

RECTICEL INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS REPORT PER 30 JUNE 2024

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1 Interim condensed consolidated financial statements

1.1 Condensed consolidated financial statements

The interim condensed consolidated financial statements have been authorised for issue by the Board of Directors on 29 August 2024. They have been prepared in accordance with IFRS accounting policies, details of which are given below.

1.1.1 Condensed consolidated income statement

	in thousand EUR	
	1H2023	1H2024 ²
Sales	266,119	298,614
Cost of sales	(220,646)	(244,489)
Gross profit	45,473	54,125
General and administrative expenses	(24,104)	(28,130)
Sales and marketing expenses	(15,490)	(14,749)
Research and development expenses	(2,104)	(2,734)
Impairment of goodwill, intangible and tangible assets	(293)	0
Other operating revenues	2,470	2,544
Other operating expenses	(1,928)	(4,485)
Income from associates	0	0 ³
Operating profit (loss)	4,024	6,570
Interest income	668	2,686
Interest expenses	(6,711)	(828)
Other financial income	2,142	1,264
Other financial expenses	(2,275)	(887)
Financial result	(6,176)	2,236
Income from other associates	(1,772)	0 ³
Impairment other associates	(3,874)	0
Change in fair value of option structures	0	0
Result of the period before taxes	(7,798)	8,805
Income taxes	(3,076)	(4,266)
Result of the period after taxes - continuing operations	(10,874)	4,539
Result of discontinued operations	12,973	2,002 ¹
Result of the period after taxes - continuing and discontinued operations	2,100	6,542
of which share of the Group	2,209	6,617
of which non-controlling interests	(110)	(75)

* The accompanying notes are an integral part of this income statement.

¹ As announced in the press release of 14 June 2023, the Recticel Engineered Foams activities have been fully divested and accounted for as Discontinued Operations (IFRS 5).

² REX Panels & Profiles SA is fully consolidated as of 10 January 2024.

³ Income from other associates: income from associates not considered as being part of the Group's core business are not integrated in Operating profit (loss); i.e. TEMDA2 (Ascorium, formerly Automotive Interiors).

1.1.2 Earnings per share

	1H2023	1H2024
Number of shares outstanding (including treasury shares)	56,230,920	56,498,420
Weighted average number of shares outstanding (before dilution effect)	55,891,564	55,955,197
Weighted average number of shares outstanding (after dilution effect)	56,775,738	56,377,903
		in EUR
Earnings per share		
Earnings per share - continuing operations	(0.19)	0.08
Earnings per share - discontinued operations	0.23	0.04
Earnings per share of continuing and discontinued operations	0.04	0.12
Earnings per share from continuing operations		
Earnings per share from continuing operations - Basic	(0.19)	0.08
Earnings per share from continuing operations - Diluted	(0.19)	0.08
Earnings per share from discontinued operations		
Earnings per share from discontinued operations - Basic	0.23	0.04
Earnings per share from discontinued operations - Diluted	0.23	0.04
Net book value	7.79	7.65

The basic earnings per share are calculated on the basis of the weighted average number of shares outstanding during the period.

The diluted earnings per share are calculated on the basis of the weighted average number of shares outstanding during the period, adjusted for dilutive subscription rights.

1.1.3 Condensed consolidated statement of comprehensive income

	in thousand EUR	
	1H2023	1H2024
Result for the period after taxes	2,100	6,542
Other comprehensive income		
Actuarial gains (losses) on employee benefits recognized in equity	(803)	1,073
Deferred taxes on actuarial gains (losses) on employee benefits	106	14
Currency translation differences that will not subsequently be recycled to profit and loss	(99)	1
Share in other comprehensive income in joint ventures & associates that will not subsequently be recycled to profit and loss	0	0
Items that will not subsequently be recycled to profit and loss	(796)	1,088
Hedging reserves	0	0
Currency translation differences that subsequently may be recycled to profit and loss	(980)	1,181
Foreign currency translation reserve difference recycled in the income statement	0	0
Deferred taxes on retained earnings	91	0
Share in other comprehensive income in joint ventures & associates that subsequently may be recycled to profit and loss	0	0
Items that subsequently may be recycled to profit and loss	(889)	1,181
Other comprehensive income net of tax	(1,684)	2,269
Total comprehensive income for the period	415	8,811
Total comprehensive income for the period	415	8,811
Total comprehensive income for the period attributable to the owners of the parent	525	8,886
Total comprehensive income for the period attributable to non-controlling interests	(110)	(75)
Total comprehensive income for the period attributable to the owners of the parent	525	8,886
Total comprehensive income for the period attributable to the owners of the parent - Continuing operations	(10,874)	6,884
Total comprehensive income for the period attributable to the owners of the parent - Discontinued operations	11,399	2,002

The accompanying notes are an integral part of this statement of comprehensive income.

1.1.4 Condensed consolidated statement of financial position

	in thousand EUR	
	31 DEC 2023	30 JUN 2024
Intangible assets	70,094	79,675
Goodwill	62,409	77,331
Property, plant & equipment	120,687	158,787
Right-of-use assets	27,771	36,735
Non-current receivables	17,534	15,966
Deferred tax assets	21,551	21,434
Non-current assets	320,046	389,929
Inventories	43,692	61,830
Trade receivables	78,135	117,984
Deferred receivable for share investments/divestment	12,922	0
Other receivables and other financial assets	10,027	14,681
Income tax receivables	3,739	3,263
Cash and cash equivalents	191,393	114,996
Assets classified as held for sale	0	0
Current assets	339,907	312,754
TOTAL ASSETS	659,954	702,683
Capital	140,577	141,246
Share premium	133,729	134,934
Share capital	274,307	276,180
Treasury shares	(1,450)	(1,450)
Other reserves	(2,106)	(312)
Retained earnings	160,974	150,172
Hedging and translation reserves	4,556	5,743
Elements of comprehensive income of discontinued operations		
Equity (share of the Group)	436,281	430,334
Equity attributable to non-controlling interests	1,706	1,630
Total equity	437,987	431,964
Employee benefit liabilities	12,412	10,791
Provisions	31,148	30,483
Deferred tax liabilities	23,088	27,253
Financial liabilities	23,082	47,838
Other amounts payable	982	1,025
Non-current liabilities	90,711	117,390
Provisions	0	0
Financial liabilities	6,415	9,072
Trade payables	70,068	76,743
Current contract liabilities	8,037	12,398
Income tax payables	1,781	2,127
Deferred payables for share investments	0	9,399
Other amounts payable	44,955	43,590
Liabilities directly associated with assets classified as held for sale	0	0
Current liabilities	131,256	153,329
TOTAL EQUITY AND LIABILITIES	659,954	702,683

The accompanying notes are an integral part of this statement of financial position.

1.1.5 Condensed consolidated cash flow statement

	in thousand EUR	
	1H2023	1H2024
Operating profit (loss)	4,024	6,570
Amortisation of intangible assets	3,772	4,789
Depreciation of tangible assets	7,779	10,515
(Reversal) Impairment losses on tangible assets	293	0
(Write-backs)/Write-offs on assets	844	(843)
Changes in provisions	(1,324)	(3,152)
Gain/(Loss) on disposal intangible and tangible assets	(20)	(45)
Other non-cash elements	598	724
GROSS OPERATING CASH FLOW BEFORE WORKING CAPITAL MOVEMENTS	15,965	18,558
Changes in inventories	3,692	(7,014)
Changes in trade and other receivables	(18,887)	(33,890)
Changes in trade and other payables	17,646	6,153
Changes in working capital	2,451	(34,751)
Income taxes paid	(4,411)	(1,116)
Cash flow from operating activities (discontinued operations)	10,887	0
NET CASH FLOW FROM OPERATING ACTIVITIES	(a) 24,892	(17,309)
Interests received	1,270	5
Dividends received	0	19
Disposal of Bedding	3,000	13,292
Disposal of Engineered Foams	428,202	0
Disposal of Orsafoam	0	1,192
Acquisition Trimo, net of cash acquired	312	0
Acquisition Rex, net of cash acquired	0	(33,777)
Increase of loans and receivables	(21)	(304)
Decrease of loans and receivables	0	57
Investments in intangible assets	(1,680)	(1,578)
Investments in property, plant and equipment	(7,551)	(14,531)
Disposals of intangible assets	395	0
Disposals of property, plant and equipment	180	40
Cash flow from divestment (investment) activities (discontinued operations)	(4,141)	0
NET CASH FLOW FROM DIVESTMENT (INVESTMENT) ACTIVITIES	(b) 419,965	(35,586)
Interests paid on financial debt	(c) (6,462)	(848)
Interests paid on lease debt	(c) (50)	(150)
Interests received	0	2,498
Dividends paid	(17,425)	(17,344)
Increase/(Decrease) of capital	189	1,874
Increase of financial debt	9,280	893
Decrease of financial debt	(313,548)	(10,753)
Decrease of lease debt	(d) (3,036)	(145)
Cash flow from financing activities (discontinued operations)	(6,645)	0
NET CASH FLOW FROM FINANCING ACTIVITIES	(e) (337,696)	(23,976)
Effect of exchange rate changes	(f) (132)	475
Effect of exchange rate changes (discontinued operations)	(f) (172)	0
CHANGES IN CASH AND CASH EQUIVALENTS	(a)+(b)+(e)+(f) 106,857	(76,396)
NET FREE CASH FLOW	(a)+(b)+(c)+(d) 435,310	(54,038)

in thousand EUR

		1H2023	1H2024
Net cash position opening balance (continuing operations)		39,782	191,393
Net cash position opening balance (discontinued operations)		25,431	0
Net cash position opening balance	(g)	65,213	191,393
Net cash position closing balance (continuing operations)		172,070	114,996
Net cash position closing balance (discontinued operations)			
Net cash position closing balance	(h)	172,070	114,996
CHANGES IN CASH AND CASH EQUIVALENTS	(h) - (g)	106,857	(76,396)

The accompanying notes are an integral part of this cash flow statement.

1.1.6 Condensed statement of changes in shareholders' equity

For the year ending 30 June 2024

in thousand EUR

2024	Capital	Share premium	Treasury shares	Other reserves	Retained earnings	Translation differences and hedging reserves	Continuing operations	Discontinued operations	Total shareholders' equity	Non-controlling interests	Total equity
Equity at the beginning of the period	140,577	133,729	(1,450)	(2,106)	160,974	4,556	436,281	0	436,281	1,706	437,987
Restatement IFRS 16	0	0	0	0	0	0	0	0	0	0	0
Dividends	0	0	0	0	(17,413)	0	(17,413)	0	(17,413)	0	(17,413)
Stock options (IFRS 2)	0	0	0	706	0	0	706	0	706	0	706
Capital movements ²	669	1,205	0	0	0	0	1,874	0	1,874	0	1,874
Shareholders' movements	669	1,205	0	706	(17,413)	0	(14,833)	0	(14,833)	0	(14,833)
Profit (loss) of the period	0	0	0	0	4,615	0	4,615	2,002	6,617	(76)	6,541
Other comprehensive income	0	0	0	1,088	0	1,181	2,269	0	2,269	0	2,269
Total comprehensive income	0	0	0	1,088	4,615	1,181	6,884	2,002	8,886	(76)	8,811
Changes in scope	0	0	0	0	2,002	0	2,002	(2,002)	0	0	0
Equity at the end of the period	141,246	134,934	(1,450)	(312)	150,178	5,737	430,334	0	430,334	1,630	431,964

* The item "Changes in scope" of Discontinued operations relate to the divestment of the Recticel Engineered Foams activities.

For the year ending 30 June 2023

in thousand EUR

2023	Capital	Share premium	Treasury shares	Other reserves	Retained earnings	Translation differences and hedging reserves	Continuing operations	Discontinued operations	Total shareholders' equity	Non-controlling interests	Total equity
Equity at the beginning of the period	140,521	133,596	(1,450)	1,563	124,233	4,559	403,023	41,283	444,305	1,850	446,155
Restatement IFRS 16	0	0	0	0	0	0	0	0	0	0	0
Dividends	0	0	0	0	(17,425)	0	(17,425)	0	(17,425)	0	(17,425)
Stock options (IFRS 2)	0	0	0	598	0	0	598	0	598	0	598
Capital movements ²	56	133	0	0	0	0	189	0	189	0	189
Shareholders' movements	56	133	0	598	(17,425)	0	(16,638)	0	(16,638)	0	(16,638)
Profit (loss) of the period	0	0	0	0	(10,763)	0	(10,763)	12,973	2,210	(110)	2,100
Other comprehensive income	0	0	0	(1,011)	48	852	(111)	(1,574)	(1,685)	0	(1,685)
Total comprehensive income	0	0	0	(1,011)	(10,715)	852	(10,874)	11,399	525	(110)	415
Changes in scope	0	0	0	(3,646)	68,908	0	65,262	(57,870)	7,392	0	7,392
Equity at the end of the period	140,577	133,729	(1,450)	(2,496)	165,001	5,411	440,772	(5,188)	435,584	1,740	437,324

* Other reserves, retained earnings, translation differences and hedging reserves have been restated between continued and discontinued due to the application of IFRS5 for the Recticel Engineered Foams activities.

The item "Changes in scope" of Discontinued operations relate to the divestment of the Recticel Engineered Foams activities.

1.2 Notes to the condensed consolidated financial statements for the half-year ending 30 June 2024

1.2.1 Summary of significant accounting policies

1.2.1.1 Statement of compliance - basis of preparation

Recticel NV/SA (the "Company") is a public limited liability company incorporated in Belgium and listed on Euronext Brussels. The Company's consolidated financial statements include the financial statements of the Company, its subsidiaries, interests in jointly controlled entities (joint ventures) and in associates, both accounted for under the equity method (together referred to as "the Group").

These interim condensed consolidated financial statements for the six months ended 30 June 2024 have been prepared in accordance with IAS 34 Interim Financial Reporting, as endorsed by the European Union. They do not include all 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 ended 31 December 2023.

These interim condensed consolidated financial statements have been authorised for issue by the Board of Directors on 29 August 2024.

The accounting standards applied in the interim condensed consolidated financial statements for the period ended 30 June 2024 are consistent with those used to prepare the consolidated financial statements for the year ended 31 December 2023. No changes in accounting policies.

1.2.1.2 IFRS standards issued but not yet effective

There are no IFRS standards issued but not yet effective which are expected to have a material impact on Recticel's financials.

1.2.1.3 Major sources of estimation uncertainty and key judgments

The assessments and estimates made for the period ended 30 June 2024 are similar to the ones applied in the Group's consolidated financial statements as at and for the year ended 31 December 2023. There are no new principal sources of uncertainty than those exposed in the Group's consolidated financial statements as at and for the year ended 31 December 2023, except for the REX Panels & Profiles SA PPA in note 1.2.3.4.

The provision on indemnities as part of the divestment of the Recticel Engineered Foams activities further disclosed in note 1.2.3.3. remain stable.

Impairments on goodwill, intangible assets and property, plant and equipment and right-of-use assets

At 30 June 2024 no triggers for an impairment analysis were identified.

1.2.1.4 Pillar II

The assessments and estimates made for the period ended 30 June 2024 are similar to the ones applied in the Group's consolidated financial statements as at and for the year ended 31 December 2023.

The Group does not expect to have a material exposure to Pillar 2 income taxes in any of the jurisdictions where it is present.

1.2.2 Changes in scope of consolidation

The following changes in the scope of consolidation took place **during the first half-year 2024**:

On 10 January 2024 the acquisition of REX Panels & Profiles SA (100%).

1.2.3 Condensed consolidated income statement

1.2.3.1 Other operating revenues and expenses

	in thousand EUR	
	1H2023	1H2024
Other operating revenues	2,470	2,544
Other operating expenses	(1,928)	(4,485)
TOTAL	542	(1,941)
Restructuring charges (including site closure, onerous contracts and clean-up costs)	(1,200)	(2,771)
Gain (Loss) on disposal of intangible, tangible and right-of-use assets	20	45
Gain (Loss) on investment operations	10	0
IAS 19 Pensions and other similar obligations	16	(177)
Provisions	78	(50)
Fees consultancy and subcontractors	(258)	(261)
Other expenses	(1,874)	(1,217)
Other revenues	3,750	2,490
TOTAL	542	(1,941)

1.2.3.2 Financial result

	in thousand EUR	
	1H2023	1H2024
Interest on lease liabilities	(258)	(439)
Interest on long-term bank loans	(3,398)	(290)
Interest on short-term bank loans & overdraft	(3,031)	(470)
Net interest charges on Interest Rate Swaps and Foreign Currency Swaps	22	0
Total borrowing cost	(6,664)	(1,199)
Interest income from bank deposits	105	75
Interest income from financial receivables	540	2,611
Interest income from financial receivables and cash	645	2,686
Interest charges on other debts	(31)	(61)
Interest income on other receivables	4	380
Total other interest	(27)	319
Interest income and expenses	(6,046)	1,806
Exchange rate differences	1	532
Net interest cost IAS 19	(228)	(168)
Other financial result	97	65
Total other financial result	(130)	429
Financial result	(6,176)	2,236

Interest on long and short-term bank loans have decreased due to the repayment of debt with the proceeds from the divestment of Recticel Engineered Foams to Carpenter Co. Consequently the interest income has increased due to the cash position.

1.2.3.3 Discontinued operations

For the period ending 30 June 2024

Result from discontinued operations: from EUR 13.0 million in 1H2023 to EUR 2.0 million in 1H2024.

- Recticel Engineered Foams (REF)

The result from discontinued operations mainly represents the net capital gain as a result of the final agreement and settlement of the completion accounts on 5 July 2024 on the disposal of the Recticel Engineered Foams activities sold to Carpenter Co. amounting to EUR +2.0 million and composed of the following items:

- gain on the divestment of Recticel Engineered Foams: EUR +2.3 million;
- direct attributable transaction costs: EUR -0.3 million.

The following remarks need to be taken into account in relation to the result on the transaction:

- Recticel has evaluated the risks for indemnities in this regard, which relate mainly to HSE risks, and has provisioned an amount of EUR 14 million to cover this potential risk. Based on the available information the risks were assessed and no changes were made to the provisioned amounts.
- On 30 June 2024 Recticel has an outstanding (net) payable on Carpenter Co. of EUR 9.4 million, which was paid on 5 July 2024.

- Bedding

During the first half of 2024 the remaining outstanding receivable including interests (relating to the completion accounts) from Recticel on Aquinos Industry SA of EUR 13.8 million was paid.

- TEMDA2 GmbH (formerly Automotive Interiors)

The put/call structure on the remaining 49% participation in the Automotive joint venture TEMDA2/Ascorium, amounted to zero (same as per 31 December 2023).

Vendor loan (receivable) including accumulated interest amounted to EUR 11.8 million, due date 2027.

On 5 June 2024, a term sheet was signed between TEMDA 1 (Admetos) and Recticel, whereby changes were agreed with regard to the governing agreements of the Ascorium Automotive Interiors joint venture (Recticel 49%), mainly relating to the extension of the Recticel guaranteed financing, the waiver of the reciprocal call and put options and the joint venture governance.

1.2.3.4 Business combinations

For the period ending 30 June 2024

On 10 January 2024 Recticel acquired 100% of the shares of REX Panels & Profiles SA, a Belgian based company, for an enterprise value of EUR 70 million.

The acquisition of REX Panels & Profiles SA strengthens Recticel's core purpose to become a leader in high-end sustainable construction through smart insulation solutions.

The acquisition price was paid in cash.

REX Panels & Profiles SA was founded in 2012 by Michel Verhelst. Initially focused on profiled steel sheets, the company expanded into the insulated panels market with 4 panel production lines (3 with PIR insulation (2015, 2021, 2023) and 1 with mineral wool insulation (2019)).

REX Panels & Profiles SA is consolidated in Recticel's financial statements as from 10 January 2024.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

	in thousand EUR
Purchase consideration	REX Panels & Profiles SA
Purchase consideration	70,000
Net financial debt including future debt financed capex	(39,712)
Net cash	949
Working capital adjustments	3,489
Total purchase consideration	34,726

The enterprise value of EUR 70 million, can be reconciled as follows to the cash flow from investment activities as per 30 June 2024:

	in thousand EUR
Consideration paid	REX Panels & Profiles SA
Total purchase consideration	70,000
Net cash	949
Debt-like items and working capital adjustments	(36,223)
Consideration paid	34,726

The purchase consideration paid by Recticel to the REX Panels & Profiles SA shareholders for the acquisition of REX Panels & Profiles SA amounts to EUR 34.7 million. The cash of REX Panels & Profiles SA acquired by Recticel amounts to EUR 0.9 million as per 31 December 2023. As such, the total consideration, net of cash acquired amounts to EUR 33.8 million (see note 1.1.5. Cash flow statement).

The preliminary PPA is subject to final agreements and settlement on the REX Panels & Profiles SA closing accounts ; which may result in further adjustments on the final consideration, goodwill and DTA.

The assets and liabilities recognized as a result of the acquisition are as follows:

	in thousand EUR
Assets and liabilities	REX Panels & Profiles SA
Customer list	7,850
Other intangible assets	4,904
Property, plant & equipment	39,125
Inventories	10,760
Receivables	9,325
Cash and cash equivalents	949
Provisions	(1,695)
Financial liabilities	(33,613)
Trade and other payables	(14,358)
Income tax payables	(79)
Net deferred taxes	(3,363)
Net identifiable assets acquired	19,804
Goodwill	14,921
Total purchase consideration	34,726

REX Panels & Profiles SA is specialized in the production of PIR and mineral wool insulated panels for the construction industry and is perfectly located in Belgium to serve Western European markets.

The goodwill is attributable to REX Panels & Profiles SA's Insulated Panels solutions in Insulation markets and synergies and cross selling opportunities expected to arise after the integration.

The goodwill has been allocated to the cash generating unit of Insulated Panels. None of the goodwill is expected to be deductible for tax purposes. See note 1.2.4.1 for the changes in goodwill as a result of the acquisition.

The fair value of the acquired assets has been finalized as per 31 December 2023. Fair value adjustment relates to customer list and customer contracts (EUR 7.8 million), Trademarks and Technology related intangible assets (EUR 4.4 million) and property, plant and equipment (EUR 11.6 million). Deferred tax liabilities of EUR -6.0 million have been recognised in relation to fair value adjustments.

Securities

REX Panels & Profiles SA has provided pledges and mortgages as security towards the banks for an amount of EUR 14 million.

Acquisition-related costs

Acquisition-related cost of EUR 0.1 million related to advisor fees are included in other operating expenses in the income statement as per 30 June 2024.

Revenue and profit contribution

The acquired business contributed revenues of EUR 25.5 million and a net result of EUR -2.5 million to the Group for the period from 10 January 2024 to 30 June 2024.

As a result of the acquisition of REX Panels & Profiles SA the average number of people employed increased by 75 full time equivalents.

1.2.3.5 Dividends

The Board of Directors' proposal to distribute a gross dividend of EUR 0.31 per share or EUR 17.4 million for the year 2023, was approved by the shareholders at the Annual General Meeting of 28 May 2024. The payment of this dividend took place on 3 June 2024, and is thus reflected in the financial statements for the first half-year of 2024.

1.2.4 Condensed consolidated statement of financial position

1.2.4.1 Goodwill

	in thousand EUR
	Goodwill
At the end of the period	
Gross book value	76,883
Accumulated impairment	(14,474)
Net book value at the end of the preceding period	62,409
Movements during the period	
Business combinations	14,921
Impairments	0
Sales and scrapped	0
Transfers from one heading to another	0
Transfer to discontinued operations	0
Exchange rate differences	0
At the end of the current period	14,921
Gross book value	92,179
Accumulated impairment	(14,849)
Net book value at the end of the period	77,331
	0

At 30 June 2024 no triggers for an impairment analysis were identified.

1.2.4.2 Financial liabilities

Financial liabilities carried at amortised cost include mainly interest-bearing borrowings:

	in thousand EUR			
	Non-current liabilities		Current liabilities	
	31 DEC 2023	30 JUN 2024	31 DEC 2023	30 JUN 2024
Secured				
Lease liabilities	13,062	21,056	5,097	6,425
Bank loans	10,020	21,186	974	1,836
Total secured	23,082	42,242	6,071	8,261
Unsecured				
Subordinated loans	0	5,553	0	623
Other loans	(0)	42	0	0
Current bank loans	0	0	0	(0)
Commercial paper	0	0	0	0
Bank overdrafts	0	0	12	22
Other financial liabilities	0	0	332	167
Total unsecured	(0)	5,595	345	811
Total liabilities carried at amortised cost	23,082	47,838	6,415	9,072

Gross financial debt: interest-bearing borrowings, including continuing involvement of off-balance sheet non-recourse factoring programs

	in thousand EUR	
	31 DEC 2023	30 JUN 2024
Drawn amounts under the various available interest-bearing borrowing facilities		
Outstanding amounts under syndicated credit facility	0	0
Outstanding amounts under lease liabilities	13,062	21,056
Outstanding amounts under subordinated loans	0	5,553
Outstanding amounts under other non-current loans	10,020	21,229
Outstanding amounts under non-current gross interest-bearing borrowing facilities (a)	23,082	47,838
Outstanding amounts under bank overdrafts	12	22
Outstanding amounts under current bank loans	974	1,836
Outstanding amounts under lease liabilities	5,097	6,425
Outstanding amounts under factoring programs - retention amount	0	0
Outstanding amounts under commercial paper programs ¹	0	0
Outstanding amounts under subordinated loans	0	623
Outstanding amounts under other current loans	0	0
Outstanding amounts under other financial liabilities	332	167
Outstanding amounts under current gross interest-bearing borrowing facilities (b)	6,415	9,072
Total outstanding amounts under gross interest-bearing borrowings (c)=(a)+(b)	29,497	56,910
Outstanding amounts under non-recourse factoring programs (d)	18	0
Total outstanding amounts under gross interest-bearing borrowings and factoring programs (e)=(c)+(d)	29,515	56,910
Weighted average lifetime of non-current interest-bearing borrowings (in years)	1.32	6.26
Weighted average interest rate of gross financial debt at fixed interest rate	2.14%	2.45%
Interest rate range of gross financial debt at fixed interest rate	1.46% - 2.62%	0.62% - 3.86%
Weighted average interest rate of gross financial debt at variable interest rate	5.61%	5.41%
Interest rate range of gross financial debt at variable interest rate	4.85% - 5.61%	4.63% - 5.41%
Weighted average interest rate of total gross financial debt	3.42%	2.50%
Percentage of gross financial debt at fixed interest rate	93.0%	98.5%
Percentage of gross financial debt at variable interest rate	7.0%	1.5%

¹ The amount drawn under the commercial paper program is to be covered at any time by the undrawn amount under the syndicated credit facility. Therefore the reported unused amount under the EUR 100 million revolving syndicated credit facility is after deduction of the issued amounts under the commercial paper program.

The majority of the Group's financial debt is centrally contracted and managed through Recticel International Services NV/SA, which acts as the Group's internal bank.

(i) Lease liabilities

Lease liabilities comprise (i) following the application of IFRS 16, the leases for property, plant and equipment, furniture and vehicles, and (ii) leases formerly classified as 'finance leases'.

These finance leases consist mainly of 4 leases:

- the lease financing of the Insulation plant in Bourges (France), with an outstanding amount of EUR 0.7 million as of 30 June 2024 and is at floating rate, hedged by interest rate swap;
- the lease financing buildings in Slovenia, with an outstanding amount of EUR 0.1 million as of 30 June 2024 and is at a fixed rate;
- the lease to finance the extension of the Insulation plant in Wevelgem (Belgium) in 2017, with an outstanding amount of EUR 5.3 million as of 30 June 2024 and is at a fixed rate;
- the lease financing of REX Panels & Profiles SA equipment with an outstanding amount of EUR 7.76 million as of 30 June 2024 and is at a fixed rate.

(ii) Bank loans – “syndicated credit facility”

With the proceeds from the divestment of Recticel Engineered Foams to Carpenter Co. all amounts drawn under the syndicated credit facility were repaid.

Recticel has maintained and prolonged the EUR 100 million syndicated revolving credit facility, which will now mature in February 2026.

The facility had a 3-year tenor with two 1-year extension options and have been arranged and underwritten by KBC Bank. The participating banks are Belfius Bank, BNP Paribas Fortis, Commerzbank and LCL.

Recticel also maintains the investment financing of REX Panels & Profiles SA with an outstanding amount of EUR 13.0 million as of 30 June 2024 and is at a fixed rate.

(iii) Subordinated loans

Subordinated loans of REX Panels & Profiles SA with an outstanding amount of EUR 6.2 million as of 30 June 2024 and is at a fixed rate.

(iv) Other bank loans

In 2018, Recticel concluded a secured fixed rate bilateral bank loan of EUR 15.5 million for the financing of the new greenfield Insulation plant in Finland. The tenor of this amortising bank loan is 15 years, with maturity in March 2033. The outstanding amount at 30 June 2024 is EUR 10.0 million.

(v) Other Current loans

With the proceeds from the divestment of Recticel Engineered Foams to Carpenter Co. all other current loans were repaid.

(vi) Commercial paper program

With the proceeds from the divestment of Recticel Engineered Foams to Carpenter Co. all commercial paper was repaid.

The following table presents the unused credit facilities available to the Group:

	in thousand EUR	
	31 DEC 2023	30 JUN 2024
Unused amounts under non-current financing facilities		
Undrawn available commitments under the club deal facility ²	100,000	105,000
Total available under non-current facilities	100,000	105,000
Unused amounts under current financing facilities		
Undrawn under current on-balance facilities	22,000	16,000
Undrawn under off-balance factoring programs	35,000	13,200
Total available under current facilities	57,000	29,200
Total unused amounts under financing facilities	157,000	134,200

¹ The amount drawn under the commercial paper program is to be covered at any time by the undrawn amount under the syndicated credit facility.

1.2.5 Miscellaneous

1.2.5.1 Off-balance sheet items

Recticel NV/SA, or some of its subsidiaries have provided various parental corporate guarantees and comfort letters for commercial and/or financial commitments towards third parties.

	in thousand EUR	
	31 DEC 2023	30 JUN 2024
Guarantees given or irrevocably promised by Recticel SA/NV as security for debts and commitments of companies	85,431	133,181

These guarantees include mainly parental corporate guarantees and letters of comfort for commitments contracted by subsidiaries with banks (EUR 20.5 million), lessors (EUR 13.0 million), governmental institutions (EUR 2 million), other third parties (EUR 3.2 million) and bank guarantees related to the divestment of Recticel Engineered Foams to Carpenter Co. (EUR 46.7 million) and TEMDA2 (EUR 47.75 million).

The amount of expected credit losses on external guarantees is assessed at each reporting date to reflect changes in credit risk since the guarantee was granted. When determining whether the credit risk of a guarantee has increased significantly since the issuance and when estimating expected credit losses, Recticel considers reasonable and supportive information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

1.2.5.2 Issue of new edition of the stock option plan

Following the decision of the Board of Directors of 28 February 2024 and 25 June 2024, a new edition of the stock option plan was launched in favour of leading staff members of the Group. In total of 492,500 options were attributed with an exercise price of EUR 12.92. The exercise period runs - after a vesting period of three years - from 1 January 2028 till 16 June 2031. Fair value of this option serie amounts to EUR 1.78 million.

335,000 out of the 492,500 were allocated to the current members of the Management Committee.

1.2.5.3 Related party transactions

There are no material new related party transactions compared to those mentioned in the interim report 2024.

1.2.5.4 Contingent assets and liabilities

a) Wetteren (Belgium)

Reference is made to the 2023 Annual Report, with no material subsequent changes.

b) Litigations

Reference is made to the 2023 Annual Report, with no material subsequent changes.

1.2.5.5 Post-Balance Sheet date events

None.

1.2.5.6 Reconciliation table of Alternative Performance Measures

The Group uses and publishes several Alternative Performance Measures (“APM”) to provide additional valuable insight to financial analysts and investors. APMs are related to the standards used by management to monitor and measure financial performance.

The overview tables below summarise the reconciliation of these APMs in respectively the income statement and the statement of financial position of the continuing operations.

	in thousand EUR	
	1H2023	1H2024
Income statement		
Sales	266,119	298,614
Gross profit	45,473	54,125
EBITDA	15,867	21,873
Operating profit (loss)	4,024	6,570
Operating profit (loss)	4,024	6,570
Amortisation of intangible assets	3,772	4,789
Depreciation of tangible assets	7,779	10,515
Amortisation deferred charges long term	0	0
Impairments on goodwill, intangible and tangible fixed assets	293	0
EBITDA	15,867	21,873
EBITDA	15,867	21,873
Restructuring charges	1,200	2,771
Other ²	1,146	469
Adjusted EBITDA	18,214	25,114
Operating profit (loss)	4,024	6,570
Restructuring charges	1,200	2,771
Other	1,146	469
Impairments	293	0
Adjusted operating profit (loss)	6,663	9,810
Total net financial debt		
	31 DEC 2023	30 JUN 2024
Non-current financial liabilities	23,082	47,838
Current financial liabilities	6,415	9,072
Cash	(191,393)	(114,996)
Other financial assets	(4)	0
Net financial debt on statement of financial position	(161,900)	(58,087)
Factoring programs	0	0
Total net financial debt	(161,900)	(58,087)
Gearing ratio (Net financial debt / Total equity)		
Total equity	437,987	431,964
Net financial debt on statement of financial position / Total equity	N/A	N/A
Total net financial debt / Total equity	N/A	N/A
Leverage ratio (Net financial debt / EBITDA)		
EBITDA (last 12 months)	36,123	42,130
Net financial debt on statement of financial position / EBITDA	N/A	N/A
Total net financial debt / EBITDA	N/A	N/A
Net working capital		
Inventories and contracts in progress	43,692	61,830
Trade receivables	78,135	117,984
Other receivables	22,949	14,681
Income tax receivables	3,739	3,263
Trade payables	(70,068)	(76,743)
Current contract liabilities	(8,037)	(12,398)
Income tax payables	(1,781)	(2,127)
Other amounts payable	(44,955)	(43,590)
Net working capital	23,674	62,900
Current ratio (= Current assets / Current liabilities)		
Current assets	339,907	312,754
Current liabilities	131,256	153,329
Current ratio (factor)	2.6	2.0

2 Management report on the interim condensed consolidated financial statements

For the comment of the management report, reference is made to the press release of 30 August 2024.

3 Declaration by the responsible officers

We hereby certify that, to the best of our knowledge, the interim condensed consolidated financial information, for the period ended on 30 June 2024, prepared in accordance with the IAS 34 “Interim Financial Reporting”, as adopted by the European Union, and with legal requirements applicable in Belgium, gives a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the undertakings included in the consolidation taken as a whole for the period ended 30 June 2024. The commentary on the overall performance of the Group included in the press release from page 1 to 6 includes a fair review of the development and performance of the business and the position of the Group and its undertakings included in the consolidation as a whole.

Wim Dejonghe (representing D.A.S.T. NV, Chairman of the Board of Directors)

Jan Vergote (representing Coral & Wallace BV, Chief Executive Officer)

Bart Van den Eede (representing Pendron BV, Chief Financial Officer)

4 Glossary

IFRS MEASURES

Consolidated (data): financial data following the application of IFRS 11, whereby joint ventures and associates are integrated on the basis of the equity method.

ALTERNATIVE PERFORMANCE MEASURES

In addition, the Group uses alternative performance measures (Alternative Performance Measures or "APM") to express its underlying performance and to help the reader to better understand the results. APM are not defined performance indicators by IFRS. The Group does not present APM as an alternative to financial measures determined in accordance with IFRS and does not give more emphasis to APM than the defined IFRS financial measures.

Adjusted EBITDA: EBITDA before Adjustments (to Operating Profit).

Adjusted operating profit (loss): Operating profit (loss) + adjustments to operating profit (loss).

Adjustments to Operating profit (loss) include operating revenues, expenses and provisions that pertain to restructuring programmes (redundancy payments, closure & clean-up costs, relocation costs,...), reorganisation charges and onerous contracts, impairments on assets ((in)tangible assets and goodwill), revaluation gains or losses on investment property, gains or losses on divestments of non-operational investment property, and on the liquidation of investments in affiliated companies, revenues or charges due to important (inter)national legal issues and costs of advisory fees incurred in relation to acquisitions or business combination projects, costs of advisory fees incurred in relation to acquisitions, divestments or business combination projects, including fees incurred in connection with their financing and reversals of inventory step up values resulting from purchase price allocations under IFRS 3 Business Combinations.

Current ratio: Current assets / Current liabilities.

EBITDA: Operating profit (loss) + depreciation, amortisation and impairment on assets; all of continued activities.

Gearing: Net financial debt / Total equity.

Income from associates: Income considered as being part of the Group's core business are integrated in Operating profit (loss).

Income from other associates: Income from associates not considered as being part of the Group's core business are not integrated in Operating profit (loss).

Leverage: Net financial debt / EBITDA (last 12 months).

Margin: EBITDA margin, Adjusted EBITDA margin, Operating Profit (loss) margin and Adjusted operating profit (loss) margin are expressed as a % on Sales

Net free cash-flow: Sum of the (i) Net cash flow after tax from operating activities, (ii) the Net cash flow from investing activities, (iii) the Interest paid on financial liabilities and (iv) reimbursement of lease liabilities; as shown in the consolidated cash flow statement.

Net financial debt: Interest bearing financial liabilities and lease liabilities at more than one year + interest bearing financial liabilities and lease liabilities within maximum one year + accrued interests – cash and cash equivalents + Net marked-to-market value position of hedging derivative instruments. The interest-bearing borrowings do not include the drawn amounts under non-recourse factoring/forfeiting programs.

Net working capital: Inventories and contracts in progress + Trade receivables + Other receivables + Income tax receivables – Trade payables – Income tax payables – Other amounts payable

Operating profit (loss): Profit before income from other associates, fair value adjustments of option structures, earnings of discontinued activities, interests and taxes. Operating profit (loss) comprises income from associates of continued activities.

Total net financial debt: Net financial debt + the drawn amounts under off-balance sheet non-recourse factoring programs.