BELYSSE®

2024 Annual report

itc modulyss® arc edition BENTLEY

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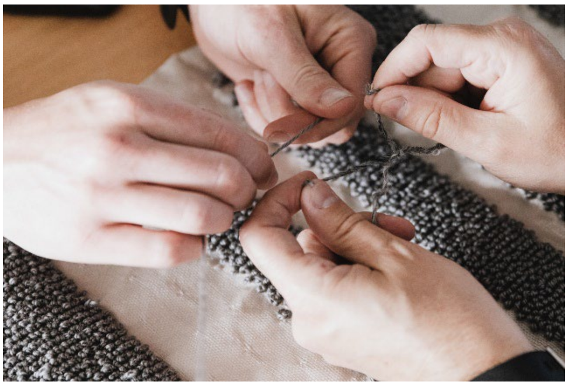


01 Strategic report

James Neuling, CEO

Message from the CEO

James Neuling, CEO of Belysse Group, commented:

Despite continued soft market backdrop, Group margins and EBITDA have significantly improved, with both regions contributing.

I want to thank the team who continue to work hard on commercial excellence, efficiency and costs while we are waiting for the markets to recover.

We also progressed well in our sustainability program, achieving further reductions in CO_2 emissions per m^2 produced, increasing the share of certified recycled content and progressing the re-certification of collections to the latest Cradle-to-Cradle standards. Additionally, we established Science Based Targets initiative (SBTi) targets taking us through to 2030.

Financial Review

Review by Division

United States

The full year 2024 Revenue of €154.5m was slightly lower than prior year (-3.9%), due to lower volumes in the first half of 2024 and stable average selling prices.
Full year 2024 Adjusted EBITDA of €32.0m improved by 4.6% versus prior year with an Adjusted EBITDA margin of 20.7% (19.0% in 2023). Further improved efficiencies more than offset the impact from the slight decline in volumes.

In the second half of the year, volumes and revenues stabilized, with Q4 2024 Revenue at €37.6m being on par with the prior year.

Europe

The full year 2024 Revenue of €125.9m decreased by 10.2% versus prior year. The market backdrop remained weak throughout the year, in particular in the Residential business line. Despite the lower volumes, average selling prices remained stable vs. prior year.
Full year 2024 Adjusted EBITDA recovered materially to €10.4m (vs. €3.0m in 2023) with an Adjusted EBITDA margin of 8.3% (2.2% in 2023). This was the result of a recovery of unitary margins, a higher margin product portfolio and fixed cost savings, which overcompensated the lower volumes and wage inflation.

Other Financial Items Review

Non-Recurring Items below Adjusted EBITDA
The net impact of non-recurring items on 2024 net result was a positive €0.1m (€0.00 per share) vs. a negative €3.1m (€0.09 per share) in 2023. The benefit in 2024 is mainly driven by a true-up of strategic advisory fees, which was partly offset by one-off costs linked to the execution of a fixed expense reduction program that was implemented in Europe.

Net Financing Costs
The net financing cost of €10.1m (€18.4m in 2023) primarily represent the interest expenses on external borrowings. This decrease is mainly driven by the refinancing transaction and the one-time positive effect of the settlement of the Senior Secured Note that matured in 2024.

Taxation
The Group reported a tax expense for 2024 of €2.3m (€3.4m in 2023) based on an overall profit before tax of €12.9m (loss before tax of €7.7m in 2023). This amount results from the taxing of the profits at our US division.

Earnings per share
Earnings per share of €0.29 in 2024 compared to loss per share of €0.31 in 2023.

Dividend
Given our focus remains on deleveraging and further investing into the business, the Board does not propose a dividend for the year.

BEYOND

As a reminder, our 4-year transformation roadmap which started in January 2022 called BEYOND consists of three pillars

- Increased focus on Sustainability through innovative products and production processes
- Incremental drive for Efficiency through lean strategies
- Emphasis on Agility through Digital and operational improvement initiatives

Sustainability through innovation

Total scope 1 and 2 CO_2 emissions in our production plants per m^2 produced have been reduced by 22% compared to the 2018 baseline.
During 2024, several new initiatives were launched, such as technical modifications to reduce energy consumption, further electrification of equipment and increasing our share of renewable energy used.
Certified recycled content in our commercial carpet tiles has further improved to 59% in Europe and to 41% in the US. In both regions, this is the highest share of certified recycled content that we've achieved so far.
We continue to expand our Cradle to Cradle certified collections and are in the process of certifying collections under the latest C2C standard, version 4.

Beyond

Efficiency

Lean savings for 2024 amounted to €1.6m, driven by 45 improvement initiatives, against a target to deliver €1.7m in this third year of Beyond.

This means that from the start in January 2022 until now, the Lean program has delivered €7.6m in savings, against a target of €6.5m. These savings were driven by strong contributions in particular from quality, material, energy and labour efficiency initiatives.

For 2025, we expect to deliver an incremental saving of €1.5m, as part of our €8.0m savings ambition over the course of the program.

Agility

We are continuously working to further improve our delivery performance and service level to our customers, at the same time managing our end-to-end inventory:

- Our Fast Track quick-ship program at Bentley, designed for maximum flexibility and expedited delivery to the client, covering a wide range of 20 styles. Orders of 1,500 square yards or less of products in this program will be ready to ship within 10 business days of order.
- Our quick ship program at modulyss.
  In the fast-paced world of design & build, time is of the essence. Therefore, we have defined a "quick ship" program covering products across 25 collections, with products ready for shipment within 2 to 4 weeks.

Belysse Group business model

WE DRAW ON

RESOURCES

INTERNAL
PEOPLE
KNOWHOW
MANUFACTURING

EXTERNAL
MATERIALS
Virgin
Recycled

SOCIAL
Stakeholders
Legislation

FINANCIAL

CAPABILITIES

INNOVATION & R&D

EFFICIENCY & LEAN

HEALTH & SAFETY

GLOBAL COMMERCIAL PRESENCE

PASSION & EXPERTISE

How we do it?

Responsible sourcing

Lean manufacturing in a safe & healthy environment

TO PROVIDE OUR

PRODUCTS

BROADLOOM

CARPET TILES

SERVICES

MANUFACTURING

PARTNERSHIPS IN
Technical support
Logistics
Marketing
Design & Creation

How we do it?

Servicing our customers as their trusted partner

Sharing expertise & knowhow to create a positive impact on society

TO CREATE

VALUE

PEOPLE
Job creation & Employment
Learning & Development
Community engagement
Well-living

PLANET
Contribution towards circular economy
Reduction of carbon footprint (waste, emission, water)
Switch to renewables

ECONOMIC
Company growth
Tax Contributions
Shareholder return

How we do it?

Contributing towards a circular economy by applying the principles of 'reduce, recycle, recover'

The Group at a glance

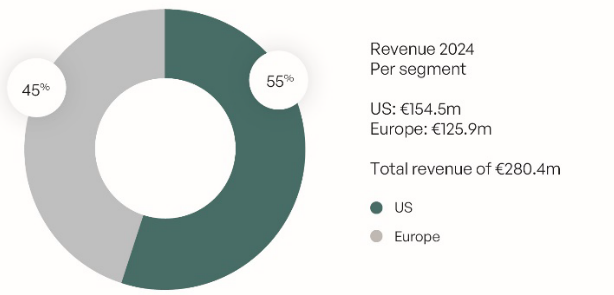
Belysse Group is a leading producer of textile floor coverings with a strong legacy in soft flooring. We create, develop and produce sustainable flooring solutions for commercial and residential applications across the globe. Under premium brands ITC, modulyss, arc edition and Bentley.

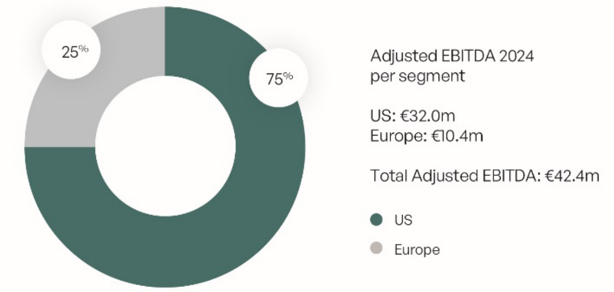
Representing a consolidated revenue of €280.4m focusing 90% on North-America and Europe under the premium brands Bentley (US), modulyss, arc edition and ITC (Europe). Belysse employs nearly 1,000 people and operates three manufacturing sites: 2 in Belgium (Tielt en Zele) and 1 in the United States (Los Angeles).

In 2022 the Balta brand was sold to Victoria PLC, together with Rugs, Residential polypropylene and Non-Woven businesses. From then on, the group's main focus lies on developing its commercial and premium residential businesses in Europe and the US, under mother brand Belysse.

Belysse's history spans almost 6 decades. Sixty years of textile innovation, filled with important milestones. From product launches to important corporate evolutions.

Since June 2017, Belysse Group NV has been a public company listed on Euronext Brussels.





Segments

Europe	United States
arc edition modulyss itc	BENTLEY

Brands

modulyss®

Quality for the most high-end clients. Since 2010, modulyss has been crafting soft flooring solutions for international commercial projects, always with a sharp focus on creativity, functionality, and sustainability. The result? Flooring that elevates every space and occasion.

itc®

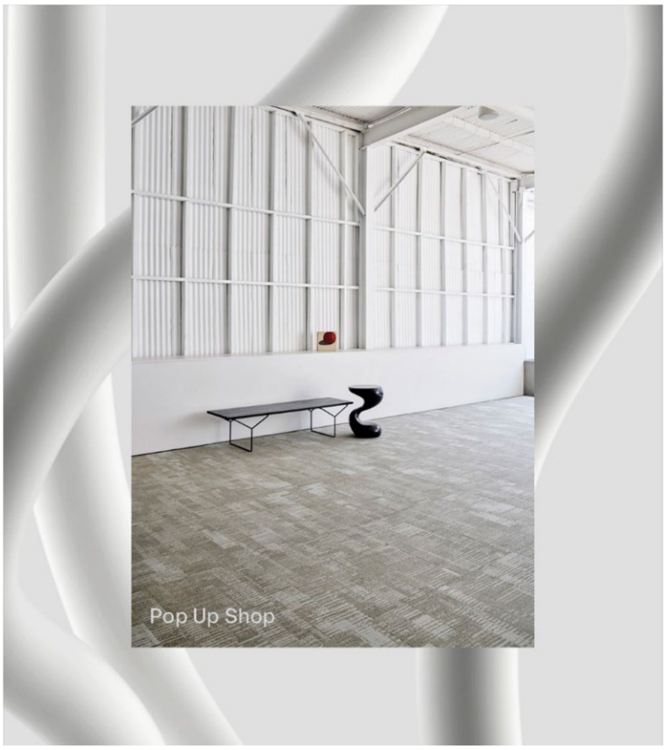
Inspiring, comfortable and sustainable flooring solutions? Look no further! ITC has the perfect product for any residential application. Tufted broadloom carpets and tufted carpet tiles that turn any space into a beautiful and comfortable haven. The softest way to go.

Brands

arc edition

arc edition transforms rooms worldwide. Whether they have been designed for hospitality, leisure or office, arc edition's wall-to-wall carpet flooring solutions combine passion, creativity and technical know-how. Custom-made solutions that fit your requirements, whatever they may be.


SR Obscura 29


Pop Up Shop

BENTLEY®

California-based Bentley Mills Inc. has been at the forefront of carpet design for over 45 years. Their broadloom, carpet tile and area rug products can be found in the most stylish interiors across the globe. Timeless, luxurious and sustainable. Bentley Mills Inc. takes its social responsibility to heart, earning them top-industry certifications such as the Cradle to Cradle and NSF® 140. At Bentley Mills, we manufacture Red List Free, PVC free, PFAS free, and Antimicrobial free carpet in a LEED-EB Gold facility in California, operating under the strictest environmental regulations in the nation.

Belysse Group in numbers

Financial

€280.4m
REVENUE 2024

Adjusted EBITDA margin: 15.1%

Adjusted EBITDA: €42.2m

Renewable energy

18,269
Solar panels on our roofs in Belgium

= 3.22GWh/year
Solar energy consumed in 2024

-489tonnes
CO_2-emissions/year avoided

Worldwide

3
PLANTS
in the world

100
COUNTRIES WE SELL INTO

± 26 ha
TOTAL FOOTPRINT

= 50 Football pitches

People

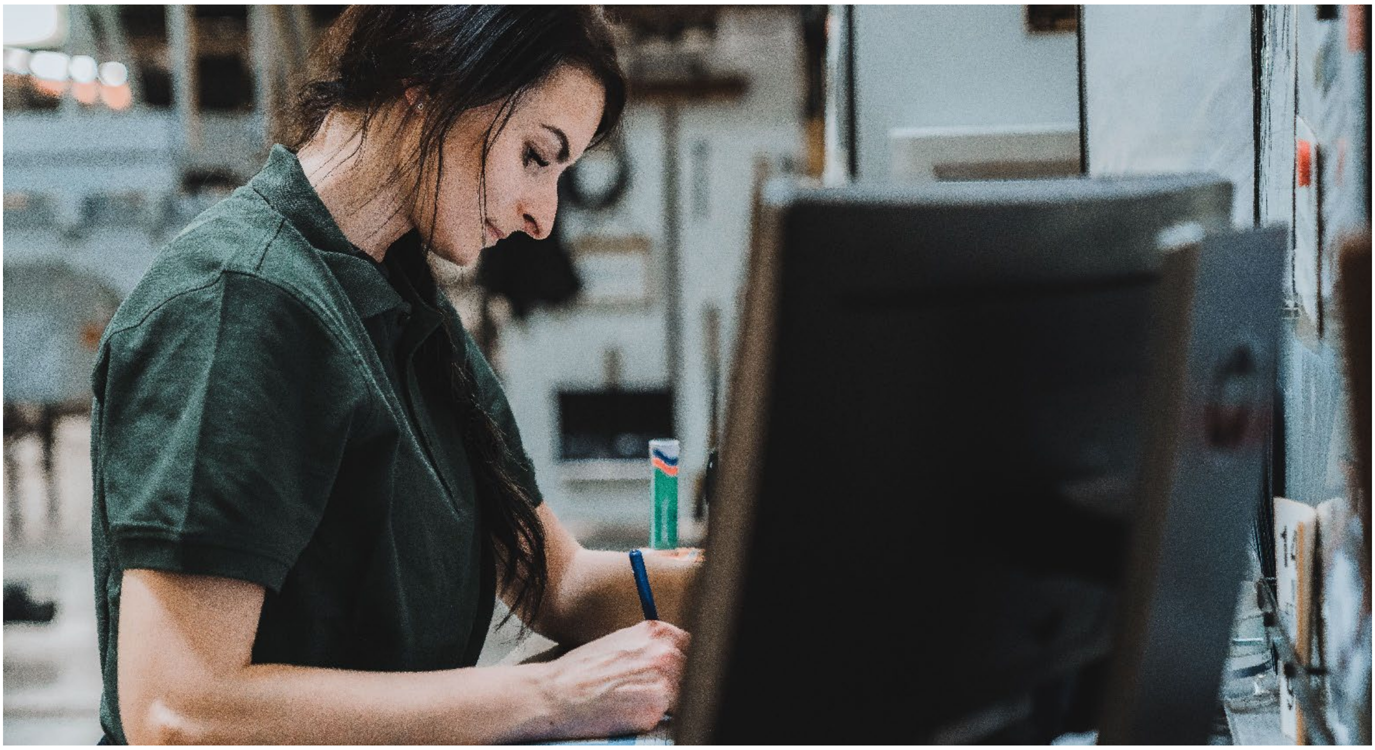
± 1,000
EMPLOYEES WORLDWIDE

35+
NATIONALITIES

Belysse Group worldwide

Belysse is active in both Europe and the USA. Belgium houses our headquarters (Waregem), and two production plants (Zele and Tielt), whereas the US has one production plant (Los Angeles).

But it is not only our facilities that can be found across the globe! Our products too are appreciated internationally and that is why we stay close to the A&D community on both sides of the Atlantic. With modulyss showrooms in London, Paris and Ghent, and with Bentley Mills showrooms in New York, Boston, Chicago, Atlanta, Washington DC, Los Angeles and San Francisco.



Highlights 2024

Europe & US

- Reduction in revenue of 6.8% to €280.4m and a 26% increase in EBITDA to €42.4m.
- Following our 2023 pledge to the Science Based Target Initiative (SBTi), we established targets of reducing our absolute scope 1 and 2 greenhouse gas emissions by 42% by 2030, from a 2023 base year and reducing our absolute scope 3 greenhouse gas emissions from purchased goods & services and upstream transportation & distribution by 25% within the same timeframe.
- In 2024, we have achieved a 22% reduction of our scope 1 and 2 greenhouse gas emissions in our production plants per m^2 produced, compared to a 2018 baseline.

Europe

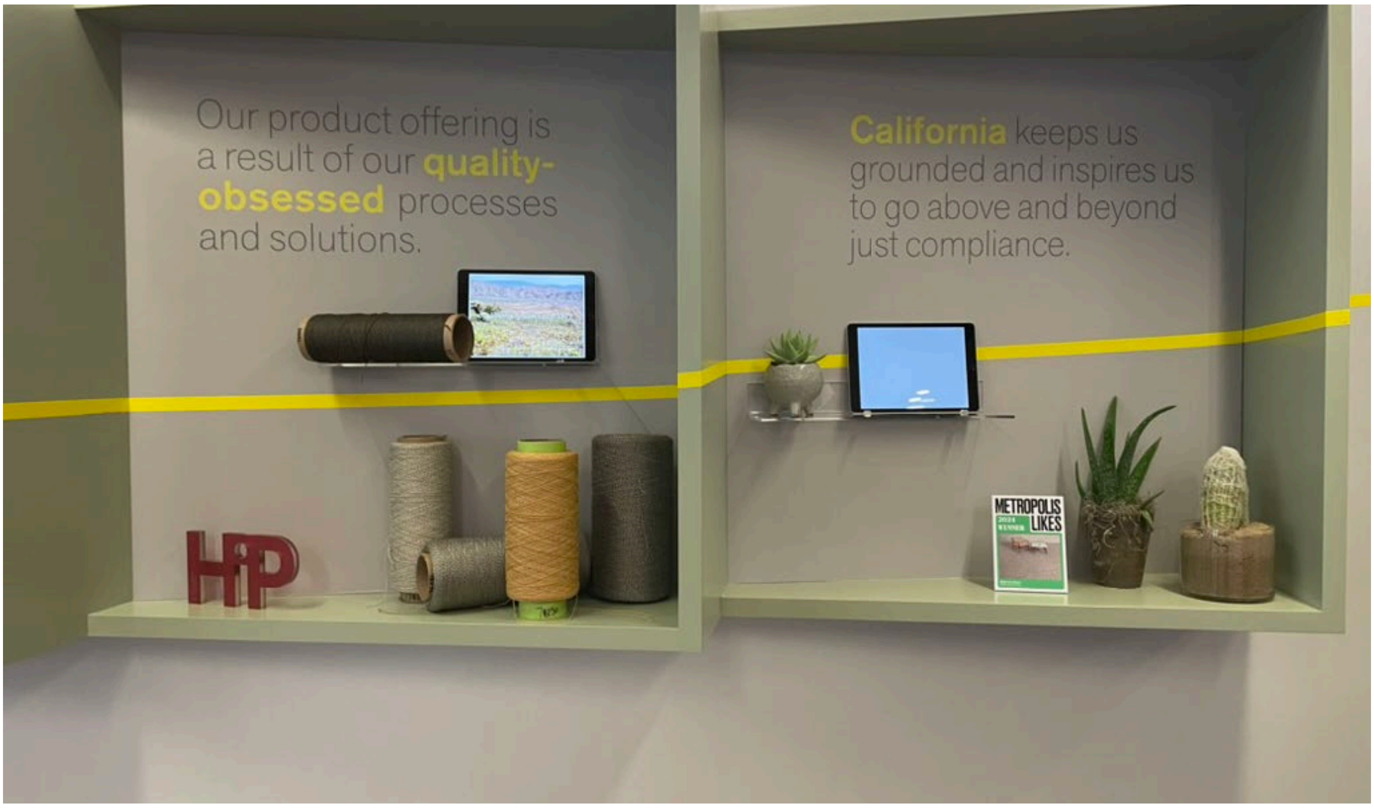
- Reduction in revenue of 10.2% to €125.9m and a 242% increase in EBITDA to €10.4m.
- Additional fixed costs savings were introduced to help compensating for the negative volume impact and wage inflation.
- Energy and raw material prices remained relatively stable throughout the year.

Architects & Designers market segment

- We have focused our sales structure to better serve the A&D community, which enables us to strengthen our direct connection with customers and secure more impactful and high-value projects. We backed this up with important product launches, which puts modulyss on the map as a first-class supplier of multi-category flooring solutions (carpet tiles, LVT, broadloom, customized printed tiles and bespoke chromojet broadloom) across the segments of Workspace, Education, Hospitality and Retail.
- We launched the Plus collection of carpet tiles with a groundbreaking and innovative ultra-light backing, ecoBack Plus, which delivers a high-performance solution that reduces our environmental impact. Crafted with 85% recycled and renewed and biobased material, and a lightweight composition, it's designed to lower carbon emissions during both production and transport.
  - Lower Carbon Footprint: ecoBACK PLUS incorporates biobased materials into its polyolefin structure, resulting in lower embodied carbon and a reduced Global Warming Potential (GWP).
  - Efficient Transport: its lightweight design allows for more tiles per shipment, reducing CO_2 and fine dust emissions by 18% and 17%, respectively.
  - Easy Handling: ecoBACK PLUS is 48% lighter than our standard backing.
- In Q4 2024 we introduced the Revolt LVT collection, seamlessly integrated with our modulyss carpet tiles .
- For the Hospitality sector we introduced modulyss broadloom carpets, which was launched at the Hotel Interiors Experience HIX in London in November 2024.
- Noteworthy large project supplying the new HQ of a Paris-based high-end luxury retailer, with customized carpet tiles.

The Distribution and Retail segment

- We have now completed our product transition and sit firmly in the high-end segments for Polyamide and Polyester.
- Price levels remain stable in this sector.



United States

- Delivered strong results with year-over-year EBITDA growth of 4.6% and EBITDA margin positively evolving from 19.0% to 20.7%, primarily driven by growth in retail, residential and government market segments tempered by softness in our main corporate market segment, with an overall YOY decrease in revenue (-3.9%).

- Despite lower volumes in H1 2024, contribution margins increased reflecting continued benefits from efficiency improvement.

- We relaunched 2 products by transition to Nylon 6. We launched 5 new collections and introduced our FixTab Glueless Installation. Our Area Rug program has now been fully launched. Bentley was recognized with 7 prestigious Awards for design and product.

- Bentley products continue to be highlighted in some of the most prestigious projects in North America, including three of the top five department store retailers in the United States. Products were proudly showcased at the 2024 Las Vegas Formula One Grand Prix race, as well as additional installation at the New Orleans Convention Center, one of the largest convention spaces in the United States, with a unique, custom design reflective of the City's unique character.

- Additional noteworthy specifications include: a large family-owned sporting goods store headquartered in the Midwest, several high-end car dealerships, an American multi-national toy manufacturer, an American paints and coating company, and a global network of accounting firms.

02 Sustainability report

General information

General requirements

BP-1 General basis for preparation of the sustainability statement

Consolidation

The sustainability statement has been prepared on a consolidated basis. The data is consolidated according to the same principles as the financial statements and covers Belysse Group NV and all its subsidiaries. The scope of consolidation of the consolidated sustainability statement is the same as for the financial statements and covers the fiscal year 2024, ending 31 December 2024.

The sustainability statement is prepared in accordance with the ESRS standards adopted by the EU Commission and in accordance with the EU Taxonomy Regulation. The disclosures included in the E, S and G sections have either been assessed as material according to our double materiality assessment as further described in section IRO-1 Description of the materiality assessment process, or are mandatory according to the ESRS standards.

Reporting scope and boundaries

The sustainability statement covers Belysse's own operations consisting of our three manufacturing sites: 2 in Belgium (Tielt and Zele) and 1 in the United States (Los Angeles), as well as the upstream and downstream value chain where applicable for the different material topics, as further described in section IRO-1 Description of the materiality assessment process.

For a comprehensive view on our value chain, we refer to the flowchart below.

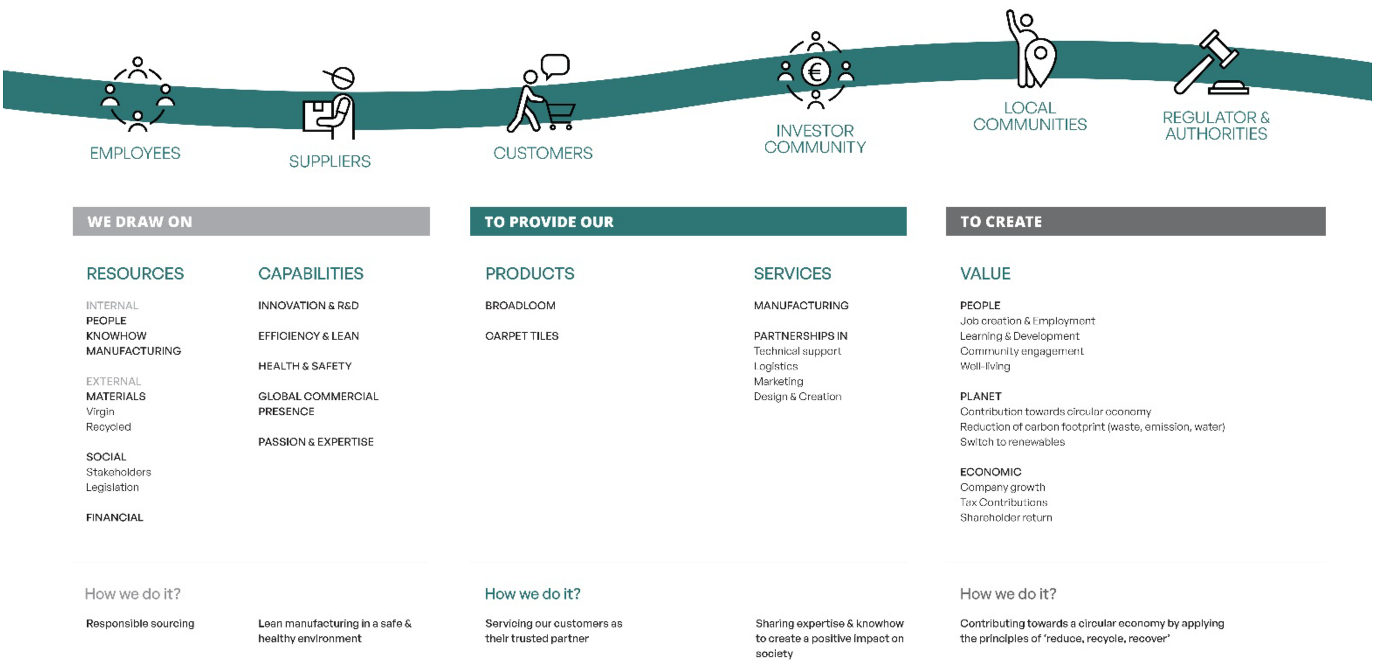
Belysse has not used the option to omit a specific piece of information corresponding to intellectual property, know-how or results of innovation. As a large undertaking with more than 750 employees on average, Belysse is also not exempt from articles 19a(3) and 29a(3) of the Directive 2013/34/EU on sustainability reporting requirements.

The contents of the sustainability statement were subject to a limited assurance report in accordance with ISAE 3000 (Revised). The Independent Auditor 's Report on a Limited Assurance Engagement can be found on page 98.

BP-2 Specific circumstances

This sustainability statement uses the standard ESRS 1 definition for time horizons, i.e. short-term = 1 year, medium-term = 1 – 5 years, long-term = more than 5 years.

In case value chain data estimations have been used or in case there are outcome uncertainties related to the metrics disclosed in the sustainability statement, this is disclosed along with the respective metrics within the relevant section.



General information

Sources of measurement uncertainty

Metrics that include value chain data estimation using indirect sources are our Scope 3 GHG emissions from purchased goods & services. Where available, supplier specific information has been used, but for many raw materials and suppliers we needed to rely on generic, sector-average emission factors. The accuracy of this information is deemed sufficient as the databases used as the source for these generic emission factors are also widely used for 3rd party verified life cycle analysis.
We will continue to work with our value chain to get access to specific carbon emission information if and when this becomes available.

Estimations were also used for the transport distances covered by our raw materials and sold products, resulting in Scope 3 GHG emissions from upstream transport. The approach to these estimations is further detailed in section E1-6 Gross scopes 1, 2, 3 and total GHG emissions.

Uncertainty in metrics has been identified to be applicable to the following data points in the sustainability statement:

- The financial impacts of material risks and opportunities as reported in section 'SBM-3 Material impacts, risks and opportunities' are high level estimates based on the best judgement of internal Business and Finance experts.
- As explained above, a significant part of our Scope 3 GreenHouse Gas emissions were based on estimations.
- Withdrawal of rain water in our Tielt plant is calculated based on average rainfall rather than actual measurements.
- Water consumption and water discharge in our Los Angeles plant are assumed to be equal to water withdrawal as we don't measure the water discharge or evaporation - this overstates our actual water consumption.
- Recycled packaging for Bentley Mills: assumptions were used in terms of quantity of packaging used per type of finished product.
- The number of training hours per person for our employees in Bentley Mills are estimated; for our employees in Europe these hours are fully tracked.

Use of phase-in provisions

Where the ESRS allows for this, Belysse has made use of phase-in provisions for certain data points that are voluntary for the reporting year, mostly for forward-looking financial information. These are further specified in the relevant section of the sustainability statement.
No phase-in provisions at material topic or sub-topic level are used in accordance with Appendix C of ESRS 1 – all material topics and sub-topics are disclosed.

In reporting forward-looking information in accordance with the ESRS, Belysse is required to prepare the forward-looking information based on disclosed assumptions about events that may occur in the future and possible future actions by the company.
The actual outcome is likely to be different since anticipated events frequently do not occur as expected.

Forward-looking information relates to events and actions that have not yet occurred and may never occur.

No disclosure of impending developments or matters in course of negotiation has been omitted in the sustainability statement.

Presenting comparative information

As it is the first year of reporting based on the CSRD/ESRS standards, a number of disclosures and metrics are reported that were previously not presented in our sustainability statement.
With regards to disclosures and metrics previously reported, there have been 2 significant changes in preparation of sustainability information compared to the previous reporting period(s):

- The CO_2 emission factor for electricity in the Tielt plant in the 2018 - 2023 numbers has been restated to be in line with the market-based emission factor used for 2023-2024 within the context of SBTi and CSRD.
  The impact of this change is further described in section E1-4 Targets.
- Change in definition related to water usage: in previous annual reports, water withdrawal related only to shallow groundwater, whereas water consumption included water withdrawal from any source. In the 2024 sustainability statement, we have aligned definitions to ESRS standards: water withdrawal includes any sources; water consumption equals water withdrawal minus water discharge.

Where metrics have been previously reported, comparative information is presented; this information and the related disclosures are presented on a voluntary basis and have not been subject to reasonable or limited assurance procedures.
This information and the related disclosures have been prepared in accordance with ESRS standards. For selected newly introduced metrics, Belysse has made use of the transitional provisions for the first year in accordance with ESRS 1.

Disclosures from other legislations or generally accepted sustainability reporting standards and frameworks

All greenhouse gas data points (GHG scope 1-3) are reported based on the Greenhouse Gas Protocol.

Disclosures incorporated by reference

Any incorporations by reference, referring to other sections of the sustainability statement or other chapters of the annual report, are explicitly stated in the relevant sections of the sustainability statement.

No reporting errors in prior periods have been identified for any of the metrics previously reported.

General information

Governance

GOV-1 The role of the administrative, management and supervisory bodies

As outlined in the Strategic Report chapter of the Annual Report, Sustainability is one of the three strategic pillars of Belysse, defined as part of our 4-year transformation BEYOND roadmap which started in January 2022.

We refer to the Corporate Governance chapter of the Annual Report, section 'The Board and Committees' for a full description of the various governance bodies within Belysse Group NV (Board of Directors, Management Committee, Audit Committee, Remuneration and Nomination Committee and ESG Committee) explaining their composition, experience and functioning.

ESG Committee

In November 2023, the Board of Directors has established an ESG Committee. The Committee is chaired by Vanessa Temple, independent and non-executive director of the Company.
On 31 December 2024, the members of the ESG Committee are:

Name	Position
Vanessa Temple	Chair of the ESG Committee and Independent Director of the Company
Cyrille Ragoucy	Member and Chairman of the Board
James Neuling	Member and Chief Executive Officer
Andy Rogiest	Member and Chief Financial Officer
Ruben Pattheeuws	Member and Group Director of Sustainability and Strategic Projects
Tine Pieters	Member and Sustainability Manager

In accordance with its Terms of Reference, the purpose of the ESG Committee is to monitor regulatory requirements and ensure the Company complies with them, to monitor the impacts as well as key risks and opportunities that the Company faces in relation to environmental, social and governance factors that have an impact on the long-term performance of the Company.

The ESG Committee will oversee the Company's conduct, performance and reporting on such material ESG matters, inform the Board and make recommendations to the Board where decision, action or improvement is needed.

Board of Directors

FY 2024	
Number of executive members	0
Number of non-executive members	9
Percentage of members of administrative, management and supervisory bodies by gender and other aspects of diversity	The percentage of women in the Board of Directors is 33%, equal to last year
Board's gender diversity ratio	3 women / 6 men
Percentage of independent board members	33%, equal to last year

In addition to having a dedicated ESG Committee established, sustainability is also firmly integrated into existing governance structures and business processes. Relevant members of the European and US Management team are responsible for monitoring, managing, and overseeing the implementation of policies, actions, and targets related to effective management of specific IROs – as further detailed in the corresponding policy sections of each material ESG topic.
The Sustainability team supports the business in managing IROs, developing the sustainability strategy and external as well as internal ESG reporting.

Sustainability related expertise is currently deemed to be sufficiently present in the ESG Committee, Board of Directors, European & US Management teams and Sustainability team.

GOV-2 Information provided to and sustainability matters addressed by Belysse administrative, management and supervisory bodies

The ESG Committee reviews all relevant ESG topics related to material impacts, risks and opportunities at least 3 times per year, including any applicable changes in ESG regulations, progress against the defined ESG targets on CO_2 emission intensity, water consumption, use of recycled content in our products, recycling of production waste and progress on the projects, initiatives and actions driving our progress against these targets.
Any information relevant to the Board of Directors, as well as any decision requiring Board of Director approval, is raised by the ESG Committee at least 3 times per year to the Board of Directors or relevant Board Committee: the Remuneration and Nomination Committee and/or the Audit Committee.

GOV-3 Integration of sustainability performance in incentive plans

Sustainability-related performance has so far not been structurally integrated in the incentive schemes of Board or management. Specific members of the Management team did have sustainability-related targets or the delivery of sustainability-related projects as part of their variable compensation objectives for 2024.
The proportion of variable remuneration dependent on sustainability-related targets and/or impacts varies by individual, depending on their role, their direct impact on specific ESG topics and the overall composition of their variable remuneration plan. The terms of these incentive schemes are recommended by the Remuneration and Nomination Committee and approved by the Board of Directors.

General information

GOV-4 Due diligence

Core Elements of Due Diligence	Paragraphs in the Sustainability Statement
a) Embedding due diligence in governance, strategy, and business model	Belysse has integrated due diligence into its corporate governance structure, ensuring that sustainability considerations are embedded in decision-making processes at the Board level. The Company's strategy includes specific targets related to reducing environmental impact both within its own operations, in its upstream and downstream value chain. Read more: • Corporate Governance Charter • SBM-1 Strategy, business models and value chain
b) Engaging with affected stakeholders in all key steps of the due diligence	The Company regularly engages with key stakeholders, including customers, employees, suppliers and industry associations, through consultations and feedback mechanisms. These engagements are used to identify potential risks and opportunities, ensuring that stakeholder concerns are addressed in the Company's sustainability efforts. Read more: SBM-2 Interests and views of stakeholders
c) Identifying and assessing adverse impacts	Belysse conducts annual risk assessments to identify and evaluate potential adverse impacts related to environmental pollution, labour rights, and human rights within its operations and supply chain. This process includes the use of both internal and external assessments. Read more: • IRO-1 Description of the materiality assessment process • ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model • ESRS 2 IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities
d) Taking actions to address those adverse impacts	Belysse is continuously implementing action plans to address areas identified as high-risk. This includes reducing our energy and water consumption, transitioning to cleaner technologies, increasing the use of recycled materials and the rate of in-house recycling, reinforcing worker safety programs, and improving supply chain transparency to mitigate human rights risks. The actions taken to address the specific environmental and social adverse impacts, are detailed in the relevant sub-sections.
e) Tracking the effectiveness of these efforts and communicating	Belysse monitors the outcomes of its due diligence activities through key performance indicators (KPIs), which are reported in the annual sustainability statement. The effectiveness of actions taken is reviewed quarterly, and findings are communicated to stakeholders via regular updates including external reporting through our half-yearly investor calls and results presentations published on the Company website. The KPIs and targets to track the effectiveness of actions addressing the specific environmental and social adverse impacts, are detailed in the relevant sub-sections.

GOV-5 Risk management

Belysse's sustainability risk management is structurally embedded in the Board of Directors oversight like any other material risks relevant to Belysse, specifically for sustainability through the ESG Committee and its connections to the other Board Committees where relevant. The approach is based on several elements:

- Annual review of the double materiality assessment, including external and stakeholder input
- Annual strategy review by the Board of Directors
- Strong connections with industry associations to ensure we stay close to any relevant sustainability topics, changes or trends
- Clear sustainability objectives that go beyond but include compliance with any changes in regulation or legislation, through close collaboration between our Sustainability, HSE, Legal, Finance and HR teams
- Robust policies and procedures have been establish to cover the necessary ESG aspects
- Regular internal and external communication about our sustainability efforts and progress towards reaching our sustainability objectives
- Use of internal compliance checks as well as external assurance, often in the context of sustainability and ISO certifications, or on request of our customers as part of an ESG audit

Sustainability reporting risk management and internal controls

We identified that the main risks associated with our sustainability reporting relate to the accuracy and completeness of data, especially where ESG data is based on value chain data estimation or subject to uncertainty in metrics, as described in section BP-2 Specific circumstances.
Sustainability information is gathered from various departments, primarily Finance, HSE, Operations and Human Resources. The accuracy of our sustainability reporting relies on internal control mechanisms, which are the responsibility of the Sustainability team. To maximally guarantee the reliability of the collected data, existing reports that are firmly embedded in operational and financial day-to-day processes have been used as the primary data source, where possible. As many quantitative data points relate to ESG targets that have been internally and externally reported by Belysse for several years, we apply robust variance analysis to further ensure data reliability and comparability to previous reporting periods.

The main industry specific Environmental risks that are most closely monitored, are Circular economy (via the European Green Deal) and Climate change:

European Green Deal

With the European Green Deal, the European Commission aims to transform the EU into a modern, resource-efficient and competitive economy, where there are no net emissions of greenhouse gases by 2050 and where economic growth is decoupled from resource use. Many of the policies, designed to realize this ambition have an impact on our business.

EU Emission Trading System (ETS)

In Belgium, Belysse falls under the EU ETS Directive. ETS stands for (CO_2) Emissions Trading System. The revised EU ETS Directive, covering 2021 – 2030, provides predictable, robust and fair rules to address the risk of carbon leakage. The system of free allocation will be prolonged for another decade and has been revised to focus on sectors that are most at risk of relocating their production outside the EU. To increase the pace of emission cuts, the overall number of emission allowances will decline from 2021 onwards.
Belysse monitors any changes to the EU ETS Directive and has identified different possible exit scenarios from the EU ETS scheme for our production site in Tielt; the site in Zele has an installed capacity that falls below the EU ETS threshold and is therefore not in scope.

Carbon Border Adjustment Mechanisms (CBAM)

The CBAM is a carbon tariff on carbon intensive products that are imported into the European Union. This law became effective on October 1st 2023 in its transitional phase. The permanent system will enter into force on January 1st 2026. Currently, CBAM only applies to goods whose production is highly carbon intensive: cement, iron and steel, aluminium, fertilizers, electricity and hydrogen. Speculators predict that the scope will be enlarged to other products as well, including plastics. This has not yet been confirmed.
Belysse continues to monitor any changes to the CBAM scope.

Extended producer responsibility (EPR)

With a set of Extended Producer Responsibility Policies, the European Union is driving the economy towards a higher level of circularity, by making companies responsible for their products at the end of their life. This encourages not only eco-design, but also to structured collection and treatment of waste, and the maximization of circular practices such as reuse, remanufacturing and recycling.
As of January 1, 2023, 'La REP PMCB', the French EPR legislation entered into force. All entities who place construction products on the French market (manufacturers and importers) are obliged to report the marketed volumes and pay an 'eco-contribution' for their products to the French Government. Not having any production facilities in France, Belysse is not subject to this legislation.
Nevertheless, we have adhered to French eco-organisms to be able to provide this service to our French customers.

General information

France is the first European country to implement a legislative EPR system. Our other neighbouring countries are expected to follow soon.

- The Netherlands has introduced an EPR for apparel and home textiles (excluding carpets) in July 2023. It is expected that more complex textile products, like carpets, will follow in the coming years.
- Discussion on an EPR scheme are ongoing in the UK as well. It is however not yet clear how carpets will be classified. Coming from the industry, there is a strong lobby against adding carpets to the waste category 'Bulky Household waste'.
- An EPR system for matrasses exists in Belgium since 2021. It is expected that a similar system will be set up for textile floor coverings as well. Belysse is part of the consortium 'Living Lab Carpet'. This is a VLAIO-funded project in which new methods for end-of-life collections, processing and reuse or recycling of textile floor coverings, will be developed. One of the deliverables of this project is a recommendation for a Belgian EPR system.
- In the U.S., California was the first state to establish EPR legislation in 2010. It is an industry-designed and managed state-wide carpet stewardship program. This program follows producer responsibility principles to ensure that discarded carpets become a resource for new products in a manner that is sustainably funded and adheres to the waste management hierarchy. Bentley participates in this program through the Carpet America Recovery Effort (CARE) to achieve state goals.

Circular Economy Action Plan (CEAP)

The EU CEAP announces initiatives along the entire life cycle of products, targets how products are designed, promotes circular economy processes, encourages sustainable consumption, and aims to ensure that waste is prevented and the resources used are kept in the EU economy for as long as possible.

- The Eco-design for Sustainable Products Regulation (ESPR) sets requirements for how products are designed to improve their circularity and other environmental sustainability aspects. For Belysse, this means that we will have to adjust the design of our products to comply with these requirements. Belysse is member of different working groups and norm committees, such as the project 'CISUFLO', that are writing recommendations for our sector. As such, we can give our input and are well informed about potential future expectations.
- Within the ESPR, products will be required to give a 'Digital Product Passport' (DPP), aimed to enhance the traceability of products and facilitate repair, reuse, remanufacturing and recycling. For the textile floor coverings sector, the PRODIS system is proposed as DPP. All modulyss and ITC products are already registered in PRODIS.
- The EU Plastics strategy puts a high focus on plastics packaging, and aims to set minimum requirements for recycled content in plastics packaging. In particular the 'bottle to bottle' strategy might impact Belysse, as availability of recycled polyester for application in the textile sector is likely to decrease.

Climate change

Impact of climate change on resources

We are reliant on polymers — polyamide, polyester and polypropylene yarns or granules — derived from the petrochemical sector as the main material for our floor coverings. So evidently, the protection of our planet is of primary concern.

Impact of climate change on manufacturing and products

While we need to reduce our carbon footprint to comply with the European Green Deal and the governmental regulations on emissions in Belgium (federal and regional) and the US, we must also be fully aware of all the risks presented by climate change. Global warming, drought, rising sea levels and extreme weather all have the potential to impact our business, and we are taking positive steps to minimise these risks.

Impact of water scarcity

All our production plants are located above sea level, so there is currently little risk from rising sea levels caused by global warming. However, our production processes — particularly dyeing and printing — rely heavily on water. The region of Flanders, Belgium, has one of the lowest water reserves per capita. This is caused by the combination of a high population density and a rather low presence of surface and groundwater. Climate change is already disrupting this fragile balance.
Information on drought and the awareness around it is still limited today, but the economic consequences of drought could be considerably bigger than from any other climate effect. We will make further investments in water recycling or process changes that allow lower water consumption, focusing on our production site in Tielt. We are also working actively with the Flemish Government on optimising the sources of water used, for example the 'WaterProof' project on the Tielt North industrial estate where our Tielt production site is located. The aim of this project is to maximize the use of water from alternative sources such as rain water, purified industrial waste water and drainage water. This project will enable us to use water from a large rain water basin that will be installed close to our factory.

General information

Strategy

SBM-1 Strategy, business models and value chain

At Belysse, we are a team of experts with a strong legacy in soft flooring. We create, develop and produce sustainable flooring solutions. This is our core business, but while doing so we consider it as our responsibility to take care of our people, to make products that create value for our customers without harming the environment, and to ensure profitability for our shareholders.

For an overview of our value chain, we refer to the flowchart in section BP-1 General basis for preparation of the sustainability statement. Additional information on resource inflows can be found in section E5-4 Resource inflows, while additional information on customer groupings is described in section S4-SBM3 Material impacts, risks and opportunities and their interaction with strategy and business model.

Interaction with strategy and business model

As outlined in the Strategic Report chapter of the Annual Report, Sustainability is one of the three strategic pillars of Belysse, defined as part of our 4-year transformation BEYOND roadmap, and is therefore firmly embedded in our overall Company strategy:

- Increased focus on Sustainability through innovative products and production processes
- Incremental drive for Efficiency through lean strategies
- Emphasis on Agility through Digital and operational improvement initiatives

This BEYOND roadmap includes establishing Company-wide sustainability related targets covering the main sustainability matters and challenges ahead for Belysse, with a particular focus on Environmental topics. These targets, associated policies and actions are further described in the relevant sections of the sustainability statement.

Main products, markets and market segments

Belysse has a strong focus on North-America and Europe under the premium brands Bentley (US), modulyss, arc edition and ITC (Europe), catering to the commercial and premium residential markets.
Belysse employs nearly 1,000 people and operates three manufacturing sites: 2 in Belgium (Tielt and Zele) and 1 in the United States (Los Angeles). Our consolidated revenue in 2024 was €280.4m, all in the Textiles sector.
We refer to section BP-1 'General basis for preparation of the sustainability statement' for an overview of our value chain, as well as section E5-2 'Actions and resources related to resource use and circular economy' respectively S4-SBM3 'Material impacts, risks and opportunities and their interaction with strategy and business model' for more details on our upstream and downstream value chain.

People

We are an integrated soft floorcovering manufacturer with nearly 1,000 employees, so people are naturally at the heart of our business, and of our success. We believe that we must create a positive and collaborative working environment where employees' personal development is promoted, to reach our objectives. By strong and transparent communication about our values and our strategic goals, everyone across the organisation can contribute to their achievement.
As staunch promotors of physical and mental wellbeing in the workplace, health and safety remains our top priority. We have worked incessantly to raise safety awareness and promote safety leadership, investing in prevention campaigns and rigorous training, and continuously increasing our adoption of digital tools.

Planet

Belysse is headquartered in Europe and has production sites in Belgium and the US. Two of our three manufacturing plants fall under the purview of EU policies and the associated EU Sustainable Finance Action Plan. The European Green Deal aims to make Europe climate-neutral by 2050. Belysse fully supports the shift from a linear to a circular economy and is fully aware of its responsibilities in this transition.

After the Divestment, we have reassessed the milestones that were set in 2018. Based on our progress so far and the plans we have laid out for the coming years, we don't see the need to reformulate our goals. Even more so, as we observe the trend of international, national and regional targets getting tightened, we are confident that we can achieve them.

General information

Business Ethics

Belysse is dedicated to running its business under the applicable laws, as well as the highest standards of integrity and ethical practices. That is why we are making continuous efforts to raise awareness for our legal compliance programme. In 2024, e-courses were organised and completed by the employees on Anti-Bribery and Corruption, Antitrust and Information Security. The internal compliance policies have been updated in accordance with the actual legislation and a formal Code of Conduct is still in preparation (to be completed in 2025).

SBM-2 Interests and views of stakeholders

Key stakeholder groups	Type of engagement	Purpose of the engagement	Outcome consideration (related to strategy & business model)
Employees	• Wellbeing and engagement surveys • Town halls	• Ensure open two-way communication with our employees • Stimulate a clear understanding of Belysse's vision and strategy • Ensure employee engagement • Foster a positive work environment	• Regular formal and informal communications from management • Company policy adaptations • Improvements and action plans addressing specific employee requests or concerns
Federation & industry associations	• Federation member meetings	• Ensure pro-active awareness on any potential changes in legislation that could affect our industry or Belysse in particular • Contribute to industry standards on sustainability	• Alignment on sustainability practices • Establish collaboration partnerships
Financial stakeholders	• Investor calls • Board meetings • Quarterly ESG reviews • Annual ESG benchmarking	• Ensure Belysse's strategy and business model are aligned with the expectations of our key financial stakeholders	• Responses to investor questions
Legislators	• No formal regular engagement, ad-hoc	• Stay up-to-date on any potential changes in legislation that could affect Belysse	• Mitigating any potential compliance risks
Suppliers	• Surveys • Supplier due diligence • On-site audits • Regular communication with our Procurement department	• Compliance with our supplier code of conduct • Promote responsible sourcing • Protect human and labour rights of workers in the supply chain	• Informed selection of suppliers • Yearly anti-slavery and human trafficking statement
Unions	• Regular meetings, e.g. works councils, CPBW (Committees for Prevention and Protection at Work)	• Ensure open and communicative relationship with our employees and the unions • Ensure we meet any viable requests related to working practices	• Improvements and action plans addressing specific employee requests or concerns
Customers	• Surveys • Regular communication with our Sales and Customer Service employees	• Ensure Belysse's strategy and business model are aligned with the expectations of our customers and end consumers • Stay close to emerging trends in the market • Provide our customers and end consumers with sustainable flooring solutions • Enabling our customers to achieve their sustainability objectives	• Product/service improvements • Customer-relevant marketing communications
Local communities/ authorities	• No formal regular engagement, ad-hoc	• Ensure open line of communication with local communities & authorities • Address any community concerns or questions that may arise • Building trust with local communities	• Active participation in local sustainability initiatives
Civic and non-profit organisations	• Support of and collaboration on sustainability and research projects • Partnerships with NGOs	• Taking part in a broader ecosystem, beyond our own operations or value chain	• Contribution to local & global sustainability initiatives • Active participation in industry relevant research projects

When relevant, these stakeholder interests and views are raised to the ESG committee according to the process described in GOV-1 'The role of the administrative, management and supervisory bodies' and GOV-2 'Information provided to and sustainability matters addressed by Belysse administrative, management and supervisory bodies'.

General information

SBM-3 Material impacts, risks and opportunities

E1 – Climate Change						
Material impact, risk or opportunity		**Description**	**Origin**	**Time horizon**	**Effects & responses of Belysse**	**R&O's financial effects**
Carbon footprint (scope 1, scope 2 and scope 3)	✕ Negative impact	Emission of Green-House Gases from energy consumption in the factories	Own operations	Actual impact	Belysse continuously explores innovation in its products and production processes, to reduce the carbon footprint of its factories	N/A
	✕ Negative impact	Emission of Green-House Gases from the extraction and production of raw materials	Upstream	Actual impact	The EPD's of our products show that the main embodied carbon originates from the raw material extraction and processing. Belysse works to actively increase the use of recycled raw materials in its products. In addition, part of Belysse's suppliers use renewable energy resources and transition to more energy efficient production processes	N/A
	✕ Negative impact	Emission of Green-House Gases from the end of life processing of Belysse's products	Downstream	Actual impact	The majority of carpets and carpet tiles is still incinerated at end of life, which results in GreenHouse Gas emissions. Belysse actively sets up partnerships that enable reuse and/or recycling of its products at end of life	N/A
	✕ Negative impact	Emission of Green-House Gases from the up- and down-stream supply chain (transport of raw materials and finished goods)	Upstream, downstream	Actual impact	Although smaller in CO_2 footprint than the extraction of raw materials and end-of-life treatment of products, transport still leads to considerable GreenHouse Gas emissions. Actions we take are choosing the most efficient way of transportation, optimize shipments and also our product design has an impact – our ecoBACK PLUS backing launched in 2024 is so light that more tiles can be transported at once, resulting in a reduction of transport CO_2 emissions by 18%	N/A
	✦ Opportunity	Opportunity to gain market share thanks to having pledged to SBTi, as this is a requirement of some larger customers	Downstream	1 – 5 years	Belysse has committed to SBTi in 2023, has submitted its proposed SBTi targets in the course of 2024 and these targets have been validated early 2025	€ 1-5m
	✔ Positive impact	Positive impact from customer reception of Belysse's commitment to SBTi	Downstream	1 – 5 years	Belysse has committed to SBTi in 2023, has submitted its proposed SBTi targets in the course of 2024 and these targets have been validated early 2025	N/A
Use of energy sources	✕ Negative impact	Depletion of fossil fuels to meet Belysse's energy demand	Own operations	Actual impact	Where possible and economically feasible, Belysse transitions its energy consumption to renewable energy	N/A
	✕ Negative impact	Depletion of fossil fuels to supply Belysse's raw material demand	Upstream	Actual impact	Belysse actively works to increase its share of recycled raw materials and continuously investigates the possibilities to use biobased materials	N/A
	Risk	Risk of additional investment costs in infrastructure to reduce Belysse's energy consumption and/or increased cost to buy carbon emission rights	Own operations	1 – 5 years	Belysse has significantly reduced its energy consumption and associated carbon emissions over the past years, with targets to further decrease this, in addition to our SBTi commitment	€ 1-5m

E2 – Pollution

Material impact, risk or opportunity		Description	Origin	Time horizon	Effects & responses of Belysse	R&O's financial effects
Impact of our production processes	✕ Negative impact	Discharge of waste water from the on-site water purification unit in Tielt to surface water streams, in light of increasingly stringent legislation and norms required to maintain our license to operate	Own operations	Actual impact	Wherever necessary to comply with legislation and norms, Belysse adapts its products and production processes accordingly	N/A
	Risk	Risk that stricter emission limits for emission to air and water might require investment in new infrastructure or innovative technologies, in order to maintain our license to operate	Own operations	1 – 5 years	Belysse follows closely any changes in legislation and norms. Wherever necessary to comply with legislation and norms, Belysse adapts its products and production processes accordingly	€ 5-10m
Harmful substances in our products	✔ Positive impact	Belysse requires suppliers to comply with its supplier code of conduct, stipulating its requirements related to environmental performance	Upstream	Actual impact	Adhering to the Belysse supplier code of conduct is a must for any existing or potential new supplier	N/A
	Risk	Risk related to many of Belysse's products being C2C certified; for Belysse to obtain or maintain an advanced level of certification, its suppliers need to disclose essential information and be willing to collaborate whenever improvements would be needed	Upstream	1 – 5 years	This information is part of the supplier documentation requested by Belysse to its potential suppliers. Willingness to improve where required, is part of our supplier evaluation criteria	€ 5-10m

E3 – Water

Material impact, risk or opportunity		Description	Origin	Time horizon	Effects & responses of Belysse	R&O's financial effects
Water consumption	✕ Negative impact	Depletion of groundwater for use in the production processes in Tielt	Own operations	Actual impact	Belysse continuously explores innovation in its products and production processes, to reduce its water needs. In addition, we maximize the use of rain water and grey water where technically feasible and are part of the WaterProof project in Tielt to further enhance rain water capturing in the area	N/A
	✕ Negative impact	Potential impact of increased water scarcity in the region surrounding the factory in Tielt due to high water consumption in the area	Own operations	1 – 5 years	Belysse is currently evaluating the shift of products to production processes which require significantly less water, as well as taking preparatory steps to potentially allow on-site water recycling	N/A

E5 – Resource Use & Circular Economy						
Material impact, risk or opportunity		**Description**	**Origin**	**Time horizon**	**Effects & responses of Belysse**	**R&O's financial effects**
Raw material consumption	✕ Negative impact	Emission of GreenHouse Gases from the extraction and production of raw materials	Upstream	Actual impact	Belysse actively works to increase its share of recycled raw materials and continuously investigates the possibilities to use biobased materials. In 2024 we have launched our first products containing biobased materials: the modulyss PLUS collection using our newly developed lighter weight ecoBACK PLUS backing containing biobased material, resulting in a lower carbon footprint and reduced Global Warming Potential	N/A
	Risk	Potential significant raw material cost increases due to depletion of fossil sources over time	Upstream	5 – 10 years	In addition to increasing the share of recycled raw materials in our products and investigating possibilities to use biobased materials, Belysse actively collaborates with its value chain, within the broader industry and in its own operations to improve product recyclability, recycling techniques and recycling of our products at end-of-life	€ 5-10m
Waste treatment	✕ Negative impact	Emission of GreenHouse Gases from the treatment of waste originating from the production process and at our products' end of life	Downstream	Actual impact	Where technically and economically feasible, Belysse recycles its own production waste. For all other waste streams as well as end of life treatment of products, preference is given to partners that provide reuse and/or recycling possibilities	N/A
Raw material selection	✔ Positive impact	Reduce GreenHouse Gas emissions by increasing the use of recycled or biobased materials	Upstream	Actual impact	Belysse actively works to increase its share of recycled raw materials and continuously investigates the possibilities to use biobased materials	N/A
	✕ Negative impact	Belysse sources an important share of non-recycled raw materials, maintaining a linear economy system with extraction of fossil sources	Upstream	Actual impact	Both the increased usage of recycled raw materials and using biobased materials enables Belysse to step away from this linear economy system	N/A
	Risk	Risk of loss of market share, should Belysse not be able to sufficiently source raw materials with recycled or renewable content at an economically feasible price due to low availability in the market	Upstream	1 – 5 years	Belysse actively engages with its value chain to increase its sourcing of verified recycled raw materials and increase the possibilities to use biobased materials	€ 5-10m
	Opportunity	Opportunity from customer preference for products with a low carbon footprint	Downstream	1 – 5 years	A significant share of our existing customers –especially in commercial– take into account product carbon footprint in their decision making process. Potential further changes in legislation to incentivize customers to do so, will only increase this importance and we would expect a similar growing trend with residential customers	€ 5-10m

E5 – Resource Use & Circular Economy (continued)						
Material impact, risk or opportunity		**Description**	**Origin**	**Time horizon**	**Effects & responses of Belysse**	**R&O's financial effects**
Product End of Life actions	✕ Negative impact	The majority of carpets and carpet tiles is still incinerated at end of life, which results in GreenHouse Gas emissions. In some sales regions, landfilling is also still allowed	Downstream	Actual impact	Belysse actively builds partnerships to stimulate take back of our products at the end of life, with an obvious preference for solutions that allow reuse and/or recycling over energetic valorisation or landfilling	N/A
	Risk	Risk of losing market share, should Belysse not meet its customers' requirement to make recyclable products	Downstream	1 – 5 years	Belysse continuously investigates possibilities to change the composition of its products and the associated production processes, to increase recyclability of its products, in close collaboration with various institutes and suppliers	€ 5-10m

S1 – Own Workforce						
Material impact, risk or opportunity		**Description**	**Origin**	**Time horizon**	**Effects & responses of Belysse**	**R&O's financial effects**
Occupational Health & Safety	✕ Negative impact	Workers in the factories work with machines, which comes with an inherent safety risk. Some tasks are ergonomically demanding	Own operations	Actual impact	As staunch promotors of physical and mental wellbeing in the workplace, Health and safety remains our top priority. We have worked incessantly to raise safety awareness and promote safety leadership, investing in prevention campaigns and rigorous training, and continuously increasing our adoption of digital tools	N/A
Wellbeing & Respect	Risk	With an ageing population, Belysse is at risk of being confronted with a knowledge gap when older employees retire and we would not be able to replace them by new employees with the right skills. In general, it is a challenge to attract new people for open positions	Own operations	1 – 5 years	We have launched the employer branding campaign 'The people from Belysse', by which we aim to create more cohesion in the current workforce, which in turn makes us a more attractive employer. Within the current workforce, we invest in personal growth and development.	< € 1m

S2 – Workers in the Value Chain						
Material impact, risk or opportunity		**Description**	**Origin**	**Time horizon**	**Effects & responses of Belysse**	**R&O's financial effects**
Supply chain management	✕ Negative impact	Many of our suppliers operate chemical and industrial processes. Based on UN risk tools, we have identified 'risk for accidents at the workplace' as a high risk for the majority of our raw material suppliers	Upstream	Actual impact	Belysse requires all suppliers to sign and show compliance with our supplier code of conduct. The code covers social, safety and environmental topics. It stipulates that suppliers must ensure that their own suppliers, contractors and other business partners comply with our requirements. Belysse reserves the right to audit compliance with the code on-site.	N/A
	Risk	Risk of not having alternative suppliers to source important materials from, should an ethical or institutional issue be identified	Upstream	1 – 5 years	Towards our suppliers, we clearly express our expectations regarding environmental and social impacts by means of our supplier code of conduct. The document is based on the 'United Nations Guiding Principles on Business and Human Rights', but covers more than only Human Right topics. It requires suppliers to: • Show compliance with applicable laws and regulations • Respect Human and Labour Rights • Adhere to health and safety standards • Limit their environmental impact • Follow standards for ethical business conduct Signing the supplier code of conduct is a hard requirement to become a supplier of Belysse	€ 5-10m

S4 – Consumers and End Users						
Material impact, risk or opportunity		**Description**	**Origin**	**Time horizon**	**Effects & responses of Belysse**	**R&O's financial effects**
Information related impacts	✔ Positive impact	Disclosure of product relevant information to allow our customers to compare products before selection and to factor sustainability criteria into their decision making process	Downstream	Actual impact	Belysse makes the necessary product sustainability data and certificates available to its customers	N/A

General information

S4 – Consumers and End Users (continued)						
Material impact, risk or opportunity		**Description**	**Origin**	**Time horizon**	**Effects & responses of Belysse**	**R&O's financial effects**
Information related impacts (continued)	Risk	Risk of losing customers, should Belysse not be able to provide customers with the requested certification (e.g. related to product safety or sustainability aspects)	Downstream	1 – 5 years	Belysse offers a wide range of certificates from renowned institutes to its customers, and continuously looks for opportunities to innovate its products and production processes to further improve the sustainability characteristics of its products. Bentley has Health Product Declarations (HPD) on all 12 backing platforms. The HPD Open Standard is a standardized specification for reliable reporting of product contents and associated health information for products used in the built environment. All modulyss and ITC products are registered in the PRODIS system. A recent development of the PRODIS system is the product passport, an online tool that allows users to get information about technical details, harmful substances, recycled content and LCA results of our products. In 2023, we updated the Sustaina-bility datasheets of our modulyss carpet tiles, and added a QR-code that gives customers the direct link to the PRODIS Product Passport.	€ 1-5m
Product Safety	✔ Positive impact	Belysse has certifications and declarations that clearly indicate to the customer the absence of any product related concerns. Also as part of after sales, we provide recommendations to our customers for maintenance to avoid any potential issues	Downstream	Actual impact	With production sites in Belgium and California, we comply with very strict regulations regarding the use of chemicals in our products, such as the REACH and POP regulation. All raw materials are screened before they can be delivered to our sites. Our products also comply with the minimum criteria for health and safety as defined in the harmonized European standard EN14041, better known as the CE marking, with criteria for safety, slip, antistatic properties and hazardous substances. In our product design, we focus on using materials with low Volatile Organic Compound (VOC) emissions. In addition to reducing VOC emissions, we have set the target of zero harmful chemicals. We follow the guidelines of recognized certification schemes: • The Cradle to Cradle Material Health Assessment which is one of the strictest chemical assessments for products • All Bentley products have the Declare label from the International Living Institute. Declare screens a product's ingredients against the Living Building Challenge Red List, ensuring that the product contains no chemicals known to pose a risk to human health or the environment	N/A

General information

G1 – Governance						
Material impact, risk or opportunity		**Description**	**Origin**	**Time horizon**	**Effects & responses of Belysse**	**R&O's financial effects**
Business conduct within own operations	✔ Positive impact	Belysse organizes regular employee trainings related to the Business Conduct policies	Own operations	Actual impact	Belysse organizes regular mandatory employee trainings on Business Conduct topics such as Anti-Trust, Anti-Money-Laundering, Anti-Corruption, Anti-Fraud	N/A
	Risk	Risk of reputational and/or monetary damage, should any business conduct issue arise such as cyber-attack, corruption,...	Own operations	1 – 5 years	Over the past years, Belysse has greatly invested in creating a structured, Group-wide compliance programme. The programme includes policies and tools to identify, assess and tackle the main compliance risks. Our policies are reviewed annually and on an ad hoc basis, e.g. when the applicable legislation is changed. In addition, internal controls are gradually being integrated into all operational processes in close coordination with the finance department, accounts payable, the different business units and other relevant functions. Data protection and cyber-security have been among the highest priorities at Belysse Group. Continuous efforts are being made to improve the protection of our security system and of personal data, including providing employees with mandatory online compliance courses on cyber-security.	€ 1-5m
	Risk	Risk of fines, should Belysse fail to comply with any applicable legislation	Own operations	1 – 5 years	We have developed and continue to develop a suite of different policies and procedures, which are kept under close scrutiny and always up-to-date. These policies are the operational translation of the latest applicable regulations and recommendations and include the Group's ethical principles and standards of integrity.	€ 1-5m

Risks & opportunities' financial effects have been estimated on an annual basis, with the exception of required investments (climate, pollution) and governance-related risks which would be accumulated values over the indicated time horizon, as we would expect these investments or governance risks to occur as one-time events rather than recurring over multiple years. These high level estimates are based on the best judgement of internal Business and Finance experts and were assessed as EBITDA impact, except for required investments which would be capitalized expenses. Our DMA has not identified any material risks and opportunities for which there is significant risk of material adjustment within the next annual reporting period to carrying amounts of assets and liabilities reported in related financial statements.

As sustainability is a key pillar in the overall strategy of Belysse and the identified IROs are in line with the material ESG topics already identified through materiality analysis in prior years, we assess that the nature, expected time horizon and potential impact of these IROs do not require us to adapt our strategy and business model beyond our ability to adjust if or where needed. As described above in more detail in the 'Effects & responses of Belysse', we assess that in general we can manage the identified IROs through policies, targets, and actions that fit within the context of our existing business model and strategy.

As it is the first year of reporting based on IROs, there are no changes in IROs compared to previous reporting periods.

General information

IRO-1 Description of the materiality assessment process

In 2020, Belysse conducted a first Materiality Analysis to identify the key ESG topics relevant to the Company.
In 2023, we decided to expand the scope of our Materiality Analysis to include the 'outside-in' as well as the 'inside-out' perspective. A so-called 'Double Materiality Assessment' was carried out.
In 2024, this Double Materiality Assessment was updated to ensure full compliance with CSRD requirements.

Value chain mapping

Our materiality assessment process has not focused on specific activities, business relationships, geographies or other factors that give rise to heightened risk of adverse impacts – it is fully covering the activities of Belysse Group and all its subsidiaries.
As part of the DMA, Belysse has assessed material impacts, risks and opportunities across all operations and the value chain:

- Upstream value chain consisting of suppliers
- Own operations consisting of our 3 production plants in Tielt, Zele and Los Angeles, and our employees
- Downstream value chain consisting of our customers, consumers and end-users

The assessment also extends to the different internal and external stakeholders that we impact through our operations; these stakeholder groups are further described in the section "Key stakeholder engagement" below.

Time horizons

In the assessment of impacts, risks and opportunities, we apply the time horizons as defined in ESRS 1:

- Short-term being the reporting year
- Medium term covering 1-5 years
- Long term covering a time horizon beyond 5 years

Key stakeholder engagement

At Belysse, we are very much aware of the importance of stakeholder engagement for the future sustainability of our business. In light of the Double Materiality Assessment, we reviewed and expanded our list of stakeholders.

	Affected stakeholders	Engagement method	Users of the report	Engagement method
Internal	Executive leadership team	Workshop	Selected members of the Board of Directors	Workshops
Internal	Employees	Survey	Lender	Desktop research
Internal	Key people for ESG topics within the company	Workshops	Analysts and investors	Desktop research
External	Customers	Survey	Government, institutional bodies	Desktop research
External	Suppliers	Survey	Federations	Interview
External	Local communities	-	Scientific knowledge centers	Desktop research
External	Partners	Survey / interview	Press & media	Desktop research

To get external feedback on our IRO list, we reached out to both affected stakeholders and users of the report. The engagement methods were adjusted to the specific stakeholder, and included workshops, direct interviews, surveys and desktop research.

Based on the combined feedback of internal and external stakeholders, the materiality of each identified IRO was assessed by assigning an impact score:
- likelihood and severity of the impact based on irremediability, scale & scope (Impacts)
- time horizon, likelihood & the magnitude of their financial effect (Risks and Opportunities).

Membership of Associations

We also leveraged the insights of several industry associations and federations of which we are a member, through focused interviews to complement the desktop research we used to capture the point of view of scientific knowledge centres, government & institutional bodies and broader press & media. We considered these interviews as particularly important to ensure we had a sufficiently broad view on impacts, risks and opportunities affecting the wider sector, and to make sure we also considered IROs with a potentially longer time horizon.

General information

The actual double materiality assessment process was carried out in three phases:

Impact, Risk and Opportunity Identification

Belysse, a company with local production but global supply chains and sales markets, has an impact on people and the environment. The analysis thereof, the 'Inside-Out perspective', was summarized in the list of impacts.
Not only does Belysse have an impact on people and the environment, our Company is also impacted by ESG-activity outside of our Company. The result of the 'Outside-In' perspective was analysed, resulting in a list of Risks and Opportunities.
Impacts, risks and opportunities were identified independently, but any interdependencies between Impacts and Risks or Opportunities have been clearly identified and ultimately used to re-balance the financial and impact materiality of linked IROs to ensure a consistent approach.

First, we defined a materiality long list, using the ESRS standards as a compass and having workshops with internal subject matter experts on each of the ESRS standards.
Interviews or focus group sessions with internal experts were conducted to identify the key risks and opportunities for each ESRS sub-topic, from an operational, legal, financial or commercial perspective.
Interviews and targeted surveys with internal and external stakeholders were conducted to identify actual and potential impacts.

Impact, Risk and Opportunity Assessment

These different inputs were consolidated in an Impacts, Risks & Opportunities ("IRO") framework.
In this framework, Impacts (actual and potential) and Risks & Opportunities (short, medium and long term) were assessed using CSRD requirements to rank all ESG topics and determine which are most material for Belysse:

- A focus group consisting of internal Finance, Legal, Sales, Strategy and HR subject matter experts evaluated all identified risks and opportunities in terms of time horizon, likelihood and size of the financial effect - informed by feedback from external stakeholder interviews and surveys. The combination of these 3 aspects resulted in a financial materiality.
- A focus group consisting of internal R&D, HSE and HR subject matter experts evaluated all impacts in terms of likelihood, irremediability, scale and scope - informed by feedback from external stakeholder interviews and surveys. The combination of these 4 aspects resulted in an impact materiality.
- Likelihood of occurrence for risks and opportunities has been evaluated on a range from unlikely to highly likely; the size of the financial effect has been estimated on a magnitude ranging from < €1m, €1-5m, €5-10m and ≥ €10m
- Likelihood of impacts has been evaluated as either actual (100% likelihood) or the likelihood of occurrence for potential impacts

- Irremediability has been assessed as how difficult it would be to reverse the impact in terms of possibility to reverse and cost & effort required to do so, ranging from easily remediable to irremediable
- Scale has been assessed on a range from limited to very significant
- Scope has been assessed on a range from local to global

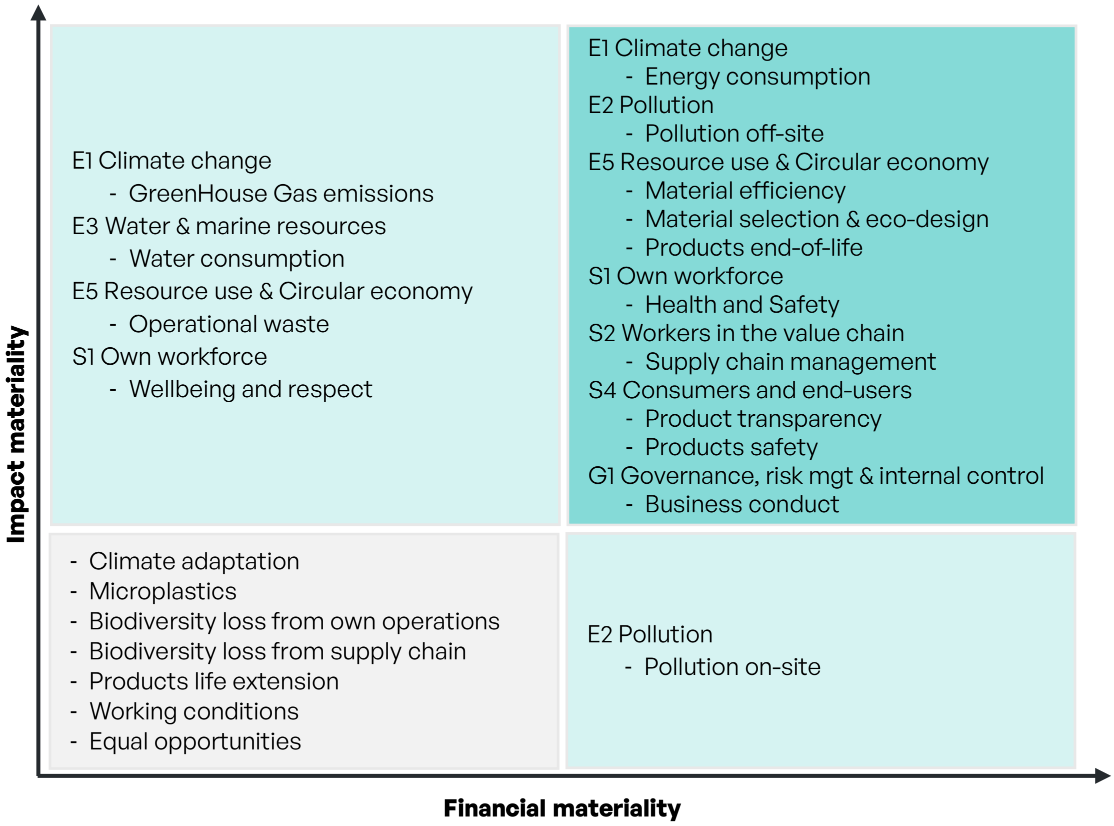
The resulting Double Materiality Matrix was discussed with the ESG Committee, assessing the impact and financial materiality of each sub-topic and determining the materiality threshold for both dimensions. All topics with a high impact and/or financial materiality are considered to be material for Belysse.
Subsequently, a materiality threshold was applied to the underlying impacts, risks and opportunities; the proposed material IRO's were agreed upon by the ESG committee, recommended to the Audit Committee and ultimately approved by the Board of Directors.

Sustainability related impacts, risks and opportunities are evaluated in the same way as any other business IROs affecting Belysse, with ultimate oversight by the Board of Directors, directly or indirectly through the ESG committee and its connections to the other Board committees.

As it is the first year of reporting IROs in our sustainability statement, there are no changes in IROs compared to previous reporting periods.

IRO-2 Disclosure Requirements in ESRS covered by Belysse's sustainability statement

This Double Materiality Matrix provides an overview of the ESG topics that are important for Belysse:



The non-materiality assessment of Biodiversity loss from own operations and supply chain, is based on the DMA by internal and external experts, complemented by the use of the WWF Biodiversity Risk filter. This combined assessment enabled us to understand the degree to which we depend on the local ecosystem for our business model and confirm that none of our production facilities is located in or near biodiversity-sensitive or protected areas. Material topics such as availability of water, impact of pollution and products end-of-life are already covered separately in the respective sections E3 Water & marine resources, E2 pollution and E5 Resource Use & Circular economy.

General information

The material topics are:

1. GreenHouse Gas emissions
   GHG emissions, from electricity and gas consumption in our own production processes, as well as up- and downstream in our supply chain, mainly driven by raw materials, upstream & downstream transport and end-of-life treatment of products
2. Water consumption
   Consumption of groundwater, grey water and rainwater in our own production processes
3. Operational Waste
   Waste resulting from our own production processes
4. Wellbeing and Respect
   Provide an environment for employees where their wellbeing is being guaranteed, and any incident of harassment or abuse is prevented
5. Supply Chain Management
   Ensure that all our suppliers meet our standards for Ethical, Social and Environmental performance
6. Energy Consumption
   Gas and electricity consumption in our own production processes
7. Pollution off-site
   Potential harmful substances in the raw materials or other products purchased by Belysse
8. Material efficiency
   Raw material consumption in our own production processes
9. Material selection & Eco-design
   Design of our products, the impact of types of raw materials sourced such as recycled or renewable materials and circularity to enable reuse and recycling at the end of products' life
10. Products end-of-life
    Environmental pollution from end-of-life treatment of our products, managed by setting up systems and services for collection, reuse and recycling
11. Health and Safety
    Create a working environment where any physical or mental harm is prevented, and where workers' health is positively promoted
12. Product Transparency
    Provide relevant, fact based and verified product information to our customers
13. Products Safety
    Ensure that our products are safe to use at all times for consumers and end users
14. Business conduct
    Managing risks and opportunities that impact business governance within our own operations
15. Pollution on-site
    Any emission of hazardous substances, originating from our own production processes, to the air, water or soil

General information

Table of Disclosure requirements in ESRS covered by the Sustainability statement

Applicable standard	Disclosure requirement	Reference to sustainability report section
ESRS 2	BP-1 General basis for preparation of the sustainability statement	BP-1 General basis for preparation of the sustainability statement
	BP-2 Specific circumstances	BP-2 Specific circumstances
	GOV-1 The role of the administrative, management and supervisory bodies	GOV-1 The role of the administrative, management and supervisory bodies
	GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies
	GOV-3 Integration of sustainability-related performance in incentive schemes	GOV-3 Integration of sustainability-related performance in incentive schemes
	GOV-4 Statement on due diligence	GOV-4 Due diligence
	GOV-5 Risk management and internal controls over sustainability reporting	GOV-5 Risk management
	SBM-1 Strategy, business model and value chain	SBM-1 Strategy, business models and value chain
	SBM-2 Interests and views of stakeholders	SBM-2 Interests and views of stakeholders
	SBM-3 Material, impacts, risk and opportunities and their interaction with strategy and business model	SBM-3 Material impacts, risks and opportunities
	IRO-1 Description of the process to identify ad assess material, impact, risks and opportunities	IRO-1 Description of the materiality assessment process
	IRO-2 Disclosure requirements in ESRS covered by the sustainability statement	IRO-2 Disclosure Requirements in ESRS covered by Belysse's sustainability statement
E1 Climate Change	E1.GOV-3 Integration of sustainability-related performance in incentive schemes	E1.GOV-3 Integration of sustainability-related performance in incentive schemes
	E1.SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	E1.SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model
	E1.IRO-1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities	E1.IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities
	E1-1 Transition plan for climate change mitigation	E1-1 Transition plan for climate change mitigation
	E1-2 Policies related to climate change mitigation and adaption	E1-2 Policies
	E1-3 Actions and resources in relation to climate change policies	E1-3 Actions and resources in relation to climate change policies
	E1-4 Targets related to climate change mitigation and adaption	E1-4 Targets
	E1-5 Energy consumption and mix	E1-5 Energy consumption and mix
	E1-6 Gross scopes 1, 2, 3 and total GHG emissions	E1-6 Gross scopes 1, 2, 3 and total GHG emissions
	E1-7 GHG removals and GHG mitigation projects financed through carbon credits	E1-7 GHG removals and GHG mitigation projects financed through carbon credits
	E1-8 Internal carbon pricing	E1-8 Internal carbon pricing
	E1-9 Potential financial effects from material physical and transition risks and potential climate-related opportunities	E1-9 Potential financial effects from material physical and transition risks and potential climate-related opportunities
E2 Pollution	E2.IRO-1 Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	E2.IRO-1 Description of processes to identify and assess material pollution-related impacts, risks and opportunities
	E2-1 Policies related to pollution	E2-1 Policies related to pollution
	E2-2 Actions and resources related to pollution	E2-2 Action plan
	E2-3 Targets related to pollution	E2-3 Targets related to pollution
	E2-4 Pollution of air and water	E2-4 Pollution of air and water – general
	E2-5 Substances of concern and substances of very high concern	E2-5 Substances of concern and substances of very high concern
	E2-6 Potential financial effects from material pollution-related risks and opportunities	E2-6 Potential financial effects from material pollution-related risks and opportunities

General information

Applicable standard	Disclosure requirement	Reference to sustainability report section
E3 Water & marine resources	E3.IRO1 Description of processes to identify and assess material water & marine resources-related impacts, risks and opportunities	E3.IRO-1 Description of processes to identify and assess material water & marine resources-related impacts, risks and opportunities
	E3-1 Policies related to water & marine resources	E3-1 Policies related to water & marine resources
	E3-2 Actions and resources related to water & marine resources	E3-2 Actions and resources related to water & marine resources
	E3-3 Targets related to water & marine resources	E3-3 Targets related to water & marine resources
	E3-4 Water consumption	E3-4 Water consumption
	E3-5 Potential financial effects from water & marine resources-related impacts, risks and opportunities	E3-5 Potential financial effects from water & marine resources-related impacts, risks and opportunities
E5 Resource Use & Circular Economy	E5.IRO1 Description of processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	E5.IRO-1 Description of processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities
	E5-1 Policies related to resource use and circular economy	E5-1 Policies related to resource use and circular economy
	E5-2 Actions and resources related to resource use and circular economy	E5-2 Actions and resources related to resource use and circular economy
	E5-3 Targets related to resource use and circular economy	E5-3 Targets related to resource use and circular economy
	E5-4 Resource inflows	E5-4 Resource inflows
	E5-5 Resource outflows	E5-5 Resource outflows
	E5-6 Potential financial effects from resource use and circular economy-related impacts, risks and opportunities	E5-6 Potential financial effects from resource use and circular economy-related impacts, risks and opportunities
S1 Own workforce	S1-SBM2 Interests & views of stakeholders	S1-SBM2 Interests & views of stakeholders
	S1-SBM3 Material impacts, risks and opportunities and their interaction with strategy and business model	S1-SBM3 Material impacts, risks and opportunities and their interaction with strategy and business model
	S1-1 Policies related to own workforce	S1-1 Policies related to own workforce
	S1-2 Processes for engaging with own workers and workers' representatives about impacts	S1-2 Processes for engaging with own workers and workers' representatives about impacts
	S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns	S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns
	S1-4 Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	S1-4 Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions
	S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities
	S1-6 Characteristics of the undertaking's employees	S1-6 Characteristics of the Belysse's employees
	S1-7 Characteristics of non-employee workers in the undertaking's own workforce	S1-7 Characteristics of non-employee workers in the undertaking's own workforce
	S1-13 Training and skills development metrics	S1-13 Training and skills development metrics
	S1-14 Health and safety metrics	S1-14 Health and safety metrics
S2 Workers in the value chain	S2-SBM2 Interests & views of stakeholders	S2-SBM2 Interests & views of stakeholders
	S2-1 Policies related to value chain workers	S2-1 Policies related to value chain workers
	S2-2 Processes for engaging with value chain workers about impacts	S2-2 Processes for engaging with value chain workers about impacts
	S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns	S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns
	S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions
	S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

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Applicable standard	Disclosure requirement	Reference to sustainability report section
S4 Consumers and end users	S4-SBM3 Material impacts, risks and opportunities and their interaction with strategy and business model	S4-SBM3 Material impacts, risks and opportunities and their interaction with strategy and business model
	S4-1 Policies related to consumers and end-users	S4-1 Policies related to consumers and end-users
	S4-2 Processes for engaging with consumers and end-users about impacts	S4-2 Processes for engaging with consumers and end-users about impacts
	S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns
	S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions
	S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (consumers and end-users)
G1 Business Conduct	G1.GOV-1 The role of the administrative, management and supervisory bodies	G1.GOV-1 Role of administrative, management and supervisory bodies
	G1.IRO1 Description of processes to identify and assess material impacts, risks and opportunities	G1.IRO-1 Description of processes to identify and assess material impacts, risks and opportunities
	G1-1 Business conduct policies and corporate culture	G1-1 Business conduct policies and corporate culture
	G1-2 Management of relationships with suppliers	G1-2 Management of relationships with suppliers
	G1-3 Prevention and detection of corruption or bribery	G1-3 Prevention and detection of corruption or bribery
	G1-4 Incidents of corruption and bribery	G1-4 Incidents of corruption or bribery
	G1-5 Political influence and lobbying activities	G1-5 Political influence and lobbying activities
	G1-6 Payment practices	G1-6 Payment practices

General information

Table of all datapoints deriving from other EU legislation

SFDR: Sustainable Finance Disclosure Regulation
P3: EBA Pillar 3 disclosure requirements
CBR: Climate Benchmark Regulation
EUCL: EU Climate Law

Applicable standard	Disclosure requirement and related datapoint	Legislation	Reference to sustainability statement section
ESRS 2	ESRS 2 – GOV 1: Board gender diversity paragraph 21 (d)	SFDR, CBR	GOV-1 The role of the administrative, management and supervisory bodies
	ESRS 2 GOV-1 : Percentage of board members who are independent paragraph 21 (e)	CBR	
	ESRS 2 GOV-4 : Statement on due diligence paragraph 30	SFDR	GOV-4 Due diligence
	ESRS 2 SBM-1 : Involvement in activities related to fossil fuel paragraph 40 (d) i	SFDR, P3, CBR	Not applicable
	ESRS 2 SBM-1 : Involvement in activities related to chemical production paragraph 40 (d) ii	SFDR, CBR	Not applicable
	ESRS 2 SBM-1 : Involvement in activities related to controversial weapons paragraph 40 (d) iii	SFDR, CBR	Not applicable
	ESRS 2 SBM-1 : Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv	CBR	Not applicable
E1 Climate Change	ESRS E1-1 : Transition plan to reach climate neutrality by 2050 paragraph 14	EUCL	Not applicable
	ESRS E1-1 : Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)	P3, CBR	E1-1 Transition plan for climate change mitigation
	ESRS E1-4 : GHG emission reduction targets paragraph 34	SFDR, P3, CBR	E1-4 Targets
	ESRS E1-5 : Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	SFDR	E1-5 Energy consumption and mix
	ESRS E1-5 Energy consumption and mix paragraph 37	SFDR	
	ESRS E1-5 : Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	SFDR	
	ESRS E1-6 : Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	SFDR, P3, CBR	E1-6 Gross scopes 1, 2, 3 and total GHG emissions
	ESRS E1-6 : Gross GHG emissions intensity paragraphs 53 to 55	SFDR, P3, CBR	
	ESRS E1-7 : GHG removals and GHG mitigation projects financed through carbon credits paragraph 56	EUCL	E1-7 GHG removals and GHG mitigation projects financed through carbon credits
	ESRS E1-9 : Exposure of the benchmark portfolio to climate-related physical risks paragraph 66	CBR	Not material
	ESRS E1-9 : Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 : Location of significant assets at material physical risk paragraph 66 (c)	P3	Not material
	ESRS E1-9 : Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c)	P3	Not material
	ESRS E1-9 : Degree of exposure of the portfolio to climate- related opportunities paragraph 69	CBR	Not material
E2 Pollution	ESRS E2-4 : Amount of each pollutant listed in Annex II of the E-PRTR Regulation emitted to air, water and soil paragraph 28	SFDR	E2-4 Pollution of air and water – general

General information

Applicable standard	Disclosure requirement and related datapoint	Legislation	Reference to sustainability statement section
E3 Water & marine resources	ESRS E3-1 : Water & marine resources policy paragraph 9	SFDR	E3-1 Policies related to water & marine resources
	ESRS E3-1 : Dedicated policy (for site located in high stress area) paragraph 13	SFDR	
	ESRS E3-1 : Sustainable oceans and seas paragraph 14	SFDR	Not material
	ESRS E3-4 : Total water recycled and reused paragraph 28 (c)	SFDR	E3-4 Water consumption
	ESRS E3-4 : Total water consumption in m^3 per net revenue on own operations paragraph 29	SFDR	
E4 Biodiversity	ESRS 2- SBM3 - E4 : List of sites where activities affect biodiversity sensitive areas paragraph 16 (a)	SFDR	Not material
	ESRS 2- SBM3 - E4 : material negative impacts identified on land degradation, desertification and soil sealing paragraph 16 (b)	SFDR	Not material
	ESRS 2- SBM3 - E4 : operations affecting threatened species paragraph 16 (c)	SFDR	Not material
	ESRS E4-2 : Sustainable land / agriculture practices or policies paragraph 24 (b)	SFDR	Not material
	ESRS E4-2 : Sustainable oceans / seas practices or policies paragraph 24 (c)	SFDR	Not material
	ESRS E4-2 : Policies to address deforestation paragraph 24 (d)	SFDR	Not material
E5 Resource Use & Circular Economy	ESRS E5-5 : Non-recycled waste paragraph 37 (d)	SFDR	E5-5 Resource outflows
	ESRS E5-5 : Hazardous waste and radioactive waste paragraph 39	SFDR	
S1 Own workforce	ESRS 2- SBM3 - S1: Risk of incidents of forced labour paragraph 14 (f)	SFDR	Not material
	ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	SFDR	Not material
	ESRS S1-1 : Human rights policy commitments paragraph 20	SFDR	S1-1 Policies related to own workforce
	ESRS S1-1 : Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8 paragraph 21	CBR	
	ESRS S1-1 : Processes and measures for preventing trafficking in human beings paragraph 22	SFDR	Not material
	ESRS S1-1 : Workplace accident prevention policy or management system paragraph 23	SFDR	S1-1 Policies related to own workforce
	ESRS S1-3 : Grievance/complaints handling mechanisms paragraph 32 (c)	SFDR	S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns
	ESRS S1-14 : Number of fatalities and number and rate of work-related accidents paragraph paragraph 88 (b) and (c)	SFDR, CBR	S1-14 Health and safety metrics
	ESRS S1-14 : Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	SFDR	
	ESRS S1-16 : Unadjusted gender pay gap paragraph 97 (a)	SFDR, CBR	Not material
	ESRS S1-16 : Excessive CEO pay ratio paragraph 97 (b)	SFDR	Not material
	ESRS S1-17 : Incidents of discrimination paragraph 103 (a)	SFDR	Not material
	ESRS S1-17 : Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	SFDR, CBR	Not material

General information

Applicable standard	Disclosure requirement and related datapoint	Legislation	Reference to sustainability statement section
S2 Workers in the value chain	ESRS 2- SBM3 – S2 : Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	SFDR	Not material
	ESRS S2-1 : Human rights policy commitments paragraph 17	SFDR	S2-1 Policies related to value chain workers
	ESRS S2-1 : Policies related to value chain workers paragraph 18	SFDR	
	ESRS S2-1 : Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	SFDR, CBR	Not material
	ESRS S2-1 : Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8 paragraph 19	CBR	Not material
	ESRS S2-4 : Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	SFDR	Not material
S3 Affected communities	ESRS S3-1 Human rights policy commitments paragraph 16	SFDR	Not material
	ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	SFDR, CBR	Not material
	ESRS S3-4 Human rights issues and incidents paragraph 36	SFDR	Not material
S4 Consumers and end users	ESRS S4-1 Policies related to consumers and end-users paragraph 16	SFDR	S4-1 Policies related to consumers and end-users
	ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	SFDR, CBR	Not material
	ESRS S4-4 Human rights issues and incidents paragraph 35	SFDR	Not material
G1 Business Conduct	ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	SFDR	G1-1 Business conduct policies and corporate culture
	ESRS G1-1 Protection of whistleblowers paragraph 10 (d)	SFDR	
	ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	SFDR, CBR	G1-4 Incidents of corruption or bribery
	ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	SFDR	

Environmental information

E1 - Climate change

E1.GOV-3 Integration of sustainability-related performance in incentive schemes

Sustainability-related performance has so far not been structurally integrated in the incentive schemes of Board or management. Specific members of the management team did have sustainability-related targets or the delivery of sustainability-related projects as part of their variable compensation objectives for 2024.
Please see section GOV-3 'Integration of sustainability performance in incentive plans' for more details.

E1.SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

Material risks and opportunities	Type of risk (transition or physical or energy related)	Scope (up/downstream/ own operations)	Time horizon
Opportunity to gain market share thanks to having pledged to SBTi, as this is a requirement of some larger customers	Transition	Downstream	1 – 5 years
Risk of additional investment costs in infrastructure to reduce Belysse's energy consumption and/or increased costs to buy carbon emission rights	Transition	Own operations	1 – 5 years

Material impacts	Type of impact (transition or physical or energy related)	Scope (up/downstream/ own operations)	Time horizon
Emission of GreenHouse Gases from energy consumption in the factories	Transition	Own Operations	Actual impact
Emission of GreenHouse Gases from the extraction and production of raw materials	Transition	Upstream	Actual impact
Emission of GreenHouse Gases from the end of life processing of Belysse's products	Transition	Downstream	Actual impact
Emission of GreenHouse Gases from the up- and downstream supply chain (transport of raw materials and finished goods)	Transition	Upstream, downstream	Actual impact
Potential positive impact from customer reception of Belysse's commitment to SBTi	Transition	Downstream	1 – 5 years
Depletion of fossil fuels to meet Belysse's energy demand	Transition	Own operations	Actual impact
Depletion of fossil fuels to supply Belysse's raw material demand	Transition	Upstream	Actual impact

E1.IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities

Please see section IRO-1 Description of the materiality assessment process for our overall process to identify material impacts, risks and opportunities. Specifically for GHG emissions, our process was informed by our CO_2 footprint for the entirety of Scope 1, 2 & 3 as developed within the context of SBTi.

Although a formal climate resilience analysis has not been performed, during our Double Materiality Assessment, climate physical impacts and risks were deemed not material at this point based on a combination of various external sources and expert insights described below - typically based on intermediate to high GHG emission level scenarios (e.g. RCP 4.5 or 6.0). Therefore Belysse does not anticipate to perform a more extensive, formal climate resilience & scenario analysis in the medium term.

- The University of Notre Dame's Global Adaptation Initiative Country Index which assesses the vulnerability and readiness of 193 countries to climate disruptions. Both the United States and Belgium are ranked as low vulnerability and high readiness; the most relevant risk areas to Belysse, water and infrastructure, are for both countries classified as "low vulnerability".
- To further evaluate the potential impact of increases in flood hazard and for Belgium, increased sea level rise impacts, we've used the WWF risk filter tool, water map for Flanders (map of flood-prone areas) establishing a risk of only limited flooding at both Belgian sites, and the Los Angeles County Public Works Flood Zone Determination to establish that our Bentley Mills plant is located in a moderate-to-low flood hazard area, meaning it only has a reduced risk of being flooded (determined as less than 0.2% annual chance)

- We complemented this with further desktop research into potential climate change impact on availability of key resources for our production processes, more specifically $CaCO_3$. All $CaCO_3$ sourced by Belysse comes from continental mining, where experts do not see a risk of interrupted supply because of climate change, as they see for $CaCO_3$ produced from marine sources.
- As part of the supplier questionnaire we shared with our key suppliers during the Double Materiality Assessment, 67% of suppliers indicate they expect an impact from climate change on their production process, but all indicate that they expect this impact will be manageable. Similarly, 61% of suppliers expects an impact from climate change on the availability of raw materials, but indicate that this impact too will be manageable. None of the respondents expect that climate change would have a significant impact on their production processes or would lead to scarcity of any key resources.

Climate transitional risks and opportunities over the short and medium term are covered by the respective material risks and impacts identified through our double materiality assessment in the different Environmental ESRS topics. Our DMA did not identify any material long term risks and opportunities at this point that would differ significantly in nature from the identified medium term risks and opportunities.
Our approach to assess and manage climate-related transition risks takes into account evolving regulatory requirements, evolutions in the market associated with the global shift to a low-carbon economy and technological developments:

- E1 Climate Change: Opportunity to gain market share thanks to having pledged to SBTi and potential positive impact from customer reception of Belysse's commitment to SBTi, Depletion of fossil fuels to meet Belysse's energy demand, Depletion of fossil fuels to supply Belysse's raw material demand, Risk of additional investment costs in infrastructure to reduce Belysse's energy consumption and/or increased cost to buy carbon emission rights
- E2 Pollution: Risk that stricter emission limits for emission to air and water might require investment in new infrastructure or innovative technologies, in order to maintain our license to operate
- E3 Water & marine resources: Depletion of groundwater for use in the production processes in Tielt, Potential impact of increased water scarcity in the region surrounding the factory in Tielt due to high water consumption in the area
- E5 Resource Use & Circular Economy: Potential significant raw material cost increases due to depletion of fossil sources over time, Risk of loss of market share should Belysse not be able to sufficiently source raw materials with recycled or renewable content at an economically feasible price due to low market availability, Opportunity from customer preference for products with a low carbon footprint, Impact from incineration of carpets and carpet tiles at end of life and landfilling which is still allowed in some sales regions

Regarding assets or business activities that are incompatible or would need significant efforts to be compatible with a transition to a climate-neutral economy, Belysse's insights in this matter will continue to evolve. Our BEYOND and SBTi targets to significantly reduce the GHG emissions from our own operations and value chain, the actions already taken in previous years towards these ambitions as well as future actions, are important steps in this transition in the short and medium term and clearly show our commitment to ensure our business is compatible with the limiting of global warming to 1.5ºC in line with the Paris Agreement. In addition, there are dependencies on factors not or only partially under our direct influence such as evolving customer or end-consumer preferences for more sustainable products, emerging greener technologies, sustainability-enabling regulations.

E1-1 Transition plan for climate change mitigation

Belysse is headquartered in Europe, and has production sites in Belgium and the US. Two of our three manufacturing plants fall under the purview of EU policies and the associated EU Sustainable Finance Action Plan. The European Green Deal aims to make Europe climate neutral by 2050. Belysse fully supports the shift from a linear to a circular economy and is fully aware of its responsibilities in this transition.

In our screening of our assets and activities, we took a 2-step approach, first focusing in 2018 on the Scope 1 and 2 emissions from our operations as these activities are under our direct control; this view was further expanded during 2024 to include the full Scope 1, 2 and 3 emissions from all of Belysse's activities globally, including the upstream and downstream supply chain, as part of our SBTi baselining exercise which is further detailed in this section.
The framework used to determine our GHG emissions baseline, is the GHG Protocol Corporate Accounting and Reporting Standard.
There is currently no sectoral decarbonisation pathway for our industry.

One of the key strategic pillars in our BEYOND Program -our 4 year transformation roadmap which started in January 2022- is increased focus on Sustainability through innovative products and production processes, which includes specific plans and targets on climate change mitigation.

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In the BEYOND Program, we have set the target to reduce the CO_2 intensity from our operations (Scope 1 and 2) with 30% by 2030, starting from a 2018 baseline, with an intermediate milestone in 2025 to achieve a 28% reduction in intensity by then.

kg CO_2/m^2		
2018 baseline	**Target 2025**	**Target 2030**
1,18	-28%	-30%

Actions already taken to reduce our scope 1 & 2 emission intensity (kg CO_2 equivalent per m^2 produced):
- Improvement measures implemented during 2018 – 2024, mainly focused on reducing our electricity and gas consumption, in addition to electrification of production equipment: these combined actions resulted in -16% CO_2 intensity improvement at Belysse level
- Partially source green electricity in our production site in Tielt: -7% in 2024 vs. 2023

Further actions to improve beyond 2024 (% improvement expressed against the 2024 CO_2 intensity):
- Further source green electricity in our production site in Tielt: -19% CO_2 intensity at Belysse level.
- Adapt our most energy intensive production processes to alternative technologies: -18%. The technical feasibility of the required technologies has been investigated and confirmed. The associated CAPEX investments, financial feasibility and potential implementation timeline are under development.

These combined actions would result in a 40% CO_2 intensity improvement for our production plants vs. 2023 or 50% vs. 2018, against the BEYOND target of 30% we set to achieve by 2030.

The above targets were not yet aligned with limiting global warming to 1.5ºC in line with the Paris Agreement. However, Belysse has committed to SBTi and in the course of 2024 submitted SBTi targets for 2030 that are in line with the Paris Agreement; these targets were validated by SBTi in early 2025:

SCIENCE BASED TARGETS

- To reduce our absolute scope 1 and 2 GHG emissions with 42% by 2030, from a 2023 base year
- To reduce our absolute scope 3 GHG emissions from purchased goods & services and upstream transportation & distribution with 25% within the same timeframe

For Scope 3, we have determined our 2023 baseline during the course of 2024, as part of Belysse's SBTi commitment. Consequently, further transition plans will be developed, in addition to our ongoing actions and target to increase the use of recycled or biobased raw materials.

Belysse is not excluded from the EU Paris-aligned benchmarks, as defined by Article 12 'Exclusions for EU Paris-aligned Benchmarks' in the EU Climate Transition Benchmarks Regulation.

Belysse is still developing its understanding of potential locked-in GHG emissions from key assets or products. The Company is actively investigating more sustainable product and production process innovations, including a focus on adapting our most energy intensive production processes to alternative technologies, as well as research to further reduce the carbon footprint of our products during their life cycle. There also have been no recent investments in carbon intensive technologies, but rather investments in opportunities to reduce GHG emissions. There are no locked-in GHG emissions from the use of our products as further outlined in section E1-6 Gross scopes 1, 2, 3 and total GHG emissions. Further reduction of locked-in emissions will also depend on evolving customer preferences for more sustainable products and the balance between costs, benefits and impact.

The transition plan is fully aligned with Belysse's ambition to focus on mid- to high-segment markets where customer demand for innovative, low carbon footprint products is more significant. Any required investments to make this transition happen, are part of the company's financial planning. In case of innovative products addressing new market segments or investments reducing energy consumption, these levers will directly contribute positively to the financial results.

The BEYOND CO_2 intensity improvement targets and SBTi targets have been approved by the Board of Directors. Progress against these intensity improvement targets is discussed at Board level and at the ESG Committee at least three times per year; progress against SBTi targets will be discussed at Board level and at the ESG Committee at least on an annual basis.
A wide range of improvement levers to reduce Scope 1 & 2 emission intensity have already been implemented:

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- Changes in operational way of working such as lower running speed on our yarn cabling machines to reduce electricity consumption while maintaining labour efficiency
- Technical modifications to production equipment and our pressurized air grids, resulting in lower gas consumption
- Electrification of forklifts
- Electrification of steam boilers
- Partially source green electricity in our production site in Tielt. We already fully source green electricity in our production sites in Los Angeles and Zele, and both Tielt and Zele use solar energy from solar panels installed on the roof of the sites
- Launch of new commercial broadloom collections with a higher share of solution dyed yarns, resulting in lower gas (and water) consumption

This has allowed us to reduce our Scope 1 & 2 emission intensity by -22% compared to base year 2018.

Actions have also been taken to reduce Belysse's Scope 3 emissions, already prior to the SBTi baseline being defined, by:
- increasing the use of recycled materials
- launching lighter weight backing options that translate into lower raw material consumption as well as lower CO_2 emissions during transport of our finished goods
- introducing our first collections containing biobased materials
- increasing the internal recycling of production waste in our plant in Zele, which ultimately leads to lower raw material consumption per m^2 produced
- our Take Back service in Europe that offers our customers a simple and efficient way to repurpose or recycle old carpet tiles, turning them into valuable resources
- our Fulfill carpet reclamation program in the US to provide our customers with the best disposal option available, aiming to repurpose or recycle old carpet material and divert it from landfills

EU Taxonomy Regulation Disclosure

The Taxonomy Regulation is a key component of the European Commission's action plan to redirect capital flows towards a more sustainable economy. It represents a major step towards achieving carbon neutrality by 2050 in line with EU goals as the Taxonomy is a classification system for environmentally sustainable economic activities.

Article 8(2) of Regulation (EU) 2020/852 requires non-financial undertakings to disclose information on the key performance indicators (KPIs) related to the proportion in their turnover of environmentally sustainable economic activities ('Taxonomy-aligned activities') and the proportion of their capital expenditure and their operating expenditure related to assets or processes associated with environmentally sustainable economic activities.

As indicated in the Delegated Regulation of (EU) 2021/2178, non-financial undertakings are required to disclose the proportion of Taxonomy-eligible economic activities in their total turnover, capital and operational expenditure, the qualitative information for the reporting year, including comparative figures.

Methodology

Belysse has no activities in Gas or Nuclear Energy, as defined in the following table:

Nuclear & fossil gas related activities	Yes / No
Nuclear energy related activities	
The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
Fossil gas related activities	
The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

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We have carefully examined if Belysse's activities (NACE 13.93) fall within the scope of the EU Taxonomy Delegated Acts. None of our activities is described in the list of "taxonomy eligible economic activities". For this reason, we confirm that they are taxonomy-non-eligible and that Belysse therefore is 0% aligned.

The eligible economic activities of the Taxonomy Environmental Delegated Act describes "Collection and transport of non-hazardous and hazardous waste". Belysse has a permit to perform an activity as such, but this is not significant, has not been performed during the reporting year and there is no associated commercial activity or revenue stream. Therefore this activity is also considered to be non-eligible.

The turnover denominator is the total net revenue for Belysse, taken from the Financial Statement, section 1. 'Consolidated statement of comprehensive income for the period ended 31 December': Revenue

Lastly, any dedicated OpEx or CapEx during the reporting year, related to the six climate and environmental topics in the EU Taxonomy Compass (climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, protection and restoration of biodiversity and ecosystems), has been evaluated in terms of potential taxonomy alignment, screened against the technical screening criteria under Substantial Contribution, Do Not Significantly Harm and the Minimum Safeguards.

The OpEx denominator consists of direct non-capitalized expenses incurred to meet the ongoing operational costs of the business. These include expenses such as non-capitalized research and development, short-term and low-value leases, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of fixed assets (i.e. property, plant and equipment and intangible assets)
As there is no dedicated material OpEx in the reporting year related to any of the material ESG topics disclosed in this sustainability statement, Belysse is reporting 0% eligible OpEx.

The CapEx denominator is the sum of additions to 'Property, plant and equipment' and additions to 'Other intangible assets', taken from the Financial Statement, Note 13. Property, plant and equipment and Note 12. Other intangible assets.

The only material eligible CapEx is reported in section E1-3 Actions and resources in relation to climate change policies, as there was no material dedicated CapEx spent in the reporting year on the five other climate and environmental topics, as outlined in the corresponding sections of this sustainability statement.

Turnover				**Substantial contribution criteria**						**'Does not significantly harm' criteria**									
Economic activities	**Codes**	**Turnover 2024**	**Proportion turnover 2024**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Biodiversity**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Biodiversity**	**Minimum safeguards**	**Proportion of taxonomy-aligned or eligible turnover 2023**	**Category enabling activity**	**Category transitional activity**
		m€	**%**	**Y; N; N/EL**						**Y/N**							**%**	**E**	**T**
A. Taxonomy-eligible activities	-	-	0%														0%		
A1. Taxonomy-aligned	-	-	0%														0%		
of which enabling	-	-	0%														0%		
of which transitional	-	-	0%														0%		
A2. Not taxonomy-aligned	-	-	0%														0%		
B. Taxonomy-non-eligible activities	-	280.4	100%	0%	0%	0%	0%	0%	0%	-	-	-	-	-	-	-	100%	0%	0%
Total (A+B)	-	280.4	100%																

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OpEx				Substantial contribution criteria						'Does not significantly harm' criteria									
Economic activities	**Codes**	**OpEx 2024**	**Proportion OpEx 2024**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Biodiversity**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Biodiversity**	**Minimum safeguards**	**Proportion of taxonomy-aligned or eligible OpEx 2023**	**Category enabling activity**	**Category transitional activity**
		m€	**%**	**Y; N; N/EL**						**Y/N**							**%**	**E**	**T**
A. Taxonomy-eligible activities	-	-	0%														0%		
A.1 Taxonomy-aligned	-	-	0%														0%		
of which enabling	-	-	0%														0%		
of which transitional	-	-	0%														0%		
A.2 Not taxonomy-aligned	-	-	0%														0%		
B. Taxonomy-non-eligible activities	-	4.1	100%	0%	0%	0%	0%	0%	0%	-	-	-	-	-	-	-	100%	0%	0%
Total (A+B)	-	4.1	100%																

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CapEx				Substantial contribution criteria						'Does not significantly harm' criteria									
Economic activities	**Codes**	**CapEx 2024**	**Proportion OpEx 2024**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Biodiversity**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Biodiversity**	**Minimum safeguards**	**Proportion of taxonomy-aligned or eligible CapEx 2023**	**Category enabling activity**	**Category transitional activity**
		m€	**%**	**Y; N; N/EL**						**Y/N**							**%**	**E**	**T**
A. Taxonomy-eligible activities	-	0.56	3.5%																
A1. Taxonomy-aligned	-	-	0%																
of which enabling	-	-	0%														0%		
of which transitional	-	-	0%														0%		
A2. Not taxonomy-aligned	-	0.56	3.5%																
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	0.53	3.3%	Y	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Installation, maintenance, and repair of charging stations for electric vehicles in buildings and parking spaces attached to buildings	CCM 7.4	0.03	0.2%	Y	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
B. Taxonomy-non-eligible activities	-	15.31	96.5%	0%	0%	0%	0%	0%	0%	-	-	-	-	-	-	-	0%	0%	0%
Total (A+B)	-	15.87	100%																

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E1-2 Policies

Belysse's first policy to mitigate climate change, is centered around our BEYOND target to reduce scope 1 and 2 emission intensity with 30% by 2030, versus a 2018 baseline. This policy has been approved at Board level and has been made publicly available through our Annual Reports.
The scope of this policy covers Belysse's own activities globally, but is for practical reasons limited to the emissions related to electricity and gas consumption in our 3 production plants in Tielt, Zele and Los Angeles – covering 92% of our total scope 1 and 2 emissions.

This policy addresses the following material impacts, risks and opportunities:
- Risk of additional investment costs in infrastructure to reduce Belysse's energy consumption and/or increased costs to buy carbon emission rights
- Emission of GreenHouse Gases from energy consumption in the factories
- Depletion of fossil fuels to meet Belysse's energy demand

A further step-up in our ambition level comes from our SBTi targets and also addresses the following material impacts, risks and opportunities:
- Opportunity to gain market share thanks to having pledged to SBTi, as this is a requirement of some larger customers
- Potential positive impact from customer reception of Belysse's commitment to SBTi
- Emission of GreenHouse Gases from the extraction and production of raw materials
- Emission of GreenHouse Gases from the upstream supply chain (transport of raw materials and finished goods)
- Depletion of fossil fuels to meet Belysse's raw material demand
- Potential significant raw material cost increases due to depletion of fossil sources over time
- Reduce GreenHouse Gas emissions by increasing the use of recycled or biobased materials
- Sourcing of an important share of non-recycled raw materials, maintaining a linear economy system with extraction of fossil sources

The most senior level in the organisation that is accountable for the implementation of this policy, is the Group Director of Sustainability and Strategic Projects.

The most important stakeholders whose interests were taken into consideration when setting this policy, are Belysse's customers.

This policy has been communicated and made available externally as part of our annual report since the policy was implemented in 2018. Our progress in reducing our scope 1 and 2 emission intensity has also been included in our annual report since then. Our SBTi targets and progress against those targets will be included in our Annual Report as of FY2024.

The key levers to achieve this emission intensity reduction and absolute emission reduction are:
- improving energy efficiency by reducing our electricity and gas consumption, through changes in our production processes and product composition
- maximizing the usage of renewable energy, including sourcing green electricity and use of solar energy from the solar panels installed on the roofs of our plants in Tielt and Zele
- further electrification of production processes where technically feasible and economically viable

Belysse's second policy to mitigate climate change, aims to increase the recycled content in our products, with specific targets to achieve at least 50% recycled content for modulyss and Bentley products. This policy has been approved at Board level and has been made publicly available through our Annual Reports.

This policy specifically addresses the material impact: Depletion of fossil fuels to supply Belysse's raw material demand.

The most important stakeholders whose interests were taken into consideration when setting this policy, are Belysse's customers.

This policy has been communicated and made available externally as part of our annual report since the policy was implemented in 2022. Our progress in increasing our recycled content has also been included in our annual report since then.

The key levers to achieve this increase in recycled content are:
- Reduce our overall raw material consumption, by reducing any waste in the production process, and by lowering product weight by offering lighter carpet tile backings (e.g. ecoBACK since 2020 and ecoBACK PLUS since 2024).
- Actively working with our existing and potential new suppliers to identify key material inflows such as granulates, yarns, backings and backing components with higher recycled content.

These key levers, the associated targets and actions are covered in more detail in section E5 Resource Use & Circular Economy.

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E1-3 Actions and resources in relation to climate change policies

The actions we take on decarbonisation - Energy efficiency, usage of renewable energy and electrification

Our target to reduce scope 1 and 2 CO_2 emisson intensity by 30% directly imposes actions to adjust our energy consumption, and can be achieved by a combination of actions:

- In 2022, we started with the implementation of new software for energy management and monitoring on our two Belgian plants; during 2024 more meters were installed to enable us to further optimise our energy balance
- Our continuous improvement projects keep on running. Examples are the energy optimization actions in our cabling department, splitting the pressurized air network in our Tielt plant into 2 different pressures (using lower pressure for processes where this is sufficient), and energy efficiency initiatives for the dryers in our finishing departments.
- The production site in Zele is ISO 50001 certified. Certified organizations are required to systematically enhance their energy performance.
- The production site in Tielt takes part in the new period of the voluntary Energy Management Covenant ("EBO"), that started in 2023. With this participation, we commit to improve the energy-efficiency of the production site and to reduce our total energy consumption. In the first year, 2023, an energy audit was conducted. During 2024, an energy plan has been developed, with concrete actions being implemented as of 2024 and further studies for additional potential improvements to be conducted as of 2025.
- Our plant in Zele has electrified a steam boiler in the finishing department during 2024, to reduce natural gas consumption and use green electricity instead. As this implementation was completed in Q3 2024, most of the impact will be visible as of 2025.

This year again, we held campaigns to reduce our energy consumption. The gain of these campaigns was partially offset however by a reduced efficiency due to smaller run sizes in the Belgian plants, similar to 2023. Our production lines are less efficient when more startups, changeovers or shutdowns take place.

Table 1 Disclosure content on resources in relation to climate change policies (in thousands EUR)

2024	
Financial resources allocated to action plan (OpEx)	N/A
Financial resources allocated to action plan (CapEx)	560 K€

In the Financial Statement, these CapEx amounts are reported as part of Property, plant and equipment - Plant and machinery in the section '2. Consolidated statement of financial position as at 31 December'

E1-4 Targets

In the BEYOND Program, we have set a target to reduce the CO_2 intensity from our operations (Scope 1 and 2 market-based emissions from electricity and gas consumption in our 3 production plants, covering 89% of Belysse's total Scope 1 and 2 market-based emissions) with 30% by 2030, starting from a 2018 baseline, with an intermediate milestone in 2025 to achieve a 28% reduction in intensity by then.

kg CO_2/m^2			
2018 baseline	**Actuals 2024**	**Target 2025**	**Target 2030**
1,18	-22%	-28%	-30%

These emissions are based on actual measurements of our electricity and gas consumption; the only assumption taken in calculating the baseline and actual improvements, are the emission factors explained in more detail in section E1-6.

Stakeholders were not directly involved in setting this target, although it has been approved by the Board of Directors prior to being defined.

There have been no changes in target, corresponding metrics, underlying measurement methodologies, significant assumptions, limitations, sources and processes to collect data adopted within the defined time horizon, except for the restatement of the emission factor for electricity in the Tielt plant in the 2018 - 2023 numbers to be in line with the market-based emission factor used for 2023-2024 within the context of SBTi and CSRD. The impact on the 2018 is not material enough to change the baseline number which remains 1,18 kg CO_2/m^2.

These GHG emission reduction targets are gross targets, not including any GHG removals, carbon credits or avoided emissions as a means of achieving the targets.

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In May 2023, Belysse made its commitment to the Science Based Targets Initiative (SBTi). Over the course of 2024, we have developed our Science Based targets for 2030, which were validated in early 2025:

- To reduce our absolute Scope 1 and 2 market-based GHG emissions with 42% by 2030, from a 2023 base year
- To reduce our absolute Scope 3 GHG emissions from purchased goods & services and upstream transportation & distribution with 25% within the same timeframe

The above targets have been selected from a possible range of options defined by SBTi -there is no sectoral decarbonisation pathway for our industry- and are in line with the Paris Agreement. These targets were approved by the Board of Directors and externally assured by SBTi.

SCIENCE BASED TARGETS

Even before setting this scope 3 emission reduction target, Belysse already took action to reduce these emissions, by increasing the use of recycled or biobased raw materials.

Consistency of GHG emission reduction targets with GHG inventory boundaries has been ensured, as the above SBTi targets are fully consistent with how the complete GHG inventory for Belysse has been calculated for SBTi, as further detailed in section E1-6.

The CO_2 emission baseline covers all of Belysse's activities. As 2023 was a year with relatively low sales volume, the resulting absolute emissions after these reductions may be on the low side. However, 2023 was the first full year of Belysse as a company, following the Divestment during 2022.
To clearly separate the volume impact from the impact of energy and emission reduction initiatives, we will continue to report emission intensity in kg CO_2 per m^2 of carpet produced for the emissions of our production plants.
The absolute targets assume constant sales volumes compared to 2023, sufficient customer acceptance of more sustainable products to enable those products and the required investments to be financially feasible, but do not rely on any future, unproven technology.
Other external factors such as changes in grey electricity mix or solar energy generation can be clearly quantified and isolated.

Table 2 GHG target table (in line with SBTi targets)

	Gross GreenHouse Gas emissions		**Target year**
	Baseline 2023	**Actuals 2024**	**2030**
GHG emissions (market-based) tCO2	188.725	173.334	138.702
GHG Scope 1 tCO2	12.911	12.274	
GHG Scope 2 location-based tCO2	5.012	5.097	
GHG Scope 2 market-based tCO2	3.803	2.870	
GHG Scope 1 + Scope 2 market-based tCO2	16.714	15.144	9.694
GHG Scope 3 tCO2 *	172.011	158.190	129.008
Improvement levers vs. Baseline 2023 Scope 1+2		**-1.570**	**-7.020**
Energy efficiency and consumption reduction, incl. substitution or modification of products and production processes tCO2		-373	-2550
Electrification tCO2		-290	-530
Use of renewable energy tCO2		-1070	-3670
Other tCO2		+128 volume impact +35 lower solar energy generation	-270 to be identified
Improvement levers vs. Baseline 2023 Scope 3		**-13.821**	**-43.003**
Purchased goods and services		-9.560 Primarily from higher share of recycled PA6 yarns	Scope 3 roadmap still to be developed as baseline was constructed during 2024
Upstream transportation and distribution		-1.231 Primarily from change of raw material suppliers, reducing transport distance and changing type of transport	
End-of-life treatment of sold products		-3.030 Primarily from replacing lower-end polypropylene by polyester collections	

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* Scope 3 emission figures include the most important scope 3 categories for Belysse: Purchased goods & services (activity based services only), Upstream transportation & distribution, End-of-life treatment of sold products.
Our baselining exercise for 2023 in the context of SBTi showed that these 3 categories represent 93% of our total scope 3 emissions.

None of the levers above include nature-based solutions.

Our Scope 1 + 2 GHG emission reduction targets have been set for our market-based emissions, due to many uncertainties affecting our future location-based emissions:

- At this point it is unclear to which extent location-based emission factors, in particular for electricity, will evolve in Belgium and the US. Especially in Belgium, there is uncertainty about the extent and timing of nuclear energy phase out, the impact this may have on the country's reliance on fossil fuels for energy generation, in combination with growing demand driven by ongoing electrification in industrial and domestic consumption
- Our biggest lever in reducing our scope 2 GHG emissions, use of renewable energy, would not have any direct impact on our market-based emissions; indirectly, a growing share of industrial and domestic consumers sourcing renewable energy should lead to energy suppliers actively shifting towards lower carbon energy generation, in turn reducing the location-based emission factors over time
- Energy efficiency and consumption reduction should typically have a similar impact on location-based emissions compared to market-based emissions although the exact impact is difficult to quantify as the substitution or modification of our production processes may include partial electrification
- The impact of separate electrification initiatives on location-based emissions would be partial, still benefiting from net consumption reduction through energy efficiency but only to a lesser extent from improved emission factors of electricity compared to fossil energy sources

Our Scope 3 GHG emission reduction targets, representing 86% of our total GHG emission reductions, are not affected by a location vs. market-based approach.
Order of magnitude, at least 90% of our total GHG emission reductions are expected to apply to our location-based emissions although the uncertainties listed above prevent us from translating our market-based targets and decarbonisation levers to an exact location-based target.

Adapting our most energy intensive production processes to alternative technologies will depend on the associated CAPEX investments, their financial feasibility and potential implementation timeline which are under development. In addition, when these changes include modification of our products, the impact of these changes will depend on market acceptance, i.e. customers' willingness to shift towards more sustainable products.
The technical feasibility of the required technologies has been investigated and confirmed, so while these technologies would be new for either Belysse or the specific Belysse plant where they would be implemented, these are proven technologies in our industry.

The above targets are in line with the Paris Agreement and have been externally assured by the Science Based Targets initiative. They are gross targets, not including any GHG removals, carbon credits or avoided emissions as a means of achieving the targets.

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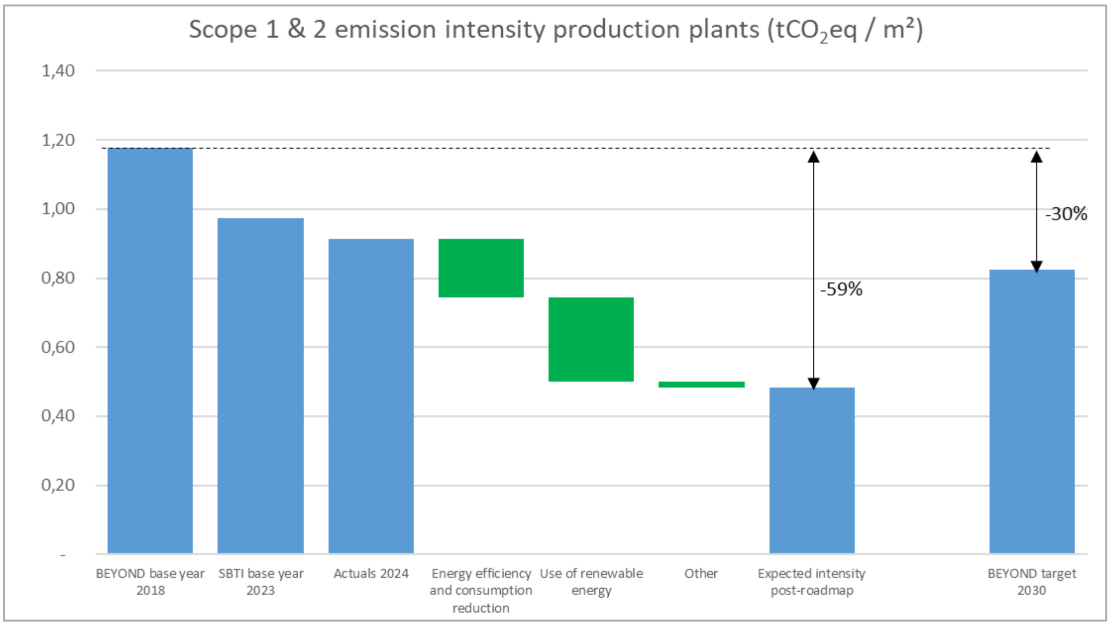
Table 3 GHG emissions reduction targets per scope by decarbonisation lever (in line with SBTi targets)

tCO2	Baseline 2023	2030 targets			
		Energy efficiency and consumption reduction	Electrification	Use of renewable energy	Other
GHG emissions *	188.725	-2550	-530	-3670	-43.273
Percentage of target related to total GHG emissions	94%	-1,4%	-0,3%	-1,9%	-22,9%
Scope 1 GHG emissions **	12.911	-2550	-615	-	-270
Percentage of target related to Scope 1 GHG emissions	100%	-20%	-5%	-	-2%
Scope 2 GHG market-based emissions	3.803	-	+85	-3670	-
Percentage of target related to Scope 2 GHG emissions	100%	-	+2%	-97%	-
Scope 3 GHG emissions *	172.011	-	-	-	-43.003
Percentage of target related to Scope 3 GHG emissions *	93%	-	-	-	

* Scope 3 emission figures include the most important scope 3 categories for Belysse: Purchased goods & services, Upstream transportation & distribution, End-of-life treatment of sold products.
** The 2030 target is set on Scope 1+2 combined; for simplicity the unidentified levers have all been attributed to Scope 1 emissions, as this will be a much larger category than Scope 2 after all identified levers have been implemented

These baseline figures and targets do not take into account any carbon offsets, or any of the carbon credits covered in section E1-7 GHG removals and GHG mitigation projects financed through carbon credits.

Most of the above Scope 1 and 2 decarbonisation levers will also contribute to our BEYOND emission intensity target in our production plants:



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Metrics

E1-5 Energy consumption and mix

Table 4 Energy consumption and mix (in MWh)

Unit: MWh	2024		
	Europe	US	Belysse Total
Total energy consumption	**79.512**	**15.945**	**95.458**
Total fossil energy consumption	**56.772**	**10.215**	**66.987**
Fuel consumption from coal and coal products	-	-	-
Fuel consumption from crude oil and petroleum products	-	-	-
Fuel consumption from natural gas	50.670	10.007	60.677
Fuel consumption from other fossil sources	-	-	-
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	6.102	208	6.310
Share of fossil sources in total energy consumption	*71%*	*64%*	*70%*
Consumption from nuclear sources	**10.257**	**64**	**10.322**
Share of consumption from nuclear sources in total energy consumption	13%	0,4%	11%
Total renewable energy consumption *	**12.483**	**5.666**	**18.149**
Fuel consumption from renewable sources	-	-	-
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	12.483	5.666	18.149
Consumption of self-generated non-fuel renewable energy	-	-	-
Share of renewable sources in total energy consumption	*16%*	*36%*	*19%*
Non-renewable energy production	-	-	-
Renewable energy production	-	-	-
Total energy consumption from activities in high climate impact sectors **	**79.512**	**15.945**	**95.458**
*Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors (MWh/€) ***	0,00063	0,00010	0,00034

* Consists of 6413 MWh of renewable energy certificates, 3222 MWh of solar energy and 8514 MWh of green electricity contracts.
** As the NACE sector "manufacture or carpets and rugs" is considered as a high climate impact sector, all of Belysse's energy consumption and revenue have been included in these calculations, including energy consumption in warehouses and showrooms.
The net revenue figures used in this calculation are:

- €280.4m for Belysse, taken from the Financial Statement, section 1. 'Consolidated statement of comprehensive income for the period ended 31 December': Revenue
- €125.9m for Europe, taken from the Financial Statement, note 4. Segment reporting: Revenue by Segment
- €154.5m for US, taken from the Financial Statement, note 4. Segment reporting: Revenue by Segment

Emission reductions in the table below are measured against the 2018 baseline and cover Scope 1 and 2 market-based emissions from electricity and gas consumption in our 3 production plants.

	Unit of measure	2024
Absolute value of Scope 1+2 GreenHouse gas emissions reduction	ton CO2	-16.983
Percentage of Scope 1+2 GreenHouse gas emissions reduction (as of emissions of base year)	%	-55%
Absolute value of Scope 1 GreenHouse gas emissions reduction	ton CO2	-9.226
Percentage of Scope 1 GreenHouse gas emissions reduction (as of emissions of base year)	%	-46%
Absolute value of location-based Scope 2 GreenHouse gas emissions reduction	ton CO2	-4.615
Percentage of location-based Scope 2 GreenHouse gas emissions reduction (as of emissions of base year)	%	-48%
Absolute value of market-based Scope 2 GreenHouse gas emissions reduction	ton CO2	-7.756
Percentage of market-based Scope 2 GreenHouse gas emissions reduction (as of emissions of base year)	%	-74%

Environmental information

Note: Belysse has not set any GreenHouse Gas emission reduction targets in *intensity value* (per net revenue); all our GreenHouse Gas targets are either in absolute value (SBTi) or relative to production volumes (BEYOND)

E1-6 Gross scopes 1, 2, 3 and total GHG emissions

During 2024, there have been no significant changes in Belysse and its value chain.
In previous annual or sustainability reports, scope 1 and 2 emissions were limited to our 3 production plants, representing 90% of our total scope 1 and 98% of our total scope 2 location-based emissions / 95% of our total scope 2 market-based emissions.
The carbon footprint method presented in the 2024 annual report, uses the SBTi baselining exercise conducted during 2024, which consists of a full screening and mapping of all relevant GreenHouse Gas protocol categories:

- All scope 1 emission categories:
    - Stationary combustion consisting of natural gas consumption in our 3 production plants and showrooms
    - Mobile combustion covering non-electric company cars and company fuel cards, internal transport between plants and non-electric forklifts. These consumptions were converted into carbon emission equivalents using data from 'CO2 emissiefactoren' for Belgium, and the U.S. Environmental Protection Agency for the US
    - Fugitive emissions from print & dye activities in our Tielt and Bentley plants, and process emissions from our own waste water treatment in our Tielt plant. The latter are biogenic in nature and consist of CO_2 and N_2O emissions, representing 3% of our total scope 1 emissions
- All scope 2 emission categories: electricity consumption in our 3 production plants, corporate headquarters and showrooms, as well as electricity consumption for electric and hybrid company cars. Electricity consumption for electrical forklifts is already included in the electricity consumption of the production plant.
  These consumptions were converted into carbon emission equivalents using location-based and market-based data from 'CO2 emissiefactoren' for Belgium at national level, and the U.S. Environmental Protection Agency for the US at eGRID (Emissions & Generation Resource Integrated Database) subregion level (WECC California, RFC West, NPCC NYC/Westchester, NPCC New England, SERC South, RFC East).
  The contractual instruments used to calculate scope 2 emissions are:
    - Bundled instruments: green electricity contracts for Zele and our Bentley plant, covering 27% of Belysse's total electricity consumption
    - Unbundled instruments: as part of our commitment to renewable energy, during 2024 we have bought renewable energy certificates (European guarantees of origin of renewable electricity) for 6413 MWh, corresponding with 28% of the Tielt plant's electricity consumption from the grid, covering 20% of Belysse's total electricity consumption
- All scope 3 emission categories: purchased goods & services, capital goods, fuel & energy related activities not included in scope 1 & 2, upstream and downstream transportation & distribution, waste generated in operations, business travel, employee commuting excluding company cars or fuel cards, upstream leased assets (selected showrooms where Belysse does not own the energy contracts) and end-of-life treatment of sold products.
  From the above categories, the significant scope 3 categories (covering 93% of our scope 3 emissions in 2023) are:
    - Purchased goods: CO_2 emission factors per product type were applied, using primary data from the supplier where available or industry standards from a life cycle assessment database in absence of specific supplier data. 33% of the calculated emissions were based on primary data. These emission factors were applied to the weight of the purchased goods, which was 95% based on measured weights, 5% based on calculations for (mostly packaging) products that are bought per piece rather than per weight.
    - Purchased services (activity based): for any subcontracted production processes, CO_2 emission factors were based on EPD (environmental product declaration) data, either from our own products where we have similar production processes in-house, or from suppliers. These emission factors were applied to the measured volumes or weights of the semi-finished products going through these process steps.
    - Upstream transportation & distribution: calculated based on the weight of goods transported and the distance covered, depending on the method of transport (truck vs. rail vs. sea). None of these calculations were based on primary data.
      The distance covered by raw materials has been calculated based on the location of the supplier site and our manufacturing site; the distance covered by sold goods has been estimated as the distance from our manufacturing site to the geographic center of the country or US state our products were shipped to.
    - End-of-life treatment of sold products: calculated based on the specific EPD data of our products for all commercial products representing 33% of the CO_2 emissions in this category, and industry reference EPDs based on product composition and pile weight for all residential products representing 67% of the CO_2 emissions in this category.
- Excluded GreenHouse Gas protocol categories are:
    - Processing of sold products: not applicable for Belysse as the products we sell are final products and do not undergo any processing before being used, following the definition of the GHG Protocol
    - Use of sold products: not applicable for Belysse's products as our products do not consume energy during their lifetime

Environmental information

- Downstream leased assets: Belysse does not lease any assets to other companies
- Franchises: Belysse does not operate any franchises
- Investments: Belysse does not have investments that are not already included in scope 1 or 2

	Unit of measure	2024
Gross Scope 1 greenhouse gas emissions	ton CO_2	12.274
Percentage of Scope 1 GHG emissions from regulated emission trading schemes	%	67,1%
Gross location-based Scope 2 greenhouse gas emissions	ton CO_2	5.097
Gross market-based Scope 2 greenhouse gas emissions	ton CO_2	2.870
Gross Scope 3 greenhouse gas emissions *	ton CO_2	158.190
Total GHG emissions location based *	ton CO_2	175.561
Total GHG emissions market based *	ton CO_2	173.334

* Scope 3 emission figures include the significant 3 categories for Belysse: Purchased goods & services, Upstream transportation & distribution, End-of-life treatment of sold products.
Our baselining exercise for 2023 in the context of SBTi showed that these 3 categories represent 93% of our total scope 3 emissions.

Table 5 GHG emissions (in ton CO_2)

	2023	2024	% N / N-1	2030	Annual % target / Base year
Scope 1 GHG emissions					
Gross Scope 1 greenhouse gas emissions	12.911	12.274	95,1%	No target for scope 1 separately	N/A
Stationary combustion	11.219	11.039	98,4%		
Mobile combustion	1.052	740	70,3%		
Process emissions	553	391	70,7%		
Fugitive emissions	88	104	118,2%		
Percentage of Scope 1 GHG emissions from regulated emission trading schemes	65,1%	67,1%	103,1%		
Scope 2 GHG emissions					
Gross location-based Scope 2 greenhouse gas emissions	5.012	5.097	101,7%	No target for scope 2 separately	N/A
Gross market-based Scope 2 greenhouse gas emissions	3.803	2.870	75,5%		
Significant scope 3 GHG emissions *					
Total Gross indirect (Scope 3) GHG emissions *	172.011	158.190	92,0%	129.008	75,0%
Percentage of Gross Scope 3 greenhouse gas emissions *	93%	N/A *	N/A *	No target per category separately	N/A
Purchased goods and services	127.724	118.164	92,5%	No target per category separately	N/A
Upstream transportation and distribution	12.953	11.722	90,5%		
End-of-life treatment of sold products	31.334	28.304	90,3%		
Total GHG emissions					
Total GHG emissions (location-based) *	189.934	175.561	92,4%	143.581	75,6%
Total GHG emissions (market-based) *	188.725	173.334	91,8%	138.702	73,5%

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* Significant scope 3 emission figures include the most important scope 3 categories for Belysse: Purchased goods & services, Upstream transportation & distribution, End-of-life treatment of sold products.
Our baselining exercise for 2023 showed that these 3 categories represent 93% of our total scope 3 emissions.

Table 6 GHG emissions - value chain

	2024			
	Upstream value chain	Own operations	Transport	Downstream value chain
Gross Scope 1 greenhouse gas emissions	-	12.274	-	-
Gross location-based Scope 2 greenhouse gas emissions	-	5.097	-	-
Gross market-based Scope 2 greenhouse gas emissions	-	2.870	-	-
Gross Scope 3 greenhouse gas emissions *	118.164	-	11.722	28.304
Total market-based greenhouse gas emissions *	118.164	17.371	11.722	28.304
Total location-based greenhouse gas emissions *	118.164	15.144	11.722	28.304

GHG intensity per net revenue	Unit	2023	2023 *	2024 *	% N/N-1 *
Total GHG emissions (location-based) per net revenue	tCO_2eq per €	0,000672 tCO_2eq / €	0,000631 tCO_2eq / €	0,000626 tCO_2eq / €	99,2%
Total GHG emissions (market-based) per net revenue	tCO_2eq per €	0,000668 tCO_2eq / €	0,000627 tCO_2eq / €	0,000618 tCO_2eq / €	98,5%

* Scope 3 emission figures include the most important scope 3 categories for Belysse, to have full comparability between 2023 and 2024 figures
The net revenue figure used in this calculation is €280,4m for Belysse, taken from the Financial Statement, section 1. 'Consolidated statement of comprehensive income for the period ended 31 December': Revenue.

E1-7 GHG removals and GHG mitigation projects financed through carbon credits

Belysse does not have any greenhouse gas removals or storage activity.
All carbon credits outside Belysse's value chain are verified against GOLD quality standards for modulyss and against VERRA quality standards for Bentley.

- Gold Standard is one of the leading standards and registries in the voluntary carbon market. It develops requirements and methodologies to ensure that climate projects seeking to issue Gold Standard carbon credits, as well as other programs aiming at credible impact reporting, are achieving positive outcomes. The Gold Standard Foundation, which operates the standard, was founded in 2003 by WWF and other international NGOs to increase the level of environmental integrity and measure the sustainable development outcomes of carbon credit projects.
  The foundation runs the Gold Standard for the Global Goals (GS4GG), which is the standard that carbon credit projects are certified against. It enables carbon projects to quantify and certify their impacts against a high bar of environmental and social benefits. Projects can be issued Gold Standard carbon credits after robust assurance of emission reductions as well as contributing to at least two additional Sustainable Development Goals to ensure a positive impact. Furthermore, Gold Standard carbon credits require a gender and stakeholder-inclusive design and the implementation of different environmental and social safeguards.
  Gold Standard keeps a public registry of the planned, issued, and retired Gold Standard carbon credits.
- Verra is a carbon credit registry that manages the Verified Carbon Standard (VCS), the biggest standard in the carbon market based on market share. As a standard, Verra sets rules and requirements for carbon credit projects to ensure that they achieve measurable, high-integrity outcomes. As a carbon credit registry, it keeps a public database of all registered Verra projects and the issued and retired carbon credits.
  The Verified Carbon Standard Program is the carbon credit standard run by Verra. It sets rules for carbon credit projects and their validation and verification. These include definitions for key concepts for carbon credit quality and integrity, such as additionality, permanence, and leakage requirements. The standard also sets methodologies for different project types, such as Renewable energy or Agriculture, forestry, and other land use (AFOLU). These detail the procedures and calculations needed to follow the standard's requirements for quantifying emission reductions from a project.

100% of the carbon credits for modulyss and Bentley are related to reduction projects. All of these are issued from projects outside of the European Union.

Table 9 Carbon Credits cancelled in the reporting year (in tCO_2eq)

	2024		
	Europe	US	Belysse Total
Total (tCO_2eq)	2.003	2.100	4.103
Share from reduction projects (%)	100%	100%	100%
Share from removal projects (%)	0%	0%	0%
Recognised quality standard (%)	100%	100%	100%
Share from projects within the EU (%)	0%	0%	0%
Share of carbon credits that qualify as corresponding adjustments (%)	0%	0%	0%

Carbon credit cancellation refers to the process of permanently removing carbon credits from circulation to ensure that they cannot be used again for offsetting emissions:

- Carbon credits are created through projects that reduce, avoid, or remove greenhouse gas emissions; each reduction of one metric ton of CO2 or equivalent in other greenhouse gases is represented by one carbon credit
- Companies like Belysse can purchase carbon credits to offset their own emissions. Once purchased, these credits have to be cancelled through a certification body or carbon credit registry, to prevent double counting or over-representation of reductions

Carbon credits outside Belysse's value chain are cancelled on:

- a bi-annual basis for modulyss, in line with the corresponding sales volumes – we expect to continue doing the same in the future; we have no existing contractual agreements covering carbon credits in the future
- an annual basis for Bentley, in line with the corresponding natural gas usage for production – we expect to continue doing the same in the future; we have no existing contractual agreements covering carbon credits in the future

For both brands we offer customers the possibility to fully offset the carbon emissions of their purchase, on their request. We also expect to continue to offer this in the future.

E1-8 Internal carbon pricing

Belysse does not apply internal carbon pricing. While sustainability is a key aspect in any investment and business decisions we take, this is taken into account in a broader context than only the impact on our CO_2 footprint.

E1-9 Potential financial effects from material physical and transition risks and potential climate-related opportunities

Climate physical impacts and risks were deemed not material, as outlined in ESRS 2 IRO-1.
There has been no financial effect in 2024 related to assets either at material physical or material transition risk. The medium and long-term financial effects are under development, as outlined in section E1-1 Transition plan for climate change mitigation.

A notable material transition risk, is the EU Emission Trading System, covered by the identified risk "risk of additional investment costs in infrastructure to reduce Belysse's energy consumption and/or costs to buy carbon emissions". This transition risk and how Belysse is pro-actively anticipating this risk, is further outlined in section GOV-5 Risk management.

Please see section E1.IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities that describes the methodology used to identify transition risks.

Environmental information

	Short-term (2024)	Medium-term	Long-term
Assets at material physical risk	N/A	N/A	N/A
Acute	N/A	N/A	N/A
Chronic	N/A	N/A	N/A
Percentage of assets at material physical risk	N/A	N/A	N/A
Net revenue from business activities at material physical risk	N/A	N/A	N/A
Percentage of net revenue from business activities at material physical risk	N/A	N/A	N/A
Assets at material transition risk	N/A	Under development	
Stranded assets	N/A		
Proportion of assets at material transition risk	N/A		
Proportion of stranded assets	N/A		
Liabilities from material transition	N/A		
Potential future liabilities	N/A		
Net revenue from business activities at material transition risk	N/A		
Coal-related activities	N/A	N/A	N/A
Oil-related activities	N/A	N/A	N/A
Gas-related activities	N/A	N/A	N/A
Percentage of net revenue from business activities at material transition risk	N/A	Under development	
Coal-related activities	N/A	N/A	N/A
Oil-related activities	N/A	N/A	N/A
Gas-related activities	N/A	N/A	N/A

Environmental information

E2 - Pollution

E2.IRO-1 Description of processes to identify and assess material pollution-related impacts, risks and opportunities

The following information is incorporated by reference:

- Description of the process to identify material IRO is incorporated in general requirements IRO-1 section
- Material impacts, risks and opportunities and interaction with strategy and business model:

In addition to the consultation of stakeholders as part of our Double Materiality Assessment, we conduct an annual environmental compliance audit; at each of our production sites, we conduct the necessary legally required air & water measurement campaigns to ensure our emissions stay below the various defined norms.

ESRS topic	Material IROs	IRO description	IRO origin (up/down/own operations)	Time horizon	Effects & responses of Belysse
E2	Impact of our production processes	Discharge of waste water from the on-site water purification unit in Tielt to surface water streams, in light of increasingly stringent legislation and norms required to maintain our license to operate	Own operations	Actual impact	Wherever necessary to comply with legislation and norms, Belysse adapts its products and production processes accordingly
		Risk that stricter emission limits for emission to air and water might require investment in new infrastructure or innovative technologies, in order to maintain our license to operate	Own operations	1 – 5 years	Belysse follows closely any changes in legislation and norms. Wherever necessary to comply with legislation and norms, Belysse adapts its products and production processes accordingly
	Harmful substances in our products	Belysse requires suppliers to comply with its supplier code of conduct, stipulating its requirements related to environmental performance	Upstream	Actual impact	Adhering to the Belysse supplier code of conduct is a must for any existing or potential new supplier
		Risk related to many of Belysse's products being C2C certified; for Belysse to obtain or maintain an advanced level of certification, its suppliers need to disclose essential information and be willing to collaborate whenever improvements would be needed	Upstream	1 – 5 years	This information is part of the supplier documentation requested by Belysse to its potential suppliers. Willingness to improve where required, is part of our supplier evaluation criteria

E2-1 Policies related to pollution

In our factories, we use chemical substances. Even though all chemicals need to be assessed before they can be used in our factories, emissions to the environment could cause harm to the environment. In particular in the factories where we have dyeing activity (Tielt and Bentley Mills), emissions should be closely monitored.

Quality, Environment and Energy Policy
Our Belysse Group Quality, Environment and Energy Policy explicitly states our engagement to comply with all relevant legal requirements and to apply the best available techniques, leading to a good relationship with all stakeholders and the prevention of environmental pollution. This defines our approach to pollution, where we ensure we comply with local environmental legislation and any applicable norms for emissions to air and water, rather than having an specific policy concerning pollution that would differ from these legislations and norms. The extent and specificities of this legislation are further covered below.
This policy also defines our approach to product safety and substances of (very high) concern, where we fully comply with local legislation and standards such as REACH and the Living Building Challenge Red List, but in addition take voluntary initiatives to demonstrate our product safety towards our end-users. Here as well, there is no specific policy in place that would differ from these legislations and standards.

Environmental information

Emissions to air and water

In Belgium, companies are obliged to have an environmental permit. To obtain the environmental permit, companies should comply with environmental legislation, that is becoming stricter year after year. Legislation requires us to have independent 3rd parties regularly measuring our emissions to air and water. Which parameters or substances are tested and the frequency of testing, are determined by the Vlarem, Vlarema (waste) and Vlarebo (soil) legislation.
In California, Bentley is required to comply with the most robust California Regulations. California is known to be the state in the US with the strictest environmental regulations. For emissions to air, Bentley reports on AER (Annual Emissions Reports), Criteria Pollutants (air pollutants that have established ambient air quality standards and known acceptable exposure levels), TAC (Toxic Air Contaminants), ODC (Ozone Depleting Compounds). SCAQMD (South Coast Air Quality Management District) legislation requires reporting for a variety of activities, including emissions. Under federal and state law, the SCAQMD is under a legal obligation to enforce air pollution regulations. These regulations are primarily meant to ensure that the surrounding (or ambient) air meets federal and state air quality standards. For emissions to water, Bentley reports on waste water discharge; Los Angeles County Sanitation Districts (LACSD) is a public agency that manages wastewater and solid waste in Los Angeles County. The LACSD's mission is to protect the environment and public health by converting waste into resources.

Product health and substances of (very high) concern

Belysse fully complies with the EU REACH regulation. We have set up a centrally managed survey system of all raw materials and products before they enter production, and we have strict quality controls in place in the field of product compliance.
All raw materials are screened before they can be delivered to our sites. Our products also comply with the minimum criteria for health and safety as out in the harmonized European standard EN14041, better known as the CE marking, with criteria for safety, slip, antistatic properties and hazardous substances. Compliance with local legislation and standards are a prerequisite to deliver our products to the market. In addition to that, we take voluntary initiatives to demonstrate that our products will not harm their users. In our product design, we focus on using materials with low Volatile Organic Compound (VOC) emissions.

- All Bentley products are certified to meet the requirements of the Carpet and Rug Institute's Green Label Plus test protocol. The program sets a high standard for Indoor Air Quality.
- All modulyss and ITC products are certified by GUT, the European label that has been recognized as a guarantee for environmental and consumer protection.

In addition to reducing VOC emissions, we have set the target of zero harmful chemicals. We follow the guidelines of recognized certification schemes:

- The Cradle to Cradle Material Health Assessment is one of the strictest chemical assessments for products. At the end of 2024, modulyss has 26 carpet tile collections certified at the gold level and 19 collections certified at the silver level. At Bentley Mills, all collections are certified at the silver level on 12 backing platforms
- All Bentley Mills' products have the Declare label from the International Living Institute. Declare screens a product's ingredients against the Living Building Challenge Red List, ensuring that the product contains no chemicals known to pose a risk to human health or the environment.

The European Chemical Agency (ECHA) publish on a regular basis a list of substances of very high concern (SVHC) on the candidate list. Whenever one of our textile products contains such a substance, above 0.1 % (weight/weight), we will communicate about these chemicals to our clients. In such cases, Belysse will start an active search for an alternative solution for the used substances on the candidate list, in order to phase these out. Additionally, our textile products comply to all the restrictions, as mentioned in annex XVII of the Reach-regulation. Based upon our own and our (European and non--European) suppliers' current knowledge, we can inform that we do not use any of these substances. Finally, we like to refer to the GUT-Prodis labelling of our modulyss and ITC products, based on much stricter acceptance criteria.

Management systems and certification

As environmental regulation is continuously updated, we carry out an environmental compliance audit on an annual basis. The audit, for which we rely on a specialized external company, focuses on management system, screening of the environmental permits and verification of the permit's conditions, evaluation of water use and discharge, and a check of the atmospheric conditions. In 2024, we did not get any charge of violations.

For our Belgian sites, we have adopted the ISO 14001 methodology, as part of an integrated management system according to ISO 9001, 14001 and 50001. By doing so, we introduced a structured way of setting objectives, defining actions and monitoring effectiveness thereof. Both Belgian production sites are ISO 14001 third-party certified.
Bentley Mills is fully compliant with the South Coast Air Quality Management District (SCAQMD) and the Los Angeles Sanitation District Regulation. The latter regulates waste water management for the city of Los Angeles and surrounding areas. For its manufacturing facility, Bentley Mills goes beyond compliance with the LEED certification of this facility. Since 2012, the building is certified at the LEED EB: O+M Gold level. By doing so, Bentley Mills is the world's first and only LEED-EB gold carpet manufacturing facility.

The most senior level in the organisation that is accountable for the implementation of these policies is our Operations Director for Europe and our President and Chief Operating Officer for Bentley Mills.

Environmental information

The interests of stakeholders such as the government, institutional bodies and local communities are covered by complying with all environmental regulations and legislation. The health and safety of our customers is safeguarded by complying with all local legislation and standards, as well as the voluntary initiatives described above that we take to demonstrate that our products will not harm their users.

Our suite of certifications at company level showcasing our commitment to health, safety, quality, and environmental responsibility, are published on the Belysse website. Any product-specific certifications are published on the relevant brand website.

Value Chain
Our own operations are fully covered by the Quality, Environment and Energy Policy.
The Code of Conduct covering our upstream value chain suppliers is covered in section E2-2 Action plan. We do not have any pollution policy covering our downstream value chain as the products we sell are final products and do not undergo any processing before being used, so by controlling our upstream supply chain, own operations and product health, we control any sources of potential downstream pollution (emissions to air & water, substances of concern).

E2-2 Action plan

The actions we take, start with the legally required emission measurements of air & water at our production sites and taking the necessary actions where needed to ensure we stay below all applicable limits, which are becoming increasingly strict over time.

An example of a specific action taken during 2024, aimed to create impact in the medium-term, was investigating possible technologies that will allow the water discharge from our water treatment plant in Tielt to comply with future more stringent requirements. We have launched a pilot at the end of 2024 to test the technical feasibility and potential results of additional water purification to complement our current water treatment plant, with support of external subject matter experts to ensure that we find a technical solution that will indeed meet those future stricter emission requirements. As this is still in an investigation phase, the possible investments needed for this are not known yet.

	Short-term = 2024	Medium-term	Long-term
Financial resources allocated to action plan (OpEx)	N/A	Under development	
Financial resources allocated to action plan (CapEx)	N/A		

In addition to the policies and actions Belysse has in place covering its own operations, we do extend these actions to our upstream and downstream value chain:

- Through our rigorous product compliance checks of all raw materials and products before they enter production, as described in the previous paragraph.
- Through our supplier code of conduct established in 2021, which is a hard requirement for 3rd parties to become a Belysse supplier. It includes our clear expectations regarding environmental performance; we expect our suppliers to:
  - Establish and implement procedures to minimize any adverse impact of their operations on the environment and utilize management systems, such as ISO 14001, to continuously improve their performance.
  - Not only consider the environmental impacts of their products during their design phase, but also in their production, procurement and after services processes.
  - Focus on reducing the use of raw materials and resources and to eliminate the waste produced by all their activities.
  - Use resources efficiently, seek to reduce water use and greenhouse gas emissions, and encourage the use of energy-efficient technologies in their production and services.

E2-3 Targets related to pollution

Disclosure of measurable outcome-oriented and time-bound target

Belysse has not set its own targets related to pollution, as our environmental permits already include strict limits on emissions to air and water. We conduct annual measurement campaigns on these emissions to ensure we stay below the legal limits. These legal emission measurements are carried out by accredited laboratories.
Which parameters or substances are tested and the legal limits to comply with, are determined by the Vlarem, Vlarema and Vlarebo legislation for our Belgian production sites and by SCAQMD legislation and LACSD for our US production site.
Similarly, Belysse has not set its own targets related to the use of substances of (very high) concern, as we ensure that any product entering our production site complies with the REACH regulations or the Living Building Challenge Red List standard, to avoid the use of any substances of very high concern.

Environmental information

E2-4 Pollution of air and water – general

	2024	
	Emissions to air	Emissions to water
Carbon monoxide	*	
Ammonia	*	
Nitrogen oxides	*	
Sulphur oxides	*	
Total nitrogen		*
Total phosphorus		*
Arsenic and compounds		*
Cadmium and compounds		*
Chromium and compounds		*
Copper and compounds		*
Mercury and compounds		*
Nickel and compounds		*
Lead and compounds		*
Zinc and compounds		*
Aldrin		*
Atrazine		*
Chlordane		*
Chlorfenvinphos		*
Chlorpyrifos		*
DDT		*
1,2-dichloroethane		*
Dichloromethane		*
Dieldrin		*
Endosulphan		*
Endrin		*
Halogenated organic compounds		*
Heptachlor		*
Hexachlorobenzene		*
Hexachlorobutadiene		*
Pentachlorobenzene		*
Pentachlorophenol		*
Polychlorinated biphenyls		*
Simazine		*
Tetrachloroethylene		*
Tetrachloromethane		*
Trichlorobenzenes		*
1,1,1-trichloroethane		*
1,1,2,2-tetrachloroethane		*
Trichloroethylene		*
Trichloromethane		*
Vinyl chloride		*
Anthracene		*
Benzene		*
Brominated diphenylethers		*
Nonylphenol and Nonylphenol ethoxylates		*
Ethyl benzene		*
Naphtalene		*
Total Sn		*
Phenols		*
Toluene		*
Total organic carbon		*
Xylenes		*
Chlorides		*
Asbestos		*
Cyanides		*
Fluorides		*
Particulate matter	*	
Fluoranthene		*
Isodrin		*
Benzo(g,h,i)perylene		*

Environmental information

* We don’t exceed the threshold for releases in the Annex II of Regulation (EC) No 166/2006 of the European Parliament and of the Council. These thresholds have been compared to the combined emissions of the site(s) where these measurements are available because they are required for environmental permits or legislations. Where the measured concentrations were below the threshold of the recognized expert laboratory taking the measurement, we have assumed we do not exceed these thresholds for releases.

The emissions to air for Bentley are based on the 2023 air emissions report, as the 2024 report is not available before the end of Q1 2025.

For our Tielt and Zele plants, legally required reporting of pollution loads to water and air can be found in the IMJV (“integraal milieujaarverslag”, or Integral Environmental Annual Report). Tielt is required to complete such a report annually. modulyss is only required to complete such a report based on selection, following the regulations covering GPBV industrial installations (Geïntegreerde Preventie en Bestrijding van Verontreiniging, or Integrated Pollution Prevention and Control – IPPC).
For our Bentley plant, we are required to report quarterly self-monitoring reports for wastewater discharge to the Los Angeles County Sanitation Districts and annual reporting of emissions to air to SCAQMD.
Measurements for all plants are direct measurements conducted by 3rd party experts, in accordance with legal requirements.

Our Belgian environmental coordinators follow periodic training courses on these themes and are part of a working group of environmental coordinators by Fedustria – the Belgian federation of the textile, wood and furniture industries – during which any changes in regulations regarding pollution are covered. They use external engineering expertise to assist with environmental compliance, specifically on emissions to air and water, and the associated regulations.
Bentley utilizes external engineering expertise to assist with Air Quality and Environmental compliance, engineering, and permitting. These engineering experts help us to maintain compliance with the complex array of environmental rules and regulations issued by local, state, and federal agencies.

Our own water treatment plant in Tielt uses an aerobic, biological purification process followed by chemical conditioning to cause floating particles to flocculate and subsequent settle in a lamella separator designed to remove suspended solids from wastewater. This entire solution was specifically designed to allow our plant to meet strict water discharge norms.

E2-5 Substances of concern and substances of very high concern

In our European business, we work closely with our suppliers to monitor their progress and measures regarding REACH compliance. Every supplier must sign a REACH statement, in which they confirm that the products supplied do not contain any substances of very high concern, as defined by the European Chemical Agency (ECHA) in their Candidate list.
By maintaining a detailed inventory of all our chemical products, we are able to respond quickly to any changes. Every newly purchased chemical product is carefully evaluated based on the REACH regulation, as well as the specific requirements of our customers. Based on the declarations provided by our suppliers and the corresponding Material Safety Data Sheets, we guarantee that no substances of very high concern are present in our final product. Given our own knowledge, as well as the knowledge of our suppliers, we can confirm that such substances are not used in our production process.

Similarly, this means we can confirm that no substances of concern are used in our production process, based on the criteria in Article 57 of Regulation (EC) 1907/2006 (REACH) or identified in accordance with Article 59(1) of that Regulation.
We do use substances of concern based on the criteria in Part 3 of Annex VI to Regulation (EC), primarily in lab testing and in maintenance products. Substances of concern belonging to skin sensitisation category 1, chronic hazard to the aquatic environment categories 1 to 4 and repeated exposure categories 1 and 2 do appear in maintenance products, raw materials and auxiliaries. The products that result in these classifications are typically used as preservative or to enhance certain characteristics. All these substances are used in such low concentrations that after mixing and processing, these classifications do not apply to the end product.

In our US business, we take a similar approach using the Living Building Challenge Red List and screening our purchases for any toxic chemicals prior to ordering. We do use substances of concern primarily in maintenance products, raw materials and auxiliaries. The products that result in these classifications are typically used as preservative or to enhance certain characteristics. All these substances are used in such low concentrations that after mixing and processing, these classifications do not apply to the end product.

In addition, many of these categories are screened as part of our product health certification:
- in Europe: GUT, the European label that has been recognized as a guarantee for environmental and consumer protection, which includes extensive testing for harmful substances
- in the US: the Declare label from the International Living Institute, which screens a product’s ingredients against the Living Building Challenge Red List, ensuring that the product contains no chemicals known to pose a risk to human health or the environment; volatile organic compound reports for CRI Green Label Plus certification
- in both regions: Cradle to Cradle Material Health Assessment for our C2C certified products

Environmental information

	Carcinogenicity	Other hazard classes
	kg 2024	kg 2024
Total amount of substances of concern that are generated or used during production or that are procured	Not measured	Not measured
Total amount of substances of concern that leave facilities as emissions, as products, or as part of products or services	Not measured	Not measured
Leave facilities as emissions	Not measured	Not measured
Leave facilities as products	0	0
Leave facilities as part of products	Not measured	Not measured
Total amount of substances of very high concern that are generated or used during production or that are procured	0	0
Total amount of substances of very high concern that leave facilities as emissions, as products, or as part of products or services	0	0
Leave facilities as emissions	0	0
Leave facilities as products	0	0
Leave facilities as part of products	0	0

E2-6 Potential financial effects from material pollution-related risks and opportunities

	Short-term	Medium-term	Long-term
Percentage of net revenue made with products and services that are or that contain substances of concern	Not measured	Not measured	Not measured
Percentage of net revenue made with products and services that are or that contain substances of very high concern	0%	0%	0%
Operating expenditures (OpEx) in conjunction with major incidents and deposits (pollution)	N/A	Under development	
Capital expenditures (CapEx) in conjunction with major incidents and deposits (pollution)	N/A		
Provisions for environmental protection and remediation costs (pollution)	N/A		

During 2024, there has been no operating or capital expenditure in conjunction with major pollution incidents and deposits.

For the medium- to long-term we refer to the Financial Statements, Note 13. Property, plant and equipment.

E3 - Water & marine resources

E3.IRO-1 Description of processes to identify and assess material water & marine resources-related impacts, risks and opportunities

The following information is incorporated by reference:

- Description of the process to identify material IROs is incorporated in general requirements IRO-1 section

The process to identify actual and potential water & marine resources-related impacts, risks and opportunities in own operations and upstream and downstream value chain has focused on the water withdrawal and resulting water consumption in Belysse's own operations, where our production site in Tielt accounts for ca. 85% of the total water withdrawal of the Belysse Group.
Our screening for water & marine resources related impacts made use of the WWF Water Risk Filter to evaluate the risk of water scarcity and the World Resources Institute's Aqueduct tool to assess the level of water stress in the area of our three production facilities.
While the water consumption in our upstream value chain is estimated to be roughly comparable in size to our own water consumption, our first priority is to seek ways to reduce our own freshwater consumption and lead by example. Through our supplier code of conduct we also make it clear that we expect our suppliers to use resources efficiently; the Code of Conduct also explicitly states our expectation that our suppliers seek to reduce water use in their production processes and services. For this reason and the fact that the upstream water consumption is spread amongst various suppliers and therefore less concentrated than our own water consumption, Belysse has not conducted a more detailed screening of activities in its upstream value chain.

Material impacts, risks and opportunities and interaction with strategy and business model:

ESRS topic	Material IROs	IRO description	IRO origin (up/down/own operations)	Time horizon	Effects & responses of Belysse
E3	Water consumption	Depletion of groundwater for use in the production processes in Tielt	Own operations	Actual impact	Belysse continuously explores innovation in its products and production processes, to reduce its water needs. In addition, we maximize the use of rain water and grey water where technically feasible and are part of the WaterProof project in Tielt to further enhance rain water capturing in the area
		Potential impact of increased water scarcity in the region surrounding the factory in Tielt due to high water consumption in the area	Own operations	1 – 5 years	Belysse is currently evaluating the shift of products to production processes which require significantly less water, as well as taking preparatory steps to potentially allow on-site water recycling

E3-1 Policies related to water & marine resources

The Quality, Environment and Energy policy of Belysse states our ambition to efficiently utilize natural resources, of which water is an important one, as our production processes, dyeing and printing in particular, rely heavily on water. Scarcity of water is a worldwide issue, aggravated by global warming. Belysse therefore seeks ways to consume less freshwater sources. While the policy does not explicitly address product design, it has been clearly identified as a key lever and plays an important role in our actions to reduce our water consumption, as described in section E3-2 Actions and resources related to water & marine resources.
Our approach to more sustainable sourcing of water starts with conservation first; where water has to be used in our processes, we maximize the use of harvested rainwater from the roofs of our production facilities and the use of grey water. We currently have an own water treatment facility on-site in Tielt and are exploring the possibilities of further water treatment to enable re-use of water in our production processes, as further described in the section E3-2 Actions and resources related to water & marine resources.

All three plants are located in regions at high risk of water scarcity, as is shown by high scores in the WWF Water Risk Filter. As a result of climate change, prolonged periods of drought are alternated with periods of extreme rainfall, posing challenges on both the use of groundwater and maximizing the use of rainwater. All three plants are also located in regions of extremely high water stress, based on the scoring of Belgium and California in the World Resources Institute's Aqueduct tool.

One of the management systems supporting us in implementing our environmental policy, is the ISO 14001 methodology which we have adopted for our Belgian sites. By doing so, we introduced a structured way of setting objectives, defining actions and monitoring effectiveness thereof. Both Belgian production sites are ISO 14001 third-party certified. For our Belgian plants, the overall Quality, Environment and Energy policy is further complemented by a Water Procedure which has the explicit objective to ensure that water consumption is managed efficiently.

Bentley Mills is fully compliant with the Los Angeles Sanitation District Regulation which regulates waste water management for the city of Los Angeles and surrounding areas.

The most senior level in the organisation that is accountable for the implementation of this policy is our Operations Director for Europe and our President and Chief Operating Officer for Bentley Mills.

Our Quality, Environment and Energy policy and our water withdrawal reduction target are published on the Belysse website; both our target and results achieved towards this target have been published in the annual report since the target was set in 2018.

Stakeholder interests were not specifically considered in setting this policy, although key stakeholders were consulted in our Double Materiality Analysis to identify water related impacts, risks and opportunities – and our policy clearly addresses both identified impacts.
The existence of the 'WaterProof' project initiated by the Flemish Government (further described in section E3-2) and the wide range of programs launched by the California Department of Water Resources, highlights the importance of water usage for stakeholders such as the government, institutional bodies and local communities.

As Belysse does not have any water withdrawal or water discharge from/into oceans or seas, we have no policies in place related to sustainable oceans and seas.

E3-2 Actions and resources related to water & marine resources

2024	
Financial resources allocated to action plan (OpEx)	N/A
Financial resources allocated to action plan (CapEx)	N/A

In the BEYOND Program, we have set the target to reduce the water intensity (water withdrawal per m^2 of carpet produced) from our operations with 30% by 2030, measured against a 2018 baseline.

To achieve this target, we have defined a roadmap with two pillars, that run in parallel. In both pillars there is a strong focus on our production site in Tielt, as it accounts for more than 80% of the total water withdrawal of the Belysse Group. The identified actions to achieve our targeted water intensity reduction, are revised on an annual basis in light of technological developments in dyeing and water re-use.

First, we intend to reduce the total water consumption by lowering our dyeing activity. Bentley Mills is using continuous dyeing instead of piece dyeing to reduce water consumption. In Tielt, the goal is to develop more residential collections with solution dyed yarns, for which dyeing is not required anymore. At the end of 2024, 21% of our residential broadloom carpets production was Solution Dyed.
This increase in using solution dyed yarns is expected to deliver half of the intended reduction in water withdrawal for Belysse by 2030.

Secondly, we are studying the options to re-use process water in Tielt, that will allow us to further decrease groundwater extraction.

1. We mapped out the water flows in the plant.
2. We defined and started the implementation of water reduction measures. This is a continuous effort, but is partly offset by the smaller run sizes that are the consequence of made-to-order production.
3. We are defining the desired quality of water, related to the different processes, with the objective to maximize the use of rain water and grey water, to reduce our groundwater consumption.

4. The last step, studying the different options for water re-use, has been initiated as well. The challenge in this step is the fact that options for re-use relate directly to the quality of the discharged water. The scope of this study therefore is not limited to water re-use alone, but also includes additional water purification technologies (as part of our actions to reduce future emissions to water, covered in section E2 Pollution) and the use of alternative dyes.

Our factory in Tielt is located on the industrial site ‘Tielt North’, which is a demo case of the project ‘WaterProof’, initiated by the Flemish government. The aim of the project is to maximize the use of water from alternative sources such as rain water, purified industrial waste water and drainage water. This project will enable us to use water from a large rain water basin that will be installed close to our factory.

The actions in the Zele and Bentley plant are primarily focused on operational efficiency improvements, considering their relatively limited share in the overall water withdrawal of Belysse.

E3-3 Targets related to water & marine resources

With regards to water consumption, there are no mandatory targets imposed by legislation, as long as we operate within the boundaries of our environmental permit.
As part of the BEYOND Program, we have set a voluntary target to reduce the water intensity, defined as water withdrawal per m^2 of carpet produced, from our operations with 30% by 2030, measured against a 2018 baseline.
The scope of this target covers the full water withdrawal from any source (as described in section E3-4 Water consumption) in our three production plants and all carpet & carpet tile production in these plants.

While the United Nations Sustainable Development Goals target 6.4 on water-use efficiency does not have a quantified reduction target, our target is aligned because it clearly contributes to the target to “by 2030, substantially increase water-use efficiency across all sectors…”

Water withdrawal (l/m^2 produced)		
2018 baseline	**Target 2025**	**Target 2030**
17,3	-22%	-30%

Our water withdrawal is directly measured from the different sources, with the exception of rainwater (representing ca. 16% of our total water withdrawal) which is estimated based on the surface of the capture area and assumes an average rainfall over the years, as we do not measure the actual intake or usage of rain water in our Tielt plant.

The key stakeholder involved in setting the target has been the Board of Directors who has approved this target.

Our performance against this target at the end of 2024, is that we have achieved a 1,9% reduction of our water withdrawal rate related to our production operations:

Water withdrawal (incl. rainwater)	2018	2024
1.000 m^2 production volumes	26.112	15.069
Water withdrawal in m^3	452.630	256.356
Water withdrawal rate in l / m^2 produced	17,3	17,0
Gain versus 2018 baseline		**-1,9%**

For our Belgian operations, the average run size has decreased in the past years as a results our strategy to produce more ‘made to order’.
A trade-off of this way of working is an increase in water consumption per m^2 produced, as the size of the dye vessels is fixed and they have been dimensioned for large run sizes; in addition, cleaning of the vessels between production runs requires a certain amount of water regardless of the size of the production run. This effect has partially offset the gains achieved through efficiency improvements.

Belysse has not set separate targets on water consumption and water discharge, as these water flows are a direct result of our water withdrawals and our identified IROs are specifically linked to water withdrawal.

Environmental information

E3-4 Water consumption

	2024		
	Europe	US	Belysse Total
Water consumption * (m^3)	55.266	46.233	101.499
Water consumption in areas at material water risk * (m^3)	55.266	46.233	101.499
Water consumption in areas of high-water stress * (m^3)	55.266	46.233	101.499
Water recycled and reused ** (m^3)	N/A	N/A	N/A
Water stored *** (m^3)	Not measured	N/A	Not measured
Changes in water storage *** (m^3)	Not measured	N/A	Not measured
Water intensity ratio (water consumption in m^3 per € revenue)	0,00044	0,00030	0,00036
Water withdrawals (including rain water, m^3) ****	214.594	46.233	260.827
Water discharges * (m^3)	159.328	Not measured	159.328

* Water discharge is assumed to be equal to water withdrawal for Bentley. This is a simplification because there is some level of evaporation in our production processes, but emission of water to air is not measured and neither is the volume of water discharge. In our Tielt and Zele plants we do have actual water discharge measurements in place.

** At this point there is no water recycling in place, as the technical study for the plant of Tielt and the potential impact on the quality of the discharged water is still ongoing.

*** While we do have water storage in Tielt and Zele to capture rain water, this volume is not measured and can be assumed to be relatively constant over the years, since both buffers have a fixed capacity.

**** Withdrawal of rain water in our Tielt plant which is calculated based on average rainfall rather than actual measurements. The difference with the production operations withdrawal figure in section E3-3 Targets related to water & marine resources, is that section E3-4 Water consumption also includes water consumption related to non-production activities, e.g. landscape irrigation.

Water sources 2024 (m^3)	Europe	US	Belysse Total
Total water withdrawal	**214.594**	**46.233**	**260.827**
Groundwater	112.650	-	112.650
Rainwater	42.326	-	42.326
Drinking water	1.857	46.233	48.090
Grey water	57.761	-	57.761
Total discharge	**159.328**	**Not measured**	**159.328**

E3-5 Potential financial effects from water & marine resources-related impacts, risks and opportunities

There have been no major incidents, deposits or remediation / environmental protection costs during 2024.

Increased water scarcity in the region surrounding our production facility in Tielt could lead to:

- Less available groundwater or restrictions on groundwater usage as part of the environmental permit. The potential financial effect is still to be quantified, as the study for water re-use is still ongoing.
- Price increases of water. The potential financial effect has not been estimated, as this is highly influenced by factors such as climate change, conservation efforts, water infrastructure investments and policy decisions - in addition to our own efforts to reduce water withdrawal and continuously increase our use of rainwater instead of other water sources

In addition, climate change could result in more droughts or less rainfall and therefore less rainwater which we can capture from the roof of our production sites. The 'WaterProof' pilot in the Tielt North industrial area does present an opportunity however, as it will lead to more available rain water to be used for those production processes that do not require higher quality water sources.

The shift to more solution dyed products to reduce our dependency on water will require CAPEX investment in more flexible production capabilities. As this shift is a key enabler to achieve our water withdrawal reduction target, we would expect this investment to happen gradually over the coming years.

Environmental information

E5 - Resource use & circular economy

E5.IRO-1 Description of processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities

The following information is incorporated by reference:

- Description of the process to identify material IRO is incorporated in general requirements IRO-1 section

Our IROs have been identified by looking at the complete value chain, upstream, own operations and downstream, until and including our products end-of-life.
The various certificates we have for our products such as life cycle analysis / environmental product declarations and Cradle to Cradle, have helped to inform our IRO identification. As part of our continuous efforts to improve our resource use and circularity of our products, we are frequently engaging with stakeholders such as customers, suppliers, industry federations and scientific knowledge centres – these stakeholder groups were also part of the stakeholders that we engaged with during our Double Materiality Assessment, so their feedback has been taken into account.

E5 sub topic	Material impacts, risks and opportunities		Scope (up/downstream/ own operations)	Time Horizon
Resource inflows (Raw material efficiency)	✕ Negative impact	Emission of GreenHouse Gases from the extraction and production of raw materials	Upstream	Actual impact
	Risk	Potential significant raw material cost increases due to depletion of fossil sources over time	Upstream	5 – 10 years
Resource outflow (operational waste)	✕ Negative impact	Emission of GreenHouse Gases from the treatment of waste originating from the production process and at our products' end of life	Downstream	Actual impact
Resource inflows (Material Selection & eco-design)	✔ Positive impact	Reduce GreenHouse Gas emissions by increasing the use of recycled or biobased materials	Upstream	Actual impact
	✕ Negative impact	Belysses sources an important share of non-recycled raw materials, maintaining a linear economy system with extraction of fossil sources (plastics)	Upstream	Actual impact
	Risk	Risk of loss of market share, should Belysse not be able to sufficiently source raw materials with recycled or renewable content at an economically feasible price due to low availability in the market	Upstream	1 – 5 years
	Opportunity	Opportunity from customer preference for products with a low carbon footprint	Downstream	1 – 5 years
Resource outflow (Products end-of-life)	✕ Negative impact	The majority of carpets and carpet tiles is still incinerated at end of life, which results in GreenHouse Gas emissions. In some sales regions, landfilling is also still allowed.	Downstream	Actual impact
	Risk	Risk of losing market share, should Belysse not meet its customers' requirement to make recyclable products	Downstream	1 – 5 years

The Paris Agreement, the EU Green Deal, and many other regulations and initiatives, set ambitious objectives to reduce GHG emissions. Adopting the principles of a circular economy is essential for achieving those objectives. Our raw material consumption directly affects our scope 3 carbon emissions; how much materials do we use? How do we use them in our products? Where do we source our raw materials from and what is their origin?

Environmental information

Ecodesign entails more than only being conscious about our raw materials. It's equally important to adjust the technical properties of products to make them recyclable at the end of their life.

An important step towards circularity is the use of recycled or renewable/biobased raw materials. This translates to the carbon footprint of our products, that is significantly lower for products with a higher recycled content. In addition, the use of recycled content ultimately reduces the use of virgin raw materials.

Our customers are becoming more aware of the environmental impacts of the products they buy. More and more, they compare different products based on their Recycled Content and Carbon Footprint. In Europe, governments are stimulating this by defining minimum requirements for both parameters in public tenders.
Sourcing raw materials with recycled content however has become more challenging. The demand for this type of materials is higher than the current supply, affecting their cost and availability. It's promising that a high level of innovation is taking place for both new recycling technologies and development of biobased materials. Nevertheless, the availability of these new developments is at this point still rather low.
The low availability of recycled or renewable materials becomes even more stringent because of our specific requirements for this type of materials. At Belysse, we demand suppliers of recycled materials to provide a third party verified 'Certificate of Origin', as a guarantee that the material is indeed recycled or renewable. Furthermore, recycled materials should meet our expectations regarding material health and presence of legacy chemicals. In particular for post-consumer recycled materials, it is often not evident to prove that the product indeed complies, due to the origin of the waste.

E5-1 Policies related to resource use and circular economy

The Quality, Environment and Energy policy of Belysse states our ambition to efficiently utilize natural resources.
This includes efficiency in relation to critical raw materials and conscious material selection & eco-design, therefore covering not only our own operations but also extending its impact to our upstream value chain (resource inflows).
Our active support of the shift from a linear to a circular economy, also contributes to this overall ambition, through managing our operational waste and addressing our products end-of-life, aiming to positively impact our downstream value chain (resource outflow).

Accountability at the most senior level for the implementation of this aspect of the Quality, Environment and Energy policy is shared between:

- Raw material efficiency, Operational waste: our Operations Director for Europe and our President and Chief Operating Officer for Bentley Mills
- Material selection & eco-design, Products end-of-life: our Product & Marketing Director for Europe and our Senior Director of Sustainability & Technical for Bentley Mills

Our Quality, Environment and Energy policy is published on the Belysse website; the associated targets described in section E5-3 'Targets related to resource use and circular economy' and the results achieved towards these target have been published in the annual report since the targets were set in 2018 (recycling of waste) and 2022 (recycled content) respectively.

E5-2 Actions and resources related to resource use and circular economy

Resource inflows (Raw material efficiency)

Our primary focus is on reducing our overall raw material consumption, by reducing any waste in the production process, and by lowering product weight while maintaining the same performance.

The latter mainly applies to carpet tiles. modulyss introduced its 'ecoBACK' carpet tile in 2020 that was 25% lighter than its conventional backings. The PLUS collection launched in 2024, features an improved version of this backing with a further weight reduction, making it 48% lighter than our Back2Back solution and containing 80% recycled material as well as bio-based material.

These developments are especially informed by feedback from our customers, as well as close collaboration of our Research & Development teams with scientific knowledge centres.

Resource inflows (Material selection & eco-design)

- Bentley Premium™ fibers are selected from the highest quality of nylon available. Bentley Mills set the standard for yarn performance and the inclusion of recycled content. The yarn system is designed to be recovered over and over again, resisting soiling, remaining resilient and retaining texture and colour even under the most challenging conditions.
- Bentley Mills expanded their C2C silver certification to all its backing platforms in 2023.

Environmental information

- Bentley Mills has chosen to comply with the NSF/ANSI 140 sustainability Assessment standard for Carpet. This standard was developed through a consensus based public process by a multi-stakeholder group of American manufacturers, suppliers, regulatory agencies and other stakeholder groups, and is based on life-cycle assessment principles, including the use of non-virgin input materials and ecodesign. Bentley Mills successfully completed the NSF/ANSI 140 Audit and holds a certification for all of its products over the 12 backing platforms. Three of them attained Platinum level, the others reached Gold.
- Ympact is the quality label for sustainable yarns at Belysse Europe. The Ympact quality label is allocated to the various innovative types of yarns, including 100% recycled Polyester, 100% regenerated PA6 econyl and our internally produced PA6 yarn with 35% allocated recycled content. In 2024, modulyss launched 8 new collections, 4 with 100% regenerated PA6 econyl and 4 with 75% recycled PA6.
- modulyss' lightweight ecoBACK PLUS backing which was launched in 2024, includes the use of a high level of recycled raw materials as well as the use of biobased materials. An important focus of our R&D department is to continuously look for opportunities to adjust the design of our products to improve recyclability.
- modulyss' ecoBACK and comfortBACK ECO backings are designed to be recycled. This has been recognized by the Cradle to Cradle (C2C) institute, which has high standards for 'product circularity'. Both ecoBACK and comfortBACK ECO are certified at the gold level.

	Recycled content (weight / weight %)				
Brand	**Baseline 2021**	**2022**	**2023**	**2024**	**Target 2025 (as set in 2020)**
modulyss	35,1%	51,9%	52,9%	58,9%	50%
Bentley Mills	29,5%	24,5%	33,6%	40,7%	50%

Cradle to Cradle certification level	modulyss	ITC	Bentley Mills
Number of products C2C certified			
Bronze	0	2	0
Silver	210	0	121
Gold	173	0	0
Number of backing platforms C2C certified			
Bronze	0	1	0
Silver	0	0	12
Gold	2	0	0

Resource outflow (operational waste)

In the overall context of our Environment, Quality and Energy policy that aims at efficiently utilizing natural resources and Belysse actively supporting the shift from a linear to a circular economy, one of the principles of this circular economy, is to design out waste. This can be achieved either by adjusting design and process to reduce the volume of waste, or by revaluing waste for it to become a resource for our own products, or for another product. At Belysse, operational waste includes remnants, scraps and packaging.

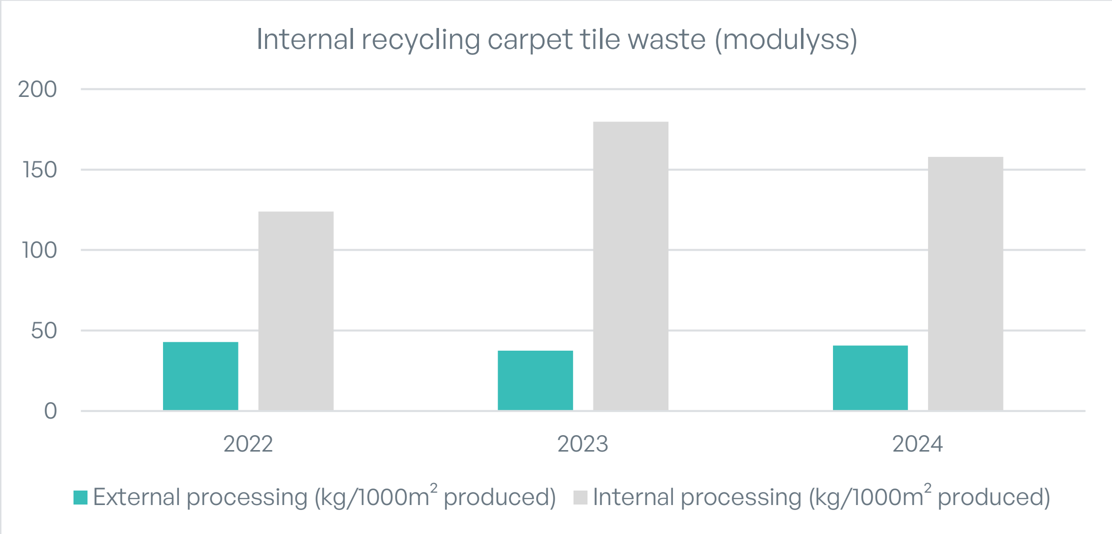
Since 2012, we have ensured that zero waste from the Belgian production sites goes to landfill. In the US, this cannot be guaranteed because of the available waste treatment practices.
Our ambition for 2030 is to maximize the recycling of the waste coming from our production lines (e.g. scrap, excess, residue), with the aim to have all waste recycled either internally through closed-loop recycling, or by external partners.

We continuously strive to reduce the operational waste volumes in every step of our production process, in all of our production plants.

After reduction comes recycling. We are focusing on internal recovery of non-used materials.

- For more than 10 years already, we are able to recycle cutting waste from carpet tiles produced in our Zele plant. The edges are first run through an edge shredder and then reprocessed into filler material that is used in the backing of new products. Only in 2022, we have installed measuring equipment to follow up how much waste we are actually recycling. Since then, we have been working on processing more waste, with success. We now not only recycle edges, but also faulted carpet tiles.

Environmental information



- Additionally in Zele we've launched improvement projects during 2024 on the 4 biggest waste streams with the intention to minimize and optimize these streams through continuous improvement.
- In Tielt we've focused during 2024 on reducing yarn waste, foil and cardboard, introduced separate collection of organic waste and in general improved waste sorting at the source.
- When reduction (elimination) or internal recycling are not possible, we search for external partners that can collect our waste, again with the aim to maximize recycling.
- We separate our waste in more than 20 fractions for separate collection.

Resource outflow (Products end-of-life)

The majority of our products, both in the US and in Europe, are polyamide based which results in outstanding product durability, as reflected in the warranty periods reported in section E5-5 Resource outflows.
Applying our maintenance guides for end users further contributes to this long product durability.

Strong focus is also given to designing our products from the start for easier recyclability, as part of our current product recovery & recycling programs, as well as initiating broader future recycling partnerships.
We continue to actively develop recycling technologies with external partners, both through 1-on-1 initiatives with these partners and through partnerships in sector wide projects.

In 2019 we have started the development of a new backing for our modulyss carpet tiles, ecoBack. In 2021, we developed a second backing with improved acoustic properties, comfortBACK ECO. In 2024 we have developed a third backing with biobased content and even lower weight, ecoBack PLUS. One of the key advantages and objectives of these backings, is the ability to disassemble carpet tiles with these backings for recycling of the raw materials: tiles with these backings can be mechanically disassembled to separate the different components, allowing these raw materials to be recycled afterwards, as part of our focus on circular design. Considering the long life time of our products, none of these backing types have been recycled as the products are still in use; in the meantime we are working with several partners to further improve our recycling process and the disassembly technology. Our objective is to maximize the recovery of all raw materials at their value with the lowest possible carbon footprint.
All our backings for Bentley are already polyolefin based with similar recyclability characteristics as the modulyss polyolefin backings.

We work with various external partners as part of our take back program for modulyss to re-use end-of-life carpet tiles where possible and if re-use is not possible, to have them recycled; in addition the additional line we installed in 2023 to print commercial carpet tiles in small custom runs, provides the possibility to refurbish tiles and imprint them with a new design.
All new modulyss collections are by default launched on ecoBACK, comfortBACK ECO or ecoBACK PLUS, promoting our easiest recyclable backing solution to our customers.

In our modulyss carpet take back program we collaborate with local partners in Belgium, the Netherlands, UK and France to reuse and recycle old carpet tiles in the most sustainable way possible. Together, we're working to reduce waste and promote a greener future.
As a specific example, in the UK we partner with Uplyfted who provide a UK-wide supply and fit service of like-new carpet tiles, tailored to providers of social housing. We were part of Uplyfted's pilot collaboration and the first carpet tile manufacturer to sign an agreement to work with Uplyfted for take-back of our carpet tiles. In the meantime, several take-back cases have already been realized.

Bentley Mills' FULFILL™ Reclamation program has diverted more than 250 million pounds of carpet material from North American landfills since 1994. We work to keep all carpet material, regardless of manufacturer or material type, from reaching a landfill. We coordinate the transportation and processing of our customers' used carpet, and provide reclamation certificates that recognizes the associated recycling efforts and commitment to environmental stewardship.

There have been no specific OpEx or CapEx investments during 2024 related to the actions we take on resource use and circular economy; all actions are part of the business as usual activities of our Operations, HSE, Product Development and R&D teams.

2024	
Financial resources allocated to action plan (OpEx)	N/A
Financial resources allocated to action plan (CapEx)	N/A

E5-3 Targets related to resource use and circular economy

Target description	Related policy	Target level & target year	Scope (activities, value chain, geographies, particular group)	Voluntary or mandatory targets (legislation)	Overall progress 2024
Resource inflows: Increase the recycled content in our products	The relevant policy is described in E5-1	50% by 2025 for modulyss and Bentley Mills	Raw material selection (upstream)	Voluntary	modulyss: 58,9% Bentley Mills: 40,7%
Resource outflows: Maximize recycling of waste from our production lines	The relevant policy is described in E5-1	100% by 2030	Operational waste (own operations)	Voluntary	Belysse: 30,1%

Resource inflows (Material selection & eco-design)

An important step towards circularity is the use of recycled or renewable raw materials. This translates to the carbon footprint of our products, that is significantly lower for products with a higher recycled content. In addition, the use of recycled content directly affects resource use – as recycled materials are used instead of primary raw materials, they ultimately reduce our consumption of virgin raw materials. We have set ourselves the ambition to increase the recycled or renewable content in our products, aiming to reach 50% recycled content in our modulyss and Bentley Mills products by 2025. Any recycled content in the materials we use, is 3rd party verified and certified.

The percentage of recycled content is defined as the proportion of recycled raw materials, relative to our total raw material consumption over all products.

The key stakeholder involved in setting these targets has been the Board of Directors who has approved these targets.

Resource outflow (operational waste)

Our target on recycled content relates by definition to the sustainable sourcing and use of renewable resources, and this relation is further strengthened by the actions we take on improving recyclability, to ultimately achieve a "closed loop" for key raw materials. A good example is the use of recycled PA6 granulate and yarns – in particular chemical recycling of polyamide allows the material to be re-used almost indefinitely without degradation, in line with the cascading principle.

Environmental information

Our target on recycling waste from our production lines relates to the recycling layer of the waste hierarchy. We have various actions in place as well for re-use of our products through take back programs with several partners and refurbishment which is possible on our own carpet tile printing line which was installed in 2023, but we do not have specific targets yet on these actions. For our "Take Back, Give Back" program, we intentionally select partners that scale re-use activities for our products over their full technical life span before considering recycling, as re-use is the solution that rates highest in the circular economy hierarchy.
In addition, we have an ambition to maximize recycling of the waste coming from our production lines (e.g. scrap, excess, residue), either on-site through internal closed-loop recycling or by external partners. To help achieve this recycling ambition, we separate all our waste in fractions to maximize internal and/or external recycling. External recycling and any other form of waste treatment is certified by the waste processors.

As part of our ambition for 2030 to maximize the recycling of the waste coming from our production lines, we closely monitor the total waste generated by our operations and the share of recycled waste. This target and our performance against the target, have been published in our annual report since this target was defined and approved by the Board of Directors in 2018.

	2024		
Waste	**Europe**	**US**	**Belysse Total**
Total waste (ton)	7.605	2.003	9.607
Recycled waste (ton)	2.422	473	2.895
Recycled waste (%)	**31,9%**	**23,6%**	**30,1%**

Types of waste processing (2024)		
Diverted from disposal	**Hazardous waste**	**Non-hazardous waste**
Reuse (internal)	-	-
Recycling (internal) *	-	674
Reuse (external)	-	49
Recycling (external)	1	2.221
Other	-	-
Directed to disposal	**Hazardous waste**	**Non-hazardous waste**
Incineration	-	5.090
Landfilling	-	1.527
Other	9	36

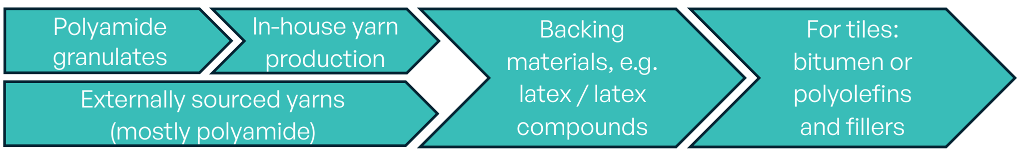
* Internal recycling of carpet tile waste in Zele. This is reported as a resource outflow as it is an operational waste stream, although one that we recycle on-site rather than off-site through a 3rd party

At this point, we do not have specific targets on:

- Raw material efficiency: we continue to expand and promote our offering of more advanced backing options, but it is ultimately customer choice and market acceptance that will determine the volume sold in these lighter weight products
- Products end-of-life: we are designing our products for recycling, closely collaborating with our product recovery & recycling partners and actively exploring new partnerships, but are therefore also dependent on the existence and success of such partners in the various markets

E5-4 Resource inflows

The major material inflows for Belysse are indicated in the schematic production flow below:



Environmental information

	Units	2024
Overall total weight of products and technical and biological materials used during the reporting period	Ton	53.280
Percentage of biological materials (and biofuels used for non-energy purposes)	%	4,6%
The absolute weight of secondary reused or recycled components, secondary intermediary products and secondary materials used to manufacture the undertaking's products and services (including packaging)	Ton	17.770
Percentage of secondary reused or recycled components, secondary intermediary products and secondary materials	%	33,4%

The percentages above are calculated as mass on mass. Double counting is avoided by looking at raw materials inflow and eliminating intercompany purchases of semi-finished and finished goods between the different Belysse entities.

There is a difference in calculation method of recycled content in the products and packaging between Europe and Bentley:

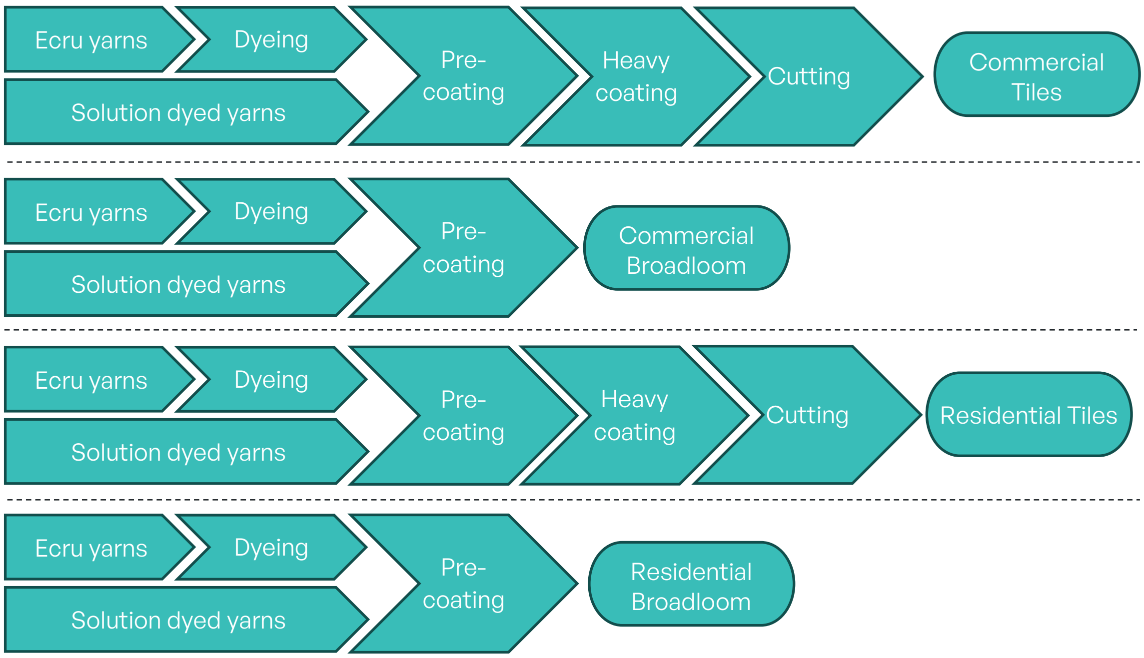
- Europe calculates this based on all the purchased materials and packaging during FY2024
- Bentley calculates this based on all the sold products (including packaging) during FY2024

These calculation methods are consistent with prior annual reports and the use of these two different methods is a conscious choice, because of the high level of intercompany flows between the Tielt and Zele plants - starting from the purchases outside of the Belysse perimeter ensures a more robust way of avoiding potential double counting.

There is no difference in calculation method of biological materials, both Europe and Bentley calculate this based on the purchased materials and packaging. There is currently no use of biofuels for non-energy purposes at Belysse.

E5-5 Resource outflows

The major material outflows for Belysse are indicated in the schematic production flows below:



Environmental information

Key circular designed products groups	Short description	Expected durability (in relation with industry averages)	Rates of recyclable content *
Commercial carpet tiles	Carpet tiles for commercial use	• Europe: 15 years warranty • US: 5 backing platforms - 15 year warranty Our warranties are in line with industry standards for polyamide commercial carpet tiles	• Europe: 90% for C2C certified collections, not measured yet for collections that are not C2C certified • US: not measured yet

Commercial broadloom carpet	Wall-to-wall carpet for commercial use	• Europe: not measured, will depend on the commercial use class
		• US:
		  • 6' Broadloom: 2 backing platforms - 20 year warranty
		  • 12' broadloom: 2 backing platforms - 10 year warranty
		  • 12' Broadloom: 3 backing platforms - 15 year warranty
			Not measured

Residential carpet tiles	Carpet tiles for residential use (Europe only)	Not measured, will depend on the yarn type and domestic use class	Not measured
Residential broadloom carpet	Wall-to-wall carpet for residential use (Europe only)	Not measured, will depend on the yarn type and domestic use class	Not measured
Packaging	Packaging used for our tiles (cardboard boxes, pallets) and broadloom (cardboard cones, foil)	-	• Europe: 99% for commercial carpet tiles, not measured for other products • US: 99%

* Note: these are the rates excluding potential downcycling; with downcycling included, recyclability would be 100% for all product categories

The percentages above are calculated as mass on mass.

Repairability is not applicable for carpets or carpet tiles. We do provide our customers with clear maintenance and cleaning recommendations to maximise the lifespan of our products.

Operational waste

	2024		
Waste	**Europe**	**US**	**Belysse Total**
Total waste (ton)	7.605	2.003	9.607
Recycled waste (ton)	2.422	473	2.895
Recycled waste (%)	**31,9%**	**23,6%**	**30,1%**
Non-recycled waste (ton)	5.183	1.530	6.713
Non-recycled waste (%)	**68,1%**	**76,4%**	**69,9%**

The main waste streams are all specific to our sector, as they are the result of our production processes:
- Waste water, mainly from our print & dye and latex processes
- Sludge from our waste water treatment in Tielt, primarily capturing solids such as latex and pigments used in print & dye
- Latexed carpet waste, consisting primarily of polyamide, polyester, polypropylene, latex, aluminium trihydroxide, polyolefin or bitumen, $CaCO_3$
- Unlatexed carpet waste, consisting primarily of polyamide, polyester, polypropylene
- Yarn leftovers, consisting primarily of polyamide
- Cardboard used as yarn tubes/cones and in packaging

The waste figures reported in this sustainability statement cover our production facilities and not the negligible waste from other locations such as showrooms.

Environmental information

Types of waste processing (2024)			
Diverted from disposal	**Hazardous waste**	**Non-hazardous waste**	**Radioactive waste**
Reuse (internal)	-	-	-
Recycling (internal)	-	674	-
Reuse (external)	-	49	-
Recycling (external)	1	2.221	-
Other	-	-	-
Sub-total	**1**	**2.944**	**-**
Directed to disposal	**Hazardous waste**	**Non-hazardous waste**	**-**
Incineration	-	5.090	-
Landfilling	-	1.527	-
Other	9	36	-
Sub-total	**9**	**6.653**	**-**
Total	**10**	**9.597**	**-**

All the above data are based on actual weighing done by the 3rd party waste processor or recycling partner when they collect our waste, and by actual weighing in our own operations for internal recycling. Percentages are calculated as mass on mass. Also the classification by disposal method is based on information of the waste processor or recycling partner, on the corresponding invoices of the waste flow.

E5-6 Potential financial effects from resource use and circular economy-related impacts, risks and opportunities

Should Belysse not be able to sufficiently source raw materials with recycled or renewable content at an economically feasible price due to low availability in the market, there could be a risk of losing market share. During the Double Materiality Analysis, this risk was deemed to be material in the medium term, with a significant potential financial impact.
To mitigate this risk, Belysse actively works to increase its share of recycled raw materials and continuously investigates the possibilities to use biobased materials.
A good example of this is the launch in 2024 of the modulyss PLUS collection using our newly developed lighter weight ecoBACK PLUS backing containing biobased material and the launch of 8 new collections, 4 with 100% regenerated PA6 econyl and 4 with 75% recycled PA6. As part of the transition of some collections from PA6.6 yarns to PA6-yarns as of 2023, Bentley has taken the opportunity to increase the share of recycled yarns from typically 20% recycled PA6.6 to 100% recycled PA6.

The increasing customer interest in products with a low carbon footprint and potential further changes in legislation to incentivize customers to take product carbon footprint into account in their decision process, also presents an opportunity for Belysse to capture market share in the medium term, with a similar but positive potential financial impact.

Another risk linked to circular economy, would be the risk of losing market share in the medium term if Belysse would not be able to meet its customers' requirement for recyclable products, with a similar potential financial impact. To mitigate this risk, Belysse continuously investigates possibilities to change the composition of its products and the associated production processes, to increase recyclability of its products, in close collaboration with various institutes as well as suppliers.

Social information

S1 - Own workforce

S1-SBM2 Interests & views of stakeholders

Belysse's sustainability reporting applies to all own employees and contracted workers. This includes blue collar workers on payroll, white collar workers on payroll and contracted workers.

The corresponding key stakeholder groups are of course the employees themselves and bodies representing the employees, such as unions. Belysse's engagement with these stakeholder groups and how the outcomes of these engagements are taken into account, are described in the table below:

Key stakeholder groups	Type of engagement	Purpose of the engagement	Outcome consideration (related to strategy & business model)
Employees	• Wellbeing and engagement surveys • Town halls	• Ensure open two-way communication with our employees • Stimulate a clear understanding of Belysse's vision and strategy • Ensure employee engagement • Foster a positive work environment	• Regular formal and informal communications from management • Company policy adaptations • Improvements and action plans addressing specific employee requests or concerns
Unions	• Regular meetings, e.g. works councils, 'Committees for Prevention and Protection at Work' (CPBW)	• Ensure open and communicative relationship with our employees and the unions • Ensure we meet any viable requests related to working practices	• Improvements and action plans addressing specific employee requests or concerns

S1-SBM3 Material impacts, risks and opportunities and their interaction with strategy and business model

S1 – Own Workforce					
Occupational Health & Safety	✕ Negative impact	Workers in the factories work with machines, which comes with an inherent safety risk. Some tasks are ergonomically demanding.	Own operations	Actual impact	As staunch promotors of physical and mental wellbeing in the workplace, Health and safety remains our top priority. We have worked incessantly to raise safety awareness and promote safety leadership, investing in prevention campaigns and rigorous training, and continuously increasing our adoption of digital tools
Wellbeing & Respect	Risk	With an ageing population, Belysse is at risk of being confronted with a knowledge gap when older employees retire and we would not be able to replace them by new employees with the right skills. In general, it is a challenge to attract new people for open Positions.	Own operations	1 – 5 year	We have launched the employer branding campaign 'The people from Belysse', by which we aim to create more cohesion in the current workforce, which in turn makes us a more attractive employer. Within the current workforce, we invest in personal growth and development.

Social information

The occupational health and safety risks are more applicable to workers in the factories vs. workers in an office environment. The risk of an ageing population and associated risk of a potential knowledge gap, is a general risk that applies to our workforce as a whole.
Belysse's transition plans for reducing our negative impacts on the environment and achieving greener operations are not expected to have material impacts on our employees, as this transition is a gradual, continuous and ongoing process.

S1-1 Policies related to own workforce

We believe that we must create a positive and collaborative working environment where employees' personal development is promoted, to reach our objectives. By strong and transparent communication about our values and our strategic goals, everyone across the organisation can contribute to their achievement. As staunch promotors of physical and mental wellbeing in the workplace, health and safety remains our top priority. We have worked incessantly to raise safety awareness and promote safety leadership, investing in prevention campaigns and rigorous training, and continuously increasing our adoption of digital tools.

We strengthen employees' personal skills, to avoid the occurrence of stress and educate employees on coping mechanisms. We invest in personal growth and development.

- All employees, regardless of their function, receive training. Some of the proposed trainings are mandatory as they relate to skills that are required for the job. Other trainings, IT skills for example, are voluntary.
- All blue and white collar workers get feedback on their performance during annual performance reviews.
- We strongly believe in our own talent and therefore stimulate internal mobility.
- For employees who aim to grow within their function or to another function, a personal development plan is set up, to support them in that growth.

We have developed and continue to develop a suite of different policies and procedures, which are kept under close scrutiny and always up-to-date. These policies are the operational translation of the latest applicable regulations and recommendations and include the Group's ethical principles and standards of integrity. They provide guidance and clarity for all stakeholders and employees acting within and/or cooperating with the companies that comprise the Belysse Group. These policies are published on the intranet, accessible for all employees and are part of the employees' onboarding process.

Belysse has a zero-tolerance approach to modern slavery and is fully committed to preventing slavery and human trafficking in its operations and supply chain. Every year, pursuant to section 54(1) of the Modern Slavery Act of 2015, a separate statement about the procedures and results is made by the CEO for Belysse and its subsidiaries. This is complemented by a specific "Policy on prevention of Child labour & support of young workers".

Our manufacturing locations are located in Belgium and the US, where government enforces laws that are aimed at, or have the effect of, requiring business enterprises to respect human rights, and which periodically assess the adequacy of such laws to address any shortcoming. It is evident that Belysse complies with all local legislation. 58% of our workers are covered by collective bargaining agreements. We guarantee freedom of association and have many employees who are members of unions and who work to ensure we meet any viable requests related to working practices.
Belysse's policies with regards to our workforce are aligned with internationally recognized instruments, including the UN Guiding Principles on Business and Human Rights.

Belysse aims to strengthen the group feeling and the connection between departments. The aim is to create a sense of unity, and to encourage both formal and non-formal engagement moments. One of these formal engagement moments on an individual level are the annual performance reviews for both blue and white collars.
Human rights are firmly embedded in the Belgian and US / Californian legislation; Belysse is of course always compliant with leading laws and our policies are therefore aligned with any regulations.

Belysse Group has been a Vision Zero company since its start in 2017, an initiative developed by the International Social Security Association (ISSA). Companies implementing the Vision Zero strategy set up a management system for the prevention of incidents in the three dimensions safety, health and wellbeing at all levels of work. All our employees are covered by such an HSE management system. Our ambition is to reduce the Lost-Time Accident frequency Rate (LATFR) to below 1. This means that, per million hours worked, less than 1 accident occurs by which the injured person is not able to perform his or her job for a certain period of time. The target includes own workers, temporary workers and contracted workers.

Our Health and Safety policy covers all Belysse employees globally. The most senior level in the organisation that is accountable for the implementation of this policy is the CEO of Belysse Group NV.

In Europe, the foundations of our health and safety management are the monthly HSE committee meetings. The role of the HSE committee is to facilitate consultation of the HSE team with employees and to discuss together the actions that are required to realize our ambition. The work of the HSE committee is supported by the following initiatives:

- For formal worker participation and consultation on the work of the HSE committee, 'Committees for Prevention and Protection at Work' (CPBW) are installed. Members of the CPBW committee have to be elected, and receive updates on the safety results and ongoing projects.
- Further spreading the message of health and safety are the safety coaches, who act as ambassadors of our safety culture. These men and women receive appropriate training, and are key to encourage participation of our on-site workforce. Our safety coach network consists of 26 volunteers (15 in Zele and 11 in Tielt).
- Since 2022, we introduced the use of a software app for many of the work processes at the production sites. Related to health and safety, this app facilitates the reporting of any risks, allows for easy follow up on workplace inspections and safety walks and enables managers to track performance of their teams.

Safety walks in the factories have been organized regularly in 2024 with the aim of detecting unsafe situations.

Belysse Europe is proud to have obtained the ISO 45001 certification for its production site in Zele. This is our first site to get certified for its Occupational Health and Safety Management system. The certification awards our strong commitment to health and safety in the workplace, and could not have been realized without our highly dedicated HSE team, and on-site management team.

Having a well-functioning safety management system is not sufficient to establish a safety culture. In addition to that, it is key to increase knowledge and awareness about health and safety amongst our employees. We have set up a list of actions to achieve this:
- At the Belgian productions sites, monthly safety themes are defined. Content related to those themes is shown on screens in the factories and communicated to workers via the toolbox meetings.
- In Bentley Mills, monthly safety awareness days are organized, which involve interaction with all employees and departments on any relevant incidents or safety training of that month.
- A new working group has been initiated, with the aim of objectively measuring the safety culture in our Belgian factories. In 2023, scores were assigned to several safety themes. In 2024, we started measuring to define the baseline and set targets for improvement.

Policy description	Related impact, risk or opportunity	Scope	Accountability (most senior level)	Third party audit	Channels for communicating policy	Applicable legislation
• Health and Safety Commitment: we feel responsible for the physical and mental wellbeing of all employees. We strive to create a healthy and incident free working environment for all personnel present and working at our premises • We share the Vision Zero approach: we believe that every accident at work or occupational illness can be avoided	Workers in the factories work with machines, which comes with an inherent safety risk. Some tasks are ergonomically demanding	All Belysse employees globally	CEO	ISO45001 for modulyss	• Formally communicated on Belysse sharepoint • Supported by safety toolbox meetings within the different production areas, management safety walks in the plants	Relevant local occupational safety, health and well-being standards in Belgium and California
No specific training policy but an annual training plan, combining mandatory and on-demand training possibilities, both organized internally and externally	With an ageing population, Belysse is at risk of being confronted with a knowledge gap when older employees retire and we would not be able to replace them by new employees with the right skills. In general, it is a challenge to attract new people for open positions.	All Belysse employees globally	HR Director for Belysse Group and Europe, Vice President of Human Resources for the US	N/A	The annual training plan and range of available trainings are formally communicated on Belysse sharepoint	Mandatory safety trainings

Social information

S1-2 Processes for engaging with own workers and workers' representatives about impacts

In Europe, in addition to the employee feedback captured through the HSE committee, CPBW and safety coach network, we have started in 2024 measuring impacts through our SENSOR survey for wellbeing and a survey launched by the Safety working group, to inform our basis to take decisions.
In Bentley, our Safety Program is a comprehensive means of engaging with our workforce. It is managed by the Safety Manager and includes various components such as:

- Safety Meetings: Monthly meetings to discuss safety protocols, address concerns, and review any incidents or near-misses
- Training Sessions: Comprehensive training programs covering a wide range of safety topics, ensuring all employees are well-informed and prepared to handle potential hazards
- Safety Committee: A dedicated committee that includes representatives from different departments, working together to identify risks, develop safety policies, and promote a culture of safety
- Safety Audits & Inspections: Regular audits and inspections to identify potential hazards and ensure compliance with safety regulations

At an individual level, engagement is formalized through annual performance reviews for all white collar as well as all blue collar employees. At departmental level, there are regular -typically monthly- meetings. Both in Europe and the US, town hall meetings with senior leadership are organized to further increase open two-way communication and allow employees to engage directly with the most senior leadership in the company.

Performance reviews for blue and white collars take place annually in Europe and the US. The SENSOR survey in Europe will be conducted every 5 years. In Europe, on our SENSOR survey we had a 78% response rate, on the safety survey the response rate was 79%, as quantitative measures of the extent to which the engagement with our employees is effective.

The function and the most senior role within Belysse that has operational responsibility for ensuring that this engagement happens, and that the results inform the company's approach is our HR Director for Belysse Group and Europe, and our Vice President of Human Resources for the US.

To help address the material negative impact 'stress', we use the insights from our SENSOR survey to see which sources of stress can be avoided. We strengthen employees in their personal skills to avoid stress and teach them coping mechanisms. The material negative impact 'safety' is tackled by building a prevention culture. Belysse Group has been a Vision Zero company since its start in 2017, an initiative developed by the International Social Security Association (ISSA). Companies implementing the Vision Zero strategy set up a management system for the prevention of incidents in the three dimensions safety, health and wellbeing at all levels of work. All our employees are covered by such an HSE management system.

Employees can use several channels to raise their questions, concerns and/or issues. The first points of contact are the direct supervisors, the members of the dedicated HR team, or -on matters of social integrity- the trained confidential advisors (in Belgium). In addition, every employee can reach out to the Compliance Officer.

S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns

Since October 2020, employees can use our digital Whistleblowing tool to anonymously report predefined types of wrongdoing and impropriety, as specified in Belysse's whistleblowing policy. These reports are sent to a dedicated mailbox that is managed by an external and independent organisation, ensuring all information is treated in a fair and confidential manner. Records are kept of all questions and concerns.
The Whistleblowing tool itself is operated and maintained by an independent 3rd party.

In a next stage, the submitted reports are put to the discretion of Belysse's Compliance Officer and the HR Director. If and when a disclosure falls within the purview of Belysse's policy, it is promptly assigned to an investigation team, composed of different (internal and/or external) experts, depending on the subject matter. A dedicated group of people then decides on the remedial actions that need to be taken and prepares a response to the whistleblower. This group of people consists of Belysse's Compliance Officer and the HR Director, and is dependent on the nature of the disclosure complemented with the CEO, CFO, relevant business unit manager, external consultants / auditors / lawyers, and in case of alleged criminal offence(s) involvement of police authorities.

All incidents reported through the whistleblowing tool are presented to the Audit Committee. In 2021, we devised and implemented an internal protocol for handling such cases, called the 'Whistleblowing flowchart'.

In addition to the whistleblowing policy, Belysse has a good worker grievance mechanism in place, mostly based on legal requirements. These systems consist of procedures, roles and rules for receiving and addressing complaints. We have certified internal confidential advisors at each site in Belgium, and there is a possibility to escalate issues to (neutral) external advisors specialized in psychosocial aspects. Anyone reporting any kind of misconduct will be protected against any form of retaliation.

The whistleblowing policy and concomitant tool were deployed across the Belysse Group, and introduced by a company-wide awareness campaign in different languages, which was reprised in 2023 and 2024. In the future, we will continue to promote our speak-up culture through a variety of actions and communications, as we see these communication efforts as a way to ensure that our employees have trust in the whistleblowing policy, tool and process.

S1-4 Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

We invest strongly in stress prevention and work motivation through career coaching, campaigns around the 'right of deconnection' launched for the first time during 2023, designing personal development plans tailored to the individual employee's need and when necessary create adjusted jobs. Our actions related to our safety culture are centred around an extensive HSE management system, increasing the knowledge and awareness about health and safety amongst our employees, having in place the necessary processes and tools to identify risks and having an open communication about safety through management walks and safety trainings.

Other actions we take to deliver a positive impact for our employees are for example additional training, such as language courses for non-native speaking workers, cross-training to provide people with the opportunity to learn other skill sets while they are working in their primary position and mentorship to ensure succession.

Through our SENSOR survey we will measure the impact of the different actions taken with regards to wellbeing and stress prevention. Specifically in the context of training, training participants are asked to evaluate the effectiveness of every training they participate in.

We use the outcomes of our SENSOR survey, as well as various safety interactions through the CPBW, safety coaches, safety program, management walks and our digital tools to identify and report risks as the basis to take actions.

We mitigate the risk of drain of expertise through training, performance review and talent reviews, mentorship and succession planning. We tackle the risk of stress induced absence or increased employee turnover by first of all taking action to avoid stress-inducing situations and secondly strengthen employees through training and coaching to better cope with stress.

The above actions and initiatives are driven by the combined effort of our HR, HSE and Operations teams and cover Europe and the US. These actions are continuous in nature and are expected to continue in future years.
We did not spend any CapEx or significant dedicated OpEx on these actions, nor do we expect to do so in the future as these actions are firmly embedded in our HSE and HR business as usual processes.

S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The broader Belysse workforce has not been engaged directly in setting our ESG targets. However, the various departments whose contributions have a direct impact on our ESG targets, such as Operations, HSE, R&D, Product Development and HR, are closely involved in tracking performance against those targets. In addition, progress is communicated internally on a quarterly basis, as well as externally through our annual reports and investor calls.

Several of the improvement initiatives that have been implemented throughout 2024, were identified bottom-up by employees in those departments.

As mentioned in section S1-1 ‘Policies related to own workforce’, our ambition is to reduce the Lost-Time Accident frequency rate (LATFR) to below 1, meaning that per million hours worked, less than 1 accident occurs by which the injured person is not able to perform his or her job for a certain period of time. The target includes own workers, temporary workers and contracted workers. This 2030 target was set by the Management Committee in 2020.

We do not have specific measurable targets for training and skills development, as we currently do not record the number of training hours in the US – as further described in section S1-13 Training and skills development metrics – which will be required to establish a robust baseline.

Social information

S1-6 Characteristics of Belysse's employees

Number of employees	Belysse Total
Headcount at end of 2024	981
Headcount average during 2024	1011

Number of employees in countries with 50 or more employees representing at least 10% of total number of employees	Belgium	US
Headcount at end of 2024	569	389
Headcount average during 2024	595	393

Information on employees by contract type and gender - Headcount at end of 2024	Belysse Total		
	Male	Female	Other
Permanent employees	596	384	0
Temporary employees	1	0	0
Non-guaranteed hours employees	0	0	0
Total	**597**	**384**	**0**

In the Financial Statements, the average number of employees is reported in Note 6. Employee benefit expenses. As the number there is expressed in full time equivalents, the number is lower than the headcount number reported in S1-6 Characteristics of Belysse's employees.

- Average headcount numbers are calculated as the mathematical average between the number of non-employees on January 1st, 2024 and December 31st, 2024

Number of employees who have left the undertaking during 2024	Belysse Total
Headcount	183

Percentage of employee turnover	Belysse Total
%	18.1%

- Employees are defined as people who are on the payroll of Belysse, modulyss, ITC CO or Bentley Mills
- Excluded from these numbers are Board members, freelancers, internships, interim/temp workers, long term illness
- Employee numbers are reported in headcount
- Average headcount numbers are calculated as the mathematical average between the number of employees on January 1st and December 31st, 2024
- Employee turnover has been calculated as the number of employees who have left the undertaking during 2024, divided by the headcount average during 2024
- Number of employees who have left the undertaking are employees who were on the payroll of Belysse, modulyss, ITC CO or Bentley Mills at a point in time during 2024, but not at the end of 2024. This excludes fixed-term contracts

S1-7 Characteristics of non-employees in Belysse's own workforce

Number of non-employees in own workforce	Belysse Total
Headcount at end of 2024	48

Number of non-employees in own workforce – self-employed people	Belysse Total
Headcount at end of 2024	23

Number of non-employees in own workforce – people provided by undertakings primarily engaged in employment activities	Belysse Total
Headcount at end of 2024	25

- Non-employees in own workforce are defined as:
  - Self-employed people: freelancers
  - People provided by undertakings primarily engaged in employment activities: interim/temp workers
- Non-employee numbers are reported in headcount
- The number of non-employees in the own workforce at the end of 2023 was lower, at 35. The increase to 48 at the end of 2024 is mostly driven by the number of interim/temp workers which does fluctuate with production volumes, as we use these workers as a flexible addition to our workforce on payroll

Social information

S1-13 Training and skills development metrics

Percentage of employees that participated in regular performance and career development reviews	Belysse Total	
	Male	Female
Blue collar	39%	54%
White collar	94%	94%
Total	**52%**	**71%**

Average number of training hours per person for employees	Belysse Total	
	Male	Female
Blue collar	26	29
White collar	22	15
Total	**25**	**23**

The number of training hours for the US were estimated as:

- Blue collars: 1 hour weekly meeting; specifically for forklift drivers this is complemented by 8 training hours per year
- White collars: we are currently not tracking the various webinars, seminars and trainings aside from HR requirements that are followed by our US employees; we estimate these amount to 5 hours per person per year

These are conservative estimates and we are exploring the possibility of implementing a tracking system during 2025. Training hours in Europe are fully recorded.

S1-14 Health and safety metrics

Percentage of employees and non-employees in own workforce who are covered by health and safety management system based on legal requirements and (or) recognised standards or guidelines	Belysse Total
%	100%

Number of fatalities as result of work-related injuries and work-related ill health	Belysse Total
Own workforce	0
Other workers working on undertaking's sites	0

Recordable work-related injuries and work-related ill health – own workforce	Belysse Total
Number of LTAs	7
LTA frequency rate	5,53
LTA severity rate	0,16
Number of days lost due to LTAs	197
Number of non-LTAs	18
Number of cases of recordable work-related ill health of employees	0
Number of days lost due to work-related ill health	0

The lost-time accident (LTA) frequency rate is calculated as the number of lost-time accidents per one million hours worked.

The LTA severity rate is calculated as the number of days lost due to LTAs per one thousand hours worked.

Recordable work-related injuries and work-related ill health – Other workers working on undertaking's sites	Belysse Total
Number of LTAs	1
LTA frequency rate	32,5
LTA severity rate	0,33
Number of days lost due to LTAs	10
Number of non-LTAs	2
Number of cases of recordable work-related ill health of employees	0
Number of days lost due to work-related ill health	0

Number of complaints filed through channels for people in own workforce to raise health and safety related concerns	Belysse Total
Number	0

Social information

S2 - Workers in the value chain

S2-SBM2 Interests & views of stakeholders

Belysse has no direct contact with value chain workers but we do ensure that their interest, views and rights are safeguarded by engaging with our suppliers, including on-site audits by an independent 3rd party.

Key stakeholder groups	Type of engagement	Purpose of the engagement	Outcome consideration (related to strategy & business model)
Suppliers	• Surveys • Supplier due diligence • On-site audits • Regular communication with our Procurement department	• Compliance with our supplier code of conduct • Promote responsible sourcing • Protect human and labour rights of workers in the supply chain	• Informed selection of suppliers • Yearly anti-slavery and human trafficking statement

S2-SBM3 Material impacts, risks and opportunities and their interaction with strategy and business model

The value chain workers in scope of these disclosures, are the employees from our direct suppliers in the upstream value chain:

- Because chemical and industrial processes are at the core of the operations of many of our suppliers, there is an inherent risk for accidents at the workplace. This risk is not supplier-specific but general for the sectors in which many of our suppliers operate; manufacturing is widely recognized as one of the most hazardous sectors according to ILO, who also call out chemical and physical hazards as 2 of the key risk factors.
- Belysse sources primarily from suppliers in the US and Europe; however, we also source from non-US, non-EU suppliers where a higher level of risk can be expected. Specifically, there is a potential negative risk in regions with less strict Human Rights legislation, such as Asia. This potential risk is not related to certain raw materials for which there is a significant risk of child labour, forced labour or compulsory labour but related to the regions where these suppliers are present, where in general less strict Human Rights legislation is in place.
- We consider the potential impact of Belysse extends to our direct suppliers as we only have a relationship and engagement with them, as opposed to suppliers further upstream in the value chain, on which we do not have visibility. However, in our supplier code of conduct, we explicitly state that we expect that our suppliers shall ensure that their own suppliers, contractors and other business partners participating in the delivery of products, components, materials and services to Belysse comply with the minimum requirements set out in this Code, and that this Code is communicated to them.

The material negative impacts and risks that have been identified through our Double Materiality Assessment, mainly through desktop research, are:

S2 – Workers in the Value Chain				
Supply chain management	✕ Negative impact	Many of our suppliers operate chemical and industrial processes. Based on UN risk tools, we have identified 'risk for accidents at the workplace' as a high risk for the majority of our raw material suppliers	Upstream	Actual impact
	Risk	Risk of not having alternative suppliers to source important materials from, should an ethical or institutional issue be identified	Upstream	1 – 5 years

Our double materiality assessment did not identify specific material risks, impacts or opportunities related to workers in our downstream value chain, which primarily consists of our customers and transportation & distribution companies.

The material impact that could affect value chain workers who are working on our sites but not part of our own workforce, is occupational health and safety. This negative impact is addressed by the same policies, actions and targets that cover our own employee population and is covered under ESRS S1 Own workforce.

Social information

S2-1 Policies related to value chain workers

Belysse's focus is to prevent any negative impacts from occurring in our value chain.

- Belysse requires all suppliers to sign and show compliance with our supplier code of conduct which we introduced in 2021 and which includes clear expectations regarding social, safety and environmental performance. It stipulates that suppliers must ensure that their own suppliers, contractors and other business partners comply with our requirements. Belysse reserves the right to audit compliance with the code on-site.
  Our supplier code of conduct is based on the 'United Nations Guiding Principles on Business and Human Rights' and explicitly states that we expect our suppliers to comply with these UN Guiding Principles on Business and Human Rights, as well as the 8 core International Labour Organization Conventions, but covers more than only Human Right topics. It explicitly requires suppliers to address the following material topics for Belysse in relation to our value chain:
    - Show compliance with applicable laws and regulations
    - Respect Human and Labour Rights, including the protection of internationally recognized human rights, prohibiting the use of forced, indentured or involuntary labour (including modern slavery and human trafficking) and child labour, anti-discrimination, freedom of association and the effective recognition of the right to collective bargaining, empowering employees and other stakeholders to anonymously report concerns or potential unlawful practices at the workplace without retaliation, fair wages
    - Adhere to health and safety standards, including healthy and incident free working environment, providing appropriate health and safety information and equipment, ensure that their products or parts do not contain any product, material or substance prohibited by the legislation or regulations, addressing the European REACH procedures or the applicable national equivalent
    - Limit their environmental impact
    - Follow standards for ethical business conduct

  Signing the supplier code of conduct is a hard requirement to become a supplier of Belysse.
- Belysse has had no cases of non-respect of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises that involve value chain workers.

We make use of the world's most widely used social audit to inform our approach to mitigate potential negative impacts. To our knowledge, the types of value chain workers who could be materially impacted by Belysse are not workers who are particularly vulnerable to negative impacts, whether due to their inherent characteristics or to the particular context.

The most senior level in the organisation that is accountable for the implementation of these policies is our Operations Director for Europe and our Senior Director of Procurement for Bentley Mills.

S2-2 Processes for engaging with value chain workers about impacts

Belysse has no general process to engage directly with value chain workers. As part of our supply chain management system, we partner with an external party to conduct on-site audits that determine the standards of labour, health and safety, environmental performance, and ethics at our suppliers' sites.
The social audits are specifically designed to help protect workers in the value chain from unsafe conditions, overwork, discrimination, low pay, and forced labour. Our decision whether social audits would be required for suppliers, is based on the location in which the supplier's site operates and screening this against a list of countries with higher inherent risk with regards to Human Rights.
Oversight of the value chain engagement falls under the responsibility of our Operations Director for Europe and our Senior Director of Procurement for Bentley Mills.

S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns

In addition to the on-site audits, we have the whistleblowing tool in place and suppliers or workers at our suppliers can use the compliance@belysse.com e-mail address or the contact page on our website to file any complaints.
Having multiple channels in place which can be accessed through our company website, ensures the availability of such channels to any value chain workers.
So far, no concerns or issues have been raised to us by workers in our value chain. If any concerns or issues were raised, they would follow the same process as described for issues raised by people in the own workforce through the whistleblowing tool.

Social information

S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

In 2024, we have taken our supplier requirements one step further by developing a formal supply chain management system that will allow us not only to position suppliers, but also to define the set of requirements that need to be met by all key suppliers, focusing first on countries with a higher inherent risk. This supply chain management includes on-site audits by an independent 3rd party. These audits are typically conducted annually, but the exact frequency can vary depending on industry, risk level, and Belysse requirements.

During 2024, the scope covered a selection of key suppliers in countries with a higher inherent risk, to pilot the approach and process; this scope will be gradually expanded during the following years.

We did not spend any CapEx or significant dedicated OpEx on these actions, nor do we expect to do so in the future as we have embedded this formal supplier evaluation in our existing supplier management process.

The audits as part of our supply chain management system include defining corrective action plans to help improve performance in standards of labour, health and safety, environmental performance, and ethics where any deviations or shortcomings would have been identified during the audit. These corrective action plans would be shared both with the audited supplier and with the Procurement and Compliance departments within Belysse, allowing us to follow up the implementation of these action plans directly with our supplier, to ensure that any issues would be properly addressed and remediated.
This 3rd party social audit approach has been based on the conventions of the International Labor Organization (ILO) and applicable local laws and regulations, covering Labor Standards, Health & Safety, Business Ethics and Environment.
We have a cross-departmental formal annual supplier evaluation process in place within Belysse which includes evaluation on ESG criteria, informed by the findings of the on-site audit. Major non-compliance identified during the social audit and failure of the supplier to take corrective actions in a timely manner would lead to further disciplinary actions.

No severe human rights issues and incidents connected to our upstream and downstream value chain have been identified. As also no other deviations or shortcomings in general were identified, no specific corrective actions needed to be taken in 2024.

In general we mitigate material risks by actively ensuring that we are multi-sourced and have alternative suppliers outside of high-risk regions for all key raw materials. This multi-sourcing strategy is continuously evaluated by appropriate steering committees consisting of members of the management team. Important changes in this strategy are also reviewed by the Board of Directors.

Our explicit expectation in the supplier code of conduct that all our suppliers adhere to health and safety standards, complemented by our supply chain management system, ensures that Belysse avoids causing or contributing to material negative impacts on value chain workers through its own practices.

Belysse does not consider actual and potential impacts on its value chain workers in decisions to terminate business relationships or any negative impacts that may result from termination. Our approach to our supply chain is to have long-standing relationships with our key suppliers, which in the first place should avoid the need to terminate business relationships.

S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Value chain workers, their legitimate representatives or credible proxies were not engaged directly in setting targets.

Belysse has also not set any targets related to managing material negative impacts, advancing positive impacts, managing material risks and opportunities related to workers in the value chain. We clearly express our requirements to our suppliers, expect them to implement the necessary actions and use our supply chain management system to ensure any negative impacts or risks are sufficiently mitigated.

Social information

S4 - Consumers and end-users

S4-SBM3 Material impacts, risks and opportunities and their interaction with strategy and business model

S4 – Consumers and End Users				
Information related impacts	✔ Positive impact	Disclosure of product relevant information to allow our customers to compare products before selection and to factor sustainability criteria into their decision making process	Downstream	Actual impact
	Risk	Risk of losing customers, should Belysse not be able to provide customers with the requested certification (e.g. related to product safety or sustainability aspects)	Downstream	1 – 5 years
Product Safety	✔ Positive impact	Belysse has certifications and declarations that clearly indicate to the customer the absence of any product related concerns. Also as part of after sales, we provide recommendations to our customers for maintenance to avoid any potential issues	Downstream	Actual impact

The identified material positive impacts, opportunities and risks apply to all of Belysse's consumers and end-users. While commercial customers and end-users will typically be more familiar with product specifications, certifications and sustainability criteria, we feel it is essential to provide all of our customers with the necessary information so they can make a well-informed choice.
As the above risk is a commercial risk to Belysse, rather than a risk for our consumers or end-users, our Double Materiality Assessment has not identified any consumers or end-users who are or could be negatively affected with particular characteristics, or greater risk of harm for any consumers or end-users using particular products that we offer.

No material negative impacts on end-users have been identified during our double materiality analysis.
Consumer rights, which are often described as the right to safety, the right to be informed, the right to choose and the right to be heard, are at the heart of Belysse's strategy and business model. These are further described in the following sections:
S4-1 Health and Safety of our Products, covering the **right to safety**
S4-1 Information Transparency, covering the **right to be informed** and the **right to choose**
S4-2 Processes for engaging with consumers and end-users about impacts, covering customers' **right to be heard**

All consumers and end-users who can be materially impacted by Belysse, its products and value chain are included in the scope of disclosure:

- We sell to residential and commercial end-users through DIY chains, specialist stores, independent retailers and installers
- We sell to commercial end-users through contractors, installers and architects & designers

None of these end-users are

- Consumers and/or end-users of products that are inherently harmful to people and/or increase risks for chronic disease;
- Consumers and/or end-users of services that potentially negatively impact their rights to privacy, to have their personal data protected, to freedom of expression and to non-discrimination;
- Consumers and/or end-users who are dependent on accurate and accessible product- or service- related information, such as manuals and product labels, to avoid potentially damaging use of a product or service;
- Consumers and/or end-users who are particularly vulnerable to health or privacy impacts or impacts from marketing and sales strategies, such as children or financially vulnerable individuals.

S4-1 Policies related to consumers and end-users

While there is no explicit policy at Belysse related to consumers and end-users, we do ensure that our products comply with any regulations regarding health and safety for our end consumers and in addition we take voluntary action to further demonstrate our product health and safety beyond what is covered in these regulations. We leverage the specific criteria of these globally recognized industry standards instead of an overarching policy.
Regarding information transparency we take voluntary action to disclose a wide range of product information to our potential customers and end-users, to optimally inform their decision making process.

Social information

Health and Safety of our Products

We make products on which our end consumers spend a great deal of their time. Whether it's in a public or in a private setting, carpets and carpet tiles are often a fixed element in interiors. All the more reason to ensure that our products safeguard health and safety of people walking on and living with our products.

Our carpets and carpet tiles are made of synthetic polymers such as nylon and polyester, which could trigger a negative perception regarding their impact on human health. Despite this bias, soft flooring is known to offer many advantages. It gives a cozy and comfortable feeling, helps to reduce noise and can be designed to prevent slips and trips.

With production sites in Belgium and California, we comply with very strict regulations regarding the use of chemicals in our products, such as the REACH and POP regulation. All raw materials are screened before they can be delivered to our sites. Our products also comply with the minimum criteria for health and safety as out in the harmonized European standard EN14041, better known as the CE marking, with criteria for safety, slip, antistatic properties and hazardous substances. Compliance with local legislation and standards are a prerequisite to deliver our products to the market. In addition to that, we take voluntary initiatives to demonstrate that our products will not harm its users.

In our product design, we focus on using materials with low Volatile Organic Compound (VOC) emissions.

- All Bentley products are certified to meet the requirements of the CRI (Carpet and Rug Institute's) Green Label Plus test protocol. The program sets a high standard for Indoor Air Quality.
- All modulyss and ITC products are certified by GUT (Gemeinschaft Umweltfreundlicher Teppichboden), the European label that has been recognized as a guarantee for environmental and consumer protection.

In addition to reducing VOC emissions, we have set the target of zero harmful chemicals. We follow the guidelines of recognized certification schemes:

- The Cradle to Cradle Material Health Assessment is one of the strictest chemical assessments for products. At the end of 2024, modulyss has 26 carpet tile collections certified at the gold level and 19 collections certified at the silver level. At Bentley Mills, all collections are certified at the silver level on 12 backing platforms.
- All Bentley Mills' products have the Declare label from the International Living Institute. Declare screens a product's ingredients against the Living Building Challenge Red List, ensuring that the product contains no chemicals known to pose a risk to human health or the environment.

Information Transparency

A positive impact we create for our customers and end-users comes from the disclosure of product relevant information such as product passports, sustainability datasheets and Environmental Product Declarations that allow our customers to compare products before making an informed selection and to factor sustainability criteria into their decision making process.

S4-2 Processes for engaging with consumers and end-users about impacts

For Belysse, there is a clear difference between our customers and the consumers or end-users, as Belysse is mostly in contact with customers (architect, designer, retailer, wholesaler, installer) who are an intermediary partner between us and the consumer or end-user. While we do not have direct engagement with our residential end-users and no formal engagement process with our commercial end-users, we regularly perform customer satisfaction surveys to get better insights into customer expectations.
There is no set frequency at which customer surveys are conducted. The next general customer survey which is planned, will be for Bentley customers in 2025.

In addition, we are in close contact with our key customers through our Sales and Customer Service departments, customer visits to our showrooms & production facilities and other customer events.
We also have the whistleblowing tool in place and customers and end-users can use the compliance@belysse.com e-mail address or the contact page on our website to engage with Belysse.

The most senior roles within Belysse that have operational responsibility for ensuring that engagement with customers happens, and that the results inform the company's approach, are ultimately the CEO & Managing Director Europe and the President & Chief Operating Officer of Bentley Mills.

S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

Our product compliance processes covering chemical and technical product compliance, ensure that we comply with the necessary chemical usage regulations and product safety standards that are outlined in more detail in section S4-4.

Our customers are in close contact with our Sales and Customer Service departments where they can raise any potential concerns or launch requests for further information regarding our products and product safety.
In addition, any customer or end-user could use the contact form on our website or the general contact e-mail address, indicating they want to raise a concern to our Compliance Officer.
No specific processes exist to support the availability of channels in the downstream value chain, however, several channels are made available to customers and end-users to raise any concerns. The proximity of our Sales force and Customer Service teams to our customers and the availability of a general contact form and e-mail address on our website, give us the necessary confidence that our customers and end-users are aware of and can have trust in these various channels to raise their concerns or needs and have them addressed. Personal contact with our staff is typically a feature that customers associate strongly with our brands, based on previous customer surveys we have conducted.

Section G1-1 Business conduct policies and corporate culture further covers our whistleblowing tool and the protection from retaliation for anyone who raises a concern through our whistleblowing tool. The same process and protection from retaliation would apply to any concern raised to our Compliance Officer via the other channels available.

S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

To remediate any negative health impact for our products' end-users, we comply with very strict chemical usage regulations, such as REACH and POP. Our products also comply with the minimum criteria for health and safety as set out in the harmonized European standard EN14041, better known as the CE marking, with criteria for safety, slip, antistatic properties and hazardous substances. In our product design, we focus on using materials with low Volatile Organic Compound emissions. In addition to reducing VOC emissions, we have set the target of zero harmful chemicals.

We also participate in voluntary certification schemes such as:
- For Bentley: Declare®, Cradle 2 Cradle (for C2C certified products), CRI Green Label Plus, Health Product Declaration (HPD™), FloorScore®
- For modulyss: Cradle 2 Cradle (for C2C certified products), GUT, M1
- For ITC: GUT, TÜV Nord Allergiker, Blauer Engel

Actions taken during 2024 consisted of maintaining these processes and certifications. This is a recurring action, both re-certifying existing products where certifications made their requirements stricter and/or approached their expiration date, as well as assessing and starting the certification process for any new product launches.

The effectiveness of our actions can be seen in our products meeting the requirements of higher levels of these certifications, for example the large share of our products reaching Cradle 2 Cradle silver or gold certification.
Product quality proven with certificates is typically a feature that customers associate strongly with our brands, based on previous customer surveys we have conducted.

No severe human rights issues and incidents connected to consumers and/or end-users have been reported in 2024.
We refer to section G1 – Governance for a description of the process Belysse would follow when a concern is raised, our overall process to take the appropriate action and ensuring the effectiveness of this process.

S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (consumers and end-users)

There are no specific, measurable targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities specific to consumers and end-users – we already ensure that all of our products are sold with the necessary transparent information & certifications.

We mitigate the risk of not being able to provide the necessary certifications that customers are requiring by striving to continuously improve our products in order to achieve high certification levels. Our teams in Sales, Customer Service, Product Development and Sustainability are also in close contact with our customers, to thoroughly understand their information requirements and certification needs, including possible emerging new certification that could be of interest to our customers or end-users.

Governance information

G1 - Governance

G1.GOV-1 Role of administrative, management and supervisory bodies

The following information is incorporated by reference:

- The description of the role of administrative, management and supervisory bodies is incorporated in ESRS2 General Requirements, section GOV-1 'The role of the administrative, management and supervisory bodies'.

G1.IRO-1 Description of processes to identify and assess material impacts, risks and opportunities

The following information is incorporated by reference:

- The description of the process to identify material IROs is incorporated in ESRS2 General Requirements, section IRO-1 'Description of the materiality assessment process'.

G1 – Governance				
Business conduct within own operations	✔ Positive impact	Belysse organizes regular employee trainings related to the Business Conduct policies	Own operations	Actual impact
	⚡ Risk	Risk of reputational and/or monetary damage, should any business conduct issue arise such as cyber-attack, corruption,...	Own operations	1 – 5 years
	⚡ Risk	Risk of fines, should Belysse fail to comply with any applicable legislation	Own operations	1 – 5 years

G1-1 Business conduct policies and corporate culture

Business Ethics

The way we achieve our results is just as important as the results themselves, and this is an important measure of the Company's success. Our commitment to doing business the right way means acting with integrity towards all our stakeholders and being a reliable and responsible partner towards them.

We have developed and continue to develop a suite of different policies and procedures, which are kept under close scrutiny and always up-to-date. These policies are the operational translation of the latest applicable regulations and recommendations and include the Company's ethical principles and standards of integrity. They provide guidance and clarity for all stakeholders and employees acting within and/or cooperating with the companies that comprise the Belysse Group.

Non-exhaustive examples of these policies are: Compliance charter, Anti-fraud and anti-corruption policy, Antitrust policy, Delegation of Authority and Signing policy, Whistleblowing policy, Data Protection policy, Data Breach Policy, Cyber Security policy.

The most senior level in the organisation that is accountable for the implementation of these policies, is the Group Compliance Officer.

The main challenges by which Belysse is faced today are still non-compliance with current antitrust, GDPR and economic sanctions regulations and awareness about cyber security issues. Therefore, we have kept on focusing on these domains in our 2024 compliance programme.

Building an ethics and compliance culture

An effective compliance programme requires a solid foundation. Ours consists of five cornerstones, dedicated to protecting and preserving Belysse's ethical and legal compliance, upholding our integrity and reputation:

Leadership
Belysse's compliance programme is fully endorsed by the Board of Directors and the Management Committee. Their commitment to reinforce the Group's strategy of compliance has been a driving force behind our ambition to put in place procedures and internal controls to maintain the highest ethical standards in compliance with all relevant policies and regulations. As such, compliance has become an integral part of our company culture, and a watchword in the way we conduct our business.

Governance information

In each Belysse Audit Committee meeting, an update on the compliance action points taken and to be taken is presented. Following regular contacts and discussions with the Compliance Officer, the Management Committee is actively involved and co-decides the compliance actions to be taken.

Risk Assessment
We conduct regular risk assessments and have established a robust and proactive monitoring system to detect and address issues. On the basis of their data and conclusions, the Group's compliance focus and/or strategy may change and result in internal policy updates.

Standards and controls
Over the past years, Belysse has greatly invested in creating a structured, Group-wide compliance programme. The programme includes policies and tools to identify, assess and tackle the main compliance risks. Our policies are reviewed annually and on an ad hoc basis, e.g. when the applicable legislation is changed. In addition, internal controls are gradually being integrated into all operational processes in close coordination with the finance department, accounts payable, the different business units and other relevant functions.

Training and communication
Compliance is at the very heart of our company culture: it is fundamental to our day-to-day business, informing our vision, activities, conduct, and even the way we think. To put this outlook front and centre, we run a yearly compliance training programme for all our white collar staff, including e-courses for which we have an agreement with a third-party e-learning provider, and live training sessions for specific target groups. As part of their onboarding, moreover, newcomers receive a special introductory course to familiarise them with Belysse's compliance culture. We also added external consultants and agents to the onboarding programme to make sure they are fully aware of Belysse's policies and ethical standards.

Oversight (monitoring – auditing - response)
At Belysse, we have checks and balances in place to detect and remediate compliance issues as quickly as possible. Belysse's Compliance Officer and a dedicated legal counsel, together, manage Belysse's compliance programme on a day-to-day basis. Reaching beyond our in-house protocols, we continue to work towards a strong and global framework of compliance – in line with local legislation, monitored from all sides, and adhered to by our partners and collaborators around the world.

In 2024, we continued to create awareness about our global whistleblowing line as an effective and accessible tool for employees to report or escalate wrongdoings or other compliance issues, allowing us to take quick and decisive action and nip potential problems in the bud. By lowering the threshold and giving our people the discrete opportunity (and responsibility) to blow the whistle on issues arising in the workplace, we are also able to prevent regulatory actions and reputational damage. Belysse furthermore invested in a restricted and denied party screening tool, helping the Company to enhance compliance with the applicable of watch lists from around the world. The online and dynamic (i.e. automatic rescreening on a daily basis) system allows Belysse to easily screen customers, vendors, and anyone else the Company or its subsidiaries do business with, and instantaneously receive results that are accurate and easy-to-interpret.

Anti-Discrimination and speak-up culture

Employees can use several channels to raise their questions, concerns and/or issues. The first points of contact are the direct supervisors, the members of the dedicated HR team, or - on matters of social integrity - the trained confidential advisors (in Belgium). In addition, every employee can reach out to the Compliance Officer.

Since October 2020, employees can use our digital Whistleblowing tool to anonymously report predefined types of wrongdoing and impropriety, as specified in Belysse's whistleblowing policy. These reports are sent to a dedicated mailbox that is managed by an external and
independent organisation, ensuring all information is treated in a fair and confidential manner. Records are kept of all questions and concerns.

In a next stage, the submitted reports are put to the discretion of Belysse's Compliance Officer and the HR Director. If and when a disclosure falls within the purview of Belysse's policy, it is promptly assigned to an investigation team, composed of different (internal and/or external) experts, depending on the subject matter. A dedicated group of people then decides on the remedial actions that need to be taken and prepares a response to the whistleblower. This group of people consists of Belysse's Compliance Officer and the HR Director, and is dependent on the nature of the disclosure complemented with the CEO, CFO, relevant business unit manager, external consultants / auditors / lawyers, and in case of alleged criminal offence(s) involvement of police authorities.
All incidents reported through the whistleblowing tool are presented to the Audit Committee. In 2021, we devised and implemented an internal protocol for handling such cases, called the 'Whistleblowing flowchart'.

Governance information

The internal whistleblowing policy foresees that, unless a whistleblower knowingly made a false allegation, provided false or misleading information in the course of the investigation, or otherwise acted in bad faith, the whistleblower may not be discharged, suspended, threatened, harassed, intimidated or retaliated as a result of his or her making a good faith disclosure or assisting in the handling or investigation of a disclosure under the whistleblowing policy. This non-retaliation principle also applies if the disclosure was eventually proven to be unfounded by the investigation. Complaints of retaliation against a whistleblower are taken very seriously. All such complaints will be reviewed promptly and, where appropriate, investigated. Furthermore, the whistleblowing procedure will ensure as much as possible that the identity of the whistleblower will not be disclosed and that due to the investigation no link can be made to him or her. Lastly, when making the disclosure, the whistleblower can choose at his/her sole discretion if he/she wants to be anonymous or not.

The whistleblowing policy and concomitant tool were deployed across the Belysse Group, and introduced by a company-wide awareness campaign in different languages. In the future, we will continue to promote our speak-up culture through a variety of actions and communications. During the course of 2024, 1 incident has been reported.

In addition to the whistleblowing policy, Belysse has a good worker grievance mechanism in place, mostly based on legal requirements. These systems consist of procedures, roles and rules for receiving and addressing complaints.
We have certified internal confidential advisors at each site in Belgium, and there is a possibility to escalate issues to (neutral) external advisors specialized in psychosocial aspects. Anyone reporting any kind of misconduct will be protected against any form of retaliation.
The confidential advisors in Belgium had 0 cases in 2024, on the basis of 18 conversations compared to 15 last year.

We have once again made publicity to our employees about the whistleblowing policy and the tool in which incidents can be reported.

G1-2 Management of relationships with suppliers

Social and environmental criteria are an inherent part of our selection process of potential suppliers; first of all we require all our suppliers to sign the Belysse supplier code of conduct that clearly outlines our expectations from suppliers in the areas of ethical business, labour and human rights, health and safety and environmental sustainability.

In 2024, we have taken our supplier requirements one step further by developing a formal supply chain management system that will allow us not only to position suppliers, but also to define the set of requirements that need to be met by all key suppliers, focusing first on countries with a higher inherent risk. This supply chain management system includes on-site audits at our suppliers' sites.

G1-3 Prevention and detection of corruption or bribery

The European Union introduced Anti-Fraud, Anti-Corruption and Anti-Money Laundering policies, which outline the measures to combat fraud, corruption and bribery as they are convinced that a high standard of legislation is mandatory to prevent unethical business practices.

Belysse has a zero tolerance policy towards fraud, bribery and corruption, consistent with the United Nations Convention against Corruption. This policy extends to all our business dealings and transactions in all countries in which we or our subsidiaries and collaborators operate and has been specifically implemented to counter fraud, bribery and corruption.

Company-wide compliance with these policies is closely and continuously monitored by Belysse's Finance department, which also oversees our internal safeguards and controls.
We recognise that the exposure to fraud and corruption varies across the Group, depending on the nature and location of the business. In the past, we identified the use of third parties and intermediaries, such as commercial agents, as a risk. These target groups are now included in our communication and training programmes, and they will remain so in the future.
The Delegation of Authority and Signing (DOAS) Policy, which determines who should be consulted, who should approve a business decision before it is taken and who has the authority to sign the accompanying documents, was updated in 2022 in accordance with the organisation of the Group after the Divestment.

We remain laser-focused on combatting fraud, corruption and bribery, raising awareness every step of the way. During 2024, to reinforce this focus, we have rolled out an updated, mandatory e-course training on Anti-Bribery and Corruption and Antitrust. All white-collar employees are required to participate in an e-learning course addressing the topics of anti-corruption and anti-bribery and also receive background information on our in-house relevant policies with respect to these topics as part of their onboarding process. The training covers a wide range of topics, including a general introduction to anti-corruption, anti-bribery, and ethical guidelines, and addresses various scenarios and ethical dilemmas, in which the participants have to select the appropriate business conduct and ethical behaviour. The participants gain knowledge on how anti-corruption laws and anti-bribery laws work and how infringement against these laws could affect our company and them as individuals. At the end of each section within the course the participants have to take a quiz on which they need to achieve a score of 80% before being able to proceed in the training.

Governance information

The training aims to translate our zero tolerance towards bribery, corruption, and inappropriate business conduct into everyday work and ensure employees are well equipped to understand what good business conduct means and how to comply with our policies and applicable laws.

The most senior level in the organisation that is accountable for the implementation of this policy, is the Group Compliance Officer.

Stakeholders were not directly involved in defining this policy, which has been strongly inspired by the European Union Anti-Fraud, Anti-Corruption and Anti-Money Laundering policies.

This policy is published on Belysse's internal sharepoint, accessible to all European Belysse employees.

The functions within Belysse that are most at risk in respect of corruption and bribery, are typically management positions, sales and procurement, because of the commercial nature of these functions. 100% of the functions-at-risk are covered by the training courses on Anti-Bribery and Corruption and Anti-Money Laundering as these trainings are mandatory for all white collars in the US and Europe, and we ensure 100% training completion by our active employees (i.e. excluding people on leave)

G1-4 Incidents of corruption or bribery

During 2024, Belysse has not had any:

- Convictions for violation of anti-corruption and anti-bribery laws
- Fines for violation of anti-corruption and anti-bribery laws
- Confirmed incidents of corruption or bribery
- Confirmed incidents in which own workers were dismissed or disciplined for corruption or bribery-related incidents
- Confirmed incidents relating to contracts with business partners that were terminated or not renewed due to violations related to corruption or bribery
- Legal cases regarding corruption or bribery brought against Belysse and/or its own workers

The target we have set related to avoiding incidents of corruption or bribery, is to have 100% training completion by our active employees of the training courses on Anti-Bribery and Corruption and Anti-Money Laundering.

G1-5 Political influence and lobbying activities

Belysse does not take part in any political influence and lobbying activities.

G1-6 Payment practices

Belysse is focused on obtaining a well-balanced working capital. For that reason, we strive to agree payment terms with our largest suppliers that are in line with those granted to the customer.
The average payment term of our suppliers is around 55 days and is monitored on a monthly basis. In general, the payment terms are slightly higher in our EU division compared to the US division. This average payment term is based on a DPO (Days Payable Outstanding) calculation covering the entire Belysse Group, rather than a sampling of suppliers.

Belysse has no standard payment terms towards suppliers. The payment term is based on an individual negotiation, were the focus of Belysse is typically to obtain longer payment terms with key raw material suppliers, in balance with other commercial considerations.

We do not have any legal proceedings for late payments within Belysse.
In our US division, payments towards suppliers are executed on a weekly basis, covering all invoices that are due or will become due shortly after the payment term.
In our EU division, payments towards suppliers are grouped in two monthly payment runs based on a calendar; some invoices are paid a couple of days before or after their due date.

Belysse does not have a specific policy in place to prevent late payments to suppliers; our key suppliers are typically not small or medium-sized enterprises and there is no IRO identified related to payment practices or more specifically late payment of suppliers. For this reason, there is also no target in place on payment practices.

We specifically have a supplier code of conduct in place. Payments to suppliers are always executed in accordance with the payment terms agreed upon after verification and approval of the supplier in the specific compliance process (e.g. check against sanction lists).

LIMITED ASSURANCE REPORT OF THE STATUTORY AUDITOR TO THE GENERAL SHAREHOLDERS' MEETING ON THE CONSOLIDATED SUSTAINABILITY STATEMENT OF BELYSSE GROUP NV FOR THE ACCOUNTING YEAR ENDED ON 31 DECEMBER 2024

We present to you our statutory auditor's report in the context of our legal limited assurance engagement on the consolidated sustainability statement of Belysse Group NV (the "Company") and its subsidiaries (jointly "the Group"). The consolidated sustainability statement of the Group is included in section "2. Sustainability Report" of the "2024 Annual Report" on 31 December 2024 and for the year then ended (hereafter "the consolidated sustainability statement").

We have been appointed by the general meeting d.d. 22 May 2024, following the proposal formulated by the board of directors and following the recommendation by the audit committee to perform a limited assurance engagement on the consolidated sustainability statement of the Group.

Our mandate will expire on the date of the general meeting which will deliberate on the annual accounts for the year ended 31 December 2024. We have performed our assurance engagement on the consolidated sustainability statement for 1 year.

Limited assurance conclusion

We have conducted a limited assurance engagement on the consolidated sustainability statement of the Group.

Based on the procedures we have performed and the assurance evidence we have obtained, nothing has come to our attention that causes us to believe that the consolidated sustainability statement of the Group, in all material respects:

- has not been prepared in accordance with the requirements of article 3:32/2 of the Companies' and Associations' Code, including compliance with the applicable European Sustainability Reporting Standards (ESRS);
- is not in accordance with the process (the "Process") carried out by the Group, as disclosed in note "IRO-1 Description of the materiality assessment process" to identify the information reported in the consolidated sustainability statement on the basis of ESRS;
- does not comply with the requirements of article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation") disclosed in note "EU Taxonomy Regulation Disclosure".

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Basis for conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance engagements other than audits or reviews of historical financial information* ("ISAE 3000 (Revised)"), as applicable in Belgium.

Our responsibilities under this standard are further described in the "Responsibilities of the statutory auditor on the limited assurance engagement on the consolidated sustainability statement" section of our report.

We have complied with all ethical requirements that are relevant to assurance engagements of sustainability statements in Belgium, including those related to independence.

We apply International Standard on Quality Management 1 (ISQM 1), which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have obtained from the board of directors and Company officials the explanations and information necessary for performing our limited assurance engagement.

We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other matter

The scope of our work is limited to our limited assurance engagement regarding the consolidated sustainability information of the Group. Our limited assurance engagement does not extend to information related to the comparative figures included in the consolidated sustainability statement.

Responsibilities of the board of directors relating to the preparation of the consolidated sustainability statement

The board of directors is responsible for designing and implementing a Process and for disclosing this Process in note "IRO-1 Description of the materiality assessment process" of the consolidated sustainability statement. This responsibility includes:

- understanding the context in which the activities and business relationships of the Group take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long- term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

The board of directors is further responsible for the preparation of the consolidated sustainability statement, which includes the information established by the Process:

- in accordance with the requirements referred to in article 3:32/2 of the Companies' and Associations' Code, including the applicable European Sustainability Reporting Standards (ESRS); and

- in compliance with the requirements of article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation") disclosed in note "EU Taxonomy Regulation Disclosure".

This responsibility comprises:

- designing, implementing and maintaining such internal control that the board of directors determines is necessary to enable the preparation of the consolidated sustainability statement that is free from material misstatement, whether due to fraud or error; and

- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

The ESG committee is responsible for overseeing the Group's sustainability reporting process.

Inherent limitations in preparing the consolidated sustainability statement

In reporting forward-looking information in accordance with ESRS, the board of directors is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected and the deviation from that can be of material importance.

Responsibilities of the statutory auditor on the limited assurance engagement on the consolidated sustainability statement

Our responsibility is to plan and perform the assurance engagement with the aim of obtaining a limited level of assurance about whether the consolidated sustainability statement contains no material misstatements, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or errors and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the consolidated sustainability statement.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), as applicable in Belgium, we apply professional judgment and maintain professional scepticism throughout the engagement. The work performed in an engagement aimed at obtaining a limited level of assurance, for which we refer to the section "Summary of work performed," is less in scope than in an engagement aimed at obtaining a reasonable level of assurance. Therefore, we do not express an opinion with a reasonable level of assurance as part of this engagement.

As the forward-looking information in the consolidated sustainability statement and the assumptions on which it is based, are future related, they may be affected by events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different from the assumptions, as the anticipated events frequently do not occur as expected, and the deviation from that can be of material importance. Therefore, our conclusion does not provide assurance that the reported actual outcomes will correspond with those included in the forward-looking information in the consolidated sustainability statement.

Our responsibilities regarding the consolidated sustainability statement, with respect to the Process, include:

- obtaining an understanding of the Process, but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- designing and performing work to evaluate whether the Process is consistent with the description of the Process by the Group, as set out in note “IRO-1 Description of the materiality assessment process”.

Our other responsibilities regarding the sustainability statement include:

- acquiring an understanding of the entity's control environment, the relevant processes, and information systems for preparing the sustainability information, but without assessing the design of specific control activities, obtaining supporting information about their implementation, or testing the effective operation of the established internal control measures;
- identifying where material misstatements are likely to arise, whether due to fraud or error, in the consolidated sustainability statement; and
- designing and performing procedures responsive to where material misstatements are likely to arise in the consolidated sustainability statement. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of work performed

A limited assurance engagement involves performing procedures to obtain evidence about the consolidated sustainability statement. The procedures carried out in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing, and extent of procedures selected depend on professional judgment, including the identification of areas where material misstatements are likely to arise in the consolidated sustainability statement, whether due to fraud or errors.

In conducting our limited assurance engagement with respect to the Process, we have:

- obtained an understanding of the Process by:
    - performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents); and
    - reviewing the Group’s internal documentation relating to its Process; and
- evaluated whether the evidence obtained from our procedures with respect to the Process implemented by the Group was consistent with the description of the Process set out in note “IRO-1 Description of the materiality assessment process”.

In conducting our limited assurance engagement, with respect to the consolidated sustainability statement, we have:

- obtained an understanding of the Group's reporting processes relevant to the preparation of its consolidated sustainability statement by obtaining an understanding of the Group's control environment, processes and information system relevant to the preparation of the consolidated sustainability statement, but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control;
- evaluated whether the information identified by the Process is included in the consolidated sustainability statement;
- evaluated whether the structure and the presentation of the consolidated sustainability statement is in accordance with the ESRS;
- performed inquiries of relevant personnel and analytical procedures on selected information in the consolidated sustainability statement;
- performed substantive assurance procedures on selected information in the consolidated sustainability statement;
- evaluated the methods/assumptions for developing estimates and forward-looking information as described in the section "Responsibilities of the statutory auditor on the limited assurance engagement on the consolidated sustainability statement";
- obtained an understanding of the Group's process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the consolidated sustainability statement.

Statement related to independence

Our registered audit firm and our network did not provide services which are incompatible with the limited assurance engagement, and our registered audit firm remained independent of the Group in the course of our mandate.

Ghent, 23 April 2025

The statutory auditor
PwC Bedrijfsrevisoren BV/PwC Reviseurs d'Entreprises SRL
Represented by

Wouter Coppens*
Bedrijfsrevisor/Réviseur d'entreprises

*Acting on behalf of Wouter Coppens BV

03 Corporate governance

Corporate Governance

This chapter provides information on Belysse Group NV's (hereinafter also referred to as 'Belysse' or 'the Company') Corporate Governance.

Corporate Governance Charter

Pursuant to article 3:6 §2, 1° of the Belgian Code of Companies and Associations ('Belgian Code on Companies and Associations' or 'BCCA'), Belysse relies on the Belgian Code on Corporate Governance of 9 May 2019 (the 'Corporate Governance Code') as a reference code. The Corporate Governance Code can be found on the website of the Belgian Corporate Governance Committee (www.corporategovernancecommittee.be).

As a Belgian headquartered, listed Company with a commitment to high standards of corporate governance, the Board adopted a Corporate Governance Charter in May 2017, as required by the Corporate Governance Code. This Corporate Governance Charter is updated occasionally and was most recently revised in 2022. It is available for download on the Corporate Governance section of our corporate website via www.belysse.com/en/about-us/corporate-governance.

The Company follows the rules provided by the Belgian Corporate Governance Code of 2020, except as explicitly stated otherwise and justified in this Corporate Governance Statement.

Capital and Shareholders Structure

Capital and capital evolution

The capital of the Company amounts to € 260,589,621 as of 31 December 2024 represented by 35,943,396 shares without nominal value. Each share carries one vote. No capital movements took place in 2024.

Shareholder evolution

The applicable successive thresholds pursuant to the Law of 2 May 2007 on the disclosure of significant shareholdings in issuers whose shares are admitted to trading on a regulated market and other provisions are set at 5% of the total voting rights, and 10%, 15%, 20% and so on at incremental intervals of 5%.

Corporate Governance

Shareholder Structure
The following table shows the shareholder structure on 31 December 2024 based on the notifications made to the Company and the Belgian Financial Services and Markets Authority ('FSMA') by the shareholder listed below in accordance with article 6 of the Belgian law of 2 May 2007 on the notification of significant shareholdings:

There have been acquisitions (no disposals) of shares by persons discharging managerial responsibilities ('PDMR') notified in the course of 2024.

Shareholders		Shares
	Number	%
LSF9 Belysse Holdco S.à r.l.	19,408,879	54.00%
Prime AIFM Lux S.A.	2,529,400	7.04%
DUMAC, Inc.	1,862,754	5.18%
Management	83,500	0.23%
Public	12,058,863	33.55%

Dividend Policy
Subject to the availability of distributable reserves and the lack of any material external growth opportunities, the Company intends to pay a dividend of between 30% to 40% of its net profits for the year based on its consolidated IFRS financial statements. The amount of any dividend and the determination of whether to pay the dividend in any year may be affected by several factors, including the Company's business prospects, cash requirements, and any material growth opportunities.

Annual General Shareholders' Meeting
The Company's Annual General Shareholders' Meeting ('Shareholders' Meeting') took place on 22 May 2024.

Shareholders acknowledged the annual report and the statutory auditor's report with respect to the statutory and consolidated annual accounts relating to the financial year ending on 31 December 2023 and the consolidated annual accounts relating to the financial year ending on 31 December 2023.

Shareholders approved the remuneration report relating to the financial year ending on 31 December 2023. They further approved the statutory annual accounts relating to the financial year ending on 31 December 2023, including the allocation of the results as proposed by the Board of Directors. Both the directors and the statutory auditor (PwC, Bedrijfsrevisoren BV, represented by Mr Wouter Coppens, with registered seat at Culliganlaan 5, 1831 Machelen), were discharged of liability regarding the execution of their mandates during the financial year ending on 31 December 2023.

The shareholders also approved the updated remuneration policy of the Company, drawn up upon advice of the Remuneration and Nomination Committee, reflecting that in addition to the Company's independent directors, its non-executive directors may also be remunerated for the performance of their mandate.

Furthermore, the shareholders approved the "discharge share option" in the contingent value rights agreement between the Company, as Parent, with certain Blantyre group entities, as CVR Beneficiaries, and Belysse NV, as CVR Issuer, on 7 December 2023, in accordance with article 7:151 of the BCCA (for more context refer to the minutes of the Annual General Shareholders' meeting 2024 on the Company's investor website: https://www.belysse.com/en/investors/shareholder-information/agm).

The shareholders also appointed PwC Bedrijfsrevisoren BV, with registered office at 1831 Machelen, Culliganlaan 5, permanently represented by Wouter Coppens, also company auditor, for a period of 1 year until after the general meeting approving the financial statements as at 31 December 2024, the assurance assignment on the consolidated sustainability reporting for FY 2024. This assignment will be considered as the statutory assignment as will be provided by the law transposing CSRD, once promulgated.

Extraordinary Shareholders' Meeting
After the Annual General Shareholders' Meeting on 22 May 2024, the Extraordinary Shareholders' Meeting was held before the notary public. In this meeting, the shareholders have approved the renewal of the authorisation regarding authorised capital in accordance with article 7:199 of the BCCA and the amendment of article 6 of the Company's articles of association, as well as the renewal of the authorisations regarding the acquisition and divestment of own shares, including acquisition by the subsidiaries and including for avoidance of serious and imminent harm in accordance with articles 7:215 and 7:218 of the BCCA and the amendment of article 16 of the Company's articles of association. Following this meeting, the Company's articles of association have been amended in accordance with the aforementioned resolutions.

Dealing Code
On 29 August 2017, the Board approved the Company's Dealing Code in accordance with the EU Market Abuse Regulation EU 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse ('MAR'). The Dealing Code restricts transactions of Belysse securities by members of the Board and the Management Committee, senior management and certain other persons during closed and prohibited periods. The Dealing Code also contains rules concerning the disclosure of intended and executed transactions by leading managers and their closely associated persons through a notification to the Company and to the FSMA. The Secretary of the Board of Directors is the Compliance Officer for the purposes of the Belysse Dealing Code.

The board and committees

Belysse Group NV has a Board of Directors, a Management Committee, an Audit Committee, a Remuneration and Nomination Committee and an ESG Committee.

Board of directors

Mandate of the Board
The Board of Directors is vested with the power to perform all acts that are necessary or useful for the realisation of the Company's purpose, except for those actions that are specifically reserved by law or the articles of association for the Shareholders' Meeting or other corporate bodies. In particular, the Board of Directors is responsible for:

- defining the general policy and strategy of the Company and its subsidiaries;
- deciding on all major strategic, financial and operational matters of the Company;
- overseeing the management by the Chief Executive Officer ('CEO') and other members of the Management Committee; and
- all other matters reserved to and obligations imposed (including disclosure obligations) on the Board of Directors by law or the articles of association.

Composition of the Board of Directors
The BCCA proposes different governance models. The Company has chosen monism, meaning a single Board of Directors. This governance model is the most suitable for our organisation.

Pursuant to the articles of association, the Board of Directors must comprise at least five members.
On 31 December 2024, the Board consisted of nine members, comprising three independent non- executive directors,

The articles of association entitle LSF9 Belysse Holdco S.à r.l., if it holds at least 50% of the total number of shares issued by the Company (which is the case), to nominate at least five members to be appointed by the Shareholders' Meeting.

Although the term of office of directors under Belgian law is limited to six years (renewable), the Corporate Governance Code recommends that it be limited to four years (renewable). The articles of association limit the term of office of directors to four years (renewable).

The appointment and renewal of directors is based on a recommendation of the Remuneration and Nomination Committee to the Board of Directors and is subject to approval by the Shareholders' Meeting, considering the nomination rights described above.

On 31 December 2024, the Board of Directors was composed as follows:

Name	Position	Director since	Mandate expires
Cyrille Ragoucy	Chairman of the Board	2017	2025
Michael Kolbeck	Non-Executive Director and chairman of the Remuneration and Nomination Committee	2017	2025
Accelium BV, represented by Nicolas Vanden Abeele	Independent Director	2017	2025
Vanessa Temple	Independent Director	2022	2025
Itzhak Wiesenfeld	Independent Director	2019	2025
Neal Morar	Non-Executive Director and chairman of the Audit Committee	2018	2025
Hannah Strong	Non-Executive Director	2017	2025
Flora Siegert	Non-Executive Director	2022	2025
Patrick Lebreton	Non-Executive Director	2017	2025

Mr Hannes D'Hoop was appointed as Corporate Secretary of the Board of Directors.

Mr Cyrille Ragoucy has more than 30 years experience in senior management positions. As of March 1st 2024, he was succeeded by Mr James Neuling as CEO of Belysse. Before becoming CEO of Belysse, Mr Ragoucy was CEO of Tarmac Ltd (originally Lafarge Tarmac), a leading building materials and construction solutions firm in the UK, where he oversaw the creation of the joint venture between Lafarge SA and Anglo American as well as the integration of several acquisitions, before the entity was purchased by CRH, a large Irish construction firm in August 2015.
From 1998 to 2012, Mr Ragoucy was with Lafarge, serving as CEO of Lafarge Shui On Cement, a Chinese joint venture between Lafarge and Shui On, and CEO of Lafarge Construction Materials for Eastern Canada, among other director and executive-level posts.
Mr Ragoucy holds a Master of Management from the University of Paris IX (Dauphine), France.

Mr Michael Kolbeck is Managing Director and Head of Europe for Corporate Investments at Hudson Advisors UK Limited, which advises Lone Star Funds, including Lone Star Fund IX, an investor in the Company. Prior to being appointed to his post at Hudson in January 2017, he was a Managing Director at Lone Star Germany Acquisitions GmbH. He currently also serves as Board Member of Xella International S.A., a leading European building materials Company, and of Evoca S.p.A., a leading manufacturer of professional coffee machines, and is an observer of the Board of LSF10 Edilians Investments S.à r.l., a leading roof tile manufacturer in France and of the Board of LSF11 Folio Lux S.à r.l., a leading specialist for the global flexographic printing industry. Prior to joining Lone Star and Hudson in 2004, Mr Kolbeck worked for several years as an investment manager for Allianz Group.
Mr Kolbeck holds a Master's degree in Business Administration from Ludwig-Maximilians University, Munich, Germany.

Mr Nicolas Vanden Abeele is CEO of Ascom (since 2022), a global leading player in medtech and healthcare ICT solutions. He is a seasoned global leader with over 25 years of multi-market and deep commercial, financial and operational expertise. Nicolas brings a valuable track record in sales acceleration, business transformation and operational excellence in a variety of leadership roles.
Prior to Ascom, he served as a member of the Executive Committee and divisional head of Barco, a global leader in visualisation solutions (from 2017 until 2021), and with the Etex Group (from 2011 until 2017), as a member of the Executive Committee, where he headed the Insulation and Building Materials Division. Prior to Etex, he held various global executive positions in the technology industry with Nokia/Alcatel- Lucent, with postings also in the Americas and Asia, and in strategy consulting with Arthur Andersen.
Mr Vanden Abeele holds Master's degrees in Business Administration (K.U. Louvain, Belgium), Management (Solvay School of Management/ULB Belgium) and International Business and European Economics
(College of Europe, Belgium).

Mrs Vanessa Temple has been ESG Lead for ING Belgium since April 2022. Between Q1 2021 and Q1 2022, she was a member of ING Group's Climate Risk team. Previously, she led ING's Belgian capital structuring & advisory team, followed by a position as head of ING's corporate sector teams for Belgium, Luxembourg & the Nordics. Before stepping into these leadership positions, she worked as an originator for various debt products, including complex financing, acquisition & leveraged finance, and bonds for large & mid-sized corporates. In the early stages of her career, she was a Corporate Relationships Manager forING Singapore, for 3 years.
Mrs Temple holds a Master's degree in Business Engineering
(Louvain School of Management, Belgium).

Corporate Governance

Mr Itzhak (Tzachi) Wiesenfeld has 30 years experience in senior management positions. For 12 years he was the EMEA CEO at ASSA ABLOY, the global leader in door opening solutions. EMEA had a revenue of € 2bn and 10,000 employees across 40 factories and 100 selling units. Under Mr Wiesenfeld's leadership, the EMEA revenues grew by 50% and delivered high profits and strong cash flows. Previously Mr Wiesenfeld was CEO of ASSA ABLOY in the UK and CEO of Mul-T-Lock in Israel. His experience includes optimisation of manufacturing footprint, digitisation of industrial companies and execution of many M&A deals. His commercial background includes B2B and B2C in a competitive, multi-channel market environment.

Mr Wiesenfeld is currently the chairman of ACRE, a global integrated security business, headquartered in Dallas, Texas, and iLOQ, a fast-growing digital locks Company, based in Finland. He is also a board member at FläktGroup, a leading European air management solutions Company. Mr Wiesenfeld is also a Senior Industry Expert, supporting private equity firms with M&A deals.
Mr Wiesenfeld holds a BSc degree in Industrial Engineering and an MBA. He is also a Sloan graduate from London Business School. Mr Wiesenfeld holds a dual British and Israeli citizenships.

Mr Neal Morar is a Managing Director in the Corporates team at Hudson Advisors UK Limited, which advises Lone Star and the funds which it administers, including Lone Star Fund IX, which is an investor in the Company. Prior to his current role, he held the post of UK CFO of Hudson Advisors UK Limited for five years and served on the Boards of various entities across industries including hotels and developments, loan servicer in Italy and an equity release Company. Prior to joining Hudson in 2012, Mr Morar worked for 5 years as Managing Director, International CFO for AIG Investments and 10 years in various CFO roles for the FTSE100 Capita Group including the set up and running of a captive server in Mumbai, India, in 2003. Mr Morar obtained membership of the Chartered Certified Accountants in 1996, gained Fellow status (FCCA) in 2001 and has also been regulated in various capacities with the FCA (UK), JFSC (Jersey) and CBI (Ireland) over the last 20 years.
Mr Morar holds a degree in Accounting and Finance from the University of Hertfordshire, UK.

Mrs Hannah Strong is Senior Vice President, Legal Counsel at Hudson Advisors UK Limited, which advises Lone Star and the funds which it administers, including Lone Star Fund IX, an investor in the Company. Prior to her position at Hudson, Mrs Strong worked as in-house legal counsel at The Carlyle Group (2013-2017) and was a corporate associate at Latham & Watkins in London (2007-2013). Mrs Strong has extensive experience advising on legal and compliance issues that face companies across numerous industries and jurisdictions.

Mrs Strong holds a Bachelor's degree in Jurisprudence from Oxford University.

Ms Flora Siegert is a legal counsel at Lone Star Capital Investments S.à r.l., a Belysse investor. Prior to her current position, she was a corporate and financing associate at Elvinger Hoss Prussen and she worked in the M&A department of Canal+, a subsidiary of the Vivendi Group.

She currently also serves as a board member in several multinational corporations:

- LSF11 Folio Lux S.à r.l., the entity at the head of XSYS, a leading provider of consumables and equipment to the flexographic printed packaging industry
- LSF11 Magpie Topco S.à r.l., an investor in Manuchar NV, a leading chemicals and commodities distributor in emerging markets
- LSF10 XL Holdings S.à r.l., an indirect shareholder of Xella International S.A., a leading European building materials Company

Ms Siegert holds Master's degrees in Global Business Law and Governance (Columbia Law School New York, US), Business Law (Sorbonne University Paris, France) and in Law and Economics (Paris Institute of Political Studies, France).

Mr Patrick Lebreton is Managing Director Corporates at Hudson Advisors UK Limited, which advises Lone Star and the funds which it administers, including Lone Star Fund IX, an investor in the Company. Prior to his post at Hudson, he was a Director (Operating Partner) of Montagu Associates (2012-2015), advising the Montagu Private Equity Fund. From 2004 to 2012, he was an Executive Vice President in the Portfolio Group at Bain Capital. Previously he held executive posts at General Electric, was a manager at Accenture, and is a retired U.S. Army Officer, having served in Operation Desert Storm. He is currently a non-executive Director of McCarthy and Stones, a UK retirement home builder and operator, and of Edilans S.à r.l., the leading French roofing solutions Company.

Mr Lebreton holds a Bachelor of Science in International Economics and Finance from Georgetown University and a Master's degree in Business Administration from Harvard Business School.

Evolution in composition during 2024 and after year end

There were no changes in the composition of the Board of Directors during 2024.

On 14 February 2025, Mrs Flora Siegert stepped down as a non-executive director.

As of 6 March 2025, Mrs Claire Knollys joined the Board of Directors as a non-executive director by way of co-optation and for the remainder of the mandate of Mrs Flora Siegert.

Mrs Knollys is a Director at Hudson Advisors UK Limited, a company advising Lone Star Funds, including Lone Star Fund IX, a Belysse investor.

Mrs Knollys has more than 22 years of international tax experience and is dual-qualified in the UK and the US. Her experience includes:

- Five years at Hudson Advisors UK Limited responsible for tax structuring of investments held by certain of the Lone Star Funds.
- Three years leading the EMEA international tax team at Expedia Group.
- Fourteen years at PricewaterhouseCoopers focused on international tax for M&A, business restructuring and private equity transactions, across numerous jurisdictions. This included eight years based in London and six years in San Francisco.

Ms Knollys earned her Master's in Taxation from the Braden School of Taxation (Golden Gate University, United States) and a Bacherlor's degree from the University of Southampton (UK) in Management Sciences. She is a member of the Institute of Chartered Accountants in England and Wales and gained Fellow status in 2016.

Functioning of the Board of Directors

In principle, the Board of Directors meets at least five times a year. Additional meetings may be called with appropriate notice at any time to address specific business needs. In total, the Board met on six occasions. All Directors were present (or were represented) at these meetings.

Major matters reviewed and discussed by the Board of Directors in 2024 were:

- Financial and overall performance of the group;
- Continuous monitoring of the cashflow situation, the procurement action plan and follow-up of the evolution of the market circumstances and the effects of the pricing implementation;
- Implementation, actions, outcome and follow-up of health & safety initiatives;
- Presentation and detailed follow-up of the progress made with the Company's four-year sustainability, innovation, efficiency & agility program BEYOND;
- General strategic, financial and operational matters for the business;
- Follow-up on the completion of the lift and shift of the ERP-platform after closing of the Divestment;
- On a recommendation from the Audit Committee, approval of the quarterly and half-year financial results and the corresponding reports and press releases, the refinancing business plan, the 2024 budget, the completion of the refinancing of all of its outstanding Senior Secured Notes due in 2024, with the proceeds of the new committed term facility of €120 million (equivalent) by subsidiary LSF9 Belysse Investments S.à r.l., following which the Group's outstanding senior indebtedness now consists of the new term facility, a €20 million super-senior revolving credit facility and its €1.8 million senior notes due in 2030, the approval of the move to a reporting framework whereby an annual report, a half-yearly report and quarterly trading updates will be published and made available on the Group's Investor Relations page and the approval of the revised version of the Group's DOAS policy;
- On a recommendation from the Remuneration and Nomination Committee, approval of the 2023 bonus and the 2024 bonus methodology for members of the Management Committee, approval of the compensation & benefit packages of members of the Management Committee and others, approval of the new contract of the CEO, approval of the new contract of the Chairman, the reappointment of a director and the reappointment of the statutory auditor;
- Follow-up of specific projects and approval of relevant documents related to these projects;
- Follow-up on the reporting of the ESG-committee and the proposal of the appointment of the statutory auditor for a period of 1 year until after the general meeting approving the financial statements as at 31 December 2024, the assurance assignment on the consolidated sustainability reporting for FY 2024 auditor for the assurance of the consolidated sustainability reporting;
- Approval of corporate strategy;
- Several reserved matter approvals, inter alia in relation to the completion of the refinancing project.

The Board of Directors is convened by the chairman or the CEO whenever the interest of the Company so requires, or at the request of two directors.

Corporate Governance

Directors' attendance at Board and Committee meetings

Name	Board of Directors	Audit Committee	Remuneration and Nomination Committee	ESG Committee
Cyrille Ragoucy	6/6			3/3
Michael Kolbeck	6/6		3/3	
Accelium BV, represented by Nicolas Vanden Abeele	6/6	6/6	3/3	
Vanessa Temple	5/6	6/6		3/3
Itzhak Wiesenfeld	5/6		2/3	
Neal Morar	6/6	6/6		
Hannah Strong	6/6			
Flora Siegert	6/6			
Patrick Lebreton	1/6			

Under the lead of its chairman, the Board will regularly evaluate its scope, composition and performance and those of its Committees, as well as its interaction with executive management.

The CEO and other executive managers are invited to attend meetings as appropriate. The Chief Financial Officer ('CFO') is present at all Board meetings and other members of the Management Committee are regularly invited to attend. This guarantees appropriate interaction between the Board and management.

Diversity
For companies whose securities are admitted to a regulated market for the first time, the requirement to have at least one-third of board members of an opposite gender than the other members is to be met as of the first day of the sixth financial year starting after the IPO, being for the Company as of 1 January 2023. Currently, one-third of our board members is female, meaning that the aforementioned requirement is met. Our Board also features a mix of expertise from different operational fields.

We face a challenge to make our broader workforce diverse and create fully equal opportunities regardless of gender, race or cultural background given the nature of our operations. In 2020, the Management Committee launched a new ambition, to have at least 40% women in all layers of Belysse Group's top management by 2030. This would reflect the partition of gender in the whole of our organisation. Increasing gender diversity both in the workplace and in the leadership teams are critical success factors in making better decisions and developing more innovative business solutions.

A demonstrated focus on gender equality enables an organisation to attract and retain the best talent. It also ensures that all employees within the organisation have access to equal opportunities in developing their careers in a workplace free of bias.

Belysse employees have diverse backgrounds across all age groups, from our identified 'future leaders' through to those with deep domain expertise, and are gender diverse with an increasing number of women in management roles.

Being a global business headquartered in Belgium, we operate in several different languages and employ over 35 nationalities across 4 main locations on 2 continents. This is reflected in the Management Committee, composed of diverse nationalities: Australian, Belgian and US.

It is our strong belief that employing the right people for the right roles encourages a balanced workplace and this has been reflected in the quasi status quo in gender balance at the end of 2024.

Belysse is actively trying to attract and promote women to managerial positions through our recruitment campaigns and our internal talent management process. A great deal of actions in promoting an optimal work-life balance were promoted for men and women. This way, we encourage all our employees and managers to move to this new way of working.

Audit Committee
In accordance with the stipulations in book 7, title 4, chapter 1 of the Belgian Code on Companies and Associations and provision 5.2 of the Corporate Governance Code, the Board of Directors of Belysse has established an Audit Committee.

During 2024, the Audit Committee consisted of three members, all being non-executive directors and a majority of them being independent directors.

In the course of 2024, the Audit Committee met six times.

As required by the Belgian Code on Companies and Associations, Mr Neal Morar, chairman of the Audit Committee possesses appropriate expertise and experience in this field. Reference is made to his biography in the 'Board of Directors' section above.

The chairman reported the outcome of each meeting to the Board of Directors.

The CEO and CFO are not members of the Audit Committee but are invited to attend its meetings. This guarantees appropriate interaction between the Committee and management. As appropriate, other Board members are invited to attend the Audit Committee meetings.

The statutory auditor attended three meetings during which he reported on the outcome of the audit and presented the global audit plan.

In addition to its statutory powers and its power under the Corporate Governance Charter, the Audit Committee considered the following main subjects: the quarterly financial statements, the compliance approach and related policies, the 2025 budget, the refinancing project, the initialization of the new ERP-project, recommendation to the Board on the updated version of the new DOAS policy and the approval of non-audit services.

Name	Position	Director since	Mandate Expires
Neal Morar	Non-Executive Director and chairman of the Audit Committee	2018	2025
Accelium BV, represented by Nicolas Vanden Abeele	Member and Independent Director	2017	2025
Vanessa Temple	Member and Independent Director	2022	2025

Remuneration and Nomination Committee
In accordance with the stipulations in book 7, title 4, chapter 1 of the Belgian Code on Companies and Associations and provision 5.3 and 5.4 of the Corporate Governance Code, the Board of Directors has established a Remuneration and Nomination Committee.
During 2024, the Remuneration and Nomination Committee consisted of three members, all being non-executive directors and a majority of them being independent directors:

Name	Position	Director since	Mandate Expires
Michael Kolbeck	Chairman and Non-Executive Director	2017	2025
Accelium BV, represented by Nicolas Vanden Abeele	Member and Independent Director	2017	2025
Itzhak Wiesenfeld	Member and Independent Director	2019	2025

In 2024 the Remuneration and Nomination Committee met three times.

The CEO and the HR Director are not members of the Committee, but are invited to attend its meetings, unless the members of the Committee want to meet separately (e.g., when discussing remuneration). This guarantees appropriate interaction between the Committee and management.

In addition to its statutory powers and its powers under the Corporate Governance Charter, the Remuneration and Nomination Committee discussed the following main subjects: the performance of members of the Management Committee, the 2023 bonus pay-out for members of the Management Committee and the general management, the 2024 compensation and benefit packages for members of the Management Committee, review of the reward and performance of the members of the Management Committee, the Bentley organisation, the recommendation to the Board of Directors regarding the appointment of Mrs Vanessa Temple as chairperson of the ESG-committee , the 2024 remuneration report and remuneration policy and retention plan for the key managers of European and US BU, HR challenges and talent assessment, consideration about the changes in the leadership team (new CEO Mr Andrew James Neuling and future role of the previous CEO Mr Cyrille Ragoucy).

ESG Committee
In November 2023, the Board of Directors has established an ESG Committee for an initial duration of three years.

In accordance with its Terms of Reference, the purpose of the ESG Committee is to monitor regulatory requirements and ensure the Company complies with it, to monitor the impacts as well as key risks and opportunities that the Company faces in relation to environmental, social and governance factors that have an impact on the long-term performance of the Company. The ESG Committee will oversee the Company's conduct, performance and reporting on such material ESG matters, inform the Board and make recommendations to the Board where decision, action or improvement is needed.

The ESG Committee is chaired by Vanessa Temple, independent and non-executive director of the Company. On 31 December 2024, the members of the ESG Committee are:

Name	Position
Vanessa Temple	Chairman of the ESG Committee and Independent Director of the Company
Cyrille Ragoucy	Member and Chairman of the Board
Andrew James Neuling	Member and Chief Executive Officer
Andy Rogiest	Member and Chief Financial Officer
Ruben Pattheeuws	Member and Group Director of Sustainability and Strategic Projects
Tine Pieters	Member and Sustainability Manager

Major matters considered by the ESG Committee in 2024 were: reporting on the status of the BEYOND KPI's, the Company's CSRD roadmap and SBTi targets, development of the Company's ESG governance and ESG Risk Monitoring, follow-up on progress on ESG projects and the recommendation to the Board on the ESG Committee's Terms of Reference.

Chief Executive Officer
As of March 1st 2024, Mr Neuling was appointed as CEO by the Board of Directors succeeding Cyrille Ragoucy. The CEO reports directly to the Board of Directors. He has direct operational responsibility for the Company and oversees the organisation and day-to-day management of the Company and its subsidiaries.

The CEO is responsible for the execution and management of the outcome of all Board of Directors' decisions.

The CEO heads the Management Committee, which reports to him, within the framework established by the Board of Directors and under its ultimate supervision.

Management Committee
The Management Committee is chaired by the CEO. Other members of the Management Committee are appointed and removed by the Board of Directors upon the advice of the CEO and the Remuneration and Nomination Committee.

The Management Committee exercises the duties assigned to it by the CEO, under the ultimate supervision of the Board of Directors.

Corporate Governance

The composition of the Company's Management Committee changed in 2024, as a result of Mr Ragoucy stepping down as CEO on 1 March 2024 and the appointment of Mr Neuling as CEO. It consists of the following members on 31 December 2024:

Name	Position
EQIDNA BV, represented by Andrew James Neuling	Chief Executive Officer
ANMIRU BV, represented by Andy Rogiest	Chief Financial Officer
Jay Brown	President Bentley Mills
Charlotte Veys	HR Director

Mr Andrew James Neuling (representative of EQIDNA BV) joined Belysse in October 2022 as Managing Director for Europe and became CEO as from 1 March 2024. He is a seasoned and dynamic executive who brings vast experience from a number of industries where he held senior positions and transformative roles. He began his career in South East Asia in the Lighting sector where he progressed to be Regional Manager for Zumtobel before moving to Europe for his MBA.

Mr Neuling then joined GE Plastics in a senior commercial role, and then subsequently led the turnaround of GE's European Sheets and Film business. He then went on to reorganise and divest two global divisions at Rio Tinto Alcan, before taking on senior roles at Mondi Group and Scapa. In 2017, Mr Neuling was appointed as the Vice President at Beaulieu Flooring Solutions. Immediately prior to Belysse, he aided Melrose in the divestment of Nortek HVAC to Madison.

Mr Neuling holds a Bachelor's degree in Electrical & Electronic Engineering (University of Adelaide, Australia), a Graduate Diploma in Marketing (Thames Business School, Singapore)
and a Master of Business Administration (IMD Business School, Switzerland).

Mr Andy Rogiest (representative of ANMIRU BV) was appointed Chief Financial Officer of Belysse in early June 2022. He has extensive experience in corporate finance and joined us from Belgian healthcare innovator Home Health Products, where he was COO.

Before, he held several senior functions in finance, strategy and
operations at Imperial Meat Products, Ontex and PSA HNN.
Mr Rogiest holds Masters degrees in Applied Economics (Ghent University, Belgium) and Finance (Vlerick Business School, Belgium).

Ms Charlotte Veys Charlotte Veys started her career at Belysse in 2010. Before becoming HR Director in March 2022, she held various other HR functions at Belysse Group and was the Company's Compensation & Benefits manager.

Ms Veys holds a Master's degree in Psychology (Catholic University Leuven, Belgium)

Mr Jay Brown is a seasoned industry executive, with 33 years operations and sales experience.
He joined Bentley Mills in 2020, as Vice President of Operations. In May 2022, he took the helm as President and COO. Before arriving at Bentley, he held various leadership positions at Interface, a global leader in modular flooring, and at Multi Packaging Solutions (MPS).

Mr Brown holds a Bachelor's degree in Science (Auburn, US) and a Juris Doctorate from Faulkner University (US).

Statutory Auditor
The audit of the statutory and consolidated financial statements of the Company is entrusted to the statutory auditor appointed at the Shareholders' Meeting, for renewable terms of three years. The current statutory auditor is PricewaterhouseCoopers Bedrijfsrevisoren BV, with its registered office at Culliganlaan 5, 1831 Machelen, and represented by Mr Wouter Coppens.

The current mandate of PricewaterhouseCoopers Bedrijfsrevisoren BV will expire at the Annual General Shareholders' Meeting that will be asked to approve the annual accounts for the financial year ended on 31 December 2025.

Article 3:71 of the Belgian Code on Companies and Associations and article 24 of the Law of 7 December 2016 on the organisation of the profession of and the public supervision over auditors, limit the liability of auditors of listed companies to € 12m for, respectively, tasks concerning the legal audit of annual accounts within the meaning of article 3:55 of the Belgian Code on Companies and Associations and other tasks reserved to auditors of listed companies by Belgian law or in accordance with Belgian law, except for liability resulting from the auditor's fraud or other deliberate breach of duty.

In 2024, the remuneration paid to the statutory auditor for auditing activities (including CSRD attestation) amounted to € 578,500 and other attestation missions (ESEF attestation, services in the context of the half-year reporting) amounting to €52,100.

Remuneration paid for other assignments outside the audit mandate were € 22,810 and € 27,480 for tax related services

Relevant information in the event of a takeover bid

Article 34 of the Royal Decree of 14 November 2007 on the obligations of issuers of securities which have been admitted to trading on a regulated market, requires that listed companies disclose certain items that may have an impact in the event of a takeover bid.

Capital Structure
A comprehensive overview of our capital structure as of 31 December 2024 can be found in the 'Capital Structure' section of this Corporate Governance Statement.

Restrictions on transfers of securities

The Company's articles of association do not impose any restrictions on the transfer of shares. Furthermore, the Company is not aware of any such restrictions imposed by Belgian law except in the framework of the Market Abuse Regulation.

Holders of securities with special control rights
There are no holders of securities with special control rights other than the nomination rights set out below.

The Company has not set up employee share plans where control rights over the shares are not exercised directly by the employees.

Restriction on voting rights
The articles of association of the Company do not contain any restrictions on the exercise of voting rights by the shareholders, provided that the shareholders concerned comply with all formalities to be admitted to the Shareholders' Meeting.

Shareholder agreements
Belysse is not aware of any shareholder agreement which includes, or could lead to, a restriction on the transfer of its shares or exercise of voting rights related to its shares.

Rules on the appointment and replacement of members of the Board of Directors and on amendments to the articles of association
The term of office of directors under Belgian law is limited to six years (renewable) but the Corporate Governance Code recommends that it be limited to four years.

In accordance with the articles of association, the Company is managed by a Board of Directors that shall consist of a minimum of five directors. These are appointed by the Shareholders' Meeting for a maximum term of four years (renewable), as recommended by the Corporate Governance Code, and may be reappointed. Their mandate may be revoked at any time by the Shareholders' Meeting.

Should any of the directors' mandates become vacant, for whatever reason, the remaining directors may temporarily fill such vacancy until the next Shareholders' Meeting appoints a new director.

For as long as LSF9 Belysse Holdco S.à r.l. ('LSF9') or a Company affiliated therewith within the meaning of article 1:20 of the Belgian Code on Companies and Associations (a 'Company affiliated therewith'), directly or indirectly, holds at least 50% of the total number of shares issued by the Company – which was the case in 2024 – it is entitled to nominate at least five directors to be appointed by the Shareholders' Meeting.

For as long as LSF9 or a Company affiliated therewith, directly or indirectly, holds less than 50% but at least 40% of the total number of shares issued by the Company, it is entitled to nominate four directors to be appointed by the Shareholders' Meeting.

For as long as LSF9 or a Company affiliated therewith, directly or indirectly, holds less than 40% but at least 30% of the total number of shares issued by the Company, it is entitled to nominate three directors to be appointed by the Shareholders' Meeting.

For as long as LSF9 or a Company affiliated therewith, directly or indirectly, holds less than 30% but at least 20% of the total number of shares issued by the Company, it is entitled to nominate two directors to be appointed by the Shareholders' Meeting.

For as long as LSF9 or a Company affiliated therewith, directly or indirectly, holds less than 20% but at least 10% of the total number of shares issued by the Company, it is entitled to nominate one director to be appointed by the Shareholders' Meeting.

If the direct or indirect shareholding of LSF9 or a Company affiliated therewith in the Company falls below one of the aforementioned thresholds, LSF9 shall cause a director appointed upon its nomination to tender its, his or her resignation as director with effect as of the date of the next annual Shareholders' Meeting, failing which the mandate of the director who was most recently appointed upon LSF9's nomination, shall automatically terminate on the date of the next annual Shareholders' Meeting.

The CEO is vested with the day-to-day management of the Company and the representation of the Company in respect of such management. The Board of Directors appoints and removes the CEO.

Within the limits of the powers granted to him/her by or pursuant to the articles of association, the CEO may delegate special and limited powers to a Management Committee or any other person.

Save for capital increases decided by the Board of Directors within the limits of the authorised capital, only an Extraordinary Shareholders' Meeting is authorised to amend the Company's articles of association. A Shareholders' Meeting is the only body which can deliberate on amendments to the articles of association, in accordance with the articles of the Belgian Code on Companies and Associations.

Authorised capital and acquisition of own shares

Authorised capital

According to article 6 of the articles of association, the Board of Directors may increase the capital of the Company once or several times by a (cumulated) amount of maximum 100% of the amount of the capital.

This authorisation may be renewed in accordance with the relevant legal provisions. The Board of Directors can exercise this power for a period of five years as from the date of publication in the Annexes to the Belgian Official State Gazette of the amendment to the articles of association approved by the Extraordinary Shareholders' Meeting of 22 May 2024.

Any capital increase which can be decided pursuant to this authorisation will take place in accordance with the modalities to be determined by the Board of Directors and may be effected (i) by means of a contribution in cash or in kind (where appropriate including a in distributable share premium), (ii) through conversion of reserves, whether available or unavailable for distribution, and issuance premiums, with or without issuance of new shares with or without voting rights. The Board of Directors can also use this authorisation for the issuance of convertible bonds, subscription rights or bonds to which subscription rights or other tangible values are connected, or other securities. When exercising its authorisation within the framework of the authorised capital, the Board of Directors can limit or cancel the preferential subscription right of shareholders in the interests of the Company, subject to the limitations and in accordance with the conditions provided for by the Belgian Code on Companies and Associations. This limitation or cancellation can also occur to the benefit of the employees of the Company or its subsidiaries, or to the benefit of one or more specific persons, even if these are not employees of the Company or its subsidiaries.

The Board of Directors is expressly empowered to proceed with a capital increase in all forms, including but not limited to a capital increase accompanied by the restriction or withdrawal of the preferential subscription right, (even after receipt by the Company of a notification by the FSMA) of a takeover bid for the Company's shares. Where this is the case, however, the capital increase must comply with the additional terms and conditions laid down in article 7:202 of the Belgian Code on Companies and Associations. The powers hereby conferred on the Board of Directors remain in effect for a period of three years from the date of publication in the Annexes to the Belgian Official State Gazette of the authorisation of the Extraordinary Shareholders' Meeting of 22 May 2024. These powers may be renewed for a further period of three years by resolution of the Shareholders' Meeting, deliberating and deciding in accordance with applicable rules. If the Board of Directors decides upon an increase of authorised capital pursuant to this authorisation, this increase will be deducted from the remaining part of the authorised capital specified in the first paragraph.

In the course of 2024, the Board of Directors did not make use of its mandate to increase the Company's capital as stated in article 6 of the articles of association.

Acquisition of own shares

According to article 16 of its articles of association, the Company may, without any prior authorisation of the Shareholders' Meeting, in accordance with articles 7:215 of the Belgian Code on Companies and Associations and within the limits set out in these provisions, acquire, on or outside a regulated market maximum 20% of its own shares for a price which will respect the legal requirements, but which will in any case not be more than 10% below the lowest closing price in the last thirty trading days preceding the transaction and not more than 10% above the highest closing price in the last thirty trading days preceding the transaction. This authorisation is valid for five years from the date of the publication in the Annexes to the Official Belgian State Gazette of the authorisation of the Extraordinary Shareholders' Meeting of 22 May 2024. This authorization covers the acquisition on or outside a regulated market by a direct subsidiary within the meaning and the limits set out by article 7:221, indent 1 of the Belgian Code on Companies and Associations. If the acquisition is made by the Company outside a regulated market, even from a subsidiary, the Company shall comply with article 7:215 §1, 4° of the Belgian Code on Companies and Associations.

The Board of Directors is authorised, subject to compliance with the provisions of the Belgian Code on Companies and Associations, to acquire and to divest for the Company's account the Company's own shares, profit-sharing certificates or associated certificates if such acquisition is necessary to avoid serious and imminent harm to the Company. Such authorisation is valid for three years as from the date of publication in the Annexes to the Official Belgian State Gazette of the authorisation of the Extraordinary Shareholders' Meeting of 22 May 2024.

In accordance with article 7:218 of the Belgian Code on Companies and Associations the Board of Directors is authorised to divest itself of part of or all the Company's shares at any time and at a price it determines, on or outside the stock market or in the framework of its remuneration policy to members of the personnel of the Company. This authorisation covers the divestment of the Company's shares, profit-sharing certificates or associated certificates by a direct subsidiary within the meaning of article 7:221, indent 1 of the Belgian Code on Companies and Associations. By authorisation of the Extraordinary Shareholders' Meeting of 22 May 2024 the Board of Directors is, in accordance with article 7:218 §1, 4° of the Belgian Code on Companies and Associations, explicitly authorised to divest its own shares, in favour of persons who are not part of the personnel of the Company.

In the course of 2024, the Board of Directors did not make use of its mandate to acquire its own shares as stated in article 16 of the articles of association.

Material agreements to which Belysse or certain of its subsidiaries is a party containing change of control provisions

Senior Secured Notes
As of 31 December 2023, LSF9 Belysse Issuer S.à r.l. (the 'Issuer') had €128,684,663 in aggregate principal amount outstanding (excluding capitalised financial fees and excluding capitalised PIK interests) of Senior Secured Notes due 2024 (the '2024 Notes'), which were issued pursuant to an indenture dated as of 8 March 2021, as amended (the 'Indenture'), and €1,838,700 in aggregate principal amount of Senior Secured Notes due 2030 (the '2030 Notes'), which were issued pursuant to an indenture dated as of 3 August 2015, as amended.

On 5 February 2024, the Issuer refinanced all of the outstanding 2024 Notes with the proceeds of a new €120 million (equivalent) term facility agreement provided by Blantyre to LSF9 Belysse Investments S.à r.l. (see below). The refinancing was completed partly by repurchasing the 2024 Notes held by certain noteholders holding approximately 75% of the total outstanding 2024 Notes at a price equal to 86.5% of the face value, with the balance amount being redeemed at 100% of the face value through the optional redemption provisions under the Indenture.

Revolving Credit Facility
As at 31 December 2023, the Issuer had a €45 million super senior revolving credit facility due in 2024 (the 'Existing RCF'). On 11 January 2024, the Issuer's direct subsidiary, LSF9 Belysse Investments S.à r.l. entered into a new €20 million super-senior revolving credit facility (the 'New RCF'), and which has replaced the now-cancelled Existing RCF. The New RCF has been made available on customary terms for facilities of this nature, for a term ending on 2 August 2027, with the option to extend by one year if the new Term Facility is extended concurrently.

The New RCF provides that a mandatory prepayment in full or in part will be required upon the occurrence of certain circumstances (each, an 'Exit Event'), being either (i) a disposal of all or substantially all of the assets of the LSF9 Belysse Investments S.à r.l. or its subsidiaries or (ii) a change of control where (a) certain shareholders directly or indirectly holding a majority of the total outstanding shares of LSF9 Belysse Investments S.à r.l. (the 'Permitted Holders') cease to own more than 40% of the shares of LSF9 Belysse Investments S.à r.l., (b) any person acquires more of shares in LSF9 Belysse Investments S.à r.l. than are held in aggregate by the Permitted Holders, (c) the Issuer ceases to directly own all of the share of LSF9 Belysse Investments S.à r.l. (excluding any shares issued to roll-up investors for a temporary period of time) or (d) a sale of the company's business and operations conducted in the United States.

Committed Term Facility
On 7 December 2023, LSF9 Belysse Investments S.à r.l. entered into a new €120 million (equivalent) term facility agreement provided by Blantyre (the 'Term Facility').

The Term Facility has been made available on customary terms for facilities of this nature, priced at 6.00% p.a. cash pay plus 5.00% p.a. payment-in-kind ('PIK') interest (in respect of EUR loans) and 7.00% p.a. cash pay plus 5.00% p.a. PIK interest (in respect of USD loans) (in each case, at a fixed rate, except that PIK interest on EUR loans and USD loans is subject to a leverage-based margin ratchet and so may in each case increase by a further 2.00% p.a. where certain financial ratios have been exceeded). The PIK Interest will be capitalised at the end of each interest period and bear interest at the prevailing rate. LSF9 Belysse Investments S.à r.l. may unilaterally request to extend the maturity of the Term Facility by one year.

The Term Facility provides that a mandatory prepayment in full or in part will be required upon the occurrence of an Exit Event.

Several pledge agreements have been established, including, but not limited to, material bank accounts of various entities within the group and share pledge agreements on the group's operational entities. These pledge agreements are granted in favor of the lenders of the Term Facility and the Revolving Credit Facility.

As a condition to funding, Blantyre was granted contingent value rights (the 'CVR') linked to the equity value of Belysse Group NV, that, upon the occurrence of certain trigger events, entitles the CVR holder to receive a cash payment or, at the option of Belysse (subject to any requisite shareholder approval), an issuance of shares equal to 20% of the equity value of Belysse Group NV above a specified threshold of €41.1 million (the 'Threshold'). The payments under the CVRs are to be made: (i) mandatorily in case of a sale of all or substantially all of the assets of, or shares of Belysse Group NV; and (ii) at the option of the CVR holder in case either (a) the shareholding of the Permitted Holders falls to 40% or less; or (b) another person or persons acting in concert acquires more shares in Belysse Group NV than the Permitted Holders (the events described at (i) and (ii) above, each a 'CVR Control Event'). In addition to a CVR Control Event, the CVR holders have the option to exercise their payment rights from 7 December 2027 onwards.

The proceeds of the Term Facility have been used to complete the refinancing of all of the outstanding 2024 Notes (see above).

Sale-and-leaseback
On 20 December 2019, the company entered into a sale-and-leaseback agreement with three banks. If a third party gains control over the company, the banks are entitled to terminate the agreement at their own discretion. This change of control clause was approved by the general Shareholders' Meeting of 26 May 2020 in accordance with article 7:151 of the Belgian Code on Companies and Associations.

On 31 March 2022, this sale-and-leaseback agreement was split as part of a partial demerger in the framework of the Divestment and remained in place with the company solely in relation to the Tielt property.

Factoring Agreements
Several subsidiaries of the Company entered into separate invoice discounting agreements with KBC Commercial Finance
NV ('KBCCF') dated 1 April 2022, pursuant to which these subsidiaries transfer title to all their current and future trade receivables falling under such arrangements to KBCCF. On several occasions, this agreement has been amended.
The last time on 1 June 2024.
According to the applicable general terms, the outstanding sums are immediately due in case of a change of control, if such a change would not be in the interest of the bank. The general terms and conditions include typical clauses standard for this type of transaction, including grounds for termination if the envisaged transaction volume is not achieved.

On 31 October 2024, Bentley Mills, Inc. ('Bentley Mills') entered into a factoring agreement with KBC Commercial Finance NV ('KBCCF') pursuant to which Bentley Mills sells to KBCCF all accounts arising out of Bentley Mills' Sales in connection with its business.

2022 Long Term Incentive Plan
On 15 June 2022, the Board of Directors approved a new long-term incentive plan (the '2022 LTIP'). The PSUs granted under the 2022 LTIP will vest to relevant managers that still provide services to the Belysse Group on the third anniversary of their award, to the extent that the Company's share price reaches certain defined targets. The clause allowing for accelerated PSU vesting in the event of the closing of a public takeover bid for the Company was approved by the Shareholders' Meeting of 26 May 2020, in accordance with article 7:151 of the Belgian Code on Companies and Associations.

Severance pay pursuant to the termination of contract of Board members or employees pursuant to a takeover bid
The Company has not concluded any agreement with its Board members or employees which would result in the payment of specific severance pay if, pursuant to a takeover bid, the Board members or employees resign, are dismissed or their employment agreements are terminated.

Please see the section 'Provisions concerning individual severance payments for Management Committee members / Termination Provisions' of this Corporate Governance Statement on termination provisions of the members of the Management Committee.

Conflicts of interest

Directors' conflicts of interest
Articles 7:96 and 7:97 of the Belgian Code on Companies and Associations provides for a special procedure if a director of the Company, save for certain exempted decisions or transactions, directly or indirectly has a personal financial interest that conflicts with a decision or transaction that falls within the Board of Directors' powers. The director concerned must inform the other directors before any decision of the Board of Directors is taken and the statutory auditor must also be notified. For listed companies, the director thus conflicted may not participate in the deliberation or vote on the conflicting decision or transaction.

Relevant section of the minutes of the Board of Directors of 29 February 2024
Before the deliberation started, Mr Cyrille Ragoucy declared a conflict of interest, as defined in article 7:96 of the Belgian Code on Companies and Associations ('BCCA'), concerning the following item on the agenda: upon proposal from the Remuneration and Nomination Committee and subject to approval by the general meeting of the Company, the approval of the remuneration to be paid in respect of Mr. Cyrille Ragoucy's mandates as director and chairman of the Board of Directors of the Company and for his role as advisor to the management, as included in the new director's agreement of Mr Cyrille Ragoucy.

The conflict results from the fact that Mr Ragoucy is both director of the Company and will also be remunerated for consultancy services to the Company .

In observance of article 7:96 of the Belgian Code on Companies and Associations, the Board acknowledged that the approval of the remuneration to be paid in respect of Mr. Cyrille Ragoucy's mandates as director and chairman of the Board of Directors of the Company and for his role as advisor to the management would have the following financial consequences for the Company: an annual fee for the chairman of the Board of Directors of € 70,000 gross, being a *pro rata* amount of € 58,333 gross in 2024, and annual fee for the consultancy services as an advisor to the management of € 130,000 gross, being a *pro rata* amount of € 108,333 in 2024.

In accordance with article 7:96 BCCA, Mr Ragoucy refrained from taking part in the deliberations and from voting on those resolutions. The Board noted that Mr Ragoucy did not participate in the deliberation and decision making on the approval.

The Board noted that the quorum was met notwithstanding that Mr Ragoucy did not participate in the deliberation nor in the voting on any item giving rise to the conflict of interest.

Notwithstanding the aforementioned conflict of interest, each director, by signing the minutes, confirmed approval of any documents, events, transactions mentioned therein, to be in the corporate interest.

Compliance with the 2020 Belgian Code on Corporate Governance

Belysse is committed to high standards of corporate governance and to the 2020 Corporate Governance Code as a reference code for the financial year ending 31 December 2024. As the Corporate Governance Code is based on a 'comply or explain' approach, the Board of Directors intends to comply with the Corporate Governance Code, except with respect to the following:

1. The articles of association allow the Company to grant shares, stock options and other securities vesting earlier than three years after their grant. The current Long Term Incentive Plans (2022 LTIP) include a vesting period of three years after the date of reward of the PSUs, with the sole exception of an accelerated PSU vesting in the event of the closing of a public takeover bid for the Company. The Board considers that the vesting of the Performance Share Units to the relevant managers that still provide services to the Belysse Group on the third anniversary of their award fosters a sustainable and long-term commitment of these managers to shareholder value creation that addresses the goal of Principle 7.11 of the Corporate Governance Code;

2. The group of directors appointed at the nomination of LSF9 Belysse Holdco S.à r.l., constitute a majority of the directors (5 out of 9) as a consequence of the majority of shares held by that Company. This situation is specific to the Company's shareholding structure and is based on nomination rights set out in the Company's articles of association. As LSF9 Belysse Holdco S.à r.l. reduces its shareholding below certain agreed percentages their right to appoint directors is also reduced (see above). The Remuneration and Nomination Committee aims to ensure, in consultation with LSF9 Belysse Holdco S.à r.l., that the Board of Directors is well-balanced and that non-executive directors have complimentary skills and experience;

3. The non-executive directors of the Board of Directors are not remunerated in shares, which are held until one year after they leave the Board of Directors and at least three years after the moment of the award. Their personal interests are aligned with the long-term interests of the Company. Also the non-executive independent directors are not remunerated in shares, because the Company feels that they are sufficiently oriented to the creation of long-term value for the Company and in this way they maintain their independent status. This will be reviewed annually;

4. The members of the Management Committee are not remunerated in shares. To ensure the personal interests of the Management Committee are aligned with the interests of long-term shareholders, other mechanisms were put in place, i.e., LTIP and variable remuneration;

5. The variable remuneration awarded to members of the Management Committee for 2024 was based upon Group financial targets (Group management: CEO, CFO and HR director) or upon the divisional financial targets (CEO and MD commercial/residential Europe and MD Bentley) and not on individual targets. This will be reviewed annually;

6. No specific provisions on the recovery of or withholding of payment of variable remuneration are inserted in the contracts with Management Committee members. The customary triggers included in claw-back provisions, such as fraud or gross misconduct, can be addressed in other ways such as dismissal (for cause), recovery on the basis of civil law, exclusion from D&O insurance coverage and others. In addition, the number of situations that could give rise to a claw-back is very limited, as grants of variable remuneration will be based on audited financial information.

Remuneration report

Introduction

The remuneration report is structured in a way to be transparent and to comply with the latest rules, regulations and guidance on the (standardised) presentation of the remuneration report, including the Shareholder Rights Directive and the related Belgian Implementation Act.

The remuneration paid to the members of the Board of Directors and the Management Committee in 2024 was in line with Belysse's remuneration policy, as amended and approved by the Shareholders' Meeting of 22 May 2024.

This remuneration policy continues the existing practices, while updating certain principles to better promote the long-term interests of the Company and the alignment of all stakeholders.

During the financial year 2024, Belysse did not deviate from the principles laid down in its remuneration policy.

Remuneration of directors

In accordance with the Company's remuneration principles, as decided by the Shareholders' Meeting dated 22 May 2024, the independent directors and non-executive directors of the Board of Directors may be entitled to a (fixed) remuneration for their director's mandate. No director's remuneration was paid to the directors appointed upon nomination by LSF9 Belysse Holdco S.à r.l.

The remuneration of the independent members of the Board of Directors was as follows in 2024:

- Annual independent director's fee of € 40,000 gross;
- Additional annual fee for each Committee membership (Audit Committee and Remuneration and Nomination Committee) of € 10,000 gross;
- Additional annual fee for the chairperson of the ESG Committee of € 10,000 gross.

The remuneration of Mr Ragoucy, as non-executive member of the Board of Directors, was as follows in 2024:

- Annual fee for the chairman of the Board of Directors of € 70,000 gross, being a *pro rata* amount of € 58,333 gross in 2024, and;
- Annual fee for the consultancy services as an advisor to the management of € 130,000 gross, being a *pro rata* amount of € 108,333 in 2024.

The actual remuneration granted to the directors in 2024

Name / position	Board Chairman ship	Advisor to the management	Independent directorship	AC member ship	RNC member ship	ESG Committee Chairmansh ip	Total
Cyrille Ragoucy Chairman of the Board of Directors	€ 58,333	108,333	-	-	-	-	**€ 166,666**
Michael Kolbeck Non-Executive Director Chairman of the Remuneration and Nomination Committee	-		-	-	-	-	-
Flora Siegert Non-Executive Director	-		-	-	-	-	-
Accelium BV, represented by Nicolas Vanden Abeele Independent Director	-		€ 40,000	€ 10,000	€ 10,000	-	**€ 60,000**
Vanessa Temple Independent Director	-		€ 40,000	€ 10,000	-	€ 10,000	**€ 60,000**
Itzhak Wiesenfeld Independent Director	-		€ 40,000		€ 10,000		**€ 50,000**
Neal Morar Non-Executive Director Chairman of the Audit Committee	-		-	-	-		-
Hannah Strong Non-Executive Director	-		-	-	-		-
Patrick Lebreton Non-Executive Director	-		-	-	-		-
Total	**€ 58,333**	**€ 108,333**	**€ 120,000**	**€ 20,000**	**€ 20,000**	**€ 10,000**	**€ 336,666**

No other benefits were paid to the members of the Board of Directors for their director's mandate.
A total of € 336,666 gross was granted.

Remuneration granted to the CEO and other members of the Management Committee
The remuneration for the members of the Management Committee was reviewed by the Board of Directors on 29 February 2024 based on recommendations from the Remuneration and Nomination Committee of 28 February 2024.

In line with the Company's remuneration principles, as decided by the Shareholders' Meeting dated 22 May 2024, the remuneration of the members of the Management Committee included (i) a fixed annual fee, (ii) a variable annual fee (short-term incentive plan ('STIP')), (iii) a long-term incentive plan ('LTIP'), (iv) pension contributions, and (v) various other benefits.

(i) Fixed annual fee
For the financial year 2024, the CEO received a fixed annual fee of € 381,088 (gross) and the other members of the Management Committee received a total fixed annual fee of € 718,260 (gross).

(ii) Short-term incentive plan ('STIP')
The short-term incentive plan rewards the realisation of key financial performance indicators with targets recommended by the Remuneration and Nomination Committee and approved by the Board of Directors for the period from 1 January 2024 to 31 December 2024.

For the CFO and the HR Director, the STIP for 2024 was based on Group financial targets: 70% on Group Adjusted EBITDA and 30% on Group Quarterly Cash. For the CEO, the STIP for 2024 was based on the Group and the divisional financial targets: 17.5% on Group adjusted EBITDA, 52.5% on Divisional Adjusted EBITDA and 30% on Group Quarterly Cash.

For the Managing Director of Bentley, the STIP was based on the divisional financial targets: 70% on Divisional Adjusted EBITDA and 30% on Divisional Quarterly Cash.

The Remuneration and Nomination Committee evaluated achievement against the 2024 performance objectives for each member of the Management Committee and proposed their short-term variable remuneration component to the Board of Directors.

The aim of the variable fee is to create a high-performance culture through a cash bonus linked to performance against contracted deliverables with due regard to preventing excessive risk taking. This STIP is harmonised throughout the organisation. It is designed to reward the manager for the performance of the Company and its divisions over a one-year time horizon.

The variable remuneration is not spread over time. In 2024, the target STIP was 66% of fixed annual remuneration for the CEO and, on average, 40% of annual fixed remuneration for other members of the Management Committee.

(iii) Long-term incentive plan ('LTIP')
In 2018, the Board of Directors decided to implement annual Long-Term Incentive Plans ('LTIPs') to create alignment between manager's and shareholders' interests. These LTIPs consist of Performance Share Units ('PSUs').

The PSUs in the 2018 LTIP could vest to relevant managers that still provide services to the Belysse Group on the third anniversary of their award and are converted into shares, to the extent that the Company's share price had reached defined targets with a minimum hurdle of € 13.25 per share required for any conversion. The 2018 LTIP was awarded to members of the Management Committee at that time. Since the minimum hurdle was not reached, there was no vesting in 2021.

In 2019, a similar LTIP was designed to drive the performance and long-term growth of the group by offering long-term incentives to managers who contribute to such performance and growth and was also intended to facilitate recruiting and retaining personnel of outstanding ability. The PSUs granted under the 2019 LTIP will vest to relevant managers that still provide services to the group on the second and third anniversaries of their award, to the extent that the Company's share price has reached certain defined targets, all significantly above the current share price. The clause allowing for accelerated PSU vesting in the event of the closing of a public takeover bid for the Company was approved by the Shareholders' Meeting on 28 May 2019, in accordance with article 7:151 of the Belgian Code on Companies and Associations. The 2019 LTIP was awarded to the CEO and to the other members of the Management Committee.

Since the minimum hurdle was not reached, there was no vesting in 2022.

For the same purposes, a 2020 LTIP was also implemented. The PSUs granted under the 2020 LTIP will vest to relevant managers that still provide services to the Belysse Group on the third anniversary of their award, to the extent that the Company's share price reaches certain defined targets. The clause allowing for accelerated PSU vesting in the event of the closing of a public takeover bid for the Company was approved by the Shareholders' Meeting on 26 May 2020, in accordance with article 7:151 of the Belgian Code on Companies and Associations. The 2020 LTIP was awarded to the members of the Management Committee, except to the CEO.

In 2021 no LTIP was implemented.

For the same purposes as the previous LTIPs, a 2022 LTIP was implemented. The PSUs granted under the 2022 LTIP will vest to relevant managers that still provide services to the Belysse Group on the third anniversary of their award, to the extent that the Company's share price reaches certain defined targets. The clause allowing for accelerated PSU vesting in the event of the closing of a public takeover bid for the Company was approved by the Shareholders' Meeting on 26 May 2020, in accordance with article 7:151 of the Belgian Code on Companies and Associations. The 2022 LTIP was awarded to the members of the Management Committee, except to the CEO.

In 2023 and 2024 no LTIP was implemented.

(iv) Pension contributions
Members of the Management Committee can be entitled to affiliation with a Group insurance scheme.

(v) Other benefits
Members of the Management Committee can be entitled to a Company car or car allowance, lunch vouchers and fixed expenses.

(vi) Overall remuneration awarded to the CEO as a member of the Management Committee
For the year ended 31 December 2024, the total remuneration of the CEO was as follows:

- Base salary (gross remuneration): € 381,088
- Variable remuneration (relating to performance in 2024, paid out in 2025): € 91,698
- Pension: nil
- Other compensation components (Company car, fuel card and smartphone): nil
- No PSUs were granted in 2024.

(vii) Remuneration awarded to the other Management Committee members
For the year ended 31 December 2024, the total remuneration of the other Management Committee members was as follows:

- Base salary (gross remuneration): € 718,260
- Variable remuneration (relating to performance in 2024, paid out in 2025): € 284,694
- Pension: € 9,488
- Other compensation components (car, insurance, lunch vouchers, representation allowances): € 65,886
- No PSUs were granted in 2024.

Overview LTIP

Main conditions of LTIP						Information regarding the financial year
In 2023 and 2024 no LTIP was implemented.						
Beneficiaries	**Plan**	**Performance Period**	**Award Date**	**Vesting Date**	**PSU Awarded**	**Shares vested**
Members of the Management Team	2022	01/07/2022 - 01/07/2025	01/07/2022	01/07/2025	52,205	0
	2020	11/09/2020 - 11/08/2023	11/09/2020	11/08/2023	84,500	0
	2019	Period 1: 05/16/2019 - 05/15/2021	16/05/2019	Vesting date 1: 05/15/2021	343,500	0
		Period 2: 05/16/2019 - 05/15/2022		Vesting date 2: 05/15/2022		
	2018	07/01/2018 - 06/30/2021	07/01/2018		46,666	0

Overview remuneration

Name and position	Fixed annual fee	STIP	LTIP	Pension	Various other benefits	Total remuneration	% of fixed and variable
CEO (*)	€ 381,088	€ 91,698	€ 0	€ 0	€ 0	€ 472,786	76% fixed 24% variable
Other members of the Management Committee (total)	€ 718,260	€ 284,694	€ 0	€ 9,488	€ 65,886	€ 1,078,329	60% fixed 40% variable

(*) until and including 29 February 2024: Cyrille Ragoucy, as from 1 March 2024: Andrew James Neuling.

Changes to the remuneration policy since the end of 2024

No changes have been made to the remuneration policy since the end of 2024

Provisions concerning individual severance payments for Management Committee members / Termination provisions

During 2024, no changes were made for the following specific termination provisions of the enumerated Management Committee members.

Other than in the case of termination in certain events of breach of contract, the CEO is entitled to a notice period of six (6) months or a termination fee equal to the proportion of the fixed fee that he would be entitled to during this six months' period.

Other than in the case of termination in certain events of breach of contract, the CFO is entitled to a minimum notice period of six (6) months and a termination fee equal to the relevant portion of his fixed fee for early termination of the notice period.

Ms Charlotte Veys is entitled to the notice period applicable in accordance with Belgian employment law.

The notice period of Mr Jay Brown can be negotiated, with a minimum of two (2) weeks.

Comparative information on change of remuneration and Company performance, and ratio

	FY 2017[1]	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Board of Directors members' total remuneration	€ 124,584	€ 216,022	€ 162,930	€ 154,462	€ 170,000	€ 160,000	€ 160,000	€ 336,666
CEO's total Remuneration	€ 584,000	€ 776,490	€ 990,664	€ 867,141	€ 1,493,472	€ 1,596,008	€ 521,856	€ 472,786
Management Committee members' Total remuneration	€ 1,708,496	€ 1,353,114	€ 2,230,675	€ 2,536,733	€ 3,901,427	€ 2,120,537	€ 1,185,377	€ 1,078,329
Company performance								
Group Adjusted EBITDA	€ 84,381,000	€ 72,352,00	€ 74,356,000	€ 67,990,000	€ 87,800,000	€ 35,500,000	€ 33,700,000	€ 42,440,000
Average remuneration (on a full-time equivalent basis) for employees								
Employees of the Company[2]	€ 584,000	€ 776,490	€ 990,664	€ 867,141	€ 1,493,472	€ 1,596,008	€ 521,856	€ 472,786

[1] As Belysse Group NV was incorporated in 2017, only data as from 2017 can be mentioned
[2] Only one individual has an employment agreement with Belysse Group NV.

Clawback provision regarding members of the Management Committee
There are no clawback provisions. No specific provisions on the recovery of or withholding of payment of variable remuneration are inserted in the contracts with Management Committee Members. The customary triggers included in claw-back provisions, such as fraud or gross misconduct, can be addressed in other ways such as dismissal (for cause), recovery on the basis of civil law, exclusion from D&O insurance coverage and others. In addition, the number of situations that could give rise to a claw-back is very limited, as grants of variable remuneration will be based on audited financial information.

Compliance with remuneration policy, long-term objectives and sustainability
Remuneration is aligned with current market practice and targets a market median position for the total salary package. The remuneration system rewards individual performance. Short-term variable pay incentivises actions and results in line with annual Company targets. Long-term commitment to the Company is stimulated through a sharebased long-term incentive plan, that considers the share price performance of the Company. Belysse's remuneration rewards its employees fairly and appropriately regardless of gender, nationality or beliefs, and will solely be based on function and performance.

Derogations and deviations from the remuneration policy
There were no derogations or deviations in 2024.

In 2024, the ratio between the highest remunerated executive and the least remunerated employee (on a full-time equivalent basis) within the Company was 1.

Information on shareholder vote
The Shareholders' Meeting on 22 May 2024 approved the remuneration report for financial year 2023 with a majority of 94%.

Risk management and internal control framework

Introduction
Belysse operates a risk management and control framework in accordance with the Belgian Code on Companies and Associations and the Corporate Governance Code. Belysse is exposed to a wide variety of risks within the context of its business operations, possibly resulting in its objectives being affected or potentially not being achieved. Controlling such risks is a core task of the Board of Directors, the Management Committee and all other employees with managerial responsibilities. The risk management and control system has been set up to achieve the following goals: achieving Belysse's objectives, achieving operational excellence, ensuring correct and timely financial reporting and ensuring compliance with all applicable laws and regulations.

Control environment
The control environment constitutes the basis of the internal control and risk management system. The control environment is defined by a mix of formal and informal rules and corporate culture on which the operation of the business relies.

Three lines of defence
Belysse applies the 'three lines of defence model' to clarify roles, responsibilities and accountabilities, and to enhance communication within the area of risk and control:

- First line of defence: the line management is the first body responsible for assessing emerging risks continuously and implementing controls in response to these risks.
- Second line of defence: oversight functions such as Finance, Controlling, Safety Health Environment and Quality, Compliance and Legal oversee and challenge risk management as executed by the first line of defence. Those constituting the second line of defence provide guidance and direction and verify whether the first line of defence is properly designed, in place, and operating as intended.
- Third line of defence: External auditors, regulators and other external bodies reside outside the organisation's structure, but they have an important role in the organisation's overall governance and control structure. When coordinated effectively, external auditors, regulators and other groups outside the organisation can be considered as additional lines of defence, providing assurance to the organisation's shareholders, including the governing body and senior management.

There is no internal audit (director) as the current control environment is considered to provide sufficient security within the area of risk and control.

Policies, procedures and processes
Corporate culture is sustained by the implementation of different Company-wide policies, procedures and processes such as, the anti-fraud and anti-corruption policy, the gift and entertainment policy, the travel and expense note policy, the non-audit services policy, the reserved matters policy, the antitrust policy, the anti-money laundering policy, Delegation Of Authority and Signing (DOAS) policy, the economic sanctions policy, the privacy and data protection policies (GDPR) (including the data breach policy, data protection policy, the privacy policy for collaborators, the privacy policy for recruitment and selection), the whistleblowing policy and the quality management system. Both the Board of Directors and the Management Committee fully endorse these initiatives. Employees will be regularly informed and trained on these subjects to develop sufficient risk management and control at all levels and in all areas of the organisation. Belysse is a Company with an open culture, striving to uphold the outmost business ethics. As unethical behaviour might take place in most organisations, having an open corporate culture is not always enough to eliminate such unethical behaviour. For this reason, Belysse has implemented a speak-up procedure, policy and tool in 2020 and has further rolled out the awareness to all Belysse employees in the following years. Cases which are reported in the whistleblowing tool and which fall within the scope of the policy are anonymously managed by a dedicated investigation team. General and discrete reporting on whistleblowing cases is provided to the Audit Committee.

Group-wide ERP system
Both Belysse Europe and Belysse Bentley divisions operate a centrally managed ERP platform, embedding divisionlevel roles and responsibilities. These systems enforce standardised main flows, key internal controls, and undergo regular testing by the corporate finance department. The systems also allow detailed monitoring of activities and direct central access to data. Since 2023, Belysse Europe's ERP
platform is hosted in two externally certified datacenters, accredited with ISO9001 and ISO27001.

Control activities
Control measures are in place to minimise the effect of risk on Belysse's ability to achieve its objectives. These control activities are embedded in Belysse's key processes and systems to ensure that the risk responses and Belysse's overall objectives are carried out as designed.

Control activities are conducted throughout the organisation at all levels and within all departments. The following control measures have been implemented at Belysse Europe: an authorisation cascade in the computer system, access and monitoring systems in the buildings, payment authorities, cycle counts of inventories, identification of machinery and equipment, daily monitoring of the cash position and an internal reporting system by means of which both financial data and operational data are reported on a regular basis. Deviations from budgets and previous reference periods are carefully analysed and explained. Since 2023, an array of additional security measures,
including multi-factor authentication, ZTNA technology, and network segmentation with firewalls, are in place to ensure the security of all data stored within computer systems.

Information and communication
Belysse recognises the importance of timely, complete and accurate communication of information, top-down as well as bottom-up. The Group therefore communicates operational and financial information at both divisional and group level. The general principle is to ensure consistent and timely communication to all stakeholders of all information impacting their area of responsibility.

All key business processes are managed through each Division's ERP system. This not only offers extensive functionality with regard to internal reporting and communication, but also the ability to manage and audit access rights and authorisation management on a centralised basis. Further actions were implemented to safeguard the security and accessibility of reporting tools utilised by the Belysse Europe division.

The Management Committee also discussed the achieved financial results on a monthly basis. The Corporate Finance department directs the information and communication process.

For both internal and external reporting and communication, a financial calendar in which all reporting dates are set out is communicated to all parties involved.

Risk management
Sound risk management starts with identifying and assessing the risks associated with the business, in order to minimise such risks on the organisation's ability to achieve its objectives and to create value for its stakeholders.
All Belysse employees are accountable for the timely identification and qualitative assessment of the risks within their area of responsibility. Belysse has identified and analysed its key corporate risks as disclosed under the 'Summary of main risks' chapter of this Annual Report.

Risk management and internal control with regard to financial reporting
The accurate and consistent application of accounting rules throughout the Company is ensured by means of Finance and Accounting procedures and guidelines. The accounting teams are responsible for producing the accounting figures, whereas the controlling teams check their validity. These checks include consistency tests, comparing current figures with historical and budget figures, as well as sample checks of transactions according to their materiality. Specific internal control activities with respect to financial reporting are in place, including the use of a periodic closing and reporting checklist. These checklists ensure clear communication of timelines, the completeness of tasks and the clear assignment of responsibilities. Uniform reporting of financial information throughout the organisation ensures a consistent flow of information, in turn allowing potential anomalies to be detected.

The ERP system and management information tools of each division give the central controlling team direct access to disaggregated financial and non-financial information. An external financial calendar is planned in consultation with the Board of Directors and the Management Committee. This calendar is announced to external stakeholders via the Investor Relations section of our corporate website. The objective of this external financial reporting is to provide Belysse stakeholders with the information necessary for making sound business decisions. Supervision and monitoring of control mechanisms is mainly performed by the Board of Directors through the work of the Audit Committee and the Management Committee. Internal audit also reports to the Audit Committee on the risk-based audit plan. Risk-based auditing focuses on the analysis and management of the corporate, operational and strategic risks. The aim is to provide assurance to the Board of Directors and the Audit Committee that risk management processes are managing risks effectively and adequately in relation to the risk appetite.

Moreover, the statutory auditor, in the context of reviewing the annual accounts, reports to the Audit Committee on their review of internal controls and risk management systems. In doing so, the statutory auditor focuses on the design and effectiveness of internal controls and systems relevant for the preparation of the financial statements.

Remuneration Policy

Scope

The Board of Directors has drawn up the remuneration policy in accordance with article 7:89/1 of the Belgian Code of Companies and Associations (the 'BCCA') and the Belgian Code of Corporate Governance 2020 (the 'Corporate Governance Code'). It sets out the remuneration principles as regards the members of the Board of Directors and the Management Committee.

The Board of Directors adopted the remuneration policy on 18 April 2024, upon proposal of the Remuneration and Nomination Committee. The amended policy was approved at the
Shareholders' Meeting of 22 May 2024. The remuneration policy is applicable within Belysse as from 1 January 2024 and replaces the former remuneration policy, which was approved at the Shareholders' Meeting of 26 May 2021. Remuneration to the members of the Board of Directors and the Management Committee will be paid in accordance with the remuneration policy.

In the event of a material change to the policy and in any case at least every four (4) years, the Board of Directors shall submit a (revised) remuneration policy, adopted upon proposal of the Remuneration and Nomination Committee, to the Shareholders' Meeting. Non-material changes to the policy will be made without shareholder approval being required.

Belysse's vision on remuneration

Belysse's remuneration philosophy is to ensure that all employees are rewarded fairly and appropriately for their contribution.

The overall remuneration policies and practices are governed by the following principles:

- Remuneration needs to be aligned with the current market practices and target a market median positioning of the total salary package.

- The remuneration needs to reward individual performance.

- Short-term variable pay needs to incentivise actions and results in line with the yearly Company targets.

- Long-term commitment to the Company is stimulated through a share-based long-term incentive plan, that takes into account the stock performance of the Company.

- Belysse's remuneration will reward its employees fairly and appropriately regardless of gender, nationality and beliefs. It will solely be based on function and performance.

Belysse's overall remuneration policies and practices are regularly assessed and updated, in order to promote the Company's sustainability and the successful implementation of its strategy, so as to continue creating value for all stakeholders including customers, shareholders and employees.

Members of the board of directors

Decision-making process and measures to avoid or manage conflicts of interest

The Shareholders' Meeting determines the remuneration of the members of the Board of Directors upon proposal of the Board of Directors. The Board of Directors adopts its proposal, upon proposal of the Remuneration and Nomination Committee.

The remuneration of non-executive directors is determined taking into account their role as ordinary Board of Directors' members, and specific roles as Chairman of the Board of Directors, Chairman or member of Board of Directors' committees, as well as their resulting responsibilities and commitment to develop the Company. The remuneration system is intended to attract and retain individuals who have the necessary experience and competencies for this role.

The Shareholders' Meeting is solely competent for the remuneration of members of the Board of Directors. This exclusive competence ensures that there are no conflicts of interest in this area.

In order to ensure the independence of the Board of Directors in its supervisory function over the Management Committee, and to avoid short-term pay-outs that jeopardise Belysse's long-term vision, non-executive directors are not entitled to performance-related remuneration such as bonuses, stock related long-term incentive schemes, fringe benefits or pension benefits.

Remuneration components

Since its approval by the Shareholders' Meeting, the remuneration awarded to the non-executive directors consists of the following fixed elements:

- Director fee for non-executive directors
- Additional fee for committee membership (per committee)
- Additional fee applicable to the chairman of the Board of Directors

These are paid monthly.

The amount of the remuneration is set according to market practice. Salary surveys are conducted every two years in order to ensure remuneration levels are aligned with market practices. Remuneration of the Board members can be reviewed every two years.

The independent directors do not receive any variable remuneration, shares, stock options or other rights to acquire shares (or other share-based remuneration) or other bonuses or benefits.

Appointment, dismissal and evaluation of the directors

The directors have a self-employed status and are appointed by the Shareholders' Meeting for a maximum period of four years (in accordance with the provisions of the articles of association of the Company and the BCCA).

The Shareholders' Meeting can dismiss a director without any notice period or severance payment, without any justification, and by a simple majority vote. However, the Shareholders' Meeting is free to grant a notice period or severance payment upon dismissal.

At the end of each director's term, the Remuneration and Nomination Committee also evaluates the director's presence at the Board of Directors or committee meetings, his/her commitment and his/her constructive involvement in discussions and decision-making. This evaluation is taken into account by the Remuneration and Nomination Committee when formulating its recommendations with respect to (re) appointments and remuneration to the Board.

Remuneration Policy

Members of the management committee

Decision-making process and measures to avoid or manage conflicts of interest.

The Board of Directors determines the remuneration of the members of the Management Committee upon proposal of the Remuneration and Nomination Committee.

The Remuneration and Nomination Committee determines – with the assistance of specialist members of staff – proposals in respect of the remuneration of the CEO and the other members of the Management Committee taking into account prevailing legislation, the Corporate Governance Code, the profile of the individual in terms of skills and professional experience as well as market practices and trends.

In setting remuneration levels, appropriate market benchmarks are taken into account, ensuring an emphasis on pay for performance.

This approach helps to attract, engage, retain and motivate key management, while ensuring their behaviour remains consistent with the values and strategy.

Based on the advice obtained from the Remuneration and Nomination Committee, the Board of Directors determines the remuneration to be granted to the CEO and the other members of the Management Committee and will assess this amount at regular intervals. The amount in question is split into a fixed component and performance-related components.

The CEO does not participate in the deliberations and votes within the Board of Directors as regards to his own remuneration. The CEO and the HR Director are not members of the Remuneration and Nomination Committee, but are invited to attend its meetings, unless the discussions within the Remuneration and Nomination Committee relate to their own remuneration. Reference is also made to the conflict-of-interest rules laid down in Article 7:96 of the BCCA.

A review of the performance of each member of the Management Committee will be conducted annually by the CEO and discussed with the Remuneration and Nomination Committee, which will report to the Board of Directors.

The Board of Directors also meets annually in a non-executive session (i.e., without the CEO being present) in order to discuss and review the performance of the CEO.

Remuneration components

The remuneration that can be awarded to the members of the Management Committee consists of the following elements:

- Fixed remuneration
- Short-term variable remuneration
- One-off bonuses
- Long-term plan
- Other benefits

Fixed remuneration

The fixed remuneration consists of a fixed annual fee in cash, granted independently of Belysse's results.

The fixed annual fee is determined on the basis of various criteria, such as the market value of the role, the scope of the position and the profile of the incumbent in terms of skill set and professional experience.

The purpose of the guaranteed fixed fee is to compensate the manager for time and competence at a market-related rate. Belysse aims to pay its managers at market median. In order to correctly benchmark, the Remuneration and Nomination Committee conducts at least every two years a salary study through an external Company.

Salary reviews are conducted every year. All managers are eligible, but not automatically entitled, to merit increases based on their performance and position at market.

Short-term variable remuneration
The short-term variable remuneration consists of a Short-Term Incentive Plan ('STIP'), paid in cash.

The aim of the STIP is to create a high-performance culture through a cash bonus linked to performance against annual targets with due regard to preventing excessive risk taking. The STIP is harmonised throughout the organisation. It is designed to reward the manager for the performance of the Company and its divisions over a one-year time horizon.

The STIP rewards the realisation of key financial performance indicators against targets set by the Board of Directors upon recommendation of the Remuneration and Nomination Committee. These targets are based only on the realisation of Group or divisional financial targets. For the members of the Management Committee these targets are based on three financial indicators, aligned with the yearly objectives. They can be Group performance indicators or divisional indicators. These key performance indicators are approved by the Board on proposal of the Remuneration Committee once a year.

These key financial performance indicators create a close link between the interests of, on the one hand, the members of the Management Committee and, on the other hand, the Company and its shareholders. The recognition of performance at both divisional and Group level contributes to the long-term interest and sustainability of the Company and the successful achievement of its strategy.

The performance against the targets (and resulting pay-outs) are assessed annually by the Board of Directors upon recommendation of the Remuneration and Nomination Committee, supported by the controlling and finance department.

The annual potential of the STIP for the members of the Management Committee at target amounts to up to 70% of their respective annual fixed remuneration, with a minimum of as low as 0% in the case of under-performance and a maximum of up to 170% in the case of overperformance.

For the CEO, the annual potential of the STIP at target can amount up to 100% of his annual fixed remuneration, with a minimum of as low as 0% in the case of underperformance and a maximum of up to 200% in the case of overperformance.

One-off bonuses
The Board of Directors may, in exceptional or specific circumstances and upon recommendation of the Remuneration and Nomination Committee, grant one-off bonuses to one or more members of the Management Committee for special performance.

The one-off bonuses may amount to up to 100% of the annual fixed remuneration of the member of the Management Committee concerned.

Long-term plan
The long-term plan ('LTIP') consists of a remuneration in Performance Share Units ('PSUs').

The PSUs vest to relevant members of the Management Committee who still provide services to the Company on the third anniversary of their award and are converted into shares if the Company's share price reaches certain defined targets with a certain minimum hurdle. The shares received are not subject to any lock-up arrangements.

As approved by the Shareholders' Meeting of 16 June 2017 in accordance with article 7:151 of the BCCA, the PSU vesting is accelerated in the event of a change of control or the closing of a public takeover bid for the Company.

The LTIP aims to create alignment between the managers' and shareholders' interests. It is also intended to facilitate recruiting and retaining personnel of outstanding ability. The LTIP thus contributes to the Company's business strategy and long-term interests.

Based on a yearly submission, members of the Management Committee are eligible but not automatically entitled to a grant of PSUs under the LTIP. On proposal of the Remuneration and Nomination Committee, the Board of Directors will decide on the terms and modalities of the LTIP and approve the list of beneficiaries.

The Board of Directors, on proposal of the Remuneration Committee, will approve the threshold price, the accelerator and the vesting date once a year.

The value of the PSUs granted under the LTIP, at the time of grant, may amount to up to 100% of the annual fixed remuneration of the member of the Management Committee concerned.

Other benefits
Members of the Management Committee can receive other benefits, such as the affiliation to a group insurance scheme, Company car, fuel card, smartphone, lunch vouchers and representation allowances. These benefits are benchmarked regularly and adapted according to local standard practices.

The group insurance scheme includes defined contribution in pension plan, guaranteed income insurance and life insurance.

These other benefits may amount to up to 10% of the annual fixed remuneration of the member of the Management Committee concerned.

Contractual arrangements with the members of the management committee
The rights and obligations related to the function of CEO are formalised in a management agreement of indefinite duration. Other than in the case of termination in certain events of breach of contract, the CEO is entitled to a notice period of six (6) months (or a termination fee equal to the proportion of the fixed remuneration he would be entitled to during the severance period).

The members of the Management Committee work for the Company under an employment or management agreement of indefinite duration. Other than in the case of termination in certain events of breach of contract and other than the exceptions included under the chapter 'Provisions concerning individual severance payments for Management Committee members / Termination provisions', they are entitled to a notice period of six (6) months (or a termination fee equal to the proportion of the fixed remuneration they would be entitled to during the severance period).

Derogations from the remuneration policy
Belysse shall pay remuneration to the members of the Board of Directors and the Management Committee only in accordance with the remuneration policy.

However, the Board of Directors may, in exceptional circumstances and upon proposal of the Remuneration and Nomination Committee, temporarily derogate from the remuneration policy. Exceptional circumstances shall cover only situations in which the derogation from the remuneration policy is necessary to serve the long-term interests and sustainability of Belysse as a whole or to assure its viability.

Derogations are allowed with respect to all elements of the remuneration policy.

When resolving on derogations from the remuneration policy, the Board of Directors must comply with the decision-making procedure set out above.

The Board of Directors shall explain any derogations in the remuneration report of the relevant financial year.

No significant changes to the current policy
This remuneration policy was approved by the Shareholders' Meeting of 22 May 2024 and aims to implement the remuneration practices in a formal remuneration policy in accordance with the requirements of Article 7:89/1 of the Belgian Code of Companies and Associations.

Summary of Main Risks

At Belysse, risk management is an inherent part of doing business. The summary below, though not exhaustive, provides an overview of the main risks we were able to identify. While we take mitigating actions, we cannot guarantee that such risks will not materialize.

Market competition

The global flooring market is competitive and each of our divisions face competition from other soft flooring manufacturers as well as hard flooring alternatives.

The key to our competitiveness is our ability to identify and respond to rapidly changing consumer preferences which require us to frequently renew our designs and product mixes, and to continuously innovate.

Over the past years, a number of flooring companies (announced to) close(d) down (part of) or to reorganise their European operations, due to increased raw material, labour and energy costs.

Customer dependency

Our customer dependency has been significantly reduced since the Transaction. In 2024, our top three customers accounted for approximately 10% of our revenue.

General macro-economic and geopolitical events & trade regulations

Product demand depends significantly on consumer confidence, the economic environment and factors impacting both the residential and commercial renovation as well as the construction markets. With production and distribution facilities in Belgium and the United States, and sales in over 100 countries, we are exposed to geopolitical risk on both the demand and supply side.

The direct effect of higher interest rates is limited as we are mostly financed at a fixed interest rate.

Legal and compliance

Failure to comply with the laws of the countries we do business with, may result in a delay or temporary suspension of our sales and operations which may impact our financial position. Insufficient precautions or awareness regarding safeguarding confidential matters in our highly competitive market may lead to competitive disadvantages, loss of business intelligence and reputation damage.

Publicity and reputation

We may be affected by product recall or liability claims or otherwise be subject to adverse publicity.

Employees

Our ability to successfully execute our strategy depends on our efforts in attracting, retaining and developing our employees.

If the relationship with our employees or trade unions were to deteriorate, this could have an adverse impact on our business.

Raw materials, supply chain and supplier risk

We use large quantities of raw materials for which we depend on a limited number of suppliers. Most of these suppliers are large companies and can exert substantial supplier power. We have long-standing relationships with our key suppliers. In the course of 2024, we continued to extend our network of raw material suppliers.

In 2024, raw material expenses represented approximately 40% of our revenues. The key raw materials used were polypropylene (purchased in finished goods), polyester and polyamide yarn, latex and polyamide. Together they represented approximately 75% of our total raw material expenses.

Raw material prices are volatile and depend on factors that are often beyond our control. This includes, but is not limited to, local supply and demand balance, general economic conditions (e.g. geopolitical situation) and fluctuations in commodity prices. The majority of our price agreements with customers does not include raw material price indexation mechanisms.

Reference is made to commodity price risk, as described under Note 26 of the section ‘Financial Risk Management’ in the Financial Statements.

Summary of Main Risks

Production and logistics

The ability to produce and deliver products on time is key to both attracting new and retaining existing customers. Disruptions at our manufacturing or distribution facilities may occur and could result in temporary shortfalls in production, late or incomplete deliveries or an increase in our cost of sales. We may incur losses that are completely or partially uninsured. We do not have our own transportation facilities and depend on third-party service providers for a timely delivery of our products.

IT

As our IT platform serves as the backbone for our operations (including sales, customer service, logistics and administration), any failure could tamper our ability to process orders on time. Since the disentanglement process from Balta Victoria, we have fortified our critical IT applications with a high-availability architecture, complete with automatic failover capabilities. Service level agreements guarantee a maximum outage period of 8 hours, safeguarding our operational continuity during unforeseen events.

Businesses are also contending with increasing cybercrime related incidents. Belysse continues to focus on awareness training and made significant investments in secure networks and defense mechanisms against cyber-attacks in 2023, which were continued in 2024.

Financial

Our activities expose us to a variety of financial risks including, but not limited to, currency risk, interest rate risk, credit risk and liquidity risk. Part of our sales and purchases are denominated in currencies other than the euro. Key currencies include pound sterling and US dollar. The fluctuation of these currencies versus the euro may impact our results. Additionally, a devaluation of currencies versus the euro for countries where our competitors manufacture or source raw materials, such as Turkey or Egypt, may have an impact on our competitiveness. Some of our external borrowings carry interest at a variable rate.

Not all the credit risk exposure towards our customers is covered by our external credit insurance agreements.

Amongst others, a reduction in external credit limits might cause the existing factoring not to be available at existing levels or cost going forward. Changes in our own credit rating could detrimentally affect our working capital and liquidity.

Our external financing agreements include obligations, restrictions and covenants, which may have an adverse effect on our business, financial situation and operational result if we would be unable to meet these. More details on this can be found in Note 26 of the section ‘Financial Risk Management’ in the Financial Statements.

Summary of Main Risks

Changes in tax legislation or accounting rules could affect future results

Changes in assumptions underlying the carrying value of our assets could result in an impairment of such assets, including intangible assets such as goodwill. On 7 December 2023, LSF9 Belysse Investments S.à r.l. entered into the Term Facility. The proceeds of the Term Facility have been used to complete the refinancing of all of the outstanding 2024 Notes (see above). As of 31 December 2023, the Issuer had a €45 million Super Senior Revolving Credit Facility due in 2024 (the 'Existing RCF'). On 11 January 2024, the Issuer's direct subsidiary, LSF9 Belysse Investments S.à r.l. entered into a new €20 million super-senior revolving credit facility, and which has replaced the now-cancelled Existing RCF.

The Group's outstanding senior indebtedness now consists of the new term facility, a €20 million super-senior revolving credit facility and its €1.8 million senior notes due 2030.

The completion of the refinancing of its Senior Secured Notes improved Belysse' s debt maturity profile and will enable Belysse to further execute its strategy. Reference is made to the risk factors referred to in Note 26 of the section 'Financial Risk Management' in the Financial Statements.

BEYOND program

Our transformational program called 'BEYOND' was launched in 2022. This program is designed to deliver a significant improvement in earnings over a four-year period. The key initiatives focus on sustainability through innovative products and production processes, an incremental drive for Efficiency through Lean strategies and agility through digital and operational improvement initiatives. While our BEYOND initiatives are essential to reinforce our competitive position and drive margin improvement, we may be delayed or fall below our expectations on the anticipated improvements in earnings.

Sustainability

Customer expectations on delivering sustainable products are increasingly demanding and challenging. The risk of not meeting new technology and sustainability requirements and missing out on market developments may lead to competitive disadvantages as well as significant loss of share. Failing to integrate sustainability as a part of the group strategy can affect future competitiveness, long-term value creation and Group longevity. In 2023, the ESG committee was established to address this risk. ESG priorities have been defined in the ESG-committee charter and will be closely monitored. With the CSRD directive, the European
Union is putting ESG higher on the agenda of European businesses. The CSRD directive was transposed into Belgian law end of 2024.
Belysse will need to comply with this legislation in 2025, reporting on FY2024 in a CSRD compliant manner, and has taken the necessary steps towards compliance. The double materiality assessment was conducted in 2023 and updated in 2024 to be fully in line with CSRD requirements, and the mandate of our statutory auditor was extended and added to the appointment, for a period of 1 year until after the general meeting approving the financial statements as at 31 December 2024, the limited assurance assignment on the consolidated sustainability reporting for FY 2024.

Global warming or the effect of climate change has resulted in new material climate-related risks (physical and transition risks, mobility and transport, sourcing raw materials, etc.) which may have significant impacts on our reputation, access to finance, cost of complying with new regulations, business profitability and long-term resilience. A significant trend observed over the past years is the increased demand for low-carbon raw materials, resulting in lower availability and steep price increases.

04 Financial statements

Financial Statements

1. Consolidated statement of comprehensive income for the period ended 31 December

		For the year ended 31 December	
(€ thousands)	**Note**	**2024**	**2023**
I. CONSOLIDATED INCOME STATEMENT			
Revenue	Note 4	280,381	300,918
Raw material expenses		(109,418)	(124,174)
Changes in inventories	Note 15	(424)	(11,018)
Employee benefit expenses	Note 6	(76,532)	(76,021)
Other income	Note 7	891	929
Other expenses	Note 7	(52,459)	(56,956)
Depreciation / amortisation	Note 8	(19,582)	(19,890)
Adjusted Operating Profit[1]		**22,857**	**13,788**
Integration and restructuring expenses	Note 9	133	(3,069)
Operating profit / (loss)		**22,990**	**10,718**
Finance income	Note 10	14,199	367
Finance expenses	Note 10	(24,288)	(18,795)
Net finance expenses		**(10,089)**	**(18,428)**
Profit / (loss) before income taxes		**12,901**	**(7,710)**
Income tax benefit / (expense)	Note 11	(2,328)	(3,386)
Profit / (loss) for the period		**10,573**	**(11,095)**
Attributable to:			
Equity holders		10,573	(11,095)
Non-controlling interest		-	-
II. CONSOLIDATED OTHER COMPREHENSIVE INCOME			
Items in other comprehensive income that may be subsequently reclassified to P&L			
Exchange differences on translating foreign operations		7,556	(4,529)
Items in other comprehensive income that will not be reclassified to P&L			
Changes in deferred taxes		123	(40)
Changes in employee defined benefit obligations		(478)	(13)
Other comprehensive income for the period, net of tax		**7,201**	**(4,583)**
Total comprehensive income for the period		**17,774**	**(15,678)**
Basic and diluted earnings per share attributable to the ordinary equity holders of the company	Note 34	**0.29**	**(0.31)**

1 Adjusted Operating Profit / Operating profit / (loss) are non-GAAP measures as defined in Note 1.25.
The accompanying Notes form an integral part of these Consolidated Financial Statements.

Financial Statements

2. Consolidated statement of financial position as at 31 December

		For the year ended 31 December	
(€ thousands)	**Note**	**2024**	**2023**
Property, plant and equipment		99,615	100,795
Of which IFRS 16 related right-of-use assets (excluding sale-and-leaseback)		*22,557*	*23,533*
Land and buildings	Note 13	42,170	44,963
Plant and machinery	Note 13	51,825	49,742
Other fixtures and fittings, tools and equipment	Note 13	5,620	6,090
Goodwill	Note 5	107,668	103,046
Other intangible assets	Note 12	4,698	5,212
Deferred income tax assets	Note 14	1,372	426
Trade and other receivables	Note 16	624	586
Total non-current assets		**213,978**	**210,066**
Inventory	Note 15	49,608	52,257
Trade and other receivables	Note 16	17,503	28,377
Current income tax assets		585	1,045
Cash and cash equivalents	Note 17	38,605	35,812
Total current assets		**106,301**	**117,491**
Total assets		**320,279**	**327,557**
Share capital	Note 18	252,950	252,950
Share premium	Note 18	65,660	65,660
Other comprehensive income	Note 19	8,485	1,283
Retained earnings	Note 20	(191,717)	(202,298)
Other reserves		(39,876)	(39,876)
Total equity		**95,502**	**77,720**
Senior Secured Notes	Note 22	1,839	1,839
Term Facility	Note 21	124,319	-
Bank and Other Borrowings	Note 23	30,353	34,778
Of which IFRS 16 related lease liabilities (excluding sale-and-leaseback)	*Note 24*	*18,888*	*20,375*
Deferred income tax liabilities	Note 14	3,842	5,814
Provisions for other liabilities and charges	Note 30	2,689	2,229
Employee benefit obligations	Note 28	631	159
Derivative Financial Instruments	Note 21	1,547	-
Total non-current liabilities		**165,220**	**44,818**
Senior Secured Notes	Note 22	17	135,203
Term Facility	Note 21	503	-
Bank and Other Borrowings	Note 23	9,439	8,875
Of which IFRS 16 related lease liabilities (excluding sale-and-leaseback)	*Note 24*	*7,685*	*6,757*
Other payroll and social related payables	Note 29	14,415	14,444
Trade and other payables	Note 31	35,087	46,462
Income tax liabilities		97	36
Total current liabilities		**59,557**	**205,019**
Total liabilities		**224,778**	**249,837**
Total equity and liabilities		**320,279**	**327,557**

The accompanying Notes form an integral part of these Consolidated Financial Statements.

Financial Statements

3. Consolidated statement of cash flows for the period ended 31 December

		For the year ended 31 December	
(€ thousands)	**Note**	**2024**	**2023**
I. CASH FLOW FROM OPERATING ACTIVITIES			
Net profit / (loss) from the period		**10,573**	**(11,095)**
Adjustments for:			
Income tax expense / (income)	Note 11	2,328	3,386
Finance income	Note 10	(14,199)	(367)
Finance expenses	Note 10	24,288	18,795
Depreciation / amortisation	Note 8	19,582	19,890
(Gain) / loss on disposal of non-currents assets		(119)	-
Movement in provisions		645	(1,999)
Expense recognised in respect of equity-settled share-based payments		8	6
Cash generated before changes in working capital		**43,106**	**28,615**
Inventories	Note 15	3,733	24,459
Trade receivables	Note 16	6,312	979
Trade payables	Note 31	(7,887)	(9,124)
Other working capital		(302)	(8,476)
Cash generated after changes in working capital		**44,962**	**36,452**
Net income tax (paid)		(4,830)	(5,400)
Net cash generated / (used) by operating activities		**40,132**	**31,053**
II. CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition and disposal of property, plant and equipment	Note 13	(9,286)	(10,458)
Acquisition of intangibles	Note 12	(915)	(1,332)
Net cash used by investing activities		**(10,200)**	**(11,790)**
III. CASH FLOW FROM FINANCING ACTIVITIES			
Interest and other finance charges paid, net		(21,630)	(13,565)
Proceeds from borrowings with third parties	Note 22	120,000	-
Repayments of Senior Secured Notes	Note 22	(118,624)	-
Repayments of borrowings with third parties	Note 23	(8,517)	(7,892)
Net cash generated / (used) by financing activities		**(28,770)**	**(21,457)**
NET INCREASE / (DECREASE) IN CASH AND BANK OVERDRAFTS		**1,162**	**(2,195)**
Cash, cash equivalents and bank overdrafts at the beginning of the period		35,812	38,488
Exchange gains/(losses) on cash and cash equivalents		1,631	(482)
Cash, cash equivalents and bank overdrafts at the end of the period	Note 17	38,605	35,812

The accompanying Notes form an integral part of these Consolidated Financial Statements.

4. Consolidated statement of changes in equity for the year ended 31 December

(€ thousands)	Share capital	Share premium	Other comprehensive income	Retained earnings	Other reserves[1]	Total equity
Balance 31 December 2022	**252,950**	**65,660**	**5,866**	**(191,208)**	**(39,876)**	**93,392**
Profit / (loss) for the period	-	-	-	(11,095)	-	(11,095)
Other comprehensive income						
Exchange differences on translating foreign operations	-	-	(4,529)	-	-	(4,529)
Cumulative changes in deferred taxes	-	-	(40)	-	-	(40)
Cumulative changes in employee defined benefit obligations	-	-	(13)	-	-	(13)
Total other comprehensive income for the period	-	-	(4,583)	-	-	(4,583)
Total comprehensive income for the period	**-**	**-**	**(4,583)**	**(11,095)**	**-**	**(15,678)**
Equity-settled share-based payment plans	-	-	-	6	-	6
Balance 31 December 2023	**252,950**	**65,660**	**1,283**	**(202,298)**	**(39,876)**	**77,720**

1 Other reserves were created as a result of certain pre IPO transactions. Refer to the 2017 annual report for more information

The accompanying Notes form an integral part of these Consolidated Financial Statements.

(€ thousands)	Share capital	Share premium	Other comprehensive income	Retained earnings	Other reserves[1]	Total equity
Balance 31 December 2023	**252,950**	**65,660**	**1,283**	**(202,298)**	**(39,876)**	**77,720**
Profit / (loss) for the period	-	-	-	10,573	-	10,573
Other comprehensive income						
Exchange differences on translating foreign operations	-	-	7,556	-	-	7,556
Cumulative changes in deferred taxes	-	-	123	-	-	123
Cumulative changes in employee defined benefit obligations	-	-	(478)	-	-	(478)
Total other comprehensive income for the period	-	-	7,201	-	-	7,201
Total comprehensive income for the period	**-**	**-**	**7,201**	**10,573**	**-**	**17,774**
Equity-settled share-based payment plans	-	-	-	8	-	8
Balance 31 December 2024	**252,950**	**65,660**	**8,485**	**(191,717)**	**(39,876)**	**95,502**

1 Other reserves were created as a result of certain pre IPO transactions. Refer to the 2017 annual report for more information

The accompanying Notes form an integral part of these Consolidated Financial Statements.

5. Notes to the Consolidated Financial Statements

Note 1. Accounting Policies

The principal accounting policies applied in the preparation of these Consolidated Financial Statements are set out below. These policies have been consistently applied in the years presented, unless otherwise stated.

Note 1.1. Basis of preparation

Basis of preparation

These Consolidated Financial Statements of Belysse Group NV ("the Company"), registered at Franklin Rooseveltlaan 172-174, 8790 Waregem, Belgium (Registration number 0671.974.626) and its subsidiaries ("Belysse Group" or "the Group") have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"). These include all IFRS standards and IFRIC interpretations issued and effective at 31 December 2024. The Group was previously named Balta Group NV, registered at Wakkensteenweg 2, 8710 Sint-Baafs-Vijve, Belgium (Registration number 0671.974.626), but was renamed in October 2022 to Belysse Group NV.

The Belysse Group NV is domiciled in Belgium under the legal form of a Naamloze Vennootschap ("NV"). Belgium was also the country of incorporation. Furthermore, Belgium is the principal place of business for the Group. Belysse manufactures sustainable textile floor coverings for commercial and residential applications and commercializes its products focusing 90% on North-America and Europe under the premium brands Bentley (US), modulyss, arc edition and ITC (Europe). Belysse employs about 1,000 people and operates three manufacturing sites in Belgium (Tielt and Zele) and the United States (Los Angeles). Since June 2017, Belysse Group has been listed on Euronext Brussels and is majority owned by LSF9 Belysse Holdco S.à r.l.

On 4 April 2022, Belysse Group NV announced the completion of the sale of its Rugs, Residential polypropylene (PP) and Non-Woven businesses (the "Discontinued Operations"), together with the Balta brand, to Victoria PLC ("the Transaction" or the Divestment).

The Consolidated Financial Statements of Belysse Group NV and its subsidiaries (collectively, the Group) for the year ended 31 December 2024 were authorised for issue in accordance with a resolution of the directors on 17 April 2025.

The Consolidated Financial Statements of the Company for the period 1 January 2024 to 31 December 2024 comprise the Company and its subsidiaries (together referred to as "the Group" and individually as "group entities").

These Consolidated Financial Statements are presented in EUR, which is the Group's presentation currency and the functional currency of the Company. All amounts in these Consolidated Financial Statements are presented in thousands of EUR, unless otherwise stated. Rounding adjustments have been made in calculating some of the financial information included in these Consolidated Financial Statements.

These Financial Statements are prepared on a going concern basis, i.e. assuming that operations will continue for the foreseeable future, that is at least the next 12 months.

Any events and/or transactions significant to an understanding of the changes since 31 December 2023 have been included in these notes to the Consolidated Financial Statements.

The preparation of Financial Statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Consolidated Financial Statements are disclosed in Note 2.

Impact of new standards and amendments to standards
The below listed new standards, amendments and interpretations to standards have been issued. The Group intends to adopt these standards and interpretations if applicable and considered to be significant, when they become effective and mandatory.

The following **new standard and amendments** to standards **are mandatory** for the first time for the financial year beginning 1 January 2024 and **have been endorsed by the European Union:**

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as current or non-current' (effective 1 January 2024), affect only the presentation of liabilities in the statement of financial position — not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. They:
  - » Clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability;
  - » Clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.
  - » Clarify how conditions with which an entity must comply within 12 months after the reporting period, such as covenants, affect the corresponding liability's classification
- Amendments to IFRS 16 'Leases': Lease Liability in a Sale and Leaseback (effective 1 January 2024). The amendments explain how an entity accounts for a sale and leaseback after the date of the transaction, specifically where some or all the lease payments are variable lease payments that do not depend on an index or rate. They state that, in subsequently measuring the lease liability, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use it retains. Any gains and losses relating to the full or partial termination of a lease continue to be recognised when they occur as these relate to the right of use terminated and not the right of use retained.

These amendments are not applicable to the Belysse Group.

The following **amendments** have been issued, but are **not mandatory** for the first time for the financial year beginning 1 January 2024 and have **been endorsed by the European Union:**

- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability' (effective 1 January 2025). IAS 21 previously did not cover how to determine exchange rates in case there is long-term lack of exchangeability and the spot rate to be applied by the company is not observable. The narrow scope amendments add specific requirements on:
  - » Determining when a currency is exchangeable into another and when it is not;
  - » Determining the exchange rate to apply in case a currency is not exchangeable;
  - » Additional disclosures to provide when a currency is not exchangeable.

The following **standards and amendments** have been issued, but are **not mandatory** for the first time for the financial year beginning 1 January 2024 and have **not been endorsed by the European Union:**

- Amendments to IFRS 9 and to IFRS 7: the Classification and Measurement of Financial Instruments (effective on 1 January 2026). On 30 May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 to:
    - » Clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
    - » Clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
    - » Add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement environment, social and governance (ESG) targets); and
    - » Update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).
- IFRS 18 Presentation and Disclosure in Financial Statements (effective on 1 January 2027). The IASB has issued IFRS 18, the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:
    - » the structure of the statement of profit or loss;
    - » required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
    - » enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'.

IFRS 18 will apply for reporting periods beginning on or after 1 January 2027 and also applies to comparative information. The changes in presentation and disclosure required by IFRS 18 might require system and process changes.

Note 1.2. Consolidation

Subsidiaries

Subsidiaries are all entities for which the Group is exposed, or has rights, to variable returns from its involvement with an entity and has the ability to affect those returns through its power over the entity. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

The Group applies the acquisition method to account for business combinations. The consideration paid reflects the fair value of the assets transferred, the liabilities assumed and the equity instruments issued. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration agreement (for example, variable consideration contingent on future events such as achievement of post-acquisition earnings targets or success of a significant project).

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

Acquisition related costs are expensed in the income statement.

The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest and previously held interest in the entity acquired. For each business combination, the Group measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. The excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net recognised amount (generally at fair value) of the identifiable assets acquired and liabilities assumed is recognised as goodwill. Negative goodwill is recognised immediately in the income statement.

Intercompany transactions, balances and unrealised gains on transactions between Group entities are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred in which case the asset is impaired through the income statement. Accounting policies of subsidiaries are changed where necessary to ensure consistency with the policies adopted by the Group.

IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations) does not specify the treatment for the elimination of intercompany transaction between the discontinued and continuing operations. As an accounting policy Belysse Group opts to eliminate intercompany transactions within the income statement between the discontinued and continuing operations, in line with the required elimination of all intercompany balances for the BS presentation (IFRS10).

Segment reporting

Note 4 provides the Group's segment information, in line with IFRS 8. The Group will operate thus its remaining business through 2 segments, which are organised by region. The Europe segment designs, manufactures and distributes branded broadloom carpets (ITC & Arc Edition brand) and modular carpet tiles (modulyss brand). The US segment designs, manufactures and distributes modular carpet tiles mainly for offices and public projects through the Group's Bentley brand in the US.

Operating segments are reported in a manner consistent with the internal reporting provided to the Board and the Management Committee. Items that are provided on a monthly basis to the Management Committee are revenues, Adjusted EBITDA, net inventory, accounts receivable and capital expenditure. The segment information provided in Note 4 has been selected on this basis. It follows that other items such as total assets and liabilities per segment are not reviewed internally and hence not disclosed. Interest income, interest expense and taxes are managed centrally and accordingly such items are not presented by segment as they are excluded from the measure of segment profitability.

Note 1.3. Foreign currency translation

Functional and presentation currency

Items included in the Financial Statements of each of the Group entities are measured using the currency of the primary economic environment in which the entity operates ("the Functional Currency"). The Consolidated Financial Statements are presented in EUR, which is the Group's functional and the Group's presentational currency. All amounts are stated in thousands of EUR unless otherwise stated.

Transactions and balances

Foreign currency transactions are translated into the Functional Currency using the exchange rates prevailing at the dates of the transactions or date of valuation, in case of items that are re-measured at the reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Foreign exchange gains and losses that relate to cash and cash equivalents and borrowings, including borrowings, payables and receivables between Group entities that do not qualify as a net investment in a foreign operation are presented in the Consolidated statement of comprehensive income within "Finance income" and "Finance expenses". All other foreign exchange gains and losses are presented in the Consolidated statement of comprehensive income within "Other income" or "Other expenses" which are part of the operating profit.

The principal exchange rates that have been used to prepare these Financial Statements are as follows:

	31 December 2024		31 December 2023	
	Closing	**Average**	**Closing**	**Average**
USD	1.0389	1.0824	1.1050	1.0813
GBP	0.82918	0.84662	0.86905	0.86979

Group entities

The results and financial position of Group entities (none of which have the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each Statement of financial position presented are translated at the closing or year-end rate;
- income and expenses for each Statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised in "Other comprehensive income".

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments (if any), are taken to "Other comprehensive income". When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the Statement of comprehensive income as part of the gain or loss on sale.

Foreign exchange gains and losses that relate to borrowings and transactions between Group entities in a different currency compared to the functional currency, are presented in the Statement of comprehensive income within "Finance income" and "Finance expenses", if these borrowings do not qualify as a net investment in a foreign operation.

Foreign exchange gains and losses resulting from hedging instruments which are of a trading nature, are presented in "Other comprehensive income" before they vest. At vesting date the results are recognised in the Statement of comprehensive income within "Finance income" and "Finance expenses".

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Note 1.4. Property, plant and equipment

Property, plant and equipment are carried at acquisition cost less any accumulated depreciation and less any accumulated impairment loss. Cost of property, plant and equipment also includes the estimated cost of dismantling and removing the asset and restoring the site, to the extent that the provision is recognised under IAS 37 “Provisions, Contingent Liabilities and Contingent Assets”.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the Statement of comprehensive income during the financial period in which they are incurred.

Freehold land is not depreciated. Depreciation on other assets is calculated using the straight-line method, to allocate the costs over the estimated remaining useful lives, as follows:

Industrial and administrative buildings	
• Structural work	40-50 years
• Other elements	10-25 years
• Machinery	10-33 years
• Vehicles, transport equipment	5 years
• Furniture, fittings and equipment	5-15 years

Owned cars are depreciated to a residual value of 20% of the initial cost.

Spare parts purchased for particular items of machinery are capitalised and depreciated over the useful life not exceeding 4 years. Samples of products are capitalised and depreciated over 2 years.

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

Fair value adjustments as a result of Business Combinations are depreciated over the estimated remaining useful life of the applicable assets.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within “Other income” or “Other expenses” in the Statement of comprehensive income.

Note 1.5. Goodwill

Goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. Goodwill is tested annually for impairment and carried at cost in the underlying currency less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of a cash-generating unit include the carrying amount of goodwill relating to the cash-generating unit sold.

Note 1.6. Other intangible assets

Trademarks

Trademarks acquired in a business combination are recognised at fair value at the acquisition date. The fair market value is determined based on a net present value calculation corrected for the cost to be taken to further support the trademarks in the market. Trademarks have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of the trademarks over the shortest of their estimated useful lives or the period of the legal right which is for the current trademarks 10 years.

Software and licenses

Costs associated with acquiring software are capitalised at their cost price and are subsequently amortised over their estimated useful life using the straight-line method, or over the term of the contract, if this is shorter. The useful life is usually estimated at 5 years.

Expenditures for acquired licenses are capitalised at their cost price and are subsequently amortised over their estimated useful life using the straight-line method, or over the term of the contract, if this is shorter. The useful life is usually estimated at 5 years.

Internally generated software and other development cost

Costs associated with maintaining computer software programs are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of directly attributable overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which in general is between 3-5 years.

Note 1.7. Impairment of assets

Goodwill is not subject to amortisation and is tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. These values are generally determined based on discounted cash flow calculations. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Note 1.8. Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The Group records all gains or losses resulting from changes in fair value of derivatives in the Statement of comprehensive income within "Other income" or "Other expenses" to the extent that they relate to operating activities and within "Finance income" or "Finance expenses" to the extent that they relate to the financing activities of the Group.

Derivative financial instruments used to hedge the exposure to variability in future cash flows are designated as hedges under cash flow hedge accounting. The effective portion of changes in fair value as from the designation date of the cash flow hedge are recorded in the cash flow hedge reserve, part of "Other comprehensive income". Amounts recorded in the cash flow hedge reserve will be recognised in the Statement of comprehensive income in the same period or periods during which the hedged forecast transaction affects the Statement of comprehensive income. In case of the hedge of a forecast sales transaction, this coincides with the date upon which the revenue and trade receivable is recognised.

When the underlying hedged transactions no longer meet the criteria for hedge accounting, the cumulative gain or loss on the hedging instrument that has been recognised in "Other comprehensive income" from the period when the hedge was effective shall be reclassified from equity to profit or loss as a reclassification adjustment.

When the underlying hedged transaction is no longer expected to occur, the cumulative gains or loss on the hedging instrument that has been recognised in "Other comprehensive income" from the period when the hedge was effective shall be reclassified from equity to profit or loss as a reclassification adjustment.

Note 1.9. Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable values are reviewed on a regular basis and updated to reflect the estimated selling price less selling expenses, based on historical data and expectations. Cost is determined using the first-in, first-out ("FIFO") method. The cost of finished goods and work in progress comprises amongst other design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Based on a quantified methodology, provisions against the carrying value of inventories are recorded taking qualitative aspects into account including a lower of cost versus net realisable value assessment. These provisions are reviewed by management.

Note 1.10. Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less bad debt allowance. Trade receivables are reviewed on a continuing basis. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

The Group has applied IFRS 9 by applying the modified retrospective approach, by using the standard's simplified approach and calculated ECLs (Expected Credit Loss) based on lifetime expected credit losses. The Group has established a provision matrix. Trade receivables have been categorised by common characteristics that are representative of the customer's ability to pay (based on geographical region and type of customer such as retail, wholesale or construction & building, and delinquency status). The provision matrix is based on forecasted default rates published by Moody's, adjusted by scalar factors to reflect differences in the Group's view of current and expected economic conditions and historical conditions.

In addition to this general approach, the Group includes individually managed exposures on a case by case basis if not covered by the ECL model, and reflecting additional risk factors not yet included in the ECL model.

Note 1.11. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held on call with banks, other short-term highly liquid investments and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Statement of financial position.

Note 1.12. Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Note 1.13. Government grants

Government grants are recognised at their fair value when there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the Statement of comprehensive income within “Other income” over the period necessary to match them with the costs that they are intended to compensate against.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the Statement of comprehensive income on a straight-line basis over the expected useful lives of the related assets.

Note 1.14. Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Supplier finance arrangements are recognised as a financial liability unless the original trade payable is extinguished or its terms are significantly modified to the extent that it qualifies for de-recognition under IFRS 9 (we refer to de-recognition of financial assets and liabilities in Note 1.17).

Note 1.15. Classification liability or equity

Some instruments that have the legal form of a liability are, in substance, equity. A financial instrument is classified as a financial liability or an equity instrument depending on the substance of the arrangement rather than the legal form. Liabilities arise when the issuer is contractually obligated to deliver cash or another financial asset to the holder. An instrument is an equity instrument only if the issuer has no such obligation, i.e. it has an unconditional right to avoid settlement in cash or another financial asset. The ability to defer payment is not enough to achieve equity classification, unless payment can be deferred indefinitely. Generally an obligation for the entity to deliver its own shares is not a financial liability because an entity’s own shares are not considered its financial assets. An exception to this is where an entity is obliged to deliver a variable number of its own equity instruments.

Note 1.16. Senior Secured Notes, bank and other borrowings

Senior Secured Notes and bank and other borrowings are recognised initially at fair value, net of transaction costs incurred. They are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Note 1.17. De-recognition of financial assets and liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a “pass through” arrangement;
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where IFRS 9 de-recognition criteria are not met, the receivables continue to be recognised in the Statement of financial position, while the proceeds received by the Group under any financing/factoring arrangements are recognised as a financial liability.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or when the existing liability is transferred to a different lender and the Group obtains a legal release from the initial lender, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective amounts is recognised in the Statement of comprehensive income.

The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least ten per cent different from the discounted present value of the remaining cash flows of the original financial liability.

Note 1.18. Current and deferred income tax
The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except to the extent that it relates to items recognised in "Other comprehensive income" or directly in "Equity". In this case the tax is also recognised in "Other comprehensive income" or directly in "Equity", respectively.

The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the Statement of financial position date in the countries where the Group entities operate and generate taxable income. In line with paragraph 46 of IAS 12 'income taxes', management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate based on amounts expected to be paid to the tax authorities. This evaluation is made for tax periods open for audit by the competent authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the Statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis. Deferred tax is not discounted. IFRIC 23 'Uncertainty over income tax treatments'. This interpretation clarifies the accounting for uncertainties in income taxes. The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over whether tax assessed by a Group will be accepted by the tax authority. It is applied to both current and deferred tax where there is uncertainty over a Group's tax position. The Group made a detailed assessment of all tax uncertainties within the Group having the following implications on the accounting policies:

a. It has decided whether to consider its uncertain tax positions (UTPs) individually or collectively, based on which approach provided the best predictions of the resolution of the uncertainties with the tax authority;

b. It has assumed that the tax authority will examine the position (if entitled to do so) and will have full knowledge of all the relevant information;

c. On a case by case basis, the Group has decided to recognise a UTP (group of UTPs) using either the most likely amount or the expected value, depending on which is thought to give a better prediction of the resolution of each (group of) UTP(s), to reflect the likelihood of an adjustment being realised on examination.

Note 1.19. Provisions
Provisions for restructuring expenses, legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Note 1.20. Employee benefits

Pension obligations

IAS 19 distinguishes between two types of post-employment benefit plans:

- Defined contribution plans (DC plans) are post-employment benefit plans under which an enterprise pays fixed contributions into a separate entity (a fund or group insurance contract) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current or prior periods;

- Defined benefit plans (DB plans) are post-employment benefit plans other than defined contribution plans.

Group entities operate one defined benefit plan for a group of managers and various pension schemes funded through payments to insurance companies. Because of the Belgian legislation applicable to 2nd pillar pension plans (so-called “Law Vandenbroucke”), all Belgian defined contribution plans have to be considered under IFRS as defined benefit plans. Law Vandenbroucke states that in the context of defined contribution plans, the employers must guarantee a minimum return of 3.75% on employee contributions and 3.25% on employer contributions. However, shortly before year-end 2015, a change in the Belgian Law was enacted resulting in a decrease of the guaranteed return from 3.25% to a minimum interest rate defined based upon the Belgian 10-year interest rate but within the range 1.75% - 3.25%. The new rate (1.75% at 31 December 2024 and 31 December 2023) applies for the years after 2015 on future contributions and also on the accumulated past contributions as from 31 December 2015 if the financing organisation does not guarantee a certain result on contributions until retirement age. If the organisation does guarantee such a result, the historical rates still apply.

Because of this minimum guaranteed return, the employer is exposed to a financial risk: further contributions could be required if the return on the assets is not sufficient to reach the minimum benefits to be paid. The Group has post-employment benefit plans that are financed through insurance contracts. The projected unit credit method has been used as the actuarial technique to measure the defined benefit obligation. Note that for the bonus plans, a simplified approach is applied as it is not possible to predict future bonuses (which define future contributions). The fair value of the plan assets is based on §113 of IAS 19 and is defined as the present value of the retirement capitals guaranteed by the insurance company (using the tariffs as set out by the insurance company). The discount rate used takes into account the investment risk of financial institutions by referring to financial single A bonds. Therefore an additional gap is added to the Defined Benefit Obligation (“DBO”) discount rate which reflects the difference between AA rated corporate bonds and single A rated corporate bonds. At 31 December 2024 this gap was 40 basis points.

Other post-employment obligations

The Group does not have other post-employment obligations.

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises a liability and expense for termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the Group recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

In Belgium, the system of early retirement pensions ensures that elderly people who are dismissed by their employer or who are encouraged to terminate their employment and who fulfil certain conditions, are eligible to receive supplementary unemployment allowance, paid by their former employer, on top of the unemployment allowances paid by social security. This benefit is generally paid until normal retirement age, which is determined as 65 years for 2024.

Within the Group, several former employees benefit from the system of “early retirement fee or pension”, based on several Belgian Collective Labour Agreements (CLAs) in place for the sector (textielnijverheid en breiwerk/ industrie textile et de la bonneterie) or specifically for the Group. These CLAs describe the potential for employees in the sector to benefit from “early retirement fee or pension”, the creation of a sector fund (fonds voor bestaanszekerheid/ fonds de sécurité d’existence), part-time work, education and training etc. Certain CLAs exist for blue collar workers and others for white collar workers.

For those early retirement fees or pensions which are directly paid out by the employer, a provision should be made under IAS 19, determined as the present value of the best estimate of future cash flows. The discount rate used is based on the return on high quality corporate bonds (AA rated) of a maturity equivalent to the duration of the liabilities. The changes in pension liabilities are accounted for through Other comprehensive income when the changes relate to a change in actuarial assumptions from one year to another.

Bonus plans
Bonuses received by company employees and management are based on pre-defined Group and individual target achievement. The estimated amount of the bonus is recognised as an expense in the period the bonus is earned.

Share based payments
An equity-settled share-based payment transaction is a transaction in which the Group receives services as consideration for its own shares (or share options). The fair value of the services received in exchange for the grant of the shares (or share options) measured by reference to the grant date fair value of the shares (or share options), is recognised as an expense over the vesting period.

When share-based payment plans are cash-settled: the goods or services acquired and the liability are measured at the fair value of the liability. Until the liability is settled, the fair value of the liability is re-measured at the end of each reporting period and at the date of settlement with any changes in fair value recognised in profit and loss for the period.

Short-term employee benefits
These include wages, salaries and social security contributions, paid annual leave and sick leave, bonuses and non-monetary benefits, and are taken as an expense in the relevant period. All company managers are eligible for bonuses that are based on indicators including personal performance and key financial targets. The amount of the bonus is recognised as an expense, based on an estimation made at the end of the reporting period.

Note 1.21. Revenue recognition
Revenue from contracts
Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new standard establishes a five-step mode to account for revenue arising from contracts with customers. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The five steps are to identify the contract(s) with the customer, identify the performance obligations in the contract, determine the transaction price, allocate the transaction price to each performance obligation and recognise revenue as each performance obligation is satisfied.

The Group has assessed each of the revenue streams from an IFRS 15 revenue recognition perspective (as disclosed in Note 4) and has concluded that IFRS 15 does not have an impact on the amount and timing of revenue recognition. In adopting IFRS 15, the Group has considered the following:

Recognition of revenue from distinct performance obligations
The Group has analysed its contracts with customers to determine all its performance obligations. Performance obligations arising from the Group's sales contracts are mainly order-driven customer deliveries related to the sale of goods. Services mostly have an ancillary role in the Group's business operations, or they complement deliveries of goods. The Group did not identify any distinct performance obligations that should be accounted for in accordance with IFRS 15.

Variable considerations
Some contracts with customers provide volume rebates, financial discounts, price concessions or a right of return for quality claims. Revenue from these sales are recognised based on the price specified in the contract, net of returns and allowances, trade discounts and volume rebates. During a financial year, the presentation of the effect of a variable price component can be based on management's judgement of discount drivers, for example the sales quantity reached with a given customer during the year. IFRS 15 does not change the principles applied by the Group to the determination or allocation of the transaction price.

Recognising revenue as each performance obligation is satisfied
According to IFRS 15, revenue is recognised in the period during which the customer assumes control of the delivered goods. The Group delivers goods under contractual terms based on internationally accepted delivery conditions (Incoterms) and has concluded that the transfer of risks and rewards generally coincides with the transfer of control at a point in time under Incoterms. Consequently, the timing of revenue recognised for the sales of its products does not change under IFRS 15.

Warranty obligations
The Group provides assurance-type warranties that the products sold comply with agreed-upon specifications. These warranties do not qualify as a separate service (performance obligations) and hence will continue to be accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets, consistent with past practice.

Interest income
Interest income is recognised using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate, and continues unwinding the discount as interest income. Interest income on impaired loans and receivables are recognised using the original effective interest rate.

Dividend income
Dividend income is recognised when the right to receive payment is established.

Impairment losses on trade receivables or contract assets
The Group applies IFRS 9 in relationship to the impairment losses on trade receivables (refer to Note 1.10). The Group has no significant contract balances where either the Group has performed the Performance Obligation (PO) for which no billing has occurred yet, or alternatively has received advance payments for which the PO has not been satisfied.

Note 1.22. Leases
The Group leases certain property, plant and equipment.

IFRS 16 "Leases" (effective 1 January 2019). As of 1 January 2019, the Group changed its accounting policies to adopt IFRS 16. IFRS 16 has replaced IAS 17 Leases, and is a far-reaching change in accounting by lessees in particular. Under IAS 17, lessees were required to make a distinction between a lease (on-balance sheet) and an operating lease (off-balance sheet). IFRS 16 requires lessees to recognise a lease liability reflecting future lease payments and a right- of-use asset for virtually all lease contracts. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Under the IFRS 16 adoption method chosen by the Group (modified retrospective approach), prior years are not restated to conform to the new policies. Hence, the Group opted to measure the right-of-use asset at an amount equal to the lease liability at opening (no prepaid nor accrued lease expenses). Consequently, the year over year changes in profit, assets and liabilities and cash flows are impacted by the new policies.

The new accounting standard results in almost all leases being recognised on the balance sheet (except for low-value assets or leases with a lease term of 12 months or less which are accounted for in the Statement of comprehensive income).

Under the new standard, an asset (the right-to-use asset) and a liability to make lease payments (the lease liability) are recognised. The right-to-use asset of the leased assets are capitalised under property, plant and equipment and comprises the net present value of the lease. The corresponding lease liability is subdivided into current (lease payment within 12 months) and non-current liabilities. For each lease contract at the application date, an estimate has been made for the duration of the contract including an optional lease period in case there is reasonably certainty that the option would be extended.

Lease terms remain unchanged, unless an occurrence of a significant event or a significant change in circumstances that are in control of the lessee impacted the duration of the lease, in that case, the lease term will be reassessed.

The Group also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date, the Group relied on its assessments made applying IAS 17 and Interpretation 4 Determining whether an Arrangement contains a Lease.

At the commencement date of a lease, lessees recognise a lease liability (i.e. a liability to make lease payments), and a right-of-use asset (i.e. an asset representing the right to use the underlying asset over the lease term). The lease liabilities are recognised at the present value of the remaining lease payments. The right-of-use asset is depreciated over the term of the lease. Interest expense is recognised on the lease liability. The lease liability is remeasured upon the occurrence of certain events (e.g. a change in the lease term or a change in future lease payments resulting from a change in index). Such remeasurements of the lease liability will generally be recognised as an adjustment to the right-of-use asset.

The Group applies the lease recognition exemptions for short-term leases and leases for which the underlying asset is of low value. The Group elects, by class of underlying asset, not to separate non-lease components from lease components and instead accounts for each lease component and any associated non-lease component as one single lease component.

In relation to our financing agreements, the documentation provides for the effect of changes in accounting standards to be neutralized. As such, the application of IFRS 16 has no consequences for the Group's financing. We will continue to calculate Leverage in line with the definition in our financing agreements.

Note 1.23. Dividend distribution
Dividend distribution to the Company's shareholders is recognised as a liability in the Group's Financial Statements in the period in which the dividends are approved by the Company's shareholders.

Note 1.24. Cash flow statement
The cash flows of the Group are presented using the indirect method. This method reconciles the movement in cash for the reporting period by adjusting net profit for the year for any non-cash items and changes in working capital, and identifying investing and financing cash flows for the reporting period.

Note 1.25. Non-GAAP measures
The following alternative performance measures (non-IFRS) have been used as management believes that they are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity. The alternative performance measures may not be comparable to similarly titled measures of other companies, have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our operating results, our performance, or our liquidity under IFRS.

Organic Growth is defined as growth excluding (i) FX impacts, which comprise the translation of key foreign entities and (ii) M&A impacts.

Adjusted Earnings per share is defined as profit / (loss) for the period adjusted for (i) the impact of the purchase price allocation mainly on change in inventories, (ii) gains on asset disposals, (iii) integration and restructuring expenses, (iv) non-recurring finance expenses and (v) non-recurring tax effects, divided by the number of shares of Belysse Group NV.

Adjusted EBITDA is defined as operating profit / (loss) adjusted for (i) the impact of the purchase price allocation mainly on changes in inventories, (ii) gains on asset disposals, (iii) integration and restructuring expenses, (iv) depreciation / amortisation and (v) impairment and write-offs.

Adjusted EBITDA margin is defined as the Adjusted EBITDA as a percentage of revenue.

Adjusted Operating Profit/Loss is defined as operating profit / (loss) adjusted for (i) the impact of the purchase price allocation mainly on changes in inventories, (ii) gains on asset disposals, (iii) integration and restructuring expenses and (iv) impairment and write-off.

Gross Debt is defined as (i) Term Facility adjusted for the financing fees included in the carrying amount, (ii) Notes maturing in 2030 and (iii) Bank and other borrowings adjusted for capitalised financing fees.

Net Debt is defined consistent versus previous period as (i) Term Loan, (ii) Notes maturing in 2030, (iii) Bank and other borrowings (and where noted IFRS16 liabilities) less (iv) cash and cash equivalents.

Net-investment or Net-CAPEX is defined as of the sum of all investments in tangible and intangible fixed assets adjusted for proceeds from sales of fixed assets.

Leverage is defined as the ratio of Net Debt to Adjusted EBITDA (both excluding IFRS 16 impacts as per previous reporting, except for sale and leaseback transactions).

Note 2. Critical accounting estimates and judgements

The amounts presented in the Financial Statements involve the use of estimates and assumptions about the future. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions will seldom equal the related actual results. The estimates and assumptions that could have an impact on the Financial Statements are discussed below.

Goodwill
The amount of goodwill initially recognised as a result of a business combination is dependent on the allocation of the purchase price to the fair value of the identifiable assets acquired and the liabilities assumed. The determination of the fair value of the assets and liabilities is based, to a considerable extent, on management's judgement. Allocation of the purchase price affects the results of the Group as finite life intangible assets are amortised, whereas indefinite life intangible assets, including goodwill, are not amortised and could result in differing amortisation charges based on the allocation to indefinite life and finite life intangible assets.

Impairment testing
IFRS requires management to undertake an annual test for impairment of indefinite life assets and, for finite life assets, to test for impairment if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment testing is an area involving management judgement, requiring assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters including management's expectations of:

- growth in Adjusted EBITDA, calculated as adjusted operating profit before depreciation and amortisation;
- timing and quantum of future capital expenditure;
- long-term growth rates;
- the selection of discount rates to reflect the risks involved.

Changing the assumptions selected by management, in particular the discount rate and growth rate assumptions used in the cash flow projections, could significantly affect the Group's impairment evaluation and hence results. The Group's review includes the key assumptions related to sensitivity in the cash flow projections. Further details are provided in Note 5.

Income taxes
The Group operates in various tax jurisdictions and therefore has to determine tax positions under respective local tax laws and tax authorities' views which can be complex and subject to different interpretations between taxpayers and local tax authorities. The Group incurs costs centrally which are allocated to subsidiaries in different jurisdictions and which exposes the Group to inherent tax risks, as is the case for all companies operating in an international context. Based on these tax risks, management performed a detailed assessment for uncertain tax positions which resulted in provisions recorded for these uncertainties, in line with IFRIC 23.

IFRIC 23 'Uncertainty over income tax treatments' (effective 1 January 2019). This interpretation clarifies the accounting for uncertainties in income taxes. The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over whether tax assessed by a Group will be accepted by the tax authority. It is applied to both current and deferred tax where there is uncertainty over a Group's tax position. The Group made a detailed assessment of all tax uncertainties within the Group having the following implications on the accounting policies:

a. It has decided whether to consider its uncertain tax positions (UTPs) individually or collectively, based on which approach provided the best predictions of the resolution of the uncertainties with the tax authority;
b. It has assumed that the tax authority will examine the position (if entitled to do so) and will have full knowledge of all the relevant information;
c. On a case by case basis the Group has decided to recognise a UTP (group of UTPs) using either the most likely amount or the expected value, depending on which is thought to give a better prediction of the resolution of each (group of) UTP(s), to reflect the likelihood of an adjustment being realised on examination.

The total IFRIC 23 provision amounts to €2.9m for 2024 compared to €4.5m last year.

The Group has tax credits in respect of losses carried forward and Dividend Received Deduction (relief for dividend payments by qualifying EU subsidiaries to qualifying EU parent companies, to avoid double taxation of dividend income). These tax credits can be used to offset against future taxable profits. The valuation of this asset depends on a number of judgemental assumptions regarding the future taxable profits of different Group subsidiaries in different jurisdictions and on the outcome of tax planning strategies. These estimates are made prudently based on current knowledge and reasonable long-term projections. Where circumstances to change, and the final tax outcome would be different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Trade receivables
In applying IFRS 9, the Group makes significant judgements in determining the realisable value in respect to trade receivables. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the lifetime expected credit losses, the Group has established a provision matrix. The Group included the following parameters: probability of default and the exposure at default (including estimated coverage by credit insurance). In order to approximate these parameters, the trade receivables have been categorised based on common characteristics (mainly geographical area, type of customer and the days past due). The provision matrix is based on forecasted default rates published by Moody's, adjusted by scalar factors to reflect differences in the Group's view of current and expected economic conditions and historical conditions. In addition to this generalised approach, the Group included individually managed exposures on a case by case basis, if not covered by the ECL model.

Customer rebates
The Group also needs to make some judgements in determining accruals for customer rebates as presented in the Statement of Financial Position, "Other payables". When estimating the rebates payable, the Group uses all available information, including historical and forecast results and takes into consideration the type of customer, the type of transaction and the specifics of each arrangement. Refer to revenue recognition, Note 1.21.

Property, plant and equipment
The Group needs to make some judgements in determining the useful life of the intangible and tangible assets. We refer to note 1.4 where we give an overview of the estimated useful lives per asset category. The assets' useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Leases
In applying IFRS16, the Group makes some judgements on the lease terms. For each lease contract at the application date, an estimate has been made for the duration of the contract including an optional lease period in case there is reasonably certainty that the option would be extended. The lease terms remain unchanged, unless an occurrence of a significant change in circumstances that are in control of the lessee impacted the duration of the lease, in that case, the lease term will be reassessed. We refer to Note 1.22.

Note 3. Reconciliation of non-GAAP measures

The table below shows the impact of non-recurring items on the Combined statement of comprehensive income for the period and provides a reconciliation between the reported information and the non-GAAP measures as presented in these Financial Statements.

(€ thousands)	2024	2023
Revenue	280,381	300,918
Raw Material Expenses	(109,418)	(124,174)
Changes in inventories	(424)	(11,018)
Employee benefit expenses	(76,532)	(76,021)
Other income	891	929
Other expenses	(52,459)	(56,956)
Adjusted EBITDA[1]	**42,440**	**33,678**
Depreciation / amortisation	(19,582)	(19,890)
Adjusted Operating Profit[1]	**22,857**	**13,788**
Integration and restructuring expenses	133	(3,069)
Operating profit / (loss)	**22,990**	**10,718**
Finance income	14,199	367
Finance expenses	(24,288)	(18,795)
Net finance expenses	**(10,089)**	**(18,428)**
Profit / (loss) before income taxes	**12,901**	**(7,710)**
Income tax benefit / (expense)	(2,328)	(3,386)
Profit / (loss) for the period	**10,573**	**(11,095)**

[1] Adjusted Operating Profit and Adjusted EBITDA are non-GAAP measures as defined in Note 1.25.

The net impact of non-recurring items on 2024 net result was a positive €0.1m (€0.00 per share) vs. a negative €3.1m (€0.09 per share) in 2023. The benefit in 2024 is mainly driven by a true-up of strategic advisory fees, which was partly offset by one-off costs linked to the execution of a fixed expense reduction program that was implemented in Europe.

Note 4. Segment reporting

Segment information is presented in respect of the Group's business segments as defined earlier. We refer to Note 1.2 for more information on the EU and US segment. The performance of the segments are reviewed by the Group's chief operational decision making body, which is the Management Committee.

(€ thousands)	2024	2023
Revenue by segment	**280,381**	**300,918**
Europe	125,854	140,089
US	154,527	160,829
Revenue by geography	**280,381**	**300,918**
Europe	108,067	118,038
North America	157,488	164,590
Rest of World	14,826	18,289
Adjusted EBITDA by segment[1]	**42,440**	**33,678**
Europe	10,396	3,043
US	32,044	30,635
Net Capital expenditure by segment	**10,200**	**11,790**
Europe	6,461	7,175
US	3,739	4,615
Net inventory by segment	**49,608**	**52,257**
Europe	29,403	30,927
US	20,205	21,330
Trade receivables by segment	**16,507**	**21,799**
Europe	4,474	6,503
US	12,033	15,296

[1] We refer to Note 1.25 where we provide a glossary of the non-GAAP measures.

Given the international sales footprint of the Group, 98% of revenue is realised outside Belgium, with sales in Belgium being equal to around €4.8m in 2024 (2023: €6.2m).

All revenue mentioned in the table reflects the revenue related to contracts with customers, recognised in accordance with IFRS 15. The Group has recognised this revenue at a point in time, in accordance with the accounting policies as disclosed in Note 1.21.

We have no customers that represent more than 10% of total sales.

Note 5. Goodwill

The goodwill represents, amongst other things, the value of the longstanding customer relationships, the Group's market position, brand and reputation, as well as the value of the Group's workforce.

The goodwill impairment test is performed at the level of a cash-generating unit ("CGU") or a group of cash-generating units ("CGUs"), which is the lowest level at which goodwill is monitored for internal management purposes. Our CGUs are in line with our segments. After the Divestment there are 2 geographical segments, Europe and US. In the US there is one cash generating unit. Also in Europe all the assets should be grouped together to identify the smallest group of assets generating cash inflows independent of the cash inflows from other assets since the two production plants are operationally completely connected with each other to produce tiles and broadloom for both residential and commercial businesses. Decisions on resource allocation and capex towards both of the European plants are taken for the business as a whole. The European management level is fully centralised and comprises following main functions: production, procurement, HR, product development, supply chain and finance. There is one key manager responsible for both plants in Europe and it is impossible to split assets to allocate them to the residential and commercial business separately since they are fully incorporated.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the CGUs that are expected to benefit most from the business combination. Consequently, the goodwill arising from the acquisition of Balta Finance and after the write-down of the goodwill on our in 2022 sold Rugs business (€94.3m) amounts to €107.7m and was allocated to Europe (€30.4m), whilst the goodwill arising from the acquisition of Bentley has been allocated to US (€77.3m).

The impairment testing has been performed as at 31 December 2024.

Based on the comparison of the "value in use" (derived using discounted cash flow analysis) and the carrying amount (book value of capital employed) per CGU as at 31 December 2024, the Group has been able to demonstrate that the recoverable amount exceeds the carrying amount and hence the goodwill is not impaired. The "value in use" calculations use cash flow projections (which include EBITDA, working capital movements, capital expenditure and taxes) and are based on financial projections covering a five-year period. Estimates beyond this five-year period are calculated using a growth rate that reflects the long-term growth rate applicable to the CGU, moderated to reflect management's view of long-term earnings across the cycle.

Key assumptions on which management has based its determinations of the "value in use" include terminal value growth rates of 1% for Europe and 2% US (2023: 1% and 2% respectively) and an after-tax discount rate of 10.2% (2023: 9.9%).

The "value in use" is mainly driven by the terminal value which is particularly sensitive to changes in the assumptions on the terminal value growth rate and discount rate. Discount rates are based on the weighted average cost of capital. This weighted average cost of capital is benchmarked with comparable competitors. Terminal value growth rates take into consideration external macroeconomic sources of data and industry specific trends. The table below includes the CGUs to which goodwill has been allocated and presents the value these two assumptions need to be independently in order to reduce the "value in use" to the carrying amount.

Sensitivity analysis per CGU	Minimal growth rate	Maximum discount rate
Europe	(1.3)%	11.6%
US	(25.4)%	20.1%

Movements compared to prior year solely relate to changes in exchange rate.

Note 6. Employee benefit expenses

The following table sets forth employee benefit expenses for the years ended 31 December 2024 and 2023:

(€ thousands)	2024	2023
Total employee benefit expenses	**76,532**	**76,021**
Wages and salaries	53,996	53,652
Social security costs	11,534	11,390
Pension costs	4,037	3,886
Other employee benefit expenses	6,966	7,092

The employee benefit expenses increased slightly by €0.5m, mainly due to the inflation on the different payroll cost components.

The average number of employees in 2024 and 2023 was respectively 978 and 1,074 (both in full time equivalents). Part-time employees are included on a proportionate basis.

	2024	2023
Average number of total employees	**978**	**1,074**
Average number of employees blue collar	671	741
Average number of employees white collar	307	333

Note 7. Other income and expenses

(€ thousands)	2024	2023
Other income	**891**	**929**
Foreign exchange gains	105	36
Rental income from solar rooftop installations	267	431
Grants	13	182
Gain on sale of fixed assets	119	-
Other	388	281
Other expenses	52,459	56,956
Services and other goods	32,205	34,792
Selling expenses	19,562	21,380
Foreign exchange losses	87	119
Real estate tax	782	828
Other	(177)	(164)

Other income largely comprises a gain in relation to foreign exchange movements, rental payments received from third parties who lease the space to install solar panels and gain on sale of fixed assets.

Other expenses decreased by €4,5m to €52,5m for the year ended 31 December 2024 from €57,0m for the year ended 31 December 2023. The main component of other expenses is services and other goods which mainly includes electricity and gas, maintenance and repair and interim blue collars. Selling expenses mainly include freight and commissions. The decrease in other expenses is mainly driven by the lower energy and transportation spendings.

The costs of research and development are also included within "Other expenses".

The Group incurred €5.7m of research and development expenses during the 12 months ended 31 December 2024 (2023: €6.1m). One of the competitive advantages of our business is our long history of creativity and innovation. The Group aims to leverage research and development to continually optimise the production capacity and provide designs that appeal to our customers. Trends in product design and innovation are closely monitored through continuous testing and analysis, with a focus on anticipating customers' preferences and market developments.

Note 8. Depreciation / amortisation

The components of depreciation and amortisation can be summarised as follows:

(€ thousands)	2024	2023
Depreciation/amortisation	**19,582**	**19,890**
Amortisation of intangible assets	1,679	1,711
Depreciation property, plant and equipment	17,903	18,179

Depreciation / amortisation amounts to €19.6m, a decrease of €0.3m compared to 2023.

Note 9. Integration and restructuring expenses

The total integration and restructuring expenses incurred in 2024 amount to €(0.1)m (2023: €3.1m). This comprises various items which are considered by management as non-recurring or unusual by nature.

(€ thousands)	2024	2023
Integration and restructuring expenses	**(133)**	**3,069**
Strategic advisory fees	(626)	1,993
Reorganisation	493	1,077

The benefit in 2024 is mainly driven by a true-up of strategic advisory fees, which was partly offset by one-off costs linked to the execution of a fixed expense reduction program that was implemented in Europe. The 2023 expense was mainly driven by the one-off cost for the fixed expense reduction program executed in Europe and strategic advisory fees.

Note 10. Finance income / expenses

(€ thousands)	2024	2023
Finance income	**14,199**	**367**
Discount on settlement Senior Secured Notes	13,387	-
Other finance income	453	367
Income on term deposits	256	-
Foreign exchange result on interco transactions	79	-
Foreign exchange result on financial transactions	24	-

(€ thousands)	2024	2023
Total finance expenses	**24,288**	**18,795**
Interest expense on Term Facility	14,847	-
Interest expense on Senior Secured Notes	1,247	15,177
Interest expense on Lease liabilities	1,689	1,781
Interest expense on Bank borrowings	592	709
Foreign exchange result on interco transactions	-	(106)
Unrealised foreign exchange result on financial transactions	3,156	-
Changes in fair value of the derivative financial instrument	1,547	-
Other finance costs	1,209	1,235

The net finance expense amounts to €10.1m in 2024, and primarily contains the interest related to external borrowings (Term facility, Senior Secured Notes, Super Senior Revolving Credit Facility and Leasing obligations). Refer to Notes 21 until 24 for a description of these facilities. Compared to 2023, the net financing cost decreased from €18.4m to €10.1m in 2024 and reflects mainly the aggregated effect of the settlement in February 2024 of the Senior Secured Notes maturing end of 2024 at a €13.4m discount and the cost on Belysse's financial debt and leases, which includes €1.5m fair value of the derivative financial instrument (see note 21) as well as €3.2m unrealized FX losses on the USD tranche of the new Term Facility.

Other finance costs mainly relate to factoring, commitment fees and other bank related charges. The effective interest expense for the Term Facility comprises cash interest of €7.4m, PIK interest of €5.7m and the amortisation of capitalised financing fees of €1.7m.

Note 11. Income tax benefit / expense

(€ thousands)	2024	2023
Income tax benefit / (expense)	**(2,328)**	**(3,386)**
Current tax	(5,394)	(3,290)
Deferred tax	3,065	(96)
Income tax benefit / (expense)	**(2,328)**	**(3,386)**
Income tax calculated at Belgian tax rate (25%)	(3,225)	1,927
Rate differential due to transactions with foreign entities	(288)	(269)
Disallowed expenses	(1,944)	(2,174)
Tax losses for which no deferred tax asset is recognised	-	(3,007)
Utilization and recognition of previously not recognized tax assets	3,018	-
Other	112	137

The Group reported a tax expense for 2024 of €2.3m (€3.4m for 2023) based on an overall profit before tax of €12.9m (loss before tax of €7.7m for 2023). This amount mainly results from the taxing of the profits at our US division and the usage of historic losses mainly related to the gain on the repayment of the Senior Secured Notes.

Note 12. Other intangible assets

(€ thousands)	Trademark	Software and licenses	Internally generated intangible assets	Total
Opening net book value at 1 January 2023	**4,649**	**326**	**457**	**5,432**
Additions	-	1,332	-	1,332
Disposals	-	-	-	-
Transfers	-	333	-	333
Amortisation charge	(1,056)	(282)	(374)	(1,711)
Exchange differences	(162)	(13)	-	(174)
Closing net book value 31 December 2023	**3,432**	**1,697**	**84**	**5,212**
Cost or fair value	10,559	2,793	3,085	16,437
Accumulated amortisation, impairment and other adjustments	(7,127)	(1,096)	(3,002)	(11,225)
Closing net book value at 31 December 2023	**3,432**	**1,697**	**84**	**5,212**
Opening net book value at 1 January 2024	**3,432**	**1,697**	**84**	**5,212**
Additions	-	915	-	915
Disposals	-	-	-	-
Transfers	-	68	-	68
Amortisation charge	(1,117)	(478)	(84)	(1,679)
Exchange differences	212	(29)	-	183
Closing net book value 31 December 2024	**2,527**	**2,171**	**-**	**4,698**
Cost or fair value	11,230	3,656	3,085	17,972
Accumulated amortisation, impairment and other adjustments	(8,704)	(1,485)	(3,085)	(13,274)
Closing net book value at 31 December 2024	**2,527**	**2,171**	**-**	**4,698**

The trademark of €2.5m relates to the acquisition of Bentley.

The total amortisation expense of €1.7m (2023: €1.7m) is included in the line “Depreciation, amortisation and impairment” in the Statement of comprehensive income.

Note 13. Property, plant and equipment

(€ thousands)	Land and buildings	Plant and machinery	Other Equipment	Total
Opening net book value at 1 January 2023	**51,245**	**50,025**	**6,908**	**108,178**
Additions	200	6,377	5,931	12,509
Disposals	-	(82)	(50)	(131)
Transfers	301	911	(1,546)	(333)
Depreciation charge	(5,952)	(7,223)	(5,005)	(18,179)
Exchange differences	(832)	(267)	(149)	(1,247)
Closing net book value 31 December 2023	**44,963**	**49,742**	**6,090**	**100,795**
Cost or fair value	89,660	166,322	14,372	270,354
Accumulated depreciation, impairment and other adjustments	(44,697)	(116,580)	(8,282)	(169,559)
Closing net book value at 31 December 2023	**44,963**	**49,742**	**6,090**	**100,795**
Opening net book value at 1 January 2024	**44,963**	**49,742**	**6,090**	**100,795**
Additions	2,591	7,154	5,254	14,999
Disposals	-	(13)	(28)	(41)
Transfers	-	550	(617)	(68)
Depreciation charge	(6,148)	(6,532)	(5,223)	(17,903)
Exchange differences	764	925	145	1,834
Closing net book value 31 December 2024	**42,170**	**51,825**	**5,620**	**99,615**
Cost or fair value	90,441	171,682	13,278	275,402
Accumulated amortisation, impairment and other adjustments	(48,272)	(119,857)	(7,658)	(175,787)
Closing net book value at 31 December 2024	**42,170**	**51,825**	**5,620**	**99,615**

In 2024, a total of €15.0m (2023: €12.5m) has been added. The main investments in 2024 were in plant and machinery and other equipment.

The total depreciation expense of €17.9m (2023: €18.2m) has been charged to “Depreciation and amortisation” in the Statement of comprehensive income.

(€ thousands)	Right-of-use assets	Owned PP&E	Total PP&E
As at 31 December 2023	**46,473**	**54,322**	**100,795**
Additions	4,613	10,386	14,999
Disposals	940	(981)	(41)
Depreciations	(8,318)	(9,586)	(17,903)
Transfer	-	(68)	(68)
FX impact	1,084	750	1,834
As at 31 December 2024	**44,793**	**54,822**	**99,616**

(€ thousands)	2024	2023
Right-of-use assets - Land and Buildings	**38,516**	**41,407**
Cost - Capitalised leases	80,972	80,595
Accumulated depreciation	(42,457)	(39,188)
Right-of-use assets - Plant and machinery	**6,277**	**5,066**
Cost - Capitalised leases	11,896	9,246
Accumulated depreciation	(5,619)	(4,180)
Right-of-use assets - Total leased Property, Plant & Equipment	**44,793**	**46,473**
Cost - Capitalised leases	92,868	89,841
Accumulated depreciation	(48,075)	(43,368)

The Group's assets which are pledged as security for the borrowings are described in Notes 21 to 23.

A soil contamination is present at one of the European production sites. In the course of 2024, the detailed investigation for soil contamination has been closed and the descriptive soil survey was finalised. It is concluded that the Company is partially responsible for the contamination and soil remediation will be required. A soil remediation project is determined. However the groundwater investigation is still open. As part of further investigations, risk assessment and groundwater modelling, it can be concluded that no remediation is required or a remediation plan needs to be agreed upon including O&M costs of the water treatment unit and additional costs for source area and sediment. Depending on the source of the contamination, it may be demonstrated that the Company is not responsible. Based on this assessment, management concluded that the amount of the obligation, if any, cannot be measured with sufficient reliability and the source, hence responsibility for this historical case, is unknown. In accordance with IAS 37, management concluded that this is a contingent liability to be disclosed.

Note 14. Deferred income tax assets and liabilities

IFRS requires the deferred taxes for each jurisdiction to be presented as a net asset or liability. Offsetting deferred tax liabilities from one jurisdiction against deferred tax assets of another jurisdiction is not allowed. The table below presents the net deferred tax position in accordance with these presentation principles.

(€ thousands)	2024	2023
Total Deferred tax assets	**1,372**	**426**
Deferred tax assets to be reversed after more than 12 months	1,269	394
Deferred tax assets to be reversed within 12 months	103	32
Total Deferred tax liabilities	**(3,842)**	**(5,814)**
Deferred tax liabilities to be reversed after more than 12 months	(3,413)	(5,166)
Deferred tax liabilities to be reversed within 12 months	(429)	(649)
Net deferred tax liabilities	**(2,470)**	**(5,388)**

The movement in the net deferred tax positions can be summarised as follows:

(€ thousands)	2024	2023
At 1 January	**(5,388)**	**(5,526)**
Exchange differences	(57)	26
Other comprehensive income	123	(40)
Income statement charge	2,851	153
At 31 December	**(2,470)**	**(5,388)**

In contrast to the table above, the table below shows the movement in deferred taxes on a gross basis, i.e. without netting deferred tax liabilities and deferred tax assets within the same jurisdiction.

Deferred tax assets

(€ thousands)	Tax losses carried forward	Intangible assets	Borrowings	Employee benefits	Inventory	Provisions	Other	Total
At 1 January 2023	**4,032**	**-**	**-**	**33**	**984**	**1,692**	**1,344**	**8,084**
(Charged)/credited to the income statement	1,162	-	-	42	(542)	(152)	(259)	251
Exchange differences	-	-	-	-	(12)	(43)	-	(55)
Other comprehensive income	-	-	-	(40)	-	-	-	(40)
At 31 December 2023	**5,194**	**-**	**-**	**34**	**429**	**1,497**	**1,084**	**8,239**
At 1 January 2024	**5,194**	**-**	**-**	**34**	**429**	**1,497**	**1,084**	**8,239**
(Charged)/credited to the income statement	271	(390)	387	(7)	378	418	41	1,096
Exchange differences	-	-	-	-	(92)	(222)	-	(315)
Other comprehensive income	-	-	-	123	-	-	-	123
At 31 December 2024	**5,465**	**(390)**	**387**	**151**	**715**	**1,693**	**1,125**	**9,144**

In assessing the realisability of deferred tax assets, management considers the extent to which it is probable that the deferred tax asset will be realised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry forwards become deductible. Management considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes it is probable the Group will realise the benefits of these deductible differences. As of 31 December 2024, the Group has certain tax losses subject to significant limitations. For those losses, deferred tax assets are not recognised, as it is not probable that gains will be generated to offset those losses. Uncertain tax positions, as described in Note 2, are taken into account when recognising deferred tax assets and liabilities.

As of 31 December 2024, total tax credits amounted to €433.2m, resulting in a potential deferred tax asset of €108.3m of which we only recognised €5.5m at the end of 2024. The majority of the tax credits are incurred at the level of the Group entities in Belgium, where there is no expiry date regarding the tax credits.

Deferred tax liabilities

(€ thousands)	Property, plant and equipment	Intangible assets	Inventory	Other	Total
At 1 January 2023	**(12,220)**	**(503)**	**(775)**	**(111)**	**(13,610)**
(Charged)/credited to the income statement	(50)	686	229	(963)	(98)
Exchange differences	102	(5)	-	(16)	81
At 31 December 2023	**(12,168)**	**178**	**(546)**	**(1,091)**	**(13,627)**
At 1 January 2024	**(12,168)**	**178**	**(546)**	**(1,091)**	**(13,627)**
(Charged)/credited to the income statement	(347)	1,146	(117)	1,073	1,755
Exchange differences	473	(107)	-	(109)	258
At 31 December 2024	**(12,042)**	**1,217**	**(663)**	**(126)**	**(11,614)**

Deferred income tax liabilities have not been recognised for the withholding tax and other taxes that would be payable on the unremitted earnings of certain subsidiaries. Such amounts are permanently reinvested. Aggregate unremitted earnings are equal to €44.9m as of 31 December 2024 (as compared to €46.4m as of 31 December 2023). Adding up the gross amounts of deferred tax assets of €9.1m and gross amount of deferred tax liabilities (€11.6m) results in a net deferred tax liability position at 31 December 2024 of €2.5m.

Note 15. Inventories

The table below provides a breakdown of total inventories as at 31 December:

(€ thousands)	2024	2023
Total inventories	**49,608**	**52,257**
Raw materials and consumables	23,070	25,295
Work in progress	14,174	14,860
Finished goods	12,363	12,102

Inventories decreased from €52.3m to €49.6m. Inventory decrease is in line with lower degree of demand and activity in 2024 compared to 2023, as well as lower input prices.

The Group increased the provision for obsolete inventory in 2024 by €0.3m compared to a decrease of €0.3m for 2023 which is included in the Consolidated Statement of Comprehensive income under “Raw materials used” and “Changes in inventories of finished goods and work in progress”.

The sum of raw material expenses and changes in inventories recognised as expenses in 2024 amounts to €109.8m as compared to €135.2m in 2023.

The Group’s assets pledged as security for the Term Facility, Senior Secured Notes and borrowings are described in Notes 21 to 23.

Note 16. Trade and other receivables

(€ thousands)	2024	2023
Total Trade and other receivables	**18,127**	**28,963**
Trade and other receivables (non-current)	**624**	**586**
Other amounts receivable	624	586
Trade and other receivables (current)	**17,503**	**28,377**
Net trade receivables	16,507	21,799
Trade receivables	16,782	22,368
Less: Bad debt allowance	(274)	(570)
Prepayments and accrued income	819	5,531
Other amounts receivable	177	1,047

The fair value of trade and other receivables approximates their carrying amount as the impact of discounting is not significant. As part of its normal course of business, the Group has entered into non-recourse factoring agreements with financial parties. The Group has derecognised the accounts receivable for which substantially all risk and rewards of ownership have been transferred excluding reserves which are still on the balance sheet.

Current trade and other receivables have decreased from €28.4m per 31 December 2023 to €17.5m as of 31 December 2024 due to lower volumes.

The prepayments and accrued income decreased by €4.7m from €5.5m per 31 December 2023 to €0.8m as of 31 December 2024. This decrease is mainly due to the financing fees in the context of the refinancing of our Senior Secured Notes to the Term Facility.

As of 31 December 2024, net trade receivables that were past due amounted to €1.2m (as compared to €2.0m as of 31 December 2023)

The Group uses credit insurance in Europe and US as a means to transfer the credit risk related to trade receivables.
Furthermore, our trade receivables portfolio is very diversified, in terms of both segmentation and client base, which mitigates the credit risk. The credit quality of the trade receivables that are neither past due nor impaired is good.

The carrying amounts for the Group's trade and other receivables are denominated in the following currencies:

(€ thousands)	2024	2023
Total trade and other receivables	**18,127**	**28,963**
EUR	5,016	11,537
USD	12,999	17,207
GBP	112	219

The Group is monitoring the recoverability of trade and other receivables on a case by case assessment. In addition, the Group has applied IFRS 9, by applying the modified retrospective approach, by using the standard's simplified approach and calculated ECLs (Expected Credit Loss) based on lifetime expected credit losses. The Group has established a provision matrix. Trade receivables have been categorised by common characteristics that are representative of the customer's abilities to pay (based on geographical region and type of customers such as retail, wholesale or construction & building, and delinquency status). The provision matrix is based on forecasted default rates published by Moody's, adjusted by scalar factors to reflect differences in the Group's view of current and expected economic conditions and historical conditions.

At 31 December 2023	Not due or less than 15 days past due	More than 15 days past due	Total
Expected loss rate	2.3%	6.0%	
Gross carrying amount - trade receivables	21,167	1,202	22,368
Loss allowance	**497**	**73**	**570**

At 31 December 2024	Not due or less than 15 days past due	More than 15 days past due	Total
Expected loss rate	1.1%	16.5%	
Gross carrying amount - trade receivables	16,173	608	16,782
Loss allowance	**174**	**100**	**274**

Movements in the Group's bad debt allowance with respect to trade receivables are as follows:

(€ thousands)	2024	2023
At 1 January	**(570)**	**(752)**
Increase in loss allowance recognised in profit or loss during the year	(56)	(278)
Receivables written off during the year as uncollectible	147	35
Unused amounts reversed	231	405
FX difference	(27)	19
At 31 December	**(274)**	**(570)**

The creation and release of allowances for impaired receivables has been included in "Other income/expenses" in the Statement of comprehensive income. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

The other classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. As at 31 December 2024 the Group holds limited collateral below €0.1m.

Note 17. Cash and cash equivalents

(€ thousands)	2024	2023
Total cash and cash equivalents	**38,605**	**35,812**
Cash at bank and on hands	17,062	28,481
Cash in subsidiaries outside the EU	21,543	7,331
Of which in countries with legal restrictions	-	-

The credit quality of the banks and financial institutions is disclosed in Note 27. The Group's assets pledged as security for the Term Facility and Super Senior Revolving Credit Facility and borrowings are described in Notes 21 to 23.

Note 18. Share capital and share premium

The legal issued share capital of the Group is €253.0m divided into 35,943,396 ordinary shares without a nominal value. All shares issued by the Group are fully paid, as is a share premium of €65.7m.

Note 19. Other comprehensive income

Components of “Other comprehensive income” (“OCI”) are items of income and expenses (including reclassification adjustments) that are not recognised in the Statement of comprehensive income as required or permitted by other IFRSs. The Group has other comprehensive income which mainly relates to re-measurement of post-employee defined benefit obligations and the gains and losses arising from translating the Financial Statements of foreign entities.

The movements in OCI are summarised in the table below:

(€ thousands)	2024	2023
Items in OCI that may be subsequently reclassified to P&L	**6,585**	**(970)**
Cumulative translation reserves as of 31 December	**6,585**	**(970)**
Cumulative translation reserves at beginning of the period	(970)	3,559
Exchange differences on translating foreign operations	7,556	(4,529)
Items in OCI that will not be reclassified to P&L	**1,899**	**2,254**
Changes in deferred tax at 31 December	**(616)**	**(739)**
Changes in deferred taxes at beginning of the period	(739)	(699)
Changes in deferred taxes during the period	123	(40)
Changes in employee defined benefit obligations at 31 December	**2,515**	**2,993**
Changes in employee defined benefit obligations at beginning of the period	2,993	3,007
Changes in employee defined benefit obligations during the period	(478)	(13)
Total other comprehensive income at 31 December	**8,485**	**1,283**

The movement in the exchange differences on translating foreign operations reflects the changes in foreign exchange rate from the US dollar to Euro.

Employee defined benefit obligations
The Group operates defined benefit pension plans. The changes in pension liabilities are accounted for through Other comprehensive income when the changes relate to a change in actuarial assumptions from one year to another.

In the past, several insurance companies have decided to reduce the technical interest rate on group insurance contracts to a level below the minimum return guaranteed by law for Belgian defined contribution pension plans. Because the employer has to guarantee the statutory minimum return on these plans, not all actuarial and investment risks relating to these plans are transferred to the insurance company or pension fund managing the plans. Therefore these plans do not meet the definition of defined contribution plans under IFRS and should by default be classified as defined benefit plans. Refer to Note 28 for further details.

The liability has been measured using a discount rate of 3.13% for 2024 and 2.65% for 2023.

Deferred Taxes
The changes in pension liabilities also affect deferred taxes. When the change in pension liabilities are recorded through Other comprehensive income, the related deferred tax charge is also recorded in Other comprehensive income.

Note 20. Retained earnings

(€ thousands)	2024	2023
At 1 January	**(202,298)**	(191,208)
Equity-settled share-based payment plans	8	6
Profit / (loss) continued for the year allocated to equity owners	10,573	(11,095)
At 31 December	**(191,717)**	(202,298)

Retained earnings may be distributed to shareholders upon the decision of a general meeting of shareholders, taking into account the restrictions as defined in the Term Facility and Super Senior Revolving Credit Facilities and the restrictions which are imposed by law.

Note 21. Term Facility

(€ thousands)	2024	2023
Total Term Facility	**124,822**	-
Non-Current portion	**124,319**	-
Of which: gross debt	128,174	-
Of which: capitalised financing fees	(3,856)	
Current portion	**503**	-
Of which: accrued interest	2,337	-
Of which: capitalised financing fees	(1,834)	-

On 7 December 2023, LSF9 Belysse Investments S.à r.l. entered into a new €120 million (equivalent) term facility agreement provided by Blantyre (the 'Term Facility').

The Term Facility has been made available on customary terms for facilities of this nature, priced at 6.00% p.a. cash pay plus 5.00% p.a. payment-in-kind ('PIK') interest (in respect of EUR loans) and 7.00% p.a. cash pay plus 5.00% p.a. PIK interest (in respect of USD loans) (in each case, at a fixed rate, except that PIK interest on EUR loans and USD loans is subject to a leverage-based margin ratchet and so may in each case increase by a further 2.00% p.a. where certain financial ratios have been exceeded). See also note 27 regarding USD exposure. The PIK Interest will be capitalised at the end of each interest period and bear interest at the prevailing rate. LSF9 Belysse Investments S.à r.l. may unilaterally request to extend the maturity of the Term Facility by one year.

The Term Facility provides that a mandatory prepayment in full or in part will be required upon the occurrence of an Exit Event.

As a condition to funding, Blantyre was granted contingent value rights (the 'CVR') linked to the equity value of Belysse Group NV, that, upon the occurrence of certain trigger events, entitles the CVR holder to receive a cash payment or, at the option of Belysse (subject to any requisite shareholder approval), an issuance of shares equal to 20% of the equity value of Belysse Group NV above a specified threshold of €41.1 million (the 'Threshold'). The payments under the CVRs are to be made: (i) mandatorily in case of a sale of all or substantially all of the assets of, or shares of Belysse Group NV; and (ii) at the option of the CVR holder in case either (a) the shareholding of the Permitted Holders falls to 40% or less; or (b) another person or persons acting in concert acquires more shares in Belysse Group NV than the Permitted Holders (the events described at (i) and (ii) above, each a 'CVR Control Event'). In addition to a CVR Control Event, the CVR holders have the option to exercise their payment rights from 7 December 2027 onwards.
The CVR is a derivative financial instrument and is measured at fair value at each reporting date (see note 10).

The proceeds of the Term Facility have been used to complete the refinancing of all of the outstanding 2024 Notes (see note 22).

Several pledge agreements have been established, including, but not limited to material bank accounts and intercompany receivables of operational entities within the group and share pledge agreements on the group's operational entities. These pledge agreements are granted in favor of the lenders of the Term Facility and the Revolving Credit Facility. The Group is subject to monthly reporting requirements and certain limitations on restricted payments and debt incurrence.

We confirm that we have complied with all covenants over the reporting period.

Note 22. Senior Secured Notes

(€ thousands)	2024	2023
Total Senior Secured Notes	**1,855**	**137,041**
Non-Current portion	**1,839**	**1,839**
Of which: gross debt	1,839	1,839
Current portion	**17**	**135,203**
Of which: accrued interest	17	3,388
Of which: capitalised financing fees	-	(145)
Of which: gross debt	-	131,960

As of 31 December 2023, LSF9 Belysse Issuer S.à r.l. (the 'Issuer') had €128,684,663 in aggregate principal amount outstanding (excluding capitalised financial fees and excluding capitalised PIK interests) of Senior Secured Notes
due 2024 (the '2024 Notes'), which were issued pursuant to an indenture dated as of 8 March 2021, as amended (the 'Indenture'), and €1,838,700 in aggregate principal amount of Senior Secured Notes due 2030 (the '2030 Notes'), which were issued pursuant to an indenture dated as of 3 August 2015, as amended.

On 5 February 2024, the Issuer refinanced all of the outstanding 2024 Notes with the proceeds of a new €120 million (equivalent) term facility agreement (note 21) provided by Blantyre to LSF9 Belysse Investments S.à r.l. (see below). The refinancing was completed partly by repurchasing the 2024 Notes held by certain noteholders holding approximately 75% of the total outstanding 2024 Notes at a price equal to 86.5% of the face value, with the balance amount being redeemed at 100% of the face value through the optional redemption provisions under the Indenture.

The outstanding Senior Secured Notes are not subject to any covenants and no collateral is granted to the Noteholders. The interest rate applicable to the outstanding Senior Secured Notes is 3.00% per annum and the maturity date is 31 December 2030.

Note 23. Bank and other borrowings

The table below provides an overview of the bank and other borrowings that existed on 31 December 2024 and 31 December 2023:

(€ thousands)	2024	2023
Total Bank and other borrowings	**39,792**	**43,652**
Non-current portion	**30,353**	**34,778**
Other lease liabilities	18,888	20,375
Sale-and-leaseback liabilities	12,488	14,645
Of which: capitalised financing fees related to the sale-and-leaseback	(194)	(242)
Capitalised financing fees related to the SSRCF	(827)	-
Current portion	**9,439**	**8,875**
Other lease liabilities	7,685	6,757
Sale-and-leaseback liabilities	2,157	2,096
Of which: capitalised financing fees related to the sale-and-leaseback	(48)	(48)
Super Senior RCF (SSRCF)	37	80
Capitalised financing fees related to the SSRCF	(392)	(10)

In relation to Group's financing agreements, the documentation provides for the effect of changes in accounting standards to be neutralized. As such, the application of IFRS 16 has no consequences for the Group's financing. We will continue to calculate Leverage in line with the definition in our financing agreement (excluding IFRS 16 impacts but including sale-and-leasebacks).

Revolving Credit Facility
As at 31 December 2023, the Issuer had a €45 million super senior revolving credit facility due in 2024 (the 'Existing RCF'). On 11 January 2024, the Issuer's direct subsidiary, LSF9 Belysse Investments S.à r.l. entered into a new €20 million super-senior revolving credit facility (the 'New RCF'), and which has replaced the now-cancelled Existing RCF. The New RCF has been made available on customary terms for facilities of this nature, for a term ending on 2 August 2027, with the option to extend by one year if the new Term Facility is extended concurrently.

The New RCF provides that a mandatory prepayment in full or in part will be required upon the occurrence of certain circumstances (each, an 'Exit Event'), being either (i) a disposal of all or substantially all of the assets of the LSF9 Belysse Investments S.à r.l. or its subsidiaries or (ii) a change of control where (a) certain shareholders directly or indirectly holding a majority of the total outstanding shares of LSF9 Belysse Investments S.à r.l. (the 'Permitted Holders') cease to own more than 40% of the shares of LSF9 Belysse Investments S.à r.l., (b) any person acquires more of shares in LSF9 Belysse Investments S.à r.l. than are held in aggregate by the Permitted Holders, (c) the Issuer ceases to directly own all of the share of LSF9 Belysse Investments S.à r.l. (excluding any shares issued to roll-up investors for a temporary period of time) or (d) a sale of the company's business and operations conducted in the United States.

We confirm that we have complied with all covenants over the reporting period.

Sale-and-leaseback
On 20 December 2019, the company entered into a sale-and-leaseback agreement with three banks. If a third party gains control over the company, the banks are entitled to terminate the agreement at their own discretion. This change of control clause was approved by the general Shareholders' Meeting of 26 May 2020 in accordance with article 7:151 of the Belgian Code on Companies and Associations.

On 31 March 2022, this sale-and-leaseback agreement was split as part of a partial demerger in the framework of the Divestment and remained in place with the company solely in relation to the Tielt property.

Factoring
As part of its normal course of business, the Group has entered into non-recourse receivables factoring agreements, whereby it may sell trade receivables arising from its normal course of business at face value less certain reserves and fees. The credit risk related to the factored receivables has been transferred to the factoring company, who in turn has transferred this risk to a credit insurance company. Under the non-recourse agreements, the Group collects payments from its customers on behalf of the factoring company to which it has factored its receivables. Given that substantially all of the risks and rewards of ownership have been transferred, the trade receivables assigned to the factoring companies have been derecognised from the Statement of financial position.

Several subsidiaries of the Company entered into separate invoice discounting agreements with KBC Commercial Finance NV ('KBCCF') dated 1 April 2022, pursuant to which these subsidiaries transfer title to all their current and future trade receivables falling under such arrangements to KBCCF. On several occasions, this agreement has been amended.
The last time on 1 June 2024. According to the applicable general terms, the outstanding sums are immediately due in case of a change of control, if such a change would not be in the interest of the bank. The general terms and conditions include typical clauses standard for this type of transaction, including grounds for termination if the envisaged transaction volume is not achieved.

On 31 October 2024, Bentley Mills, Inc. ('Bentley Mills') entered into a factoring agreement with KBC Commercial Finance NV ('KBCCF') pursuant to which Bentley Mills sells to KBCCF all accounts arising out of Bentley Mills' Sales in connection with its business.

In 2024 the Group continues to recognise a portion of the receivables to the extent of its continuing involvement, in accordance with IFRS 9 (€15.6m) (2023: €5.8m).

Note 24. Leases

The lease liabilities have decreased from €43.6m as of 31 December 2023 to €41.0 as of 31 December 2024. At the end of 2024, the corresponding lease liability related to IFRS 16 (so excluding sale-and-leaseback) amounts to €26.6m.

The liability was measured at the present value of the remaining lease payments, discounted at a predetermined discount rate. The Group applied several discount rates, depending on the type of asset (buildings or machines), lease term, geographical area, risk premium (from 1.80% to 3%) and the variability of the base rate (based on the market swap rates of 31 December 2018). The applied incremental borrowing rate depends on the geographical environment and the remaining duration of the agreement. For contracts in Europe, this is between 0% and 2.9%. While in the US, the incremental borrowing rate is between 3.4% and 6.9%.

The leasing agreements under IFRS 16 have a remaining term between 1 and 7 years. We relied on previous assessments on whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts as at 31 December 2024.

In relation to Group's financing agreements, the documentation provides for the effect of changes in accounting standards to be neutralised. As such, the application of IFRS 16 has no consequences for the Group's financing. We will continue to calculate Leverage in line with the definition in our financing agreement.

Carrying amounts of lease liabilities and the movements in 2024:

(€ thousands)	IFRS 16 excl sale- and-leaseback	Sale- and-leaseback	Total
At 31 December 2023	**27,132**	**16,451**	**43,583**
Additions	5,316	-	5,316
Disposals	-	-	-
Financing fees	-	48	48
Accretion of interest	1,250	430	1,679
Payments	(7,836)	(2,526)	(10,362)
FX impact	710	-	710
At 31 December 2024	**26,572**	**14,402**	**40,975**

(€ thousands)	IFRS 16 excl sale- and-leaseback	Sale- and-leaseback	Total
Current lease liability	7,685	2,109	9,794
Non-current lease liability	18,888	12,293	31,181
Total lease liability	**26,572**	**14,402**	**40,975**

(€ thousands)	2024	2023
Total present value of lease liabilities (excluding capitalised financing fees)	**41,217**	**43,873**
No later than 1 year	9,842	8,853
Later than 1 year and no later than 5 years	25,342	29,066
Later than 5 years	6,033	5,954

The Group uses foresight in determining the lease term where the contract contains options to extend or terminate the lease. Beside the impact on the business, criteria such as penalties and leasehold improvements are considered in this analysis. Variable lease payments are not included in the measurement of lease liabilities.

Note 25. Net debt reconciliations

The following table sets out an analysis of net debt and the movements in net debt:

	Liabilities from financing activities							
(€ thousands)	**Term Facility due after 1 year**	**Term Facility due within 1 year**	**Senior Secured Notes due after 1 year**	**Senior Secured Notes due within 1 year**	**Lease Liabilities due after 1 year**	**Lease Liabilities due within 1 year**	**Super Senior RCF**	**Total gross Financial debt**
Net debt at 31 December 2023	**-**	**-**	**(1,839)**	**(135,348)**	**(35,020)**	**(8,853)**	**(80)**	**(181,140)**
Cashflows	-	-	-	-	-	-	-	-
Proceeds of borrowings with third parties	(120,000)	-	-	-	-	-	-	(120,000)
Repayments of borrowings with third parties	-	-	-	118,573	-	8,517	-	131,508
Other non-cash movements (includ. FX movements)	(8,174)	(2,337)	-	16,758	3,645	(9,506)	43	(3,988)
Net debt at 31 December 2024	**(128,174)**	**(2,337)**	**(1,839)**	**(17)**	**(31,375)**	**(9,842)**	**(37)**	**(173,620)**

	Cash and cash equivalents		
(€ thousands)	**Total gross financial debt**	**Cash and cash equivalents**	**Total net financial debt**
Net debt at 31 December 2023	**(181,140)**	**35,812**	**(145,328)**
Cashflows	-	1,162	2,793
Proceeds of borrowings with third parties	(120,000)	-	(120,000)
Repayments of borrowings with third parties	131,508	-	131,508
Other non-cash movements (includ. FX movements)	(3,988)	1,631	(3,988)
Net debt at 31 December 2024	**(173,620)**	**38,605**	**(135,015)**

On 5 February 2024, the Issuer refinanced all of the outstanding 2024 Notes with the proceeds of a new €120 million (equivalent) term facility agreement provided by Blantyre to LSF9 Belysse Investments S.à r.l. The refinancing was completed partly by repurchasing the 2024 Notes held by certain noteholders holding approximately 75% of the total outstanding 2024 Notes at a price equal to 86.5% of the face value. The non-cash movement on the Senior Secured Notes relates to the €13.4m discount on settlement and €3.4m net movement in accrued interest.

The non-cash movement on the Term Facility relates to the quarterly PIK interest that is added to the principal (€4.7m) during the period, unrealised FX losses on the USD tranche of the new Term Facility (3.5m) and the net movement in accrued interest of (€2.3m). The table above does not include the movements in capitalised financing fees, or the quaterly interest paid (see Note 21 to 23).

Note 26. Additional disclosures on financial instruments

The following table presents the carrying amounts and fair values of each category of financial assets and financial liabilities:

(€ thousands)	Fair value hierarchy	2024	2024	2023	2023
		Carrying amount	Fair value	Carrying amount	Fair value
Assets as per statement of financial positions		**56,732**	**56,732**	**64,775**	**64,775**
Loans and receivables		**56,732**	**56,732**	**64,775**	**64,775**
Trade and other receivables		18,127	18,127	28,963	28,963
Cash and cash equivalents	Level 1	38,605	38,605	35,812	35,812
Liabilities as per statement of financial positions		**76,735**	**76,292**	**227,155**	**203,843**
Financial liabilities measured at amortised cost		**76,735**	**76,292**	**227,155**	**203,843**
Term Facility	Level 2	124,822	124,822	-	-
Senior Secured Notes	Level 1	1,855	1,412	137,041	113,729
Bank and other borrowings	Level 2	39,792	39,792	43,652	43,652
Trade and other payables		35,087	35,087	46,462	46,462
Financial liabilities measured at fair value		**-**	**-**	-	-
Derivative financial instruments	Level 2	1,547	1,547	-	-

Different valuation levels have been defined as follows:

- Level 1: are valuations derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: are valuations derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices);
- Level 3: are valuations derived from inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The fair values of the Senior Secured Notes are based on a Level 1 estimate. The fair values of all other financial instruments, with the exception of cash- and cash equivalents, have been determined using Level 2 estimates. The fair values of the forward foreign exchange contracts have been determined using forward exchange rates that are quoted in an active market. The effects of discounting are generally insignificant for Level 2 derivatives. For trade and other receivables, as well as trade and other payables, the carrying amount is considered to be a good estimate of the fair value, given the short-term nature of these items.

There were no changes in valuation techniques during the period.

Note 27. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, fair value interest rate risk, cash flow interest rate risk and commodity price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The objective is to identify, quantify, manage and then monitor events or actions that could lead to financial losses. Derivative financial instruments are no longer used to hedge certain risk exposures at Group level as the exposure to foreign currencies has been reduced.

Qualitative and quantitative disclosures about market risk

Foreign exchange risk

We have significant exposure to the value of the U.S. dollar. Consequently, our financial results have been, and in the future will likely continue to be, subject to currency transaction and translation effects resulting from fluctuations in exchange rates, primarily the EUR/USD. The proportion of our revenue recognised in each currency does not exactly correspond with the revenue derived from each geography, as we sometimes invoice customers in currencies other than their local currency.

Our Consolidated Financial Statements are prepared in EUR. We are therefore exposed to translation risk on the preparation of our Consolidated Financial Statements when we translate the Financial Statements of our subsidiaries which have a Functional Currency other than EUR. A portion of our assets, liabilities (incl Term Facility), revenue and costs are denominated in various currencies other than EUR, principally USD. As a result, our Consolidated statement of comprehensive income, which is reported in EUR, is affected by currency exchange rate fluctuations.

Changes in foreign exchange rates may have a long-term impact on our sales volumes. For example, if there is a long-term depreciation of the EUR, our sales volumes may increase as we become more competitive in non-Eurozone markets. In contrast, a long-term strengthening of the EUR may decrease our volumes and price competitiveness in non-Eurozone markets.

The following table presents the main Statement of financial position items affected by foreign exchange risk.

(€ thousands)	EUR	GBP	USD	Total
31 December 2024 Net exposure	**(58,089)**	**897**	**(45,985)**	**(103,177)**
Term Facility	(57,735)	-	(67,087)	(124,822)
Trade and other receivables	5,016	112	12,999	18,127
Cash and cash equivalents	14,440	819	23,346	38,605
Trade and other payables	(19,811)	(34)	(15,242)	(35,087)
31 December 2023 Net exposure	(8,188)	1,190	**25,312**	**18,314**
Trade and other receivables	11,537	219	17,207	28,963
Cash and cash equivalents	9,918	1,057	24,837	35,812
Trade and other payables	(29,642)	(87)	(16,733)	(46,462)

The following table presents the sensitivity analysis of the year-end Statement of financial position in GBP and USD if the EUR would weaken by 10%:

(€ thousands)	2024	2023
GBP denominated	**100**	**498**
Changes in carrying amount of monetary assets and liabilities	100	498
USD denominated	**(5,109)**	**2,812**
Changes in carrying amount of monetary assets and liabilities	2,345	2,812
Changes in carrying amount of Term Facility	(7,454)	-

The following table presents the sensitivity analysis of the year-end Statement of financial position in GBP and USD case the EUR would strengthen by 10%:

(€ thousands)	2024	2023
GBP denominated	**(82)**	**(407)**
Changes in carrying amount of monetary assets and liabilities	(82)	(407)
USD denominated	**4,180**	**(2,301)**
Changes in carrying amount of monetary assets and liabilities	(1,918)	(2,301)
Changes in carrying amount of Term Facility	6,098	-

Commodity price risk

We are exposed to fluctuations in the price of the major raw materials used in the manufacturing process.

In 2024 raw material expenses represented 39.0% of the revenue compared to 41.3% last year. This is mainly due to a new procurement strategy where we managed to open additional ways of raw materials sourcing globally lowering our purchasing prices. As there is a time delay to pass on raw materials price increases to its customers, changes in the cost of raw materials typically have a temporarily negative impact on the Group's gross margin.

If the commodity prices of our main raw materials had been 10% higher (lower), in the absence of any mitigating actions taken by management, adjusted EBITDA would have been approximately €6m lower (higher). This impact has been determined by multiplying the volumes of our main raw materials purchased on an annual basis by a 10% variance on the average purchase price for the year. The sensitivity calculation takes into account the typical time lag between purchasing raw materials and recognising the raw material expenses against sales.

Interest rate risk

Our interest rate risk principally relates to external indebtedness that bears interest at variable rates. Excluding IFRS 16 (except for sale-and-leasebacks), only the amounts that we borrow under the Super Senior Revolving Credit Facility and the amounts under our factoring arrangements are subject to variable interest rates, as the Senior Secured Notes and Term Facility carry interest at a fixed rate. We therefore did not use interest rate swaps in respect of our financing during

the current reporting period. The following table presents the sensitivity analysis of the interest expenses and income when there is a 25 bps shift in the € yield curve. The Super Senior Revolving Credit Facility is currently not drawn in cash so an increase in interest has no impact and the impact of 25 bps on the factoring is below €0.1m.

	31 December 2024	
(€ thousands)	**25 bps downward shift in EUR yield curve**	**25 bps upward shift in EUR yield curve**
Total impact on interest expenses/income	**42**	**(42)**
Non-derivative floating rate financial liabilities	42	(42)

Qualitative and quantitative disclosures about credit risk

Our credit risk is managed on a Group-wide basis. We assess the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual credit limits are set based on historical experience, in-depth knowledge of the customer and in close cooperation with the sales teams.
These credit limits are regularly reviewed by the Sales Directors and by finance management. In addition, we have obtained credit insurance to cover a large portion of the credit default risk. Finally, credit risk is also mitigated through non-recourse factoring of the trade receivables where the credit risk has been transferred to the counterparty. Trade receivables are spread over a number of countries and counterparties. There is no large concentration of trade receivables.

Default rates did not exceed 1% for 2024 and 2023.

Excess liquidities are invested for very short periods and are spread over a limited number of banks, all enjoying a satisfactory credit rating. For cash at bank and short-term bank deposits, the table below gives an overview of credit ratings for banks used by the Group.

(€ thousands)	2024	2023
Total cash and bank equivalents	**38,605**	**35,812**
AA Rating	21,555	6,582
A Rating	17,050	29,231

Qualitative and quantitative disclosures about liquidity risk

We monitor cash flow forecasts and liquidity requirements centrally, ensuring that we have sufficient cash to meet operational needs while maintaining sufficient headroom on our committed borrowing facilities at all times so that we do not breach borrowing limits or covenants on any of our borrowing facilities.

The operating activities of our subsidiaries and their cash inflows are our main source of liquidity. Our cash pooling system enables us to benefit from the surplus funds of certain subsidiaries to cover the financial requirements of other subsidiaries. We invest surplus cash in interest bearing current accounts and short-term cash deposits, selecting instruments with appropriate maturities or the liquidity to provide sufficient headroom as determined by the above-mentioned forecasts.

In order to meet our cash outflow obligations, we use cash flows generated from operating activities and credit facilities with financial institutions if necessary. In addition, we have entered into factoring agreements with financial institutions where cash is made available to us in consideration for certain trade receivables generated by us.

The principal financing arrangements that are in place at 31 December 2024 are the Term Facility (see Note 21), Senior Secured Notes (see Note 22), the Super Senior Revolving Credit Facility (see Note 23) and capital lease agreements (see Note 24).

The following table reflects all contractually fixed pay-offs for settlement, repayments and interest resulting from recognised financial liabilities. The amounts disclosed are undiscounted net cash outflows, based on the market conditions existing at 31 December 2024.

(€ thousands)	Less than 6 months	Between 6 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Total at 31 December 2024	**(44,274)**	**(9,304)**	**(15,365)**	**(180,390)**	**(7,899)**
Term Facility	(4,201)	(4,355)	(8,974)	(161,218)	-
Derivative financial Instrument	-	-	-	(1,547)	-
Senior Secured Notes	(28)	(28)	(55)	(165)	(1,866)
Super Senior RCF	(37)	-	-	-	-
Lease liabilities	(4,921)	(4,921)	(6,335)	(19,006)	(6,033)
Trade and other payables	(35,087)	-	-	-	-

Our external financing agreements include obligations, restrictions and covenants, which may have an adverse effect on our business, financial situation and results of operations if we are unable to meet these.

The Leverage at the end of the year was 3.1x.

The following table reflects all contractually fixed pay-offs for settlement, repayments and interest resulting from recognised financial liabilities. The amounts disclosed are undiscounted net cash outflows, based on the market conditions existing at 31 December 2023.

(€ thousands)	Less than 6 months	Between 6 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Total at 31 December 2023	**(186,316)**	**(4,427)**	**(7,267)**	**(21,800)**	**(7,793)**
Senior Secured Notes	(135,348)	-	-	-	(1,839)
Super Senior RCF	(80)	-	-	-	-
Lease liabilities	(4,427)	(4,427)	(7,267)	(21,800)	(5,954)
Trade and other payables	(46,462)	-	-	-	-

Capital risk management
The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern to provide returns for shareholders, benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the dividends paid to shareholders, issue new shares or sell assets to reduce debt. The Group is closely monitoring its financial performance to comply with financial covenants. Refer to Notes 21 to 23 for further details.

Climate Related Matters

- **Impact of climate change on resources**
  Polymers are the main material for our floor coverings. The impact of the transformation of the petrochemical sector could be expected to have an impact on Belysse's financials.

- **Impact of climate change on manufacturing and products**
  To comply with the European Green Deal and the governmental regulations on emissions in Belgium and the US, Belysse is making operating and capital expenditures to reduce its carbon footprint.

- **Impact of water scarcity**
  A number of our production processes, especially dyeing and printing, are dependent on the availability of water. Operating and capital expenditures will continue to be made to lower and optimize water consumption, with a special attention to the site of Tielt (Flanders, Belgium). On the other hand, given all production plants being situated above sea level, there is little risk from rising sea levels caused by global warming. Refer to the Sustainability Statement, section 'E1.IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities' for more details behind this risk assessment.

Macro-economic environment
The invasion of Russia in Ukraine and the resulting sanctions only had limited direct impact on our Group. The fierce inflation on the other hand did have an impact with a steep increase in almost all of our input costs. This is addressed by a constant review of our cost base and a pass-on to customers where needed. In our European business, we noticed a timing delay between incurring these cost and the pass-on to customers. The indirect effect of higher interest rates is limited as we are mostly financed with a fixed interest rate as explained above.

Note 28. Employee benefit obligations

The Group operates a pension plan and provides for pension liabilities. These benefits have been measured in compliance with IAS 19 revised and in accordance with the Group accounting policies described in Note 1.20. The liability was measured using a discount rate of 3.13% and 2.65% in 2024 and 2023, respectively. The annual pension cost, relating to the pension plan is disclosed in Note 6.

The employee benefit obligations recognised in the Financial Statements are detailed below:

(€ thousands)	2024	2023
Total employee benefit obligations	**634**	**169**
Pension plans	628	151
Provisions early retirement	6	19
Total employee benefit obligations	**634**	**169**
Non current	631	159
Current	3	11

Pension plans: overview

Pension plans have been put in place for management and are financed through employer contributions which increase depending on seniority (base contribution of 3.75% of pensionable salary, increasing by 0.5% for every 5 years of service rendered within the Group up to a maximum contribution rate of 5.75%). This plan also includes a "death in service" benefit amounting to twice the pensionable salary. Several pension plans are in place for white collar workers and are financed through fixed employer contributions. In addition, as part of the bonus policy for members of management, a portion of the bonus is awarded via employer contributions to a pension plan scheme.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

Pension plans: valuation methodology

The pension and bonus plans described above have been classified as defined benefit. The valuation of the pension and bonus plans has been performed in accordance with IAS19.

We refer to Note 1.20 concerning the valuation methodology which has been used. The liability is based on the difference between the present value of the "defined benefit obligation", taking into account the minimum return and a discount factor, less the fair value of any plan assets at the relevant date.

Pension plans: main valuation assumptions

The main assumptions used to perform the valuation are described below:

(€ thousands)	2024	2023
Discount rate BE	3.13%	2.65%
Retirement age	65 years	65 years
Mortality	MR/FR-5	MR/FR-5

For the year ended 31 December 2024, the defined benefit obligation, taking into account the tax effect, amounts to €3.1m (2023: €2.1m) and the offset by plan assets of €2.6m (2023: €2.0m).

Note 29. Other payroll and social related payables

(€ thousands)	2024	2023
Total other payroll and social related payables	**14,415**	**14,444**
Holiday pay	5,514	5,537
Social security taxes	2,115	2,105
Salaries and wages payable	5,475	5,953
Early retirement provision	3	11
Group insurance	-	37
Withholding taxes	690	374
Other	618	428

Other payroll and social related payables remained stable at €14.4m for the year ended 31 December 2024.

Note 30. Provisions for other liabilities and charges

(€ thousands)	Asset retirement obligation	Warranty	Total
At 1 January 2024	**1,017**	**1,212**	**2,229**
Additions	18	282	300
Unused amounts reversed	-	-	-
Exchange differences	66	95	161
At 31 December 2024	**1,100**	**1,589**	**2,689**

(€ thousands)	2024
Non current	2,689
Current	-
At 31 December 2024	**2,689**

The provision for other liabilities and charges increased from €2.2m as of 31 December 2023 to €2.7m as of 31 December 2024.

Note 31. Trade and other payables

(€ thousands)	2024	2023
Trade and other payables	**35,087**	**46,462**
Trade payables	27,188	37,693
Accrued charges and deferred income	5,836	6,198
Other payables	2,063	2,571

Trade payables as of 31 December 2024 of €27.2m include the amounts for outstanding invoices (€20.9m, as compared to €26.6m as of 31 December 2023) and invoices to be received in relation to goods and services received during the current period (€4.0m, as compared to €7.0m as of 31 December 2023).

Accrued charges and deferred income mainly relate to accrued charges for customer discounts (€2.2m as compared to €3.0m as of 31 December 2023) and various other costs.

Note 32. Share based payments

The Company has a long-term incentive plan for certain employees, which depends on the share price reaching a defined target. As this moment, the options are “out-of-the money”. Refer to the remuneration report, part of the “Corporate Governance Statement”.

Note 33. Government grants

The Group’s government grants relate to incentives given by Belgian authorities based on the Group’s investment, environmental and employment policies. The amounts received during 2024 were below €0.1m.

Note 34. Earnings per share

Basic and diluted earnings per share

	2024	2023
Basic and diluted earnings per share		
Net result	**10,573**	**(11,095)**
Percentage of net result attributable to holders of ordinary and diluted shares	100%	100%
Net result attributable to holders of ordinary and diluted shares	10,573	(11,095)
Weighted average number of ordinary and diluted shares outstanding (in thousands)	35,943	35,943
Net result per share attributable to holders of ordinary and diluted shares (in Euro)	**0.29**	**(0.31)**

In accordance with IAS 33, basic earnings per share is calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Adjusted earnings per share
The results for 2024 and 2023 included some non-recurring items which affected the earnings per share calculation. From a management perspective we calculated an adjusted earnings per share which excluded the impact of non-recurring items.

	2024	2023
Adjusted earnings per share[1]		
Net result	10,573	(11,095)
Normalisation adjustments	(13,486)	5,310
Adjusted Net Result	**(2,913)**	**(5,786)**
Percentage of net result attributable to holders of ordinary and diluted shares	100%	100%
Net result attributable to holders of ordinary and diluted shares	(2,913)	(5,786)
Weighted average number of ordinary and diluted shares outstanding (in thousands)	35,943	35,943
Net result per share attributable to holders of ordinary and diluted shares (in Euro)	**(0.08)**	**(0.16)**

[1] We refer to Note 1.25 where we provide a glossary of the non-GAAP measures and Note 3.

The profit for 2024 includes the net of tax impact of the €(0.1m) non-recurring expenses for integration and restructuring (see Note 9) and the financial income related to the discount on the repayment of the Senior Secured Notes accounting to €(13.4)m. In the absence of such events, the normalized result for the period would have been a loss of €2.9m. Similarly, the loss for 2023 includes a net of tax impact non-recurring expense of €3.1m and non-recurring tax effects amounting to €3.0m (see Note 11), resulting in a normalised loss of €5.8m.

The Group or a direct subsidiary or a person, acting in its own name but on behalf of the Company, has not acquired shares of the Company.

Note 35. Dividends per share

Our focus remains on deleveraging and further investing into the business, the Board will not propose a dividend for the year.

Note 36. Commitments

Energy

Our fixed price purchase commitments for electricity and gas, for deliveries in 2025 and 2026, are equal to €3.0m as of 31 December 2024 compared to an amount of €4.2m as of 31 December 2023.

Capital expenditures

As of 31 December 2024, €2.3m capital commitments are outstanding compared to €0.4m as of 31 December 2023.

Note 37. List of consolidated companies

The subsidiaries and jointly controlled entities of Belysse Group NV, the Group's percentage of interest and the Group's percentage of control of the active companies are presented below.

	2024		2023	
	% of interest	**% of control**	**% of interest**	**% of control**
Belgium				
Belysse NV	100%	100%	100%	100%
ITC Co BV	100%	100%	100%	100%
Modulyss NV	100%	100%	100%	100%
Luxembourg				
LSF9 Belysse Issuer S.à r.l.	100%	100%	100%	100%
LSF9 Belysse Luxembourg S.à r.l.	100%	100%	100%	100%
LSF9 Belysse Investment S.à r.l.	100%	100%	100%	100%
USA				
LSF9 Renaissance Holdings LLC	100%	100%	100%	100%
LSF9 Renaissance Acquisitions LLC	100%	100%	100%	100%
BPS Parent, Inc.	100%	100%	100%	100%
Bentley Prince Street Holdings, Inc.	100%	100%	100%	100%
Bentley Mills, Inc.	100%	100%	100%	100%
Prince Street, Inc.	100%	100%	100%	100%
United Kingdom				
Modulyss UK Ltd.	100%	100%	100%	100%

Note 38. Related party transactions

The Company may enter into transactions with its shareholders and other entities owned by its shareholders in the ordinary course of business. Those transactions include, among others, financing agreements and professional, advisory, consulting and other corporate services.

The Company has entered into arrangements with a number of its subsidiaries and affiliated companies in the course of its business. These arrangements relate to manufacturing, sales transactions, service transactions and financing agreements and were conducted at arm's length. Transactions between the Company and its subsidiaries, which are related parties, have been eliminated in the consolidation and are accordingly not disclosed in this Note.

Key management compensation

Key management means the Group's Management Committee, which consists of people having authority and responsibility for planning, directing and controlling the activities of the Group. Key management compensation includes all fixed and variable remuneration and other benefits which are presented in other expenses and long-term employee benefits which are presented in integration and restructuring.

(€ thousands)	2024	2023
Total key management compensation	**1,802**	**1,857**
Short-term employee benefits	1,476	1,697
Board compensation	327	160

Refer to the 'Corporate Governance Report' for information with respect to remuneration of directors and members of the Group's Management Committee.

There were no other transactions with related parties.

Note 39. Fees paid to the Group's auditors

(€ thousands)	2024	2023
Audit services	**579**	**460**
Audit of the Group pursuant to legislation (incl. CSRD)	579	460
Non-audit services	**102**	**36**
Tax services	27	22
Other services	75	14
Total fees paid to the Group's auditor	**680**	**496**

Note 40. Events after the reporting period

No subsequent events occurred which could have a significant impact on the financial statements of the Group per December 31, 2024.

6. Condensed version of Statutory Financial Statements Belysse Group NV

The statutory statement of financial position and the statutory statement of comprehensive income for the period ended 31 December 2024 of Belysse Group NV are given below in a condensed form.

The accounting principles used for the Statutory Financial Statements of Belysse Group NV differ from the accounting principles used for the Consolidated Financial Statements: the Statutory Financial Statements follow the Belgian legal requirements, while the Consolidated Financial Statements follow the International Financial Reporting Standards.

The management report of the Board to the Annual General Meeting of Shareholders and the Statutory Financial Statements of Belysse Group NV, as well as the auditor's report, will be filed with the National Bank of Belgium within the statutory periods. These documents are available on www.belysse.com and can be requested free of charge.

The statutory auditor's report is unqualified and certifies that the non-Consolidated Financial Statements of Belysse Group NV for the year ended 31 December 2024 gives a true and fair view on the financial position and results of the company in accordance with all legal and regulatory dispositions.

(€ thousands)	2024	2023
Fixed assets	280,241	280,241
Financial assets	280,241	280,241
Total non-current assets	**280,241**	**280,241**
Amounts receivable within one year	360	1,383
Cash and cash equivalents	2,813	3,102
Total current assets	**3,174**	**4,485**
Total assets	**283,415**	**284,726**

(€ thousands)	2024	2023
Share capital	260,590	260,590
Share premium	65,660	65,660
Other reserves	147,125	147,125
Retained earnings	(190,291)	(190,398)
Total equity	**283,083**	**282,977**
Trade and other payables	331	1,749
Total current liabilities	**331**	**1,749**
Total equity and liabilities	**283,415**	**284,726**

(€ thousands)	Period ended 31 December2024	Period ended 31 December 2023
Other income	779	2,503
Other expenses	(762)	(2,539)
Operating profit / (loss)	**16**	**(36)**
Finance income	105	98
Finance expenses	(15)	(12)
Profit / (loss) for the period before taxes	**106**	**50**
Income tax benefit/ (expense)	-	-
Profit / (loss) for the period after taxes	**106**	**50**

The result of the year has been allocated to the retained earnings awaiting shareholders' approval.

STATUTORY AUDITOR'S REPORT TO THE GENERAL SHAREHOLDERS' MEETING OF BELYSSE GROUP NV ON THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2024

We present to you our statutory auditor's report in the context of our statutory audit of the consolidated accounts of Belysse Group NV (the "Company") and its subsidiaries (jointly "the Group"). This report includes our report on the consolidated accounts, as well as the other legal and regulatory requirements. This forms part of an integrated whole and is indivisible.

We have been appointed as statutory auditor by the general meeting d.d. 24 May 2023, following the proposal formulated by the board of directors and following the recommendation by the audit committee. Our mandate will expire on the date of the general meeting which will deliberate on the annual accounts for the year ended 31 December 2025. We have performed the statutory audit of the Group's consolidated accounts for 8 consecutive years.

Report on the consolidated accounts

Unqualified opinion

We have performed the statutory audit of the Group's consolidated accounts, which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information, and which is characterised by a consolidated statement of financial position total of EUR'000 320,279 and a profit for the period (Equity holders) of EUR'000 10,573.

In our opinion, the consolidated accounts give a true and fair view of the Group's net equity and consolidated financial position as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Basis for unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Belgium. Furthermore, we have applied the International Standards on Auditing as approved by the IAASB which are applicable to the year-end and which are not yet approved at the national level. Our responsibilities under those standards are further described in the "*Statutory auditor's responsibilities for the audit of the consolidated accounts"* section of our report. We have fulfilled our ethical responsibilities in accordance with the ethical requirements that are relevant to our audit of the consolidated accounts in Belgium, including the requirements related to independence.

We have obtained from the board of directors and Company officials the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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BELFIUS BE92 0689 0408 8123 - BIC GKCC BEBB

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated accounts of the current period. These matters were addressed in the context of our audit of the consolidated accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of the European goodwill and other European (in)tangible fixed assets

Description of the Key Audit Matter

Belysse Group carries a significant amount of European goodwill, amounting to EUR 30,4 million, and other European (in)tangible fixed assets on the consolidated statement of financial position. Under IFRS, the Company is required to test the amount of goodwill for impairment at least annually. The impairment test was significant to our audit due to the complexity of the assessment process and judgments and assumptions involved which are affected by expected future market and economic developments. The most important assumptions concern the growth rates of revenue and anticipated profit improvements.

How our Audit addressed the Key Audit Matter

We challenged the cash flow projections used in the impairment test and the process through which it was prepared. For our audit we furthermore critically assessed and tested the assumptions, methodologies, the weighted average cost of capital and other data used, for example by comparing them to external and historical data, such as external market growth expectations and by analysing sensitivities in Belysse Group's valuation model. We have assessed the historical accuracy of management's estimates and evaluation of the business plan by comparing the prior year's forecast with the company's actual performance. We included valuation specialists in our team to assist us with these procedures. We specifically focused on the sensitivity in the headroom for the cash generating units, evaluating whether a reasonably possible change in assumptions could cause the carrying amount to exceed its recoverable amount. We discussed the likelihood of such change with management. We also assessed the adequacy of the disclosures (Note 5) in the financial statements.

From our sensitivity analysis, we found the likelihood of changes resulting in impairment losses to be low.

Uncertain tax positions and recoverability deferred tax assets

Description of the key audit matter

Income tax was of most significance to our audit because the assessment process is complex and the amounts involved are material to the financial statements as a whole. The company went through several capital market transactions over the last years and has operations in different tax and legal jurisdictions where transfer pricing assessments can be challenged by the tax authorities. The accounting for the tax positions comprise significant judgement by the company mainly in the area of the recognition and measurement of uncertain tax positions and the recoverability of deferred taxes. Referring to Note 2, management performed a detailed assessment for uncertain tax positions which resulted in a total provision of EUR 2.9 million recorded for these uncertainties.

How our audit addressed the key audit matter How our audit addressed the key audit matter

We have tested the completeness and accuracy of the amounts reported for current and deferred taxes, including the assessment of the uncertain tax positions and the recoverability of deferred taxes, based on the developments in

2024. In addition, we have evaluated the tax opinions of the companies' experts on the respective cases. We also involved our local subsidiaries' auditors as well as tax specialists in those subsidiaries determined to be the regions with significant tax risks. In respect of deferred tax assets, we analysed and tested the companies' assumptions used to determine the probability that deferred tax assets will be recoverable. During our procedures, we use amongst other budgets, forecasts and tax laws.

We found the Companies' judgements in respect of the Group's position on uncertain tax items and the recoverability of deferred taxes to be consistent and in line with our expectations.

Responsibilities of the board of directors for the preparation of the consolidated accounts

The board of directors is responsible for the preparation of consolidated accounts that give a true and fair view in accordance with International Financial Reporting Standards Accounting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated accounts, the board of directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Statutory auditor's responsibilities for the audit of the consolidated accounts

Our objectives are to obtain reasonable assurance about whether the consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated accounts.

In performing our audit, we comply with the legal, regulatory and normative framework applicable to the audit of the consolidated accounts in Belgium. A statutory audit does not provide any assurance as to the Group's future viability nor as to the efficiency or effectiveness of the board of directors' current or future business management at Group level. Our responsibilities in respect of the use of the going concern basis of accounting by the board of directors are described below.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;

- Conclude on the appropriateness of the board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the consolidated accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the consolidated accounts, including the disclosures, and whether the consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation;

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated accounts of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Responsibilities of the board of directors

The board of directors is responsible for the preparation and the content of the directors' report on the consolidated accounts including the sustainability information and the other information included in the annual report on the consolidated accounts.

Statutory auditor's responsibilities

In the context of our engagement and in accordance with the Belgian standard which is complementary to the International Standards on Auditing (ISAs) as applicable in Belgium, our responsibility is to verify, in all material respects, the directors' report on the consolidated accounts and the other information included in the annual report on the consolidated accounts and to report on these matters.

Aspects related to the directors' report on the consolidated accounts and to the other information included in the annual report on the consolidated accounts

The director's report on the consolidated accounts includes the consolidated sustainability information that is the subject of our separate report, which contains an 'Unqualified conclusion' on the limited assurance with respect to this sustainability information. This section does not concern the assurance on the consolidated sustainability information included in the directors' report on the consolidated accounts.

In our opinion, after having performed specific procedures in relation to the directors' report on the consolidated accounts, this directors' report is consistent with the consolidated accounts for the year under audit and is prepared in accordance with article 3:32 of the Companies' and Associations' Code.

In the context of our audit of the consolidated accounts, we are also responsible for considering, in particular based on the knowledge acquired resulting from the audit, whether the directors' report on the consolidated accounts and the other information included in the annual report on the consolidated accounts is materially misstated or contains information which is inadequately disclosed or otherwise misleading. In light of the procedures we have performed, there are no material misstatements we have to report to you.

Statement related to independence

- Our registered audit firm and our network did not provide services which are incompatible with the statutory audit of the consolidated accounts, and our registered audit firm remained independent of the Group in the course of our mandate.

- The fees for additional services which are compatible with the statutory audit of the consolidated accounts referred to in article 3:65 of the Companies' and Associations' Code are correctly disclosed and itemized in the notes to the consolidated accounts.

European Uniform Electronic Format (ESEF)

In accordance with the draft standard on the verification of the compliance of the annual report with the European Uniform Electronic Format (hereinafter "ESEF"), we must verify that the ESEF format complies with the regulatory technical standards established by the European Delegate Regulation No. 2019/815 of 17 December 2018 (hereinafter: "Delegated Regulation") and with the Royal Decree of 14 November 2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market.

The board of directors is responsible for the preparing an annual report, in accordance with the ESEF requirements, including the consolidated accounts in the form of an electronic file in ESEF format (hereinafter "digital consolidated accounts").

Our responsibility is to obtain sufficient appropriate evidence to conclude that the format of the annual report and the XBRL markup language of the digital consolidated financial accounts comply, in all material respects, with the ESEF requirements under the Delegated Regulation and the Royal Decree of 14 November 2007.

We have not received the digital annual report and the translated and unofficial digital consolidated annual accounts from the board of directors of the Company on the date of this report. We are therefore unable to express a conclusion that the digital format of the annual report and the marking of information in the digital consolidated annual accounts are in all material respects in accordance with the ESEF requirements.

Nevertheless, based on the work we performed on the official version of the annual report with the digital consolidated annual accounts, we are of the opinion that the digital format of the annual report and the marking of information in the consolidated annual accounts that will be available in the Belgian official mechanism for the storage of regulated information (STORI) of the FSMA are prepared in all material respects in accordance with the ESEF requirements under the Delegated Regulation.

Other statements

- This report is consistent with the additional report to the audit committee referred to in article 11 of the Regulation (EU) N° 537/2014

Gent, 23 April 2025

The statutory auditor
PwC Bedrijfsrevisoren BV/PwC Reviseurs d'Entreprises SRL
Represented by

Wouter Coppens*
Bedrijfsrevisor/Réviseur d'entreprises

*Acting on behalf of Wouter Coppens BV

8. Statement of the Board

We, the Board, hereby certify that, to the best of our knowledge, the Consolidated Financial Statements as of 31 December 2024, prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, and with the legal requirements applicable in Belgium, give 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, and that the management report includes a fair review of the development and performance of the business and the position of the Group and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Glossary

Alternative Performance Measures

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

Organic Growth is defined as growth excluding (i) FX impacts, which comprise the translation of key foreign entities and (ii) M&A impacts.

Adjusted Earnings per share is defined as profit / (loss) for the period adjusted for (i) the impact of the purchase price allocation mainly on change in inventories, (ii) gains on asset disposals, (iii) integration and restructuring expenses, (iv) non-recurring finance expenses and (v) non-recurring tax effects, divided by the number of shares of Belysse Group NV.

Adjusted EBITDA is defined as operating profit / (loss) adjusted for (i) the impact of the purchase price allocation mainly on changes in inventories, (ii) gains on asset disposals, (iii) integration and restructuring expenses, (iv) depreciation / amortisation and (v) impairment and write-offs.

Adjusted EBITDA margin is defined as the Adjusted EBITDA as a percentage of revenue.

Adjusted Operating Profit/Loss is defined as operating profit / (loss) adjusted for (i) the impact of the purchase price allocation mainly on changes in inventories, (ii) gains on asset disposals, (iii) integration and restructuring expenses and (iv) impairment and write-off.

Gross Debt is defined as (i) Term Facility adjusted for the financing fees included in the carrying amount, (ii) Notes maturing in 2030 and (iii) Bank and other borrowings adjusted for capitalised financing fees.

Net Debt is defined consistent versus previous period as (i) Term Loan, (ii) Notes maturing in 2030, (iii) Bank and other borrowings (and where noted IFRS16 liabilities) less (iv) cash and cash equivalents.

Net-investment or Net-CAPEX is defined as of the sum of all investments in tangible and intangible fixed assets adjusted for proceeds from sales of fixed assets.

Leverage is defined as the ratio of Net Debt to Adjusted EBITDA (both excluding IFRS 16 impacts as per previous reporting, except for sale and leaseback transactions).

Investor Relations

Overview

Our aim is to provide transparent, clear and timely information on Belysse's strategy, business and financial performance to all financial market players.

Since the IPO, we have met with investors in roadshows and conferences in several locations across Europe and have hosted a number of site visits both to our head office and production facilities in Belgium as well as to our United States subsidiary, Bentley.

Shareholder structure

The shareholder structure of Belysse Group NV, based on the declarations received in the period up to 31 December 2024, is as follows:

Shareholder	Number of Shares	%
LSF9 Belysse Holdco S.à r.l.	19,408,879	54.00%
Prime AIFM Lux S.A.	2,529,400	7.04%
DUMAC, Inc.	1,862,754	5.18%
Management	83,500	0.23%
Public	12,058,863	33.55%
Total	**35,943,396**	**100%**

Share performance

Belysse shares are listed on Euronext Brussels.

The calendar year ended with a share price of € 0.64, 11% under the share price of € 0.72 at the end of 2023.

Financial calendar

7
March 2025
2024 Full Year Results

28
May 2025
Annual General Meeting

5
September 2025
2025
Half Year Results

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BELYSSE®