.1050	1.0866	1.0813	1.0807

4. Critical accounting estimates and judgments

The preparation of the condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of the accounting policies, the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated interim financial statements and the reported amounts of income and expenses during the reporting period. Management bases its estimates on historical experience and various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making the reported amounts of revenue and expenses that may not be readily apparent from other sources. Actual results could differ from those estimates.

The areas of judgements, estimates and assumptions used in preparing the condensed consolidated interim financial statements for June 30, 2024 are the same as those applied and disclosed in the consolidated financial statements on December 31, 2023.

5. Risks and uncertainties

Under the explicit understanding that this is not an exhaustive list, the main risk factors and uncertainties for the group for the second semester of 2024 are listed below. Additional risks of which the group is not aware may possibly exist. There may also be risks that the group currently believes to be unimportant, but which can still have an adverse effect. The order in which the individual risks are presented is neither indicative of their likelihood to occur, nor of the severity or significance of the individual risks. Please note that in the 2023 annual report additional risks were included. For a more detailed overview of the major risks for the group, we refer to the 2023 annual report.

Political risk

The current conflict in Eastern Europe and the subsequent economic and financial sanctions imposed could negatively affect the supply of MOP (muriate of potash). MOP is the key raw material used for the production of SOP (sulfate of potash) fertilizers that are produced at Tessenderlo Kerley Ham (Belgium), within the Agro segment. The group sourced MOP from Russia and Belarus before the introduction of sanctions. In HY24, the supply of MOP was provided by alternative sources.

Risk of an outbreak of an epidemic with a large geographical reach or pandemic

Due to its global presence, the group may be subject to the consequences of the local or worldwide spread of viruses that pose a risk to public health and may be serious and unexpected. Such outbreaks may have an impact on social life and the economy. The group believes that it is difficult to estimate the impact that the regional spread of viruses or a pandemic could have on the economies in which we operate, and therefore the impact that these factors could have on our financial results.

The group is exposed to climate risks

Particularly in the operating segments Agro and Industrial Solutions, exceptional weather conditions, such as sustained heat waves, flooding or natural disasters can have an important impact on the operational results.

Risks associated with climate change are increasing in frequency and severity, inducing challenges with rising input costs (energy, water, and materials, …) and ultimately risks for our assets. This trend requires a more comprehensive approach to managing the risks relevant to the changing environment in which the company operates, and which ensures our stakeholders that our future growth is sustainable.

The group is exposed to the risk of information technology failures

The group increasingly makes use of information technology systems to process, transmit and store electronic information and as such, to operate efficiently and interface. A significant portion of the communication between the group’s personnel, customers and suppliers depends on information technology. The group is dependent on information systems to manage inventory, accounting, purchasing and sales applications and to maintain cost efficient operations.

As with all large systems, the group's information systems may be vulnerable to a variety of interruptions due to events beyond its control, including, but not limited to, natural disasters, terrorist attacks, telecommunication failures, computer viruses, hackers or other security issues. These or other similar interruptions may disrupt the group's business, results of operation or financial condition.

The group depends on the availability of sufficient volumes of raw materials with the required specifications at competitive prices

The group depends on the availability of sufficient volumes of raw materials, which meet the required specifications, against competitive prices. While the group sources most of its raw materials from multiple suppliers, some raw materials are sourced from only few suppliers. As such, the group relies on a number of third-party suppliers and other business partners. If the market prices fall below the agreed minimum prices, the group may be required to purchase products at above-market prices.

If the group is unable to sell, store, re-utilize or dispose of certain components that it produces, it may be required to limit or reduce its overall production levels

The group's operations are dependent on its ability to sell, store, re-utilize or otherwise dispose of certain components (such as by-products and co-products) which are produced in the course of the production process of various products. There can be no assurance that the group will be able to do this in the future and will not be required to reduce its overall production levels or invest in new treatment processes.

The group's results are dependent on weather conditions and are subject to seasonality

Several of the group's activities are dependent on weather conditions. The group also has activities which are also subject to seasonality, whereby products are sold within a short timeframe. Products of the group's Agro operating segment must be supplied to the customers during the planting season. Bad weather conditions can disrupt this process, reduce the possibility to apply product and/or reduce the need for products. The group also sells products in the construction markets in several countries in the northern hemisphere, which are typically affected by winter weather conditions (operation segment Industrial Solutions).

The group's current and future investments and/or constructions are subject to the risk of delays, cost overruns and other complications, and may not achieve the expected returns

The group currently has new projects which are under construction or in ramp-up phase. In addition, the group is implementing a number of major investment projects that are key to its strategy. These projects may be delayed, exceed the budget or the utilized technology may prove to be inadequate or may fail to reach the expected return.

The group's results are sensitive to commodity prices

The company is particularly sensitive to the fluctuations of the following raw materials: ammonia, potassium chloride and sulfur for the production of fertilizers, polyvinyl chloride for the production of plastic piping systems, pig and beef bones and hides for the gelatin production and different metals such as scrap metal, steel plate, cupper, ... in the Machines & Technologies operating segment. The group's most important purchase contracts are centralized at group or business unit level. This method allows the group to strengthen its negotiating position. To the extent possible, price fluctuations are, where possible, translated into its sales prices of the products.

The group considers that, in normal circumstances and given the high inventory rotation, volatile raw material prices should have no material impact on the carrying amounts of the applicable assets and liabilities. Exceptionally strong increases in raw material prices may have a material negative impact on the group's results if the group would be unable to fully translate these price increases into its sales prices.

The group may be exposed to product liability and warranty claims, including but not limited to liability in respect of food safety

The group's products are subject to increasingly stringent industry, regulatory and customer requirements. The activities of the group may expose the group to product liability and warranty claims. The products manufactured by the group are used in various downstream applications including, but not limited to, the food, cosmetics, nutraceutical and pharmaceutical industry and may contain undetected errors or defects, which may lead, for example, to product recalls, increased customer service and support, payment of monetary damages to customers, lawsuits and loss of customers. In addition, the group cannot exclude that customers incorrectly apply the group's products.

The group may not be able to recruit and retain key personnel

The group may not be able to recruit and retain competent personnel for key roles. The group's success depends to a significant extent upon its ability to attract and retain qualified management, scientific, technical, marketing and sales personnel and upon the continued contributions of such personnel. The group's employees may voluntarily terminate their employment at any time. There is no guarantee that the group will be successful in attracting and/or retaining qualified employees to replace existing employees or to further support its growth strategy. The loss of the services of key personnel or the inability to attract additional qualified personnel may have a material adverse effect on the business and its expertise, results of operation or financial condition.

Potential impacts might include loss of knowledge of key systems and specialized skills resulting in a skills and competency gap, high staff turnover, customer dissatisfaction, failure to meet business objectives, increased re-hiring costs, loss of customers because of the customer-employee relationships. Although the group believes that it is well positioned to attract and retain skilled and experienced personnel, there can be no assurance that it will be able to do so. The inability to do so could have a material adverse effect on the group's business, results of operation or financial condition.

The group may be exposed to circumstances of geo-political nature

The group could be impacted by the political uncertainty caused by circumstances of geo-political nature that could have an impact on the consumer trust.

Risk related to the development of the economic and business cycle

The future results of the group's Machines & Technologies segment are highly dependent on the evolution of the textile industry. Unexpected changes in the economic climate, customers' investment cycles, important developments in production and market acceptance of technologies may affect these industries and, consequently, the group's results.

The group is exposed to a variety of financial risks such as credit risk, liquidity risk, currency risk and interest risk

We refer to note 26 - Financial instruments of the 2023 consolidated financial statements for more detailed information on the group's exposure to financial risks and its risk management policies.

Credit risk

The maximum exposure to credit risk amounts to 788.5 million EUR as of June 30, 2024 (year-end 2023: 739.1 million EUR). This amount consists of current and non-current trade and other receivables (534.1 million EUR), cash and cash equivalents (177.8 million EUR), long term investments (70.0 million EUR), the loans granted (4.5 million EUR, included within "Other investments and guarantees") and derivative financial instruments (2.1 million EUR).

Liquidity risk

The group limits this risk, through a series of actions:

- Factoring program, set up at the end of 2009, and which was put on hold since 2015.
- Belgian commercial paper program of maximum 200.0 million EUR (no amount outstanding as per June 30, 2024 nor at December 31, 2023).
- Committed bi-lateral agreements with four banks for a total amount of 250.0 million EUR (of which part can be drawn in USD) till July 2027. These committed bi-lateral agreements have no financial covenants and ensure maximum flexibility for the different activities. As per June 30, 2024, none of these credit lines were used.

Currency risk

The currency giving rise to this risk is primarily USD (US dollar). This exposure is mainly due to intragroup loans and cash and cash equivalents which are not hedged.

The notes on pages 9 to 31 are an integral part of the condensed consolidated interim financial statements.

Interest risk

The financial debt position is funded by fixed and variable interest rate instruments. The variable interest rate instruments are, for the majority, hedged through forward rate agreements.

The bond, issued in July 2015 for an amount of 58.0 million EUR with a maturity of 10 years, is a fixed interest rate instrument with an interest rate of 3.375%. The group also has two term loan credit facilities for 30.0 million EUR each, with a maturity of 7 years (started in April 2022) and a maturity of 5 years (started in August 2022) respectively. These loans, with quarterly capital reimbursements, have a fixed interest rate of 1.17% and 0.94% respectively, and contain no financial covenants.

The T-Power nv loan (51.5 million EUR as per June 30, 2024) is a variable interest rate instrument, for approximately 80% hedged through a series of interest rate swaps.

6. Segment reporting

The group has five operating segments based on the principal business activities, economic environments and value chains in which they operate, as defined under IFRS 8 *Operating Segments*. The information provided below is consistent with the information that is available and evaluated regularly by the Chief Operating Decision Maker (the Executive Committee).

The following summary describes the operations in each of the group's reportable segments:

- "Agro" - includes production, trading and distribution of crop nutrients and crop protection products and includes the following businesses: Crop Vitality, Tessenderlo Kerley International, NovaSource and Violleau. These activities individually meet the definition of a business segment and were aggregated under the operating segment "Agro" in line with the stipulations under IFRS 8.12. This aggregation was possible because these activities sell the same or related products, their production process is similar and these activities have the same or the same type of customers, while the distribution method of the products is also similar. In addition, there is close cooperation between these activities and management makes decisions that simultaneously have an impact on the various activities.
- "Bio-valorization" - includes collecting and processing of animal by-products; production and distribution of gelatins and collagen peptides and rendering, production and sales of proteins and fats and includes the following businesses: PB Leiner and Akiolis. These activities individually meet the definition of a business segment and were aggregated under the segment "Bio-valorization" in line with the stipulations under IFRS 8.12. This aggregation was possible because these activities sell the same or related products, their production process is similar and these activities have the same or the same type of customers, while the distribution method of the products is also similar. In addition, there is close cooperation between these activities and management makes decisions that simultaneously have an impact on the various activities.
- "Industrial Solutions" - includes all possible water applications (water transport, water treatment, leaching, recovery of water from industrial processes). This segment includes the following distinguishable commercial names: DYKA Group (with DYKA, JDP and BT Nyloplast), moleko and Kuhlmann Europe. These components are not considered to be separate operating segments.
- "Machines & Technologies" - covers the production, development and sale of high-tech weaving machines and other "*original equipment manufacturers*" industrial products. This segment includes Picanol (weaving machines), Proferro (foundry and mechanical finishing), and Psicontrol (electronics development and production) activities. These components are not considered to be separate operating segments.
- "T-Power" - includes a gas-fired 425 MW power plant in Tessenderlo (Belgium). A tolling agreement was concluded with RWE group for a period of 15 years (until mid-year 2026) for the full capacity of the plant.

The costs included within Adjusted EBIT, related to the corporate activities, are allocated to the different operating segments they support, based on the gross profit per operating segment.

Transfer prices between operating segments are similar to transactions with third parties.

The measure of segment profit/loss is Adjusted EBIT, which is consistent with information that is monitored by the chief operating decision maker.

The group is a diversified specialty group that is worldwide active in many areas of machinery, agriculture, food, water management, efficient re(use) of natural resources and other industrial markets. The products of the group are used in various applications, industrial and consumption markets. Although a leadership position is occupied by the group in a number of diverse markets, the diversification of the group's revenue makes the group not reliant on major customers.

The majority of the group's revenue consists of the sale of goods. Products are generally sold directly or through distributors to the customers. Revenue is therefore recognized when the goods are delivered to the customers, where the point of recognition is dependent on the contract sales terms, known as the International Commercial terms (Incoterms). The group also recognizes revenue from the sale of services. These mainly relate to the collection of organic materials within Akiolis (operating segment Bio-valorization), and R&D services sold by Psicontrol in the operating segment Machines & Technologies. In this case, the revenue is recognized when the customers obtain control of the services, predominantly at a point in time.

The major line items of the income statement and statement of financial position are shown per operating segment in the table below. The income statement information is for the six-month period ended June 30, while information from the statement of financial position is compared to December 31, 2023 figures.

Million EUR	Agro		Bio-valorization		Industrial Solutions	
	2024	2023	2024	2023	2024	2023
Revenue (internal and external)	460.1	444.7	323.1	377.4	349.7	386.5
Less: Revenue (internal)	0.9	1.2	1.9	2.2	0.8	1.8
Revenue	**459.2**	**443.5**	**321.3**	**375.2**	**348.9**	**384.7**
Adjusted EBIT	**23.4**	**7.2**	**-4.8**	**15.6**	**17.6**	**35.1**
Adjusted EBITDA	**59.5**	**43.5**	**14.7**	**34.8**	**36.3**	**52.8**
Return on revenue (Adjusted EBITDA/revenue)	**13.0%**	**9.8%**	**4.6%**	**9.3%**	**10.4%**	**13.7%**
Non-current segment assets excluding fair value adjustments recognized by Picanol Group	326.1	314.1	303.9	299.2	232.7	225.5
Impact of fair value adjustments recognized by Picanol Group	213.3	224.6	12.9	13.8	46.3	50.4
Current segment assets	381.1	374.7	297.7	307.4	225.3	199.9
Derivative financial instruments	-	-	-	-	-	-
Investments accounted for using the equity method	23.5	22.8	0.8	0.8	-	-
Other investments and guarantees	-	-	-	-	-	-
Deferred tax assets	-	-	-	-	-	-
Long term investments	-	-	-	-	-	-
Cash and cash equivalents	-	-	-	-	-	-
Total assets	**944.0**	**936.1**	**615.4**	**621.2**	**504.3**	**475.7**
Segment liabilities	104.7	93.2	159.2	155.2	110.0	91.6
Derivative financial instruments	-	-	-	-	-	-
Loans and borrowings	-	-	-	-	-	-
Bank overdrafts	-	-	-	-	-	-
Deferred tax liabilities	-	-	-	-	-	-
Total equity	-	-	-	-	-	-
Total Equity and Liabilities	**104.7**	**93.2**	**159.2**	**155.2**	**110.0**	**91.6**
Capital expenditures: property, plant and equipment and intangible assets	21.5	20.6	19.6	38.8	17.2	22.8
Depreciation and amortization on property, plant and equipment and intangible assets excluding fair value adjustments recognized by Picanol Group	-17.7	-18.0	-18.6	-18.2	-14.7	-13.7
Depreciation and amortization on property, plant and equipment and intangible assets of fair value adjustments recognized by Picanol Group	-18.3	-18.4	-1.0	-1.0	-4.1	-4.1
Reversal/(additional) inventory write-offs	0.5	4.8	-0.1	-3.6	-1.1	-0.3

The notes on pages 9 to 31 are an integral part of the condensed consolidated interim financial statements.

Million EUR	Machines & Technologies		T-Power		Non-allocated		Tessenderlo Group	
	2024	2023	2024	2023	2024	2023	2024	2023
Revenue (internal and external)	223.1	384.5	36.6	38.6	-	-	1,392.6	1,631.7
Less: Revenue (internal)	-	-	-	-	-	-	3.6	5.2
Revenue	**223.1**	**384.5**	**36.6**	**38.6**	-	-	**1,389.1**	**1,626.5**
Adjusted EBIT	**5.5**	**37.7**	**9.8**	**11.1**	-	-	**51.5**	**106.8**
Adjusted EBITDA	**12.8**	**45.2**	**27.4**	**28.7**	-	-	**150.7**	**205.1**
Return on revenue (Adjusted EBITDA/revenue)	**5.7%**	**11.8%**	**74.9%**	**74.3%**	-	-	**10.9%**	**12.6%**
Non-current segment assets excluding fair value adjustments recognized by Picanol Group	112.2	101.2	191.4	208.9	16.2	16.4	1,182.3	1,165.4
Impact of fair value adjustments recognized by Picanol Group	-	-	-	-	20.6	20.6	293.2	309.4
Current segment assets	163.2	173.1	6.1	3.4	31.6	45.4	1,105.1	1,103.7
Derivative financial instruments	-	-	-	-	2.1	3.2	2.1	3.2
Investments accounted for using the equity method	-	-	-	-	-	-	24.3	23.6
Other investments and guarantees	-	-	-	-	5.7	12.2	5.7	12.2
Deferred tax assets	-	-	-	-	49.7	50.2	49.7	50.2
Long term investments	-	-	-	-	70.0	70.0	70.0	70.0
Cash and cash equivalents	-	-	-	-	177.8	177.0	177.8	177.0
Total assets	**275.4**	**274.3**	**197.5**	**212.3**	**373.8**	**395.0**	**2,910.3**	**2,914.7**
Segment liabilities	106.8	98.0	15.0	10.3	123.8	144.9	619.6	593.2
Derivative financial instruments	-	-	-	-	5.9	9.4	5.9	9.4
Loans and borrowings	-	-	-	-	215.2	236.8	215.2	236.8
Bank overdrafts	-	-	-	-	0.0	0.1	0.0	0.1
Deferred tax liabilities	-	-	-	-	119.1	126.5	119.1	126.5
Total equity	-	-	-	-	1,950.6	1,948.7	1,950.6	1,948.7
Total Equity and Liabilities	**106.8**	**98.0**	**15.0**	**10.3**	**2,414.6**	**2,466.4**	**2,910.3**	**2,914.7**
Capital expenditures: property, plant and equipment and intangible assets	16.6	14.9	-	-	0.5	0.8	75.4	97.9
Depreciation and amortization on property, plant and equipment and intangible assets excluding fair value adjustments recognized by Picanol Group	-7.3	-7.5	-17.6	-17.6	-	-	-75.9	-74.9
Depreciation and amortization on property, plant and equipment and intangible assets of fair value adjustments recognized by Picanol Group	-	-	-	-	-	-	-23.4	-23.4
Reversal/(additional) inventory write-offs	-1.0	3.0	-	-	-	-	-1.7	3.8

The notes on pages 9 to 31 are an integral part of the condensed consolidated interim financial statements.

Following the acquisition of Picanol Group in 2023, the non-current segment assets are impacted by the remaining amount of acquisition accounting adjustments (293.2 million EUR as per HY24), which were recognized by Picanol Group on the date of initial consolidation of Tessenderlo Group (January 1, 2019). These fair value adjustments were recognized on property, plant and equipment, intangible assets and goodwill. The decrease compared to the year-end 2023 figures (309.4 million EUR) can be explained by the half yearly amortization and depreciation charges (-23.4 million EUR as per HY24) which were partially offset by translation differences due to the strengthening of the USD (+7.3 million EUR).

The decrease of the non-current segment assets within the operating segment T-Power is mainly due to the amortization and depreciation of the fair value adjustments within T-Power nv, fully acquired in 2018. The remaining net book value of the customer list recognized amounts to 42.2 million EUR per June 30, 2024, and the half yearly amortization charge amounts to -10.6 million EUR.

The other investments and guarantees decreased from 12.2 million EUR as per December 2023 to 5.7 million EUR as per June 2024. The decrease is mainly explained by the sale of the remaining Rieter Holding AG shares held by Picanol nv. In April 2024, 54,262 shares (1.17% of the total number of outstanding shares of Rieter Holding AG) were sold for an amount of 7.2 million EUR, resulting in a gain of +2.0 million EUR (note 9 - Finance costs and income). Also, as per June 30, 2024, a loan granted by Tessenderlo Kerley Inc. to the joint-venture Jupiter Sulphur LLC remains outstanding for 4.8 million USD (4.5 million EUR) compared to 6.3 million USD (5.7 million EUR) as per December 2023.

Non-allocated segment liabilities mainly include environmental provisions recognized for the plants in Belgium (Ham, Tessenderlo, Vilvoorde) and France (Loos).

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Non-current segment assets (property, plant and equipment, goodwill, intangible assets) are based on the geographical location of the assets.

	Revenue by market		Non-current segment assets	
Million EUR	30/06/2024	30/06/2023	30/06/2024	31/12/2023
Europe	744.3	895.4	966.9	965.7
North America	390.8	448.7	437.4	435.3
South America	58.5	49.3	57.4	59.9
Asia	146.7	205.2	13.8	13.9
Rest of the world	48.8	28.0	-	-
Tessenderlo Group	**1,389.1**	**1,626.5**	**1,475.5**	**1,474.8**

7. Acquisitions and disposals

In June 2024, the group sold 100% of the shares and voting rights in Établissements Charvet Père et Fils SAS (France, operating segment Bio-valorization). The entity owned land in France, which was no longer used by the group and the entity had further no remaining operating activities. The consideration received in cash, which was not significant, approximated the net carrying amount of the assets of the entity. As a result, this transaction did not have a significant impact on the financial statements of the group.

In January 2023, the group sold 40% of the shares of PB Brasil Industria e Comercio de Gelatinas Ltda. An amount of 10.6 million USD (9.8 million EUR) was received in cash upon completion of the transaction, while approximately 16 million USD will be paid over the period 2024-2026. In January 2024, the group received the first installment of 5.3 million USD (4.9 million EUR). In addition, the group is entitled to a contingent consideration (up to 6.0 million USD) depending on the future performance of the subsidiary, which is valued net of withholding taxes at 5.1 million USD (December 2023: 5.1 million USD).

8. EBIT adjusting items

The first half year 2024 EBIT adjusting items show a net income of +4.8 million EUR (HY23: -0.7 million EUR) and mainly relate to:

- The impact of the discounting of environmental provisions (+4.7 million EUR), following adjustments in the discount rate applied to environmental provisions to cover the cost for the remediation of historical soil

The notes on pages 9 to 31 are an integral part of the condensed consolidated interim financial statements.

and ground contamination of the factory sites in Belgium (Ham, Tessenderlo and Vilvoorde) and France (Loos). The discount rate, derived from the yield curve of Belgian and French government bonds, varied between 2.8% and 3.7% as per June 2024 (between 2.2% and 3.5% at year-end 2023).

- The impact of an electricity purchase agreement (the Purchase Power Agreement), for which the own-use exemption under IAS 39 is not applicable anymore, and which is almost entirely offset by an electricity forward sale agreement. As the terms and conditions of this electricity forward sale agreement are similar to the electricity purchase agreement, the group is no longer exposed to the volatility of gas and electricity prices. Because of significant unobservable inputs, a level 3 fair value measurement is applied for both agreements. The net loss realized on both electricity agreements in HY24 was offset by the net positive impact of the remeasurement of the fair value of these agreements as per June 2024.

9. Finance costs and income

Net finance result amounts to +15.7 million EUR as per June 30, 2024 (+1.3 million EUR as per June 30, 2023), and mainly includes:

- Borrowing costs for -3.4 million EUR (HY23: -3.5 million EUR) mainly including the accrued interest charges on the bond issued in 2015 with a maturity of 10 years, the interest expenses on the term loan facility of T-Power nv and the interest expenses on lease liabilities (in accordance with IFRS 16 *Leases*).
- Interest income for +5.0 million EUR (HY23: +5.2 million EUR) mainly related to the interest on the long-term deposits, as well as on cash and cash equivalents.
- Net foreign exchange gains and losses for +15.5 million EUR (HY23: -8.6 million EUR), mainly explained by unrealized foreign exchange gains on intercompany loans and cash and cash equivalents (mainly in USD), which are not hedged.
- The sale of the remaining 54,262 Rieter Holding AG shares resulted in the recognition of a gain of +2.0 million EUR in the first half of 2024 (HY23: +11.3 million EUR following the sale of 654,000 Rieter Holding AG shares). The shares were sold at an average price of 129.5 CHF, resulting in a proceed of +7.2 million EUR (HY23: +80.7 million EUR). As per December 31, 2023 the investment in Rieter Holding AG was valued at the quoted bid price of 90.1 CHF or 5.3 million EUR (the fair value being categorized as level 1 in the fair value hierarchy).

The total cash-out related to interest payments amounts to -3.7 million EUR, including payments for the T-Power forward rate agreements reaching their maturity date for -0.4 million EUR.

10. Income tax expense

Income tax expense amounts to -10.5 million EUR in HY24 (-24.6 million EUR in HY23) and mainly relates to the activities in the United States.

The income taxes paid in HY24 amount to -5.2 million EUR (HY23: -22.2 million EUR), while the current tax asset, mainly in Belgium, decreased from 15.9 million EUR as per December 31, 2023 to 9.1 million EUR as per June 30, 2024. The current tax liabilities amount to 10.5 million EUR as per June 30, 2024 compared to 2.1 million EUR per December 31, 2023.

Deferred tax assets on fiscal losses carried forward are recognized for 35.1 million EUR (December 2023: 33.5 million EUR). These are mainly recognized on:

- the Belgian parent company, Tessenderlo group nv, for an amount to 13.1 million EUR (December 2023: 11.8 million EUR). As per June 2024, the estimated total tax losses and tax credits carried forward in Tessenderlo Group nv are estimated at 124.4 million EUR (December 2023: 149.0 million EUR). As per June 2024, 72.0 million EUR of these tax losses and credits were unrecognized.
- the subsidiaries in the United Kingdom, for an amount to 7.5 million EUR (December 2023: 6.6 million EUR). As per June 2024, 16.7 million EUR of these tax losses and tax credits were unrecognized.
- the Brazilian subsidiaries for an amount to 5.7 million EUR (December 2023: 6.4 million EUR). The estimated tax losses and credits are fully recognized.
- several other individually insignificant subsidiaries for an amount of 8.9 million EUR (December 2023: 8.8 million EUR).

As per June 2024, the theoretical aggregated tax rate amounted to 26.0%, while the effective tax rate amounted to only 14.6%. The effective tax rate is mainly impacted by the recognition of additional deferred tax assets on previously unrecognized tax losses carried forward and adjustments of current tax expenses of previous periods, mainly following the decision to apply Belgian tax consolidation between Tessenderlo Group nv and T-Power nv ("group relief") for the 2023 accounting year.

As from January 1, 2024, the group and its subsidiaries are in scope of the global minimum top-up tax following the adoption by Belgium, the jurisdiction in which the parent company is incorporated. The income tax expense as per HY24 was not impacted by the Global Minimum Tax (Pillar Two) legislation.

11. Seasonality of operations

Tessenderlo Group demonstrates a limited seasonality pattern at group level for revenue (HY23: 56%) and operating profitability level as expressed by Adjusted EBITDA (HY23: 64%). The degree of seasonality at group level is primarily determined by selling to customers in several end markets, including food, pet food, construction, agriculture and water treatment. Two important end markets which demonstrate seasonal characteristics are construction and agriculture. The group sells into the construction markets through its operating segment Industrial Solutions in several countries in the northern hemisphere, which are typically impacted by winter weather conditions in the first and fourth quarter. Agriculture related sales made in the operating segment Agro are influenced by the planting seasons, especially the spring planting season. Most of the sales of Crop Vitality - being part of the Agro operating segment - are in the United States, and this normally leads to higher sales and operating profitability in the first half of the year.

The stronger seasonal pattern of operating profitability, noticed in 2023, was impacted by more challenging market circumstances in the second half of 2023 and the valuation of inventories at net realizable value as per year-end 2023.

12. Property, plant and equipment and intangible assets

For the six-month period ended June 30, 2024 the group's capital expenditure amounts to 75.4 million EUR (HY23: 97.9 million EUR). The major capital expenditure projects relate to:

- The ongoing construction of a new Thio-Sul® manufacturing plant in Geleen (the Netherlands, Agro segment) and a new liquid fertilizer and industrial products plant in Defiance (the United States, Agro and Industrial Solutions segments). These factories are scheduled to be operational in the third quarter of 2024 and the first quarter of 2025 respectively.
- The ongoing construction of a new headquarter office for Picanol Group in Ieper (Belgium, Machines & Technologies segment), which should be finalized by the end of 2024.
- Investments in a gasification installation of category 1 meat meals in Saint-Langis (France) by Akiolis Group (Bio-valorization segment).
- Several investments in operational excellence in PB Leiner (Bio-valorization segment), in upgrading of plant infrastructure within Tessenderlo Kerley International (Agro segment) and in technology improvements within DYKA Group (Industrial Solutions segment).

The capital expenditure - property, plant and equipment and intangible assets - per operating segment is disclosed in note 6 - Segment reporting.
Capital expenditure contracted for at the end of the reporting period, but not yet incurred, amounts to 86.1 million EUR, which is expected to be mainly delivered in the period 2024-2025. These commitments mainly include further investments related to the major ongoing projects mentioned above.

13. Working capital

Working capital			
Million EUR	30/06/2024	31/12/2023	30/06/2023
Inventories	561.9	604.5	665.5
Current trade and other receivables	510.7	457.0	539.7
Current trade and other payables	-435.1	-405.5	-523.6
Working capital	**637.5**	**656.0**	**681.5**

Working capital as per June 30, 2024 decreased to 637.5 million EUR, compared to 656.0 million EUR as per December 31, 2023 and 681.5 million EUR as per June 30, 2023.

Inventories amount to 561.9 million EUR per June 30, 2024 compared to 665.5 million EUR as per June 30, 2023. This decrease can be explained by a decrease of inventory volumes as well as by the decrease of the raw materials and energy prices in the first half of 2024 compared to prior year. The decrease of the current trade and other receivables and payables compared to June 30, 2023 is impacted by a lower activity, as well as the timing of customer and supplier payments.

The group expects to recover or settle the inventory, available as per June 30, 2024 within the next twelve months, except for the inventory of non-strategic spare parts. These parts will be used whenever deemed necessary.

14. Cash and cash equivalents

Cash and cash equivalents amount to 177.8 million EUR as per June 30, 2024 (compared to 177.0 million EUR as per December 31, 2023) and include 18.2 million USD (17.0 million EUR) compared to 21.8 million USD (19.7 million EUR) as per year-end 2023.

As per June 30, 2024, three long term bank deposits are outstanding for a total amount of 70.0 million EUR (December 31, 2023: 70.0 million EUR), of which 60.0 million EUR will mature in October 2025 and 10.0 million EUR in December 2025. The counterparty is a highly rated international bank. The deposits have an original duration of two years. As the deposits had an initial maturity of more than 12 months, they were not included within “Cash and cash equivalents”, but in “Long term investments”.

15. Equity and earnings per share

The number of shares as per June 30, 2024 comprised 64,630,876 registered shares (December 2023: 63,512,417) and 19,758,883 ordinary shares (December 2023: 20,877,342).

The annual shareholders’ meeting of May 14, 2024, approved a gross dividend per share of 0.75 EUR. The 2023 dividend, which was paid on June 7, 2024, resulted in a cash outflow of -46.3 million EUR. The dividend, related to the 21,860,003 own shares held by the subsidiary Picanol nv, was eliminated, while the dividend related to the treasury shares held by Tessenderlo Group nv was suspended.

Basic earnings per share

The calculation of the basic earnings per share is based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding during the six-month period ended June 30.

The weighted average number of ordinary shares and the earnings per share are calculated as follows:

Basic earnings per share		
	30/06/2024	30/06/2023
Adjusted weighted average number of ordinary shares at June 30	**62,030,791**	**63,442,402**
Profit (+) / loss (-) attributable to equity holders of the company (million EUR)	60.4	80.4
Basic earnings per share (in EUR)	**0.97**	**1.27**

The adjusted weighted average number of ordinary shares at June 30 takes into account the effect of shares issued and own shares held by the group, which is based on the weighted average number of issued or owned shares during the accounting period.

The notes on pages 9 to 31 are an integral part of the condensed consolidated interim financial statements.

With reference to Article 7:215 § 1 of the Companies and Associations Code and Article 8:4 of the Royal Decree of April 29, 2019, implementing the Companies and Associations Code, the group continued to execute a share repurchase program and bought 1,023,450 shares in the first half of 2024. This purchase was done at an average price of 24.76 EUR per share for a total amount of 25.3 million EUR. (HY23: 340,190 shares were bought for an amount of 10.1 million EUR, of which an amount of 1.9 million EUR was unpaid as per June 30, 2023).

As per June 30, 2024, the group owns 22,980,953 own shares (27.23% of the total number of 84,389,759 issued shares). In accordance with art 7:217 §1 of the Companies and Associations Code, the voting rights attached to the treasury shares held by the company or its subsidiaries are suspended.

Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to ordinary shareholders and the diluted weighted average number of ordinary shares outstanding during the first half year.

Potential ordinary shares are treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share.

As there are no warrants outstanding, there is no dilution of the shares.

16. Non-controlling interest

The detail of the non-controlling interest in subsidiaries of the group is as follows:

Non-controlling interest percentage	Country	30/06/2024	31/12/2023
Environmentally Clean Systems LLC	US	30.99%	30.99%
ECS Myton, LLC	US	49.00%	49.00%
PB Leiner (Hainan) Biotechnology Co. Ltd	China	20.00%	20.00%
PB Brasil Industria e Comercio de Gelatinas ltda	Brazil	40.00%	40.00%

Non-controlling interests decreased from 17.9 million EUR as per December 2023 to 17.5 million EUR as per June 2024. The share in the result of non-controlling interest decreased from 2.9 million EUR as per HY23 to 1.0 million EUR as per HY24.

The table below summarizes the financial information of subsidiaries with a non-controlling interest at 100% as per June 30. The income statement information is for the six-month period ended June 30, while information from the statement of financial position is compared to December 31, 2023 figures.

Million EUR	2024	2023
Non-current assets	25.2	27.2
Current assets	42.8	45.0
Total assets	**68.0**	**72.3**
Equity	44.5	45.8
Non-current liabilities	6.0	5.8
Current liabilities	17.4	20.7
Total equity and liabilities	**68.0**	**72.3**

Million EUR	HY24	HY23
Revenue	22.5	24.6
Cost of sales	-17.1	-13.7
Gross profit	5.4	10.9
Adjusted EBIT	2.2	8.4
EBIT (Profit (+) / loss (-) from operations)	2.2	8.4
Finance (costs) / income - net	0.5	-0.7
Profit (+) / loss (-) before tax	2.7	7.7
Profit (+) / loss (-) for the period	2.2	7.2

17. Loans and borrowings

Loans and borrowings		
Million EUR	**30/06/2024**	**31/12/2023**
Non-current loans and borrowings	153.6	175.3
Current loans and borrowings	61.5	61.4
Total loans and borrowings	**215.2**	**236.8**
Cash and cash equivalents	-177.8	-177.0
Bank overdrafts[1]	0.0	0.1
Long term investments[2]	-70.0	-70.0
Net financial debt / (Net cash position)	**-32.6**	**-10.1**

[1] A bank overdraft is a flexible borrowing facility on a bank current account, which is repayable on demand.
[2] The 2023 and 2024 amount relate to three long term bank deposits outstanding (60.0 million EUR maturing in November 2025 and 10.0 million EUR maturing in December 2025).

As per June 30, 2024 the group net cash position amounted to +32.6 million EUR and included a lease liability, in accordance with IFRS 16 *Leases*, for an amount of -57.2 million EUR. Excluding the impact of IFRS 16 *Leases*, the net cash position would have amounted to +89.8 million EUR compared to a net cash position of +69.3 million EUR as per year-end 2023.
The group has the following loans outstanding:

- The T-Power term loan facility agreement amounts to 51.5 million EUR as per June 30, 2024 (December 31, 2023: 64.3 million EUR). The T-Power nv assets and shares are serving as guarantee for the loan. The term loan credit facility contains a covenant stating a minimum required debt service cover ratio (based on the last 12 months cash flow available for debt service). This covenant has been complied with as per June 30, 2024.
- A bond for an amount of 58.6 million EUR. This bond was issued in July 2015 for a total amount of 58.0 million EUR, with a maturity of 10 years (the “2025 bonds”) and a fixed rate of 3.375%. The remaining amount of the fair value adjustments, following accounting adjustments applied by Picanol Group and Tessenderlo Group, amounts to 0.6 million EUR.
- The lease liability, in accordance with IFRS 16 *Leases*, amounts to 57.2 million EUR (December 31, 2023: 59.1 million EUR), of which 37.7 million EUR is included in non-current and 19.5 million EUR in current loans and borrowings.
- A credit facility of 30.0 million EUR drawn in April 2022 with a maturity of seven years. This loan with quarterly capital reimbursements, has a fixed interest rate of 1.17%, and contains no financial covenants. As per June 30, 2024, 21.4 million EUR remained outstanding (December 31, 2023: 23.6 million EUR) of which 4.3 million EUR is current.
- A credit facility of 30.0 million EUR drawn in August 2022 with a maturity of five years. This loan will be reimbursed on a quarterly basis and has a fixed interest rate of 0.94% and contains no financial covenants. As per June 30, 2024, 18.2 million EUR remained outstanding (December 31, 2023: 21.6 million EUR) of which 6.7 million EUR is current.
- Tessenderlo Kerley, Inc. has a loan outstanding of 3.9 million EUR (December 31, 2023: 4.2 million EUR), of which 0.9 million EUR is current. The loan has a maturity of ten years (2018-2028) at a fixed rate of 3.95%. The financed Phoenix headquarters building (Arizona, United States) is serving as guarantee for the loan.
- Other, individually insignificant outstanding loans for an amount of 4.4 million EUR (December 31, 2023: 5.2 million EUR), which are current.

The group has access to a Belgian commercial paper program of 200.0 million EUR which remained unused at the end of June 2024 (December 31, 2023: 0.0 million EUR).

The group has access to committed bi-lateral agreements with four banks for a total amount of 250.0 million EUR (of which part can be drawn in USD) till July 2027. These committed bi-lateral agreements have no financial covenants and ensure maximum flexibility for the different activities. As per June 30, 2024 none of these credit lines were used.

18. Employee benefits

The application of IAS 19 *Employee benefits* as per June 30, 2024 led to an increase of equity, net of taxes, by +5.0 million EUR and is mainly the result of an increase of the discount rate, compared to year-end 2023, used to calculate the present value of the defined benefit obligations (weighted average discount rate of 3.7% as per June 30, 2024 compared to 3.3% as per year-end 2023) and experience gains thanks to a higher than expected return on the plan assets.

The defined benefit liability recognized in the statement of financial position decreased to 29.9 million EUR per June 30, 2024 (35.9 million EUR as per December 31, 2023), while a net pension asset was recognized for 8.2 million EUR (7.5 million EUR as per December 31, 2023), mainly related to the UK pension plan.

19. Contingencies

The group is confronted with a number of claims or potential claims and disputes, which are a consequence of the daily operational activities. To the extent that such claims and disputes are such that it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate can be made of the amount of the obligation, suitable provisions have been made.

It is the group's policy to recognize environmental provisions in the balance sheet, when the group has a present obligation (legal or constructive) as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate can be made of the amount of the obligation.

These provisions are reviewed periodically and adjusted, if necessary, as assessments and work proceed and additional information becomes available. Environmental liabilities can change substantially due to the emergence of additional information on the nature or extent of the contamination, a change in legislation or other factors of a similar nature.

While it is not feasible to predict the outcome of all pending environmental exposures, it cannot be excluded that there will be a need for future provisions for environmental costs. In management's opinion, based on information currently available, such provisions would not have a material effect on the group's financial position, taking into account the current financial structure of the group. However, it cannot be excluded that such provisions could have a material impact on the income statement of a specific accounting period.

Acquisition, investment and joint-venture agreements as well as divestments may contain habitual provisions leading to price adjustments. In addition, for divestments, proper consideration has been given to provisions for possible indemnifications payable to the acquirer, if any, including matters in the area of health, environment, tax, product liability, restructuring, competition, pensions and share incentives. Based on information currently available, the possibility of any significant cash outflow is considered to be remote.

Some plants of the group need to comply with the European regulations to cover operational emissions for products exposed to carbon leakage. In a case of a deficit, additional emission allowances will be purchased. The cost of additional emission allowances purchased during the first half of 2024 was equal to 1.9 million EUR (first half of 2023: 8.4 million EUR). The surplus or deficit of emission allowances over the next year may vary, depending on several factors such as future production volumes, process optimizations and energy efficiency improvements. The carrying amount of emission allowances included in intangible assets amounts to 4.2 million EUR as per June 30, 2024 (December 31, 2023: 3.7 million EUR).

20. Related parties

The company has a related party relationship with its subsidiaries, joint-ventures and with its controlling shareholders (Oostiep Group bv, controlled by Mr. Luc Tack, and Manuco International nv, controlled by Mr. Patrick Steverlynck), directors and its Executive Committee. The Belgian pension fund "OFP Pensioenfonds", which covers the post-employment benefit obligation of the employees of Tessenderlo Group nv and Tessenderlo Chemie International nv, is also considered to be a related party.

In accordance with article 7:53 of the Belgian Code of Companies and Associations, the extraordinary meeting of shareholders of July 10, 2019, has decided to introduce a loyalty voting right for each fully paid-up share that has continuously been registered in the share register on the name of the same shareholder for at least two years.

The total number of voting rights amounts to 109,455,734 as per June 30, 2024. Out of these 109,455,734 voting rights (a) the exercise of the 1,120,950 voting rights attached to the treasury shares of Tessenderlo Group nv is suspended in accordance with article 7:217, §1, second paragraph of the Belgian Companies and associations code and (b) the exercise of the 43,720,006 voting rights attached to the shares that are held by Picanol nv is suspended in accordance with article 7:224 of the Belgian Companies and associations code.

As per June 30, 2024 Oostiep Group bv and Mr. Luc Tack were holding 37,531,446 voting rights (34.29% of the total voting rights), while Manuco International nv and Mr. Patrick Steverlynck were holding 5,688,783 voting rights (5.20% of the total voting rights).

The group purchased and sold goods and services to various related parties in which the group holds a 50% equity interest (investment in joint-ventures). Such transactions were conducted at terms comparable to transactions with third parties.

Premiums for an amount of 1.2 million EUR were paid to the Belgian pension fund, “OFP Pensioenfonds”. Liabilities related to employee benefits schemes as per June 30, 2023, include 3.2 million EUR related to the “OFP Pensioenfonds” (December 31, 2023: 7.3 million EUR).

The following transactions have taken place with the joint ventures, the controlling shareholder, the members of the Executive Committee and the Board of Directors:

Transactions with joint ventures:

Transactions with joint ventures (for the six-month period ended June 30, except for balance sheet comparatives at December 31)		
Million EUR	**2024**	**2023**
Transactions with joint-ventures - Sales	-	-
Transactions with joint-ventures - Purchases	-23.8	-30.0
Non-current assets	4.5	5.7
Current assets	0.3	0.4
Current liabilities	4.4	3.2

Tessenderlo Kerley Inc. has granted an 11.0 million USD loan to the joint-venture Jupiter Sulphur LLC, which was fully drawn in the period over 2017 and 2018, and which remains outstanding for 4.8 million USD (4.5 million EUR). Jupiter Sulphur LLC obtained the same amount from the other joint-venture partner. The loan is interest bearing (3.0%) and outstanding till December 2026 at the latest, whereby the cash needs in Jupiter Sulphur LLC will be taken into account. The granted loan is included in “Other investments” in the group’s consolidated statement of financial position. The related interest income is considered to be insignificant and is not eliminated.

Transactions with the members of the Executive Committee:

The Executive Committee is composed by the CEO, Mr. Luc Tack, the Executive Directors (As from January 1, 2024: Mrs. Sandra Hoeylaerts as Chief Transformation Officer and Mr. Miguel De Potter as CFO) as well as any other member appointed by the Board of Directors (no one at this stage). Mr. Stefaan Haspeslagh, COO/CFO, left the company on December 31, 2023.

Transactions with the members of the Executive Committee		
Million EUR	**30/06/2024**	**30/06/2024**
Short-term employee benefits	1.3	1.5
Post-employment benefits	0.0	0.0
Total	**1.3**	**1.5**

Short-term employee benefits include salaries and accrued bonuses estimated for the period (both including social security contributions), car leases and other allowances where applicable.

The post-employment benefits include the periodic pension costs of the pension plan, calculated by an actuary.

The notes on pages 9 to 31 are an integral part of the condensed consolidated interim financial statements.

Some related party transactions took place in the first half of 2024 with other companies owned by Mr. Luc Tack, however these are considered to be insignificant. Moreover several family members of Mr. Luc Tack are employed by the group or have an advisory role within the group. All agreements were concluded at arm's length conditions and were approved by the Board of Directors.

No transactions, except for those mentioned above, have occurred with the members of the Executive Committee.

Transactions with the members of the Board of Directors:

The Board of Directors of Tessenderlo Group has appointed Mr. Wouter De Geest as the new independent chairman with effect from May 6, 2024, succeeding Mr. Stefaan Haspeslagh whose term as chairman concluded on May 6, 2024.

By decision of the General Shareholders' Meeting of May 14, 2024, each Director receives a fixed annual fee of 45,000 EUR. This remuneration covers the activities as member of the Board of Directors, the Audit Committee and the Nomination and Remuneration Committee. Moreover, the following additional fees will be granted:

- an attendance fee of 2,000 EUR per meeting day
- an additional annual fee of 45,000 EUR for the chairman of the Board of Directors
- an additional annual fee of 5,000 EUR for the chairman of the Audit Committee

The attendance fee of 2,000 EUR is also granted to all director invitees present at the meeting.

These rules apply to fees which are granted as from May 14, 2024.

21. Subsequent events

As the share price was quoted below its book value, as well as taking into account the liquidity position of the group, the Board of Directors of Tessenderlo Group was of the opinion that it was opportune to proceed with the repurchase of its own shares.

In March 2023, a share repurchase program was started for an amount not exceeding 40 million EUR. Under this program 1,346,200 of its own shares have been acquired (in the period March 2023 - February 2024), at an average price of 28.01 EUR per share, for a total amount of 37.7 million EUR. Pursuant to the authorization granted by the extraordinary general meeting of May 10, 2022, the Board of Directors of Tessenderlo Group nv decided to cancel in December 2023 1,083,003 treasury shares purchased under the share repurchase program launched in March 2023.

In early April 2024, a new share repurchase program was started for the repurchase of up to 2,300,000 shares of the company for a total amount not exceeding 69 million EUR. By August 9, 2024, the group had acquired 1,088,192 of its own shares at an average price of 24.18 EUR per share, for a total amount of 26.3 million EUR.

In 2023, the activities of Tessenderlo Group and Picanol Group were combined into one industrial group. At the moment of full consolidation, Picanol Group, through its wholly owned subsidiary Verbrugge nv, held 21,860,003 shares in Tessenderlo Group nv. As a further simplification of the group after the transaction, Verbrugge nv merged into Picanol nv in July 2023. As already mentioned in the prospectus at the time of the transaction, the group intended to cancel these own shares in 2024.

As per August 9, 2024 the group was holding 23,242,895 of its own shares. Pursuant to the authorization granted by the extraordinary general meeting of May 10, 2022, the Board of Directors of Tessenderlo Group nv decided on August 20, 2024 to cancel 23,242,895 treasury shares held following the combination of Tessenderlo Group and Picanol Group, as well as those purchased under the share repurchase programs launched in March 2023 and April 2024.

Independent auditors' report on the review of the condensed consolidated Interim financial statements as per June 30, 2024

Statutory auditor's report to the board of directors of Tessenderlo Group nv on the review of the condensed consolidated interim financial information as at June 30, 2024 and for the 6-month period then ended.

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Tessenderlo Group nv as at June 30, 2024, the condensed consolidated income statements, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the 6-month period then ended, and notes to the condensed consolidated interim financial information ("the condensed consolidated interim financial information"). The board of directors is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at June 30, 2024 and for the 6-month period then ended is not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

Ghent, August 20, 2024
KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises
Statutory Auditor
represented by

Joachim Hoebeeck
Bedrijfsrevisor / Réviseur d'Entreprises

Financial glossary

Adjusted EBIT
Earnings before interests, taxes and EBIT adjusting items.

Adjusted EBITDA
Earnings before interests, taxes and EBIT adjusting items plus depreciation and amortization.

Basic earnings per share (Basic EPS)
Profit (+)/loss (-) for the period attributable to equity holders of the company divided by the weighted average number of ordinary shares outstanding during the period.

Capital expenditure
Amount of money spent to upgrade, acquire or maintain property, plant and equipment (PP&E) and intangible assets.

Diluted earnings per share (Diluted EPS)
Profit (+)/loss (-) for the period attributable to equity holders of the company divided by the fully diluted weighted average number of ordinary shares outstanding during the period.

Diluted weighted average number of ordinary shares
Weighted average number of ordinary shares, adjusted by the effect of warrants on issue.

EBIT
Profit(+)/loss(-) from operations.

EBIT adjusting items
EBIT adjusting items are those items that in management's judgment need to be disclosed by virtue of their size or incidence. Such items are disclosed in the notes to the financial statements. Transactions which may be recognized as EBIT adjusting items are principally related to restructuring, impairment losses, provisions, gains or losses on significant disposals of assets or subsidiaries and the effect of the electricity purchase and sale agreement.

Net financial debt / Net cash position
Non-current and current loans and borrowings minus cash and cash equivalents, short term investments and long-term investments.

Other operating income and expenses
Other operating income and expenses include items which cannot be directly allocated to a line item of the consolidated income statement based on their function and that in management's judgement do not need to be disclosed separately by virtue of their size or incidence. Transactions which may be recognized as other operating income and expenses are mainly costs arising from research and development projects, tax charges other than income taxes, such as withholding taxes and regional taxes, the recognition or reversal of impairment losses on trade receivables, and several individually insignificant items within several subsidiaries of the group.

Theoretical aggregated weighted tax rate
Calculated by applying the statutory tax rate of each country on the profit before tax of each entity and by dividing the resulting tax charge by the total profit before tax of the group.

Weighted average number of ordinary shares
Number of shares outstanding at the beginning of the period, adjusted by the number of shares cancelled, repurchased or issued during the period multiplied by a time-weighting factor.

Working capital
The sum of inventories and trade and other receivables minus trade and other payables and advance payments received.

Alternative performance measures

The following alternative performance measures are considered to be relevant in order to compare the results over the six-month period ended June 30, 2023, and June 30, 2024, and can be reconciled to the condensed consolidated interim financial statements as follows:

Reconciliation from Adjusted EBIT to EBIT

Million EUR	30/06/2024	30/06/2023
Adjusted EBIT	**51.5**	**106.8**
EBIT adjusting items	4.8	-0.7
EBIT (Profit (+) / loss (-) from operations)	**56.3**	**106.2**

Reconciliation from Adjusted EBITDA to EBIT

Million EUR	30/06/2024	30/06/2023
Adjusted EBITDA	**150.7**	**205.1**
EBIT adjusting items	4.8	-0.7
EBITDA	**155.6**	**204.5**
Depreciation	-99.2	-98.3
EBIT (Profit (+) / loss (-) from operations)	**56.3**	**106.2**